

## Consolidated Financial Statements for the First Quarter of the Fiscal Year Ending March 31, 2018

[JGAAP]



August 9, 2017  
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

Inquiries to: Mayumi Tamura / General Manager, Public Relations Office; Phone: (03) 3982-0700

Scheduled date to submit Quarterly Securities Report: August 14, 2017

Scheduled date to commence dividend payments: –

Preparation of supplementary material on quarterly financial results: Yes

Holding of quarterly financial results presentation meeting: None

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

### 1. Consolidated Results for the First Quarter of the Fiscal Year Ending March 31, 2018 (April 1, 2017 to June 30, 2017)

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

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
1 <sup>st</sup> Quarter FY2017	72,091	6.7	13,150	5.3	20,859	35.8	21,644	93.1
1 <sup>st</sup> Quarter FY2016	67,555	(1.9)	12,492	(16.2)	15,362	(13.3)	11,208	(10.8)

(Note) Comprehensive income: 1<sup>st</sup> Quarter FY2017 15,533 million yen[224.7%]

1<sup>st</sup> Quarter FY2016 4,784 million yen[(73.2)%]

	Earnings per share	Earnings per share (diluted)
	(Yen)	(Yen)
1 <sup>st</sup> Quarter FY2017	132.52	–
1 <sup>st</sup> Quarter FY2016	68.62	–

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	(Millions of yen)	(Millions of yen)	(%)
1 <sup>st</sup> Quarter FY2017	2,784,680	456,696	16.3
FY2016	2,720,051	446,882	16.4

(Reference) Equity: 1<sup>st</sup> Quarter FY2017 455,182 million yen FY2016 445,063 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)
FY2016	–	0.00	–	35.00	35.00
FY2017	–				
FY2017 (Projected)		0.00	–	35.00	35.00

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

### 3. Consolidated Earnings Forecasts for Fiscal 2017 (April 1, 2017 to March 31, 2018)

(% represents year-on-year change)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Yen)
First six months	143,000	4.2	24,000	(5.5)	32,500	4.8	29,000	2.7	177.55
FY2017	292,000	4.7	44,000	41.0	57,000	7.4	40,000	(5.3)	244.90

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

#### Notes

- (1) Changes in significant subsidiaries during the first 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: Yes
  - 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):

1 <sup>st</sup> Quarter FY2017: 185,444,772 shares	FY2016: 185,444,772 shares
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  - b. Number of treasury shares at the end of the period:

1 <sup>st</sup> Quarter FY2017: 22,033,179 shares	FY2016: 22,033,143 shares
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  - c. Average number of outstanding shares during the period (cumulative):

1 <sup>st</sup> Quarter FY2017: 163,333,132 shares	1 <sup>st</sup> Quarter FY2016: 163,330,460 shares
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- Quarterly financial results reports are not required to be subjected to quarterly reviews.

- 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)

	FY2016 (As of March 31, 2017)	First quarter of FY2017 (As of June 30, 2017)
<b>(ASSETS)</b>		
Current assets		
Cash and deposits	63,266	63,437
Accounts receivable - installment	1,768,176	1,828,523
Purchased receivables	14,967	16,489
Lease investment assets	227,760	228,989
Operational investment securities	33,099	33,609
Real estate for sale	101,674	99,674
Other inventories	1,170	1,182
Other	44,585	48,697
Allowance for doubtful accounts	(47,289)	(49,030)
Total current assets	2,207,412	2,271,573
Non-current assets		
Property, plant and equipment	71,150	71,025
Intangible assets	200,622	208,552
Investments and other assets		
Liquidation business assets	32,456	31,895
Other	209,903	202,923
Allowance for doubtful accounts	(2,977)	(2,965)
Total investments and other assets	239,382	231,854
Total non-current assets	511,154	511,431
Deferred assets	1,484	1,674
Total assets	2,720,051	2,784,680

(Millions of yen)

	FY2016 (As of March 31, 2017)	First quarter of FY2017 (As of June 30, 2017)
<b>(LIABILITIES)</b>		
Current liabilities		
Notes and accounts payable - trade	238,190	229,947
Short-term loans payable	229,960	235,460
Current portion of long-term loans payable	69,885	62,190
Current portion of bonds	50,000	20,000
Commercial papers	358,000	408,000
Lease obligations	524	569
Income taxes payable	9,589	3,496
Provision for bonuses	2,315	1,900
Provision for directors' bonuses	157	33
Provision for loss on interest repayment	9,445	9,182
Allowance for losses on collecting gift tickets	144	142
Deferred installment income	9,028	9,220
Other	39,388	45,811
Total current liabilities	1,016,629	1,025,956
Non-current liabilities		
Bonds payable	255,000	300,000
Long-term loans payable	852,899	853,399
Long-term loans payable under credit fluidity	20,000	20,000
Lease obligations	1,209	1,538
Provision for directors' retirement benefits	133	147
Provision for loss on guarantees	6,418	6,411
Allowance for losses on warranty of defects	14	16
Provision for point card certificates	94,033	95,523
Provision for loss on interest repayment	21,148	18,927
Asset retirement obligations	445	446
Other	5,238	5,617
Total non-current liabilities	1,256,539	1,302,027
Total liabilities	2,273,168	2,327,983

(Millions of yen)

	FY2016 (As of March 31, 2017)	First quarter of FY2017 (As of June 30, 2017)
(NET ASSETS)		
Shareholders' equity		
Capital stock	75,929	75,929
Capital surplus	85,634	85,634
Retained earnings	302,087	318,012
Treasury shares	(52,879)	(52,879)
Total shareholders' equity	410,773	426,698
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	35,315	29,752
Deferred gains or losses on hedges	(649)	(618)
Foreign currency translation adjustment	(374)	(649)
Total accumulated other comprehensive income	34,290	28,484
Subscription rights to shares	0	0
Non-controlling interests	1,818	1,513
Total net assets	446,882	456,696
Total liabilities and net assets	2,720,051	2,784,680

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

(Millions of yen)

	First quarter of FY2016 (April 1, 2016 to June 30, 2016)	First quarter of FY2017 (April 1, 2017 to June 30, 2017)
Operating revenue		
Income from the credit service business	51,158	53,623
Income from the lease business revenue	3,410	3,252
Revenue from the finance business	7,060	8,211
Income from the real estate related business		
Revenue from the real estate related business	10,054	12,716
Cost of the real estate related business	6,636	8,140
Income from the real estate related business	3,418	4,575
Income from the entertainment business		
Revenue from the entertainment business	14,008	13,346
Cost of the entertainment business	11,576	10,963
Income from the entertainment business	2,431	2,382
Financial revenue	76	45
Total operating revenue	67,555	72,091
Operating expenses		
Selling, general and administrative expenses		
Provision for point card certificates	3,479	3,493
Provision of allowance for doubtful accounts	4,604	6,034
Provision for loss on guarantees	1,404	1,750
Commission fee	15,027	16,354
Other	27,437	28,929
Total selling, general and administrative expenses	51,953	56,563
Financial expenses	3,109	2,377
Total operating expenses	55,062	58,940
Operating profit	12,492	13,150
Non-operating income		
Interest income	7	6
Dividend income	759	895
Share of profit of entities accounted for using equity method	1,494	6,263
Gain on liquidation business	166	—
Other	463	665
Total non-operating income	2,891	7,831
Non-operating expenses		
Interest expenses	1	5
Equity in loss of limited liability partnerships and other similar partnerships	7	70
Loss on liquidation business	—	39
Other	13	5
Total non-operating expenses	22	122
Ordinary profit	15,362	20,859

(Millions of yen)

	First quarter of FY2016 (April 1, 2016 to June 30, 2016)	First quarter of FY2017 (April 1, 2017 to June 30, 2017)
Extraordinary income		
Gain on sales of investment securities	—	8,481
Gain on sales of non-current assets	—	0
Other	0	292
Total extraordinary income	0	8,775
Extraordinary losses		
Loss on disposal of non-current assets	0	0
Other	0	1
Total extraordinary losses	0	2
Profit before income taxes	15,361	29,632
Income taxes - current	824	3,483
Income taxes - deferred	3,328	4,800
Total income taxes	4,152	8,283
Profit	11,209	21,348
Profit (loss) attributable to non-controlling interests	0	(295)
Profit attributable to owners of parent	11,208	21,644

## Consolidated Quarterly Statements of Comprehensive Income (Cumulative)

(Millions of yen)

	First quarter of FY2016 (April 1, 2016 to June 30, 2016)	First quarter of FY2017 (April 1, 2017 to June 30, 2017)
Profit	11,209	21,348
Other comprehensive income		
Valuation difference on available-for-sale securities	(4,913)	(1,380)
Deferred gains or losses on hedges	485	31
Foreign currency translation adjustment	(30)	(31)
Share of other comprehensive income of entities accounted for using equity method	(1,965)	(4,435)
Total other comprehensive income	(6,424)	(5,815)
Comprehensive income	4,784	15,533
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,793	15,838
Comprehensive income attributable to non-controlling interests	(8)	(304)



### (3) Segment information, etc.

#### Segment information

For the first quarter ended June 30, 2016 (from April 1, 2016 to June 30, 2016)

Information regarding revenue, profit 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	51,222	3,421	7,060	3,418	2,431	67,555	–	67,555
Inter-segment revenue and transfer	259	6	–	6	–	272	(272)	–
Total	51,482	3,428	7,060	3,424	2,431	67,827	(272)	67,555
Segment profit	5,649	1,394	3,840	1,313	291	12,490	2	12,492

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

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

For the first quarter ended June 30, 2017 (from April 1, 2017 to June 30, 2017)

Information regarding revenue, profit 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	53,666	3,254	8,211	4,575	2,382	72,091	–	72,091
Inter-segment revenue and transfer	271	4	–	5	–	281	(281)	–
Total	53,938	3,259	8,211	4,581	2,382	72,373	(281)	72,091
Segment profit	5,364	1,146	3,980	2,324	334	13,150	0	13,150

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

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