

## Consolidated Financial Statements for the Second Quarter of the Fiscal Year Ending March 31, 2017

[JGAAP]



November 9, 2016  
Stock exchange listing: Tokyo  
(URL <http://www.saisoncard.co.jp>)

**Listed company name: Credit Saison Co., Ltd.**

Code number: 8253

Representative: Hiroshi Rinno / President and CEO

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Scheduled date to submit Quarterly Securities Report: November 14, 2016

Scheduled date to commence dividend payments: –

Preparation of supplementary material on quarterly financial results: Yes

Holding of quarterly financial results presentation meeting: Yes (for institutional investors and analysts)

Note: All amounts are rounded down to the nearest million yen.

### 1. Consolidated Results for the Second Quarter of the Fiscal Year Ending March 31, 2017 (April 1, 2016 to September 30, 2016)

#### (1) Consolidated Operating Results (cumulative) (% represents year-on-year change)

	Operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
2 <sup>nd</sup> Quarter FY2016	137,241	1.7	25,401	(4.9)	31,006	(9.4)	28,245	22.7
2 <sup>nd</sup> Quarter FY2015	134,940	6.6	26,716	18.6	34,235	28.7	23,027	24.3

(Note) Comprehensive income: 2<sup>nd</sup> Quarter FY2016 26,687 million yen [4.9%]  
2<sup>nd</sup> Quarter FY2015 25,430 million yen [12.5%]

	Earnings per share	Earnings per share (diluted)
	(Yen)	(Yen)
2 <sup>nd</sup> Quarter FY2016	172.93	169.63
2 <sup>nd</sup> Quarter FY2015	125.28	–

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(Yen)
2 <sup>nd</sup> Quarter FY2016	2,608,534	439,956	16.8	2,683.00
FY2015	2,550,990	418,988	16.4	2,563.61

(Reference) Equity: 2<sup>nd</sup> Quarter FY2016 438,214 million yen FY2015 418,716 million yen

### 2. Dividends

	Dividends per share				
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Annual
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)
FY2015	–	0.00	–	35.00	35.00
FY2016	–	0.00			
FY2016 (Projected)			–	35.00	35.00

(Note) Revision of projected dividends most recently announced: None

### 3. Consolidated Earnings Forecasts for Fiscal 2016 (April 1, 2016 to March 31, 2017)

(% represents year-on-year change)

	Operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Yen)
FY2016	278,000	3.0	42,000	14.8	50,000	14.1	38,500	47.2	235.72

(Note) Revision of consolidated earnings forecasts most recently announced: None

#### Notes

- (1) Changes in significant subsidiaries during the second quarter: None  
(Changes in specified subsidiaries resulting in changes in the scope of consolidation)
- (2) Application of specific accounting for preparing consolidated quarterly financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections
  - a. Changes in accounting policies in accordance with revisions of accounting standards and other regulations: None
  - b. Changes in accounting policies other than a. above: None
  - c. Changes in accounting estimates: None
  - d. Restatement of prior period financial statements after error corrections: None
- (4) Number of shares issued (common shares):
  - a. Number of shares issued at the end of the period (including treasury shares):

2 <sup>nd</sup> Quarter FY2016: 185,444,772 shares	FY2015: 185,444,772 shares
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  - b. Number of treasury shares at the end of the period:

2 <sup>nd</sup> Quarter FY2016: 22,114,461 shares	FY2015: 22,114,295 shares
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  - c. Average number of outstanding shares during the period (cumulative):

2 <sup>nd</sup> Quarter FY2016: 163,330,410 shares	2 <sup>nd</sup> Quarter FY2015: 183,811,352 shares
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#### - Indication regarding execution of quarterly review procedures

The quarterly review procedures pursuant to the Financial Instruments and Exchange Act do not apply to this quarterly financial results report. At the time of disclosure of this quarterly financial results report, the quarterly review procedures of quarterly financial statements pursuant to the Financial Instruments and Exchange Act are incomplete.

#### - Proper use of projected results, and other special matters

(Caution regarding forward-looking statements, etc.)

The forecasts indicated above are based on our future outlook as of the announcement date of these materials, assumptions that form the basis of plans, and predictions. Actual performance may differ from the projected results due to various factors.

(Means of obtaining supplementary material on quarterly financial results)

The Company provides English translations of supplementary materials on its businesses and performance and its quarterly financial statements (excerpted sections only) on its website.

**Consolidated Quarterly Financial Statements**  
**(1) Consolidated Quarterly Balance Sheets**

(Millions of yen)

	FY2015 (As of March 31, 2016)	Second quarter of FY2016 (As of September 30, 2016)
<b>(ASSETS)</b>		
Current assets		
Cash and deposits	64,869	70,276
Accounts receivable - installment	1,596,865	1,659,477
Lease investment assets	227,451	228,117
Operational investment securities	29,310	32,700
Real estate for sale	98,487	99,093
Purchased receivables	13,231	14,148
Other inventories	1,280	1,319
Other	59,219	49,427
Allowance for doubtful accounts	(43,373)	(44,291)
Total current assets	2,047,342	2,110,269
Non-current assets		
Property, plant and equipment	61,950	69,975
Intangible assets	175,749	188,513
Investments and other assets		
Liquidation business assets	53,104	34,980
Other	215,218	207,215
Allowance for doubtful accounts	(3,280)	(3,318)
Total investments and other assets	265,043	238,877
Total non-current assets	502,742	497,367
Deferred assets	904	897
Total assets	2,550,990	2,608,534

(Millions of yen)

	FY2015 (As of March 31, 2016)	Second quarter of FY2016 (As of September 30, 2016)
<b>(LIABILITIES)</b>		
Current liabilities		
Notes and accounts payable - trade	239,719	208,864
Short-term loans payable	214,160	214,160
Current portion of long-term loans payable	121,760	139,810
Current portion of bonds	35,000	60,000
Commercial papers	236,000	311,000
Lease obligations	625	587
Income taxes payable	2,381	5,584
Provision for bonuses	2,206	2,270
Provision for directors' bonuses	124	66
Provision for loss on interest repayment	9,749	7,851
Allowance for losses on collecting gift tickets	151	147
Deferred installment income	8,241	8,581
Other	44,754	35,472
Total current liabilities	914,876	994,396
Non-current liabilities		
Bonds payable	245,000	215,000
Long-term loans payable	835,184	822,989
Long-term loans payable under credit fluidity	20,000	20,000
Lease obligations	1,336	1,081
Provision for directors' retirement benefits	112	122
Provision for loss on guarantees	5,014	5,371
Allowance for losses on warranty of defects	8	12
Provision for point card certificates	88,576	91,467
Provision for loss on interest repayment	15,372	12,030
Asset retirement obligations	440	442
Other	6,081	5,665
Total non-current liabilities	1,217,125	1,174,181
Total liabilities	2,132,001	2,168,577

(Millions of yen)

	FY2015 (As of March 31, 2016)	Second quarter of FY2016 (As of September 30, 2016)
<b>(NET ASSETS)</b>		
Shareholders' equity		
Capital stock	75,929	75,929
Capital surplus	85,634	85,634
Retained earnings	265,554	288,080
Treasury shares	(52,885)	(52,886)
Total shareholders' equity	<u>374,232</u>	<u>396,758</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	46,301	43,449
Deferred gains or losses on hedges	(1,665)	(1,021)
Foreign currency translation adjustment	(152)	(971)
Total accumulated other comprehensive income	<u>44,483</u>	<u>41,456</u>
Subscription rights to shares	0	0
Non-controlling interests	272	1,741
Total net assets	<u>418,988</u>	<u>439,956</u>
Total liabilities and net assets	<u>2,550,990</u>	<u>2,608,534</u>

**(2) Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income**  
**Consolidated Quarterly Statements of Income (Cumulative)**

(Millions of yen)

	Second quarter of FY2015 (April 1, 2015 to September 30, 2015)	Second quarter of FY2016 (April 1, 2016 to September 30, 2016)
Operating revenue		
Income from the credit service business	99,706	103,294
Income from the lease business revenue	6,789	6,742
Revenue from the finance business	12,747	15,123
Income from the real estate related business		
Revenue from the real estate related business	27,909	20,006
Cost of the real estate related business	17,893	12,996
Income from the real estate related business	10,015	7,010
Income from the entertainment business		
Revenue from the entertainment business	30,102	27,937
Cost of the entertainment business	24,567	23,010
Income from the entertainment business	5,535	4,927
Financial revenue	145	143
Total operating revenue	134,940	137,241
Operating expenses		
Selling, general and administrative expenses		
Provision for point card certificates	6,538	7,260
Provision of allowance for doubtful accounts	8,074	8,650
Provision for loss on guarantees	2,656	3,019
Commission fee	30,772	31,082
Other	54,281	55,700
Total selling, general and administrative expenses	102,322	105,711
Financial expenses	5,901	6,127
Total operating expenses	108,223	111,839
Operating income	26,716	25,401
Non-operating income		
Interest income	15	14
Dividend income	667	795
Share of profit of entities accounted for using equity method	3,194	3,404
Gain on liquidation business	2,873	581
Other	890	870
Total non-operating income	7,641	5,665
Non-operating expenses		
Interest expenses	14	5
Equity in loss of limited liability partnerships and other similar partnerships	82	35
Loss on disposal of supplies	1	3
Other	22	16
Total non-operating expenses	121	60
Ordinary income	34,235	31,006

(Millions of yen)

	Second quarter of FY2015 (April 1, 2015 to September 30, 2015)	Second quarter of FY2016 (April 1, 2016 to September 30, 2016)
Extraordinary income		
Gain on sales of investment securities	114	–
Gain on sales of non-current assets	208	–
Compensation income for expropriation	10	–
Settlement received	–	11,475
Other	1	0
Total extraordinary income	335	11,475
Extraordinary losses		
Loss on disposal of non-current assets	56	13
Loss on valuation of investment securities	–	699
Impairment loss	5	0
Loss on valuation of membership	22	–
Other	0	148
Total extraordinary losses	85	862
Profit before income taxes	34,485	41,619
Income taxes - current	10,355	4,750
Income taxes - deferred	1,055	7,123
Total income taxes	11,410	11,873
Profit	23,075	29,745
Profit attributable to non-controlling interests	48	1,500
Profit attributable to owners of parent	23,027	28,245

## Consolidated Quarterly Statements of Comprehensive Income (Cumulative)

(Millions of yen)

	Second quarter of FY2015 (April 1, 2015 to September 30, 2015)	Second quarter of FY2016 (April 1, 2016 to September 30, 2016)
Profit	23,075	29,745
Other comprehensive income		
Valuation difference on available-for-sale securities	1,852	(2,434)
Deferred gains or losses on hedges	(140)	644
Foreign currency translation adjustment	–	(103)
Share of other comprehensive income of entities accounted for using equity method	643	(1,165)
Total other comprehensive income	2,354	(3,057)
Comprehensive income	25,430	26,687
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	25,381	25,218
Comprehensive income attributable to non-controlling interests	48	1,469



### (3) Segment information, etc.

#### Segment information

For the second quarter ended September 30, 2015 (from April 1, 2015 to September 30, 2015)

Information regarding revenue, income and other items by reportable segments

(Millions of yen)

	Reportable segments						Adjustments	Consolidated quarterly statements of income
	Credit service	Lease	Finance	Real estate related	Entertainment	Total		
Operating revenue								
External revenue	99,852	6,789	12,747	10,015	5,535	134,940	–	134,940
Inter-segment revenue and transfer	498	15	–	8	0	522	(522)	–
Total	100,350	6,804	12,747	10,024	5,536	135,462	(522)	134,940
Segment income	10,807	2,679	7,027	5,451	749	26,714	1	26,716

(Notes) 1. Adjustments include inter-segment eliminations.

2. Segment income is adjusted to total operating income in the consolidated quarterly statements of income.

For the second quarter ended September 30, 2016 (from April 1, 2016 to September 30, 2016)

Information regarding revenue, income and other items by reportable segments

(Millions of yen)

	Reportable segments						Adjustments	Consolidated quarterly statements of income
	Credit service	Lease	Finance	Real estate related	Entertainment	Total		
Operating revenue								
External revenue	103,427	6,752	15,123	7,010	4,927	137,241	–	137,241
Inter-segment revenue and transfer	519	12	–	12	–	544	(544)	–
Total	103,946	6,764	15,123	7,023	4,927	137,785	(544)	137,241
Segment income	11,090	2,624	8,155	2,857	670	25,398	3	25,401

(Notes) 1. Adjustments include inter-segment eliminations.

2. Segment income is adjusted to total operating income in the consolidated quarterly statements of income.