

February 6, 2009

Credit Saison Announces Financial Results for April–December, Fiscal 2008

Operating revenues of ¥255.9 billion (down 2.8% year on year)
and Ordinary income of ¥41.2 billion (down 9.2% year on year)

Credit Saison Co., Ltd. (8253) recorded the following consolidated financial results for the first three quarters (April–December) of fiscal 2008: operating revenue of ¥255.9 billion, down 2.8% year on year, ordinary income of ¥41.2 billion, down 9.2% year on year, and net income of ¥22.1 billion, a year-on-year increase of 23.4%.

In the main credit services business, operating revenue was ¥190.3 billion (up 1.4% year on year), maintaining an increase over the previous year. Operating revenue from cash advances declined due to a contraction in the overall size of the consumer finance market, lower interest rates and other factors. However, revenue from card shopping expanded due to large growth in the shopping revolving credit balance to ¥295.2 billion (up 13.3% year on year) and other factors. We also reduced SG&A expenses thoroughly, including making improvements to credit costs.

The finance business saw strong growth in the credit guarantee business due to our alliances with more than 180 regional financial institutions throughout Japan, with the guarantee balance of the credit guarantee business reaching ¥175.7 billion (up 18.3% year on year). The volume of transactions also grew in the leasing business, which now also includes the rental business. However, the balance of the mortgage loans business declined due to the impact of the declining liquidity of real estate trades, and as a result operating revenue was ¥30.0 billion (down 6.2% year on year).

The real estate-related businesses saw a revenue decline in all areas other than the servicer business due to the worsening conditions in the real estate market. As a result, operating revenue came to ¥17.6 billion (down 27.2% year on year).

The entertainment business worked to improve management efficiency through business structure reforms including store renovations, and through promotion of the building of sound, safe and comfortable shops in the amusement business, and operating revenue came to ¥11.7 billion (up 11.7% year on year).

For fiscal 2008, the Company consolidated forecasts are operating revenues of ¥333.0 billion, ordinary income of ¥44.0 billion and net income of ¥23.5 billion, unchanged from our forecasts on January 13. The Company non-consolidated forecasts are operating revenues of ¥270.0 billion, ordinary income of ¥39.0 billion and net income of ¥22.5 billion, also remained unchanged.

Non-consolidated results

(including figures of LAWSON CS Card, Inc. which merged with Credit Saison on September 1, 2008)

- (1) New card applications acquired: 2,140,000 (down 20.2% year on year, progress rate of 82% of the target for the full fiscal year)
- (2) New cards issued: 1,890,000 (down 17.1% year on year, progress rate of 88% of the target for the full fiscal year)
- (3) Total no. of cardholders: 27,530,000 (net growth from the end of the previous term: 1,520,000)
- (4) Active cardholders: 13,760,000 (net growth from the end of the previous term: 540,000)
- (5) Active ratio: 50.0% (51.4% excluding Lawson CS Card, up 1.1% year on year)
- (6) Volume of card shopping transactions: ¥2,956.9 billion (up 4.6% year on year)
- (7) Shopping revolving credit balance: ¥295.2 billion (up 12.0% from the end of the previous term or up 13.3% year on year)
- (8) Card cash advance balance: ¥608.3 billion (up 2.8% from the end of the previous term) including securitized receivables
- (9) Operating revenues: ¥203.2 billion (down 3.5% year on year)
- (10) Ordinary income: ¥32.1 billion (up 15.0% year on year)
- (11) Net income (April–December): ¥20.2 billion (up 18.6% year on year)

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