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Credit Saison Announces Third-Quarter Financial Results for Fiscal 2007

- Consolidated operating revenue of ¥263.2 billion (up 5% year on year) and net income of ¥17.9 billion (up 145.3% year on year)
- Strong performances from the finance business and real estate-related businesses

Credit Saison Co., Ltd. (8253) recorded the following consolidated financial results for the third quarter of fiscal 2007: operating revenue of ¥263.2 billion, up 5.0% year on year, ordinary income of ¥45.4 billion, down 30% year on year, and net income of ¥17.9 billion, a year-on-year increase of 145.3%.

The main credit services business (operating revenue of ¥187.6 billion, up 2.4% year on year) enjoyed steady growth in card transaction volume and shoppers' revolving credit balance. The sub-contracted card processing business also contributed to the revenue increase, as did the servicing business of JPN COLLECTION SERVICE CO., LTD. Negative factors included a fall in revenue from cash advances due to lower interest rates and increase of credit costs resulting from requests for interest repayment.

The finance business (operating revenue of ¥32.0 billion, a rise of 18.6% year on year) saw strong performance in the credit guarantee business and real estate collateral financing business, while the real estate-related businesses (operating revenue of ¥24.2 billion, up 34.0% year on year) benefited from contributions by our corporate group, centered on Atrium Co., Ltd. Both segments posted strong revenue figures that exceeded the previous year by a substantial margin.

The entertainment business (operating revenue of ¥10.5 billion, down 23.8% year on year) saw revenue decline on the impact of tighter regulations.

For fiscal 2007, the Company forecasts operating revenue of ¥345.0 billion, ordinary income of ¥56.0 billion and net income of ¥23.0 billion, unchanged from the first-half results announcement.

Non-consolidated results

- 1) New cardholders acquired: 2,680,000 (down 22% year on year, progress rate of 82% of the target for the full fiscal year)
- 2) New cards issued: 2,280,000 (down 20% year on year, progress rate of 84% of the target for the full fiscal year)
- 3) Total no. of cardholders: 25,960,000 (net growth from end of previous term: 1,050,000)
- 4) Active cardholders: 13,060,000 (net growth from end of previous term: 570,000)
- 5) Volume of card shopping transactions: ¥2,828.1 billion (up 9.9% year on year)

- 6) Shoppers' revolving credit balance: ¥260.7 billion (up 8.9% year on year)
- 7) Card cash advance balance: ¥595.5 billion (up 1.7% year on year) including securitized receivables
- 8) Operating revenues: ¥210.6 billion (up 4.5% year on year)
- 9) Ordinary income: ¥27.9 billion (down 38.6% year on year)
- 10) Quarterly net income: ¥17.0 billion (up 384.1% year on year)

New cardholder acquisition costs and advertising expenses were reduced through a switch to more efficient operations focusing on profitability. However, non-consolidated SG&A expenses overall rose 14.6% over the previous year to ¥171.3 billion due to increases in point-related costs, fees paid, communication costs and other expenses caused by growth in card transaction volume, as well as to higher credit costs caused by requests for interest repayment.

Credit Saison Co., Ltd.

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