

Credit Saison (8253) Announces Financial Results for April-December 2011

Ordinary Income Increases 25.5% to ¥38.9 Billion, and Net Income Rises 13.0% to ¥21.4 Billion

For the first nine months (April to December) of fiscal 2011, Credit Saison Co., Ltd. recorded operating revenues of ¥191.5 billion, down 12.6% year on year. However, ordinary income rose 25.5% to ¥38.9 billion and net income also rose 13.0% to ¥21.4 billion. An overview of consolidated business results follows.

1. Overview of Operating Revenues (Operating revenues: ¥191.5 billion, down 12.6% YOY)

In the mainstay Credit Services Business, the Company focused on acquiring members for premium cards such as American Express Card that have a high active ratio, with the aim to increase shopping transaction volume, and also on development of privileges attached to credit card use in collaboration with major companies, including the ID point affiliation program with Yahoo Japan Corporation. The Company also concentrated its efforts on expansion of profits by increasing Internet members through improvement of Internet-based service functions, including the launch of the Internet shopping settlement service, using “Eikyufumetsu Points (Permanent point)”, the Company’s point program, and also development of the fee business. Cash advance revenues decreased due to the impact of lending restrictions following revisions to the Money-Lending Business Control and Regulation Law. However, the extent of the year-on-year decline in card cash advance transactions has been improving steadily because the impact of the regulations ran its course. As a result, operating revenues in the Credit Services Business declined 14.9% year on year to ¥149.4 billion (11.6% year-on-year decline after excluding the effect of the split of the 7CS card business).

In the Lease Business, operating revenues increased 1.3% to ¥11.0 billion as a result of the Company’s efforts mainly to strengthen the ties with existing customers and increase the number of partner merchants.

In the Finance Business, operating revenues declined 1.9% to ¥11.3 billion due to a decrease in the balance of loans collateralized by real estate properties although higher revenues from “Flat 35” long-term fixed-rate mortgage loans and an increase in the number of loans were achieved in addition to an increase in guarantees executed in the credit guarantee business through a successful close business alliance with affiliated financial institutions.

In the Real Estate Related Business, operating revenues decreased 5.0% to ¥9.7 billion despite the continued efforts the Company strenuously made to improve asset efficiency by replacing and reducing assets and to sell real estate for sale.

2. Overview of Ordinary Income (Ordinary income: ¥38.9 billion, up 25.5% YOY) and Net Income (Net income: ¥21.4 billion, up 13.0% YOY)

Operating expenses declined 18.6% year on year to ¥157.5 billion since the initial credit obligations were lower due to the strengthening of credit control and cost of uncollectible receivables decreased

following a decline in receivable-related claims handled by lawyers and other third-party mediation. The decrease in operating expenses was also attributable to improved cost efficiency in respect of other costs. The Company achieved higher ordinary income and net income partly due to equity in earnings of equity-method affiliated companies of ¥2.5 billion, an increase of 63.6% year on year, as joint venture credit card companies and other equity-method affiliates delivered strong business performances.

There have been no changes to forecasts for the full year for fiscal 2011 that were announced on November 9, 2011.

◆ Non-consolidated Results for the First Nine Months (April-December) of Fiscal 2011
(year-on-year change)

Operating revenues	:	¥158.7 billion	(Down 13%)
Ordinary income	:	¥31.5 billion	(Up 41%)
Net income	:	¥16.8 billion	(Up 35%)

◆ Non-consolidated Main Indices for the First Nine Months (April-December) of Fiscal 2011
(year-on-year change after excluding the effect of the split of the Seven CS Card business)

(1) New cardmembers acquired	:	1,860,000	(Down 3%)
(2) New cards issued	:	1,430,000	(Down 7%)
(3) Total No. of cardmembers	:	24,780,000	(Down 2%)
(4) Active cardmembers	:	12,890,000	(Up 1%)
(5) Active ratio	:	52.0%	(Up 1%)
(6) Shopping transactions Volume	:	¥2,556.1 billion	(Up 2%)
(7) Shopping revolving credit balance	:	¥264.6 billion	(Up 3%)
(8) Cash advance transaction volume	:	¥203.6 billion	(Down 26%)
(9) Card cash advance balance	:	¥302.4 billion	(Down 25%)