

### **Credit Saison Announces Fiscal 2007 Financial Results**

- Consolidated operating revenue of ¥345.5 billion (up 3.6% year on year) and net income of ¥26.7 billion (up 80.5% year on year)
- Strong performance in the finance and real estate-related businesses drive earnings

Credit Saison Co., Ltd. (8253) recorded the following consolidated financial results for fiscal 2007: operating revenue of ¥345.5 billion, up 3.6% year on year, ordinary income of ¥58.1 billion, down 27.5% year on year, and net income of ¥26.7 billion, up 80.5% year on year.

The main credit services business (operating revenue of ¥254.7 billion, down 0.4% year on year) enjoyed steady growth in card transaction volume and shoppers' revolving credit balance. Other revenue contributions came from the sub-contracted card processing business and JPN COLLECTION SERVICE CO., LTD.'s servicing business. Negative factors included a decline in revenue from cash advances due to lower interest rates, a decline in the cash advance transaction volume, and a major increase in credit costs resulting from requests for interest repayment (¥74.3 billion, up 23.0% year on year). These factors resulted in a slight year-on-year fall in operating revenue for the credit services business.

The finance business (operating revenue of ¥44.3 billion, a rise of 18.8% year on year) benefited from strong performances by the credit guarantee business and real estate collateral financing business. Real estate-related businesses (operating revenue of ¥37.9 billion, up 36.4% year on year) delivered high revenue totals that went far beyond the previous year thanks to good performance by Group companies, particularly Atrium Co., Ltd. These businesses drove consolidated earnings for the year.

The entertainment business (operating revenue of ¥14.3 billion, down 14.9% year on year) endured declining revenue due to tighter regulations and an increase in capital investment to address changing customer needs, among other factors.

For fiscal 2008, Credit Saison forecasts operating revenue of ¥363.0 billion (a year-on-year increase of 5%), ordinary income of ¥62.0 billion (a year-on-year increase of 6.7%) and net income of ¥27.0 billion (a year-on-year increase of 0.9%).

#### Non-consolidated results

- 1) New cardholders acquired: 3,380,000 (down 21% year on year)
- 2) New cards issued: 2,840,000 (down 22% year on year)
- 3) Total no. of cardholders: 26,010,000 (net annual growth of 1,110,000)
- 4) Active cardholders: 13,220,000 (net annual growth of 730,000)
- 5) Volume of card shopping transactions: ¥3,758.5 billion (up 9.5% year on year)
- 6) Shoppers' revolving credit balance: ¥263.6 billion (up 10.1% from end of previous year)
- 7) Card cash advance balance: ¥591.8 billion (up 1.1% from end of previous year), including securitized receivables
- 8) Operating revenues: ¥277.7 billion (up 2.8% year on year)
- 9) Ordinary income: ¥36.5 billion (down 35.4% year on year)
- 10) Net income: ¥24.5 billion (up 140.5% year on year)

In fiscal 2007, point-related costs, fees paid, communication costs and other expenses increased as a result of an increase in card shopping transactions, and there was a substantial increase in credit costs due to requests for interest repayment. At the same time, earnings-oriented operating policies were developed and the cost structure was strengthened through a significant reduction of new cardholder acquisition costs and advertising expenses. As a result, non-consolidated SG&A expenses were held to ¥223.8 billion, an increase of just 9.6% over the previous year.