

Credit Saison(8253) Announces Financial Results for Fiscal 2012
Ordinary Income Increases 37.9%(YOY) to ¥53.2 billion,
and Net Income Increases 246.6%(YOY) to ¥32.7 billion

During fiscal 2012, In the Credit Services Business, the Company worked to expand settlement services using prepaid cards and Eikyufumetsu points in addition to credit cards, as well as to establish a future revenue base on the point site “Eikyu Fumetsu.com.” Furthermore, the Company further strengthened the lease business, finance business, realizing income growth unique to a non-bank financial related business. Moreover, in Southeast Asia, a region of rapid economic growth, the Company established a foothold for future Asia strategy by founding a local subsidiary in Vietnam with the aim of entering the retail finance business, as well as by investing through collaboration with local corporations. On the other hand, by strengthening credit management, the credit quality continues to improve and credit cost has been reduced. As a result, the Company’s cumulative consolidated accounts for the period ended March 31, 2013 showed operating revenue of ¥244.4 billion, up 0.2% year-on-year, operating income of ¥42.3 billion, up 32.8% year-on-year; ordinary income of ¥53.2 billion, up 37.9% year-on-year, and net income of ¥32.7 billion, up 246.6% year-on-year.

A summary of performance for each segment during consolidated fiscal 2012 is as follows.

1. Sales Summary

(1) Credit Services Business

In terms of expanding our customer base with the aim of increasing transaction volume, in addition to application for the Saison American Express® Card, a card with high unit prices and high utilization, card application via the Internet and same-day issuance and new membership premium services through collaboration with retailers proceeded strongly. As a result, 2,510,000 new cards were issued (up 28.2% year-on-year). In the shopping business, in addition to limited-time premium services at retailers, the Company contributed to increased transaction volume by implementing regional vitalization promotion in collaboration with department stores, specialty retailers and mass retailers of home appliances in the Ikebukuro, Sapporo and Hakata areas, as well as by promoting O2O (online-to-offline) for sending internet members as customers to retailers. As a result, shopping transaction volume grew 4.2% year-on-year to ¥3,547.0 billion. In terms of cash advance transaction volume, an increase in new customers and appropriate credit policies realized increased performance from December onwards when compared to the same period of the previous year, and signs of recovery were seen. As a result, operating revenue for the entire Credit Services Business was ¥190.4 billion, down 4.2% year-on-year and operating income was ¥24.1, down 10.9% year-on-year.

(2) Lease Business

In the Lease Business, the Company strengthened the educational system and staffing in the sales organizations, and implemented sales activities to match special characteristics and needs at each sales outlet. Furthermore, in order to ensure stable future growth, the Company established a base for growth by developing new market channels and increasing transactions with sales outlets of major manufacturers. As a results, transaction volume for the Lease Business was ¥99 billion, up 4.7%. In the rental business, there was good growth in the usage of LED lighting which supports the demand for energy conservation, and transaction volume grew to ¥6.3 billion, up 181.3% year-on-year. As a result, transaction volume for the entire Lease Business was ¥105.3 billion, up 8.8% and operating income was ¥6.1 billion, up 20.5% year-on-year, due to a reduction in credit cost.

(3) Finance Business

In the credit guarantee business, the Company entered into close collaboration including sales and management with affiliated financial institutions, mainly through free-loan guaranteed products for which the loan purpose was expanded to include business finance. The number of affiliates was increased to 348, up 40 from the end of fiscal 2011, and the guaranteed balance increased to ¥197.3 billion, up 17.0% year-on-year. Moreover, the Company actively developed a loan business which utilizes the trust and peace of mind associated with the Saison brand. There was steady growth for transactions in “Flat 35 PLUS,” a combined loan product for the long-term fixed rate mortgage loan “Flat 35.” Furthermore, the Company conducted a variety of finance businesses which are unique to a non-bank financial business. In January 2013, sales began for the “Asset Formation Loan” (loan for purchasing a condominium as an investment) through collaboration with major corporations in the investment-type condominium industry. During the subsequent 3-month period, a balance of ¥4.3 billion was accumulated. As a result, operating revenue for the entire Finance Business was ¥17.3 billion, up 10.3% year-on-year and operating income was ¥8.9, up 15.5% year-on-year.

(4) Real Estate Related Business

With the business restructuring of the consolidated subsidiary, Atrium Co., Ltd. by reclassification into continuing businesses and discontinuing business, each business is progressing as planned.

2. Overview of Ordinary Income and Net Income

As the result of thorough risk management for increasing quality credit obligations, credit cost decreased to ¥23.1 billion, down 24.6% year-on-year. Additionally, as the result of thorough business operation through efficient cost allocation, cumulative operating expenses decreased to ¥202.0 billion, down 4.7% year-on-year. Furthermore, there was steady growth in the performance of joint ventures with credit card companies such as Seven CS Card Service, Takashimaya Credit and Idemitsu Credit. Due to contributions such as equity in earnings of affiliated companies of ¥7.3 billion, up 93.5% year-on-year, ordinary income was ¥53.2 billion, up 37.9% year-on-year. As a result, net income for fiscal 2012 was ¥32.7 billion, up 246.6% year-on-year.

3. Forecast for Fiscal 2013

The Company's non-consolidated forecast for fiscal 2013 is as follows: operating revenue of ¥207.3 billion, up 1.6% year-on-year, ordinary income of ¥42.0 billion, up 1.1% year-on-year, and fiscal 2013 net income of ¥24.2 billion, up 0.2% year-on-year.

The consolidated forecast is as follows: operating revenue of ¥251.0 billion, up 2.7% year-on-year, ordinary income of ¥51.3 billion, down 3.6% year-on-year, and fiscal 2013 net income of ¥32.0 billion, down 2.3% year-on-year.

Fiscal 2013 dividends are forecasted as ¥30 per share, the same amount forecasted for fiscal 2012 dividends.

(For your reference)

◆Non-consolidated Results for 2012

(1)New card members acquired	:	3,380,000	(Up 30.0%)
(2)New cards issued	:	2,510,000	(Up 28.2%)
(3)Total No. of card members	:	24,820,000	(Net increase from end of previous year 70,000)
(4)Active card members	:	13,620,000	(Net increase from end of previous year 630,000)
(5)Active ratio	:	54.9%	(Up 2.4%)
(6)Shopping transactions Volume	:	¥3,547 billion	(Up 4.2%)
(7)Shopping revolving credit balance	:	¥260.3 billion	(Down 0.7%)
(8)Card advance transaction volume	:	¥260 billion	(Down 2.6%)
(9)Card cash advance balance	:	¥237.8 billion	(Down 16.3%)
(10)Operating revenue	:	¥240.1 billion	(Down 2.9%)
(11)Ordinary income	:	¥41.5 billion	(Up 1.3%)
(12)Net income	:	¥24.1 billion	(Up 330.1%)