

**Credit Saison (8253) Announces Financial Results for
the First Half of Fiscal 2015**

The Finance Business of Credit Saison steadily expanded profits and promoted the multi-lateralization of its business base toward future sustainable growth with ordinary income rising 28.7% YoY to ¥34.2 billion and net income growing 24.3% YoY to ¥23.0 billion.

The Company promoted upfront investment toward proactive sales expansion and establishment of a future revenue base in respective business for achievement of our goal to be a “Peerless New Finance Company in Asia” in the first half of fiscal 2015.

In Overseas Business, the Company established HD SAISON Finance Company Ltd. in Vietnam and launched a retail finance business. In addition, the Company established PT.Saison Modern Finance in Indonesia to launch a multi-finance business with PT.Modern Internasional Tbk. which develops retail business, and permission for the business was granted by the Ministry of Finance of Indonesia in September 2015.

Moreover, for the acceleration of open innovation in the “finance x IT (Fintech)” field, the Company established Saison Ventures Co., Ltd., a corporate venture-capital firm, and the Company is striving for further enhancement of coordination with motivated venture companies in the creation of next generation financial/payment solutions through investment and collaboration.

In respective business of credit-guarantee operations and finance relations in which the Company has been working on building a business base as a non-bank finance company, good loan balances through the provision of a variety of financing functions responding to diversified funding needs expanded stably.

A summary of performance by segment for this consolidated first-half period under review is as follows.

1. Sales Summary

(1) Credit Services Business

The Company expanded its customer base by issuing 1.28 million new cards and increasing the number of card members to 25.27 million members. Due to the increase in shopping revolving balance, operating revenue grew to ¥100.3 billion (up 4.0% YoY) and operating income rose to ¥10.8 billion (up 11.8% YoY).

- 1) The Company enhanced recruitment of members for affinity cards including Mitsui Shopping Park Card Saison and Walmart Card Saison in close collaboration with partner retail outlets and in coordination with new store openings of partners. As a result, Credit Saison issued 1.28 million new cards representing 9.2% growth YoY. In comparison with the end of the previous fiscal year, total card members reached 25.27 million people for a 300,000 member increase or 1.2% increase and active card members grew 1.7% for a 240,000 member increase to reach 14.82 million users.

- 2) In collaboration with partner retail companies, the Company executed campaigns to galvanize card usage and highlighted a versatile payments menu, including revolving payments and lump-sum payments from bonuses in many locations around the country such as Sendai, Sapporo, Chiba, and Namba. As a result, card usage in shopping centers increased 13% YoY while card usage in supermarkets saw an 11% increase YoY. Shopping transaction volumes appreciated 5.1% YoY to ¥2,091.2 billion and revolving balances increased by ¥23.9 billion or 8.1% over the end of the previous fiscal year to ¥318.8 billion.
- 3) In smartphone applications such as “Saison Portal” and “UC Portal”, the Company has been working on improving functions, and these applications are highly acclaimed in application download websites. Currently, applications recorded more than 960,000 downloads. Internet members, which are the bedrock of its Internet Business, increased by 610,000 members and expanded to 11.82 million members for a 5.5% increase over the end of the previous fiscal year. Income from advertising business such as direct mail using emails and coupon delivery services coordinated with card payments achieved significant growth of 31.7% YoY.
- 4) To encourage the shift to various cashless settlements among enterprises, the Company initiated strong efforts to enhance functions and services of corporate cards. The outcome of these efforts was a 13% YoY increase in corporate-card transaction volumes.

(2) Lease Business

Despite efforts to strengthen relations of trust with major partner retailers and boost sales with new sales outlets, the Company's Lease Business suffered a 3.2% YoY decline in operating revenue to ¥6.8 billion and a 11.6% drop in operating income to ¥2.6 billion.

The Company worked on restraining costs associated with non-performing loans and carried out effective campaigns tailored to the needs of sales outlets and sales enhancement mainly in key partner sales outlets.

(3) Finance Operations

In financing, the Company strove to build closer relationships with partners to expand its operating base, while taking advantage of its product lineup to meet the diversified financing needs of customers. Operating revenue grew to ¥12.7 billion (up 19.0% YoY), while operating income climbed to ¥7.0 billion (up 15.6% YoY).

- 1) In credit-guarantee operations, the Company built relationships with regional banks, credit unions, and other financial institutions by the applications for untied-loan guarantee products that can be used as operating funds. 6 financial institutions joined as partners, and the number of partner institutions has now reached 388 institutions (13 institution increase YoY). Guaranteed balances grew to ¥276.7 billion (up 5.6% from the previous fiscal year-end).
- 2) For Flat 35, a housing-loan product with a long-term fixed rate, the Company provided preferential treatment for card members and boosted sales efforts with distributors. As a result, the balance of loans transferred to JHFA rose 11.0% against the previous fiscal year-end to ¥315.1 billion.
- 3) For the Saison Asset Formation Loan, the Company strengthened coordination with leading partners. The Company issued ¥21.6 billion in loans (up 32.9% YoY), while the total loan portfolio expanded vigorously, improving 30.1% against the previous fiscal year-end to ¥88.1 billion.

(4) Real Estate Related Business

Aided by the strong real estate market, operating revenue was ¥10.0 billion which is a 38.7% YoY jump, and operating income was ¥5.4 billion for an 81.5% YoY surge.

Atrium Co., Ltd., a consolidated subsidiary of the Company, not only undertook sales efforts in the lively real estate market but also pursued planning and development to raise the value of real-estate assets owned by the Company. Sales of large projects in the liquidation segment and development projects also made solid progress.

2. Overview of Ordinary Income and Net Income

Revenue expanded in each business due to enhancement of the base toward future sustainable growth, as a result, **operating revenue rose 6.6% YoY to ¥134.9 billion, operating income appreciated 18.6% YoY to ¥26.7 billion, and ordinary income surged 28.7% YoY to ¥34.2 billion. Net income attributable to owners of parent brightened 24.3% YoY to ¥23.0 billion.**

References

◆ Non-consolidated results for the first half of the fiscal year ending March 31, 2016

(1) New card members acquired	1,630,000	(up 9.2% YOY)
(2) New cards issued	1,280,000	(up 9.2% YOY)
(3) Total No. of card members	25,270,000	(net increase of 300,000 members from end of previous fiscal year)
(4) Active card members	14,820,000	(net increase of 240,000 members from end of previous fiscal year)
(5) Active ratio	58.7%	(up 0.3% from end of previous fiscal year)
(6) Shopping transactions Volume	¥2,091.2 billion	(up 5.1% YOY)
(7) Shopping revolving credit balance	¥318.8 billion	(up 8.1% from end of previous fiscal year)
(8) Card advance transaction volume	¥136.9 billion	(down 2.1% YOY)
(9) Card cash advance balance	¥219.2 billion	(up 0.4% from end of previous fiscal year)
(10) Operating revenue	¥111.6 billion	(up 5.1% YOY)
(11) Ordinary income	¥22.0 billion	(up 0.2% YOY)
(12) Apr. to Sep. 2015 Net income	¥12.7 billion	(down 6.6% YOY)

3. Revision to the Forecast of Business Results for the Full Fiscal Year

For full year performance forecast for the term ending March 31, 2016, in consideration of the performance and management environment of our Group until the end of first half of the term ending March 31, 2016, we have revised our forecast of business results for the full fiscal 2015 from the forecast published May 13, 2015, as follows.

<The forecast of consolidated business results for the full fiscal year ending March 31, 2016>

	Operating revenue	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share
	(millions of yen)	(millions of yen)	(millions of yen)	(millions of yen)	(yen)
Previous announced forecast (A)	268,000	50,000	54,500	35,000	190.60
Current forecast revision (B)	270,000	53,000	60,000	38,500	209.30
Amount of increase or decrease (B)-(A)	2,000	3,000	5,500	3,500	
Rate of change (%)	0.7	6.0	10.1	10.0	
(Reference) Actual result of the previous term (Term ended March 31, 2015)	259,076	40,161	43,687	12,628	68.77

<The forecast of non-consolidated business results for the full fiscal year ending March 31, 2016>

	Operating revenue	Operating income	Ordinary income	Net income	Net income per share
	(millions of yen)	(millions of yen)	(millions of yen)	(millions of yen)	(yen)
Previous announced forecast (A)	230,000	43,300	46,000	27,500	149.69
Current forecast revision (B)	231,700	43,700	46,500	34,000	184.76
Amount of increase or decrease (B)-(A)	1,700	400	500	6,500	
Rate of change (%)	0.7	0.9	1.1	23.6	
(Reference) Actual result of the previous term (Term ended March 31, 2015)	219,336	35,370	38,449	11,315	61.60

※The results forecast above includes forward-looking statements about future performance of the Company, as of the announcement date of this document, which are based on assumptions and projections. Actual results may differ materially from the forecasts herein due to various factors. Moreover, the transition to the new system is scheduled to start from fiscal year 2016 (April 1, 2016 to March 31, 2017). In light of the accompanying depreciation expenses to be posted, the Company remains committed to achieving its performance targets.