

Credit Saison Announces First Quarter Financial Results for Fiscal 2007

Operating revenue of ¥92.5 billion (up 12.3% year on year)

and net income of ¥10.7 billion (up 11.0% year on year)

Credit Saison Co., Ltd. (8253) displayed steady growth in its first-quarter consolidated financial results for fiscal 2007, ending March 31, 2008. Operating revenue surged to ¥92.5 billion, up 12.3% year on year, ordinary income rose to ¥21.5 billion, up 8.0% year on year, and first quarter net income reached ¥10.7 billion, up 11.0% year on year. Its main consumer credit business posted steady progress, and its finance- and real-estate-related businesses out-performed the results of the previous year.

Operating revenue in the credit services business amounted to ¥63.6 billion, up 7.7% year on year. This growth reflects a steady increase in card transaction volume due to growth in the number of cardholders and credit card use in areas closely related to daily life, such as payment of public utility charges and public transportation. It also reflects excellent growth in sub-contracted card processing, particularly new processing beginning in the previous fiscal year end.

Operating revenue in the finance business reached ¥11.1 billion, up 37.3% year on year. This surge reflects smooth growth in the credit guarantee business due to tie-ups with more than 140 regional financial institutions as well as massive growth in the real estate collateral financing business. Contributions from our corporate group, centered on Atrium Co., Ltd., boosted operating revenue in the real estate-related businesses to ¥11.5 billion, up 59.2% year on year.

While the cost of bad debts rose to ¥20.1 billion, up 40.9% year on year, due to an increase in claims for refunds of overpaid interest in credit card cash advances, the Company was able to maintain SG&A expenses, except bad debt costs, within the limits set by the plan, as a result of reduced cost of new cardholder acquisition and advertising expenses derived from efficient operations focusing on profitability.

For fiscal 2007, the Company forecasts operating revenue of ¥340.0 billion, ordinary income of ¥56.0 billion and net income of ¥26.0 billion, unchanged from its initial forecast.

● Non-consolidated results

- (1) New cardholders acquired: 950,000 (down 20% year on year, progress rate of 29% for the current fiscal year)
- (2) New cards issued: 810,000 (down 20% year on year, progress rate of 30% for the current fiscal year)
- (3) Total no. of cardholders: 25,320,000 (net growth from end of previous term: 410,000)
- (4) Active cardholders: 12,780,000 (net growth from end of previous term: 290,000)
- (5) Volume of card shopping transactions: ¥ 905.4 billion (up 11.4% year on year)
- (6) Card cash advance balance: ¥ 590.5 billion (up 3.8% year on year) includes securitized receivables
- (7) Operating revenues: ¥ 71.2 billion (up 9.9% year on year)
- (8) Ordinary income: ¥12.6 billion (up 0.4% year on year)
- (9) Quarterly net income: ¥8.8 billion (up 7.2% year on year)