

Credit Saison Co., Ltd. (8253)
Announces Financial Results for April-June 2012
Ordinary Income Increases 21.4% to ¥15.6 Billion,
and Net Income Increases 8.7% to ¥10.7 Billion

Our Company, which conducts non-banking business, aims for diversified sources of revenue. In the first quarter ended June 30, 2012, starting with more proactive new member acquisition activities than in the past in coordination with affiliated partners in our flagship credit card business, we worked to realize continued growth through measures such as activities to increase the number of online members with a focus on Eikyufumetsu.com and an enhancement of our fees business. In addition, we steadily promoted the diversification of revenue by strengthening our finance businesses such as the lease and the credit guarantee business. Furthermore, we also worked on building a foundation for our medium- to long-term strategy, and we established a representative office in Hanoi, Vietnam toward the launch of retail finance business in Asian markets. As a result, our consolidated settlement of accounts for the first quarter ended June 30, 2012 recorded operating revenues of ¥61.5 billion, down 4.6% year-on-year, ordinary income of ¥15.6 billion, up 21.4% year-on-year, and net income for the period of ¥10.7 billion, up 8.7% year-on-year.

An overview of results for each business segment in the current consolidated accounting period follows

1. Overview of Operating Revenues

(1) Credit Services Business

In the enhancement of our customer foundation with the aim to increase shopping transaction volume, we steadily acquired new members for cards such as the Parco Card, which introduced a continuing discount service for members following registration, and the Mitsui Outlet Park Card which had a significant effect due to new store openings. As a result, we acquired 600,000 new card members which is a 28.3% increase year on year. The shopping transaction volume was ¥861.7 billion, up 5.2% year on year, due to the large growth of card usage in shopping centers and online shopping, etc. including communication expenses from the diffusion of smartphones. On the other hand, in cash advance transactions, although the impact from amendments to the Money Lending Business Act still remain, the reduction decreased in both cash advance transaction volume and cash advance balance due to an improvement in the ratio of credit facilities to new customers and optimization of the maximum limits of existing customers. As a result, the overall operating revenue for the Credit Service segment was ¥47.4 billion, down 5.1% year-on-year.

(2) Lease Business

In the lease business, in addition to strengthening sales to existing clients and new partnerships with major sales corporations, partly due to the expansion of the variety of LED and other energy-saving products in the rental business, transaction volume was ¥26.3 billion, up 17.1% year-on-year and operating revenue was ¥3.6 billion for a year-on-year increase of 0.3%.

(3) Finance Business

In the credit guarantee business, the guaranteed execution amount was up 62.8% year-on-year and guaranteed balance was up 5.0% compared to the end of the last fiscal year due to close partnerships with affiliated financial institutions in both the sales/administration aspects. In addition, we proactively promoted “Flat 35” long-term, fixed-rate mortgage loans and launched the “Flat 35PLUS” loan product to cover the amount beyond the upper limit of “Flat 35” to meet customer needs following the amendment to the loan system by the Japan Housing Finance Agency. As a result, in the finance-related business, overall operating revenue was ¥4.1 billion, up 9.1% year-on-year.

(4) Real Estate Related Business

Due to the corporate reorganization of our consolidated subsidiary Atrium Co., Ltd., we separated our businesses into continued and withdrawal businesses, and as a result, we recorded income related to discontinued businesses in Non-operating income.

2. Overview of Ordinary Income and Net Income

Due to restoring the soundness of loans by strengthening loan management, the decline in credit costs following the decrease in claims handled by lawyers and other third-party mediation, and the improvement of cost efficiency of other expenses, operating expenses were ¥49.3 billion.

Since credit card joint venture corporations performed well, ordinary income was ¥15.6 billion, a year-on-year increase of 21.4%. In addition, Entertainment Plus Inc. operating “e+ (e plus)” online ticket service was included in affiliated companies to which the equity method is applied from the first quarter ended June 30, 2012,.

As a result of the above, net income for the first quarter ended June 30, 2012 was ¥10.7 billion, a year-on-year increase of 8.7%

◆Non-consolidated Results for the First Three Months (April-June) of Fiscal 2012

(1) New card applications	:	800,000	(up 27% year on year)
(2) New cards issued	:	600,000	(up 28% year on year)
(3) Total No. of cardmembers	:	24,770,000	(net increase 20,000 from end of the previous period)
(4) Active cardmembers	:	13,100,000	(net increase 110,000 from end of the previous period)
(5) Active ratio	:	52.9 %	(up 1.6% year on year)
(6) Shopping transactions Volume	:	¥ 861.7 billion	(up 5% year on year)
(7) Shopping revolving credit balance	:	¥ 262.5 billion	(up 1% year on year)
(8) Card advance transaction volume	:	¥ 66 billion	(down 4% year on year)
(9) Card cash advance balance	:	¥ 270.2 billion	(down 23% year on year)
(10) Operating revenues	:	¥ 51.2 billion	(down 4% year on year)
(11) Ordinary income	:	¥ 12.4 billion	(up 20% year on year)
(12) Net income	:	¥ 8.3 billion	(up 4% year on year)