

学校の成績と  
社会での成績は、  
イコールじゃない。


## Business Report

April 1, 2007 to September 30, 2007  
(the 58th Term)



## Corporate Philosophy of the Credit Saison Group

As a cutting-edge services company, we act on the following three mottos, which are the values that we share: introducing policies geared toward customer satisfaction; aim to profit along with our business partners; and cultivate a creative and innovative corporate culture. We will prevail in a competitive market and meet our social responsibilities by consistently striving to meet the expectations of customers, shareholders and business partners.



## CONTENTS

---

To Our Shareholders .....	1	Interim Consolidated Statement of Income .....	10	Corporate Data .....	15
Topics for the First Half of the 58th Term .....	2-5	Financial Highlights (Non-consolidated) .....	11	Guide to Shareholder Program .....	16
Overview of Results (Consolidated) .....	6	Interim Non-consolidated Balance Sheet .....	12	Information for Shareholders .....	16
Overview of Results by Segment .....	7-8	Interim Non-consolidated Statement of Income .....	13		
Interim Consolidated Balance Sheet .....	9	Stocks Information .....	14		

## To Our Shareholders

We are pleased to report to our shareholders on the closing of interim accounts for the 58th term of our Company (from April 1, 2007 to September 30, 2007).

In the non-banking industry in which the Company operates, the business environment is likely to remain challenging, given adverse developments such as the revision of the Money-Lending Law and claims for the excess of interest payment which remain high. We expect that the increase in both sales and profit which the Company had enjoyed for 24 consecutive terms year-on-year term will come to an end, as we lowered cashing interest rates in June 2007 to respond to the revision of the Law ahead of schedule.

In this environment, the Company introduced a new medium-term management plan in the term under review, targeting consolidated ordinary income of 70 billion yen by the 60th term and adopts a management vision of "Creation of non-bank financial institution with a powerful market presence." In our credit card operations, our core operation, we aim over the medium to long terms to achieve a 30% share of the growing shopping market and a 5% share of the increasingly challenging unsecured consumer loan market. We also aspire to establish a new driver for growth by rebuilding our business portfolios through the development of new core businesses targeting, for instance, real estate collateral loan and business loan operations.

At the end of the first half, the number of card members and the number of annual active cardholders reached 25.63 million (rising 2.9% from the end of the previous term) and 12.85 million (up 2.9%), respectively, as a result of our efforts to bolster the credit card business while focusing on the growth of highly active cards and the reorganization of operating bases. These efforts include the issuing of new cards in alliance with the Ladies Professional Golfers' Association of Japan and the Yamakataya Group, the establishment of YM Saison Co., Ltd., a marketing company, jointly with Yamaguchi Financial Group, Inc. and the expansion of payment business for utility charges, including water rates in the 23 wards of Tokyo.

We have also been taking steps to bolster corporate value in the businesses of our Group companies, including those other than the credit card business, such as the lease, credit guarantee and real estate collateral loan businesses, as well as the real estate-related operations with Atrium Co., Ltd. as the core entity.

As a consequence, in the first half of the consolidated term under review, we posted consolidated operating revenues of 177,379 million yen (rising 7.1% year-on-year), a consolidated ordinary income of 32,975 million yen (a decrease of 23.6%) and a consolidated net income of 12,228 million yen.

In the challenging business environment which is likely to prevail in the future, the Group will remain committed to its management creed as a cutting-edge services company and will aspire to exert a unique presence in the non-banking industry, as it undergoes a mega bank-led reorganization. At the same time, we will maximize our corporate value and provide shareholders with returns by faithfully implementing our medium-term business plan.

We hope that our shareholders will continue to support the Group and use the SAISON Card and UC Card.



**Hiroshi Rinno**

President and CEO  
December 2007

A handwritten signature in black ink, appearing to read "H. Rinno".

## Promotion of jointly alliances

### ● A joint venture credit card company has begun issuing new cards, and the Company handles the processing operations

In April 2007, Shizugin Saison Card Co., Ltd., which we established jointly with the Shizuoka Bank, Ltd. in October 2006, opened for business and issued the ALL-S Card. The main service is a regional points program in Shizuoka.

In May 2007, Daiwa House Financial Co., Ltd., which we set up jointly with Daiwa House Industry Co., Ltd. in November 2006, began operations and issued the Daiwa SAISON Card. The card features diverse housing-related services offered by Daiwa House Group.

The Company handles the card processing operations for both companies and provides them with know-how in the card loan business.



ALL-S Card



Daiwa SAISON Card

### ● Handling processing operations for cards issued by Takashimaya Credit Co., Ltd.

In March 2007, the Company raised its stake in Takashimaya Credit Co., Ltd. to 33.4%. We have been handling the processing operations for all cards issued by Takashimaya Credit, including a gold card for affluent customers from the current term. We have also started jointly operating credit counters.



Takashimaya Card (Gold)

### ● Forming joint marketing companies

In September 2007, we established YM Saison Co., Ltd. jointly with Yamaguchi Financial Group, Inc. (YMFG), our second joint venture with a regional financial institution.

In October 2007, we issued the YM SAISON Card, a leading community-based card in alliance with YMFG, which aims to bolster the retail financing business in its sales area. YMFG is the largest financial group in the Shikoku and Chugoku region, with The Yamaguchi Bank, Ltd. (Shimonoseki) and Momiji Bank, Ltd. (Hiroshima) under its umbrella. With the new YM SAISON Card, it will seek to advance into the business loan operations.



YM SAISON Card

## Issuing of new affinity cards

In joint card operations in alliances with partners from a broad array of sectors, including department stores, railways, telecommunications and commercial facilities, we promote scrap and build with emphasis on profitability. Particularly in new alliances, we strictly select partners and strive to create highly active cards supported by customers.

### GE ETC Manager Card (May)

We issued an ETC card for corporations in an alliance with GE Fleet Corporation, a corporate financial services division of GE that provides an integrated vehicle management services centering on an auto lease.



### LPGA CLUB Card (September)

Along with the foundation of an official fan club of the Ladies Professional Golfers' Association of Japan (LPGA), we issued a joint card with the LPGA. This card includes additional functions such as golf-related special benefits exclusively for fan club members and a donation to the PINK RIBBON campaign.



### Yamatataya Card (July)

We issued a joint card with the Yamatataya Group, a large distribution firm in South Kyushu headquartered in Kagoshima.



### BIG HOP Card (September)

We issued a joint card with BIG HOP Garden Mall Inzai, a large commercial facility opened in Inzai-city in Chiba Prefecture. A SAISON counter has also opened in the facility.



## Response to the revision of the Money Lending Business Law

### ● Lowering cashing interest rates

Pursuant to the revised Money Lending Business Law introduced in December 2006, we lowered the cashing interest rates for the UC Card and the SAISON Card to a maximum 18% on June 11, 2007 and July 17, 2007, respectively. Based on our "Customer First" policy, we have eased the interest rates for all cashing balances without differentiating new from existing loans.

Although we had been lowering the cashing interest rates in stages, we felt that it would benefit shareholders over the medium term to achieve a recovery in performance by lowering interest rates at an early stage, to equip ourselves with the ability to succeed in the era of the new Money Lending Business Law and to bolster our operating structure.

### ● Reconstruction of sales networks

We have begun rebuilding our sales networks as an initiative to improve the profitability of the card business. Focusing on quality as well as quantity, we have added new cards with superior services, such as a gold card and a platinum card, while scaling back new offerings and renewals of inactive cards. We are also reaching new card members through effective use of our website. Along with this shift in sales method, we have been improving the efficiency of our sales networks by consolidating sales bases around the nation.

## Improving services and securing fresh revenue sources through new businesses

### ● Eikyufumetsu.com

About 200 major e-commerce shops in a diverse array of categories have opened on Eikyufumetsu.com, an online shopping mall exclusively for Saison and UC Card Net members (Net Answer members and @UNet members), and posted monthly sales of approximately 1 billion yen. The number of Net members has been increasing and now tops two million thanks to enhanced services such as mobile and corporate versions of Eikyufumetsu.com. We will continue to develop Eikyufumetsu.com as a new business of the Company.



### ● Saison Asset Management Co., Ltd.

In March 2007, Saison Asset Management Co., Ltd., which we established as a wholly owned subsidiary of the Company, entered the investment trust industry with a groundbreaking business model of offering original investment trusts by the direct selling method.

Saison Asset Management sells two "funds of funds" that invest, for instance, in the Index Funds provided by the Vanguard Group, Inc., one of the world's largest investment trust firms, and Sawakami Funds managed by Sawakami Asset Management Inc., a pioneer in long-term investment in Japan.

In the six months since the commencement of the offering, the number of registered accounts has exceeded 17,000, and assets under management have broken 10 billion yen. We will continue to provide investment trusts geared to long-term investment at low cost while asking customers their needs through seminars held throughout the country.



Haruhiro Nakano (44)  
President and  
Representative Director  
Saison Asset Management  
Co., Ltd.

Has held this position since March 2007 with a commitment to transforming Japan through long-term investments for ordinary citizens. He joined Seibu Credit (now Credit Saison) in 1987. After working in the Fund Management Division of an affiliate, he launched the investment advisory business and gave advice on the investment in offshore assets.

## Growth of the finance business

With the exception of the credit card operation, the finance business continued to grow steadily in the first half of fiscal 2007. The credit guarantee business benefited from a marked increase in the number of new alliance partners, including Akita Bank Co., Ltd., and the balance of guaranteed loans at the end of the first half was approximately 139 billion yen. In the real estate collateral loan business, the balance of loans at the end of the first half continued to grow significantly, to approximately 250 billion yen, thanks to robust activities in the real estate market. The contribution of the finance business to non-consolidated ordinary profit at the end of fiscal 2007 is expected to substantially exceed the 17% recorded in the previous fiscal year.

## Initiatives in the second half

### ● New American Express brand

We will begin issuing two types of SAISON American Express Cards; a card that has no annual fee and a gold card. Providing an expanded product lineup, we will be able to give a broad array of customers the opportunity to select an optimal card. The issuing of a joint card with American Express with no annual fee will be a first for Japan.



### ● The successor to the Yucho Card SAISON

As the successor to the Yucho Card SAISON, we will issue the SAISON NEXT Card, featuring a range of special benefits, including family Eikyufumetsu points and online security. In addition, the annual fee will be waived for Gold and American Express customers, depending on the level of annual use.

#### Family points

Family members can combine their Eikyufumetsu points.

#### Online security

Compensation is paid for any losses experienced from online shopping.

#### Waiver of annual fee

The annual fee will be waived depending on the level of annual use. (Gold/American Express)

### ● Qubitous Co., Ltd.

In October 1, 2007, the Company, Mizuho Bank, Ltd. and UC Card Co., Ltd. established a processing specialty firm in the credit business. In April 2008, the Company and Mizuho Bank will operate the new company through joint capital investment to handle processing operations for almost all cards under the SAISON and UC brands. We aim to construct an integrated processing system that boasts Japan's highest standards in both quality and quantity, expanding scale and improving efficiency by operating the business and systems collectively.

## CI promotion (explanation of the cover page)



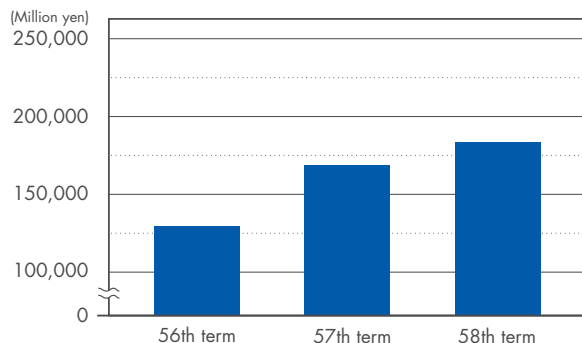
The Company sees credit cards as "Media," and is accordingly emphasizing an image strategy for its cards. Our basic concepts are "hopes, dreams, being number one and differentiating ourselves from our competitors," and based on these concepts we aim to increase the value of our card brands through unique and influential CI promotion using media such as TV commercials and posters. The theme for fiscal 2007 is "to compete on our own merits," and the motif is "a racehorse." The figure of a racehorse dashing gallantly along the turf as it carries the dreams of people represents an ideal for the Company in an increasingly challenging non-banking industry.

# Overview of Results (Consolidated)

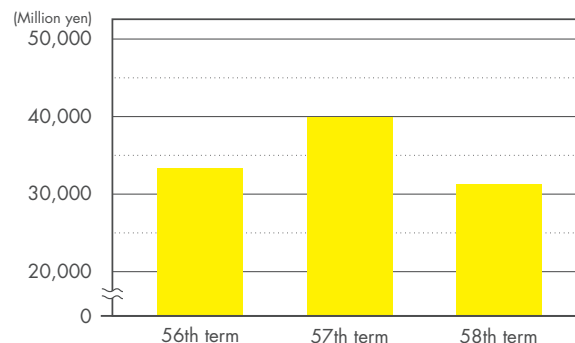
In the first half of the consolidated term under review, Credit Saison attained 7.1% year-on-year growth in operating revenues, which reached 177,379 million yen. We posted a 19.4% decline in operating income, to 32,132 million yen, and a 23.6% fall in ordinary income, to 32,975 million yen. Credit Saison recorded net income of 12,228 million yen, reflecting extraordinary losses attributable to the restructuring of sales networks.

The following summarizes the results in each segment.

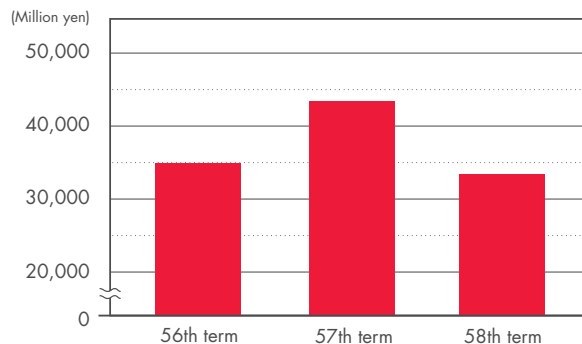
## Operating revenues



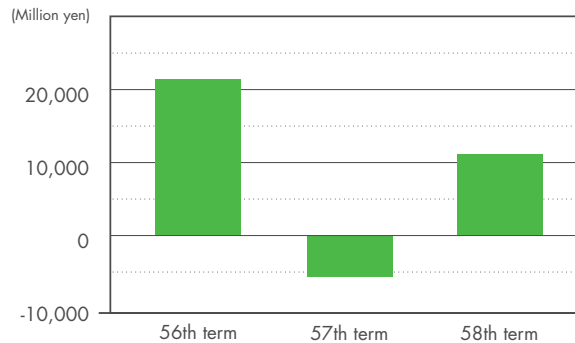
## Operating income



## Ordinary income



## Net income





### ● **Credit services businesses** (credit card, servicing, and other businesses)

In the credit card business, we took a number of initiatives. For instance, we entered into large and strategic alliances, issued new joint cards, and rebuilt our sales networks as described in Topics for the First Half of the 58th Term (page 2 and 3). We also created highly active cards that won support from customers and improved profitability. In addition, we continued to improve payment options in areas for daily living, such as utilities and mobile phone charges, and transactions in the e-money micropayment market. We have reduced the cashing loan interest rates for all balances of newly used loans and existing loans to a maximum 18.0%, anticipating the revision of the Loan Business Law.

In the servicing business, we maintained solid sales by entering new areas and helping customers such as government and other public offices collect public utility charges, in addition to working with existing card companies and financial institutions, although competition is becoming increasingly intense with new players arriving from other industries. We have also created a more productive business operation by increasing the collection amount and improving profitability through adequate cost management and by building an integrated ability to collect receivables.

As a consequence, operating revenues amounted to 130,341 million yen, rising 3.8% year-on-year, and operating income was 17,948 million yen, down 31.0%.

### ● **Finance businesses** (credit guarantee, various loans and leasing businesses)

As a result of the steady growth in transaction in each business, operating revenues rose 27.7% year on year, reaching 22,051 million yen, while operating income posted a 16.2% decline, to 4,859 million yen, because of the increase in credit losses in the loan business and losses on the disposal of leased assets arising at the time of credit losses in the leasing business.

In the credit guarantee business, we expanded the transaction of loan guarantees by pursuing new business alliances while focusing on acquiring quality loans through a close alliance with partner financial institutions in both sales operations and management.

In the loans business, we provided a range of unsecured loans to individual customers, including the Member's Loan to our card members. Transaction in the real estate collateral loan business using our real estate appraisal ability and know-how, and networks related to the real estate liquidation, also increased steadily.

In the leasing business, turnover remained firm as we added new affiliated distributors and diversified the products we handle. In contrast, turnover in the leasing market overall remained below the year-ago level according to the Japan Leasing Association, partly because of the effect of the revision of the lease accounting standards that will apply in the next term.

## Overview of Results by Segment

### ● Real estate-related businesses (real estate liquidation, servicer, real estate fund, real estate loan guarantee, and real estate leasing businesses)

Operating revenues amounted to 20,735 million yen, rising 37.2% year on year, and operating income stood at 13,774 million yen, an increase of 49.9%. This result reflected the solid performance of the Atrium Group, which has been bringing new vigor to real estate while building a system to flexibly and quickly respond to changes in the real estate market.

In the real estate liquidation business, we not only steadily acquired properties by expanding the purchase information route and employing the M&A approach to real estate; we also promoted unerring value improvements and designed sales. In the servicer business, we focused our sales activities on regional financial institutions and steadily expanded our involvement in business reconstruction projects, in an environment of growing competition over purchases among servicing firms. In the real estate fund business, we consistently increased profitability by improving and stabilizing the occupancy rate of properties we own. And in our real estate collateral loan business, we provided solid loan guarantees while tightening the standards for selecting properties. In our real estate leasing business, we operate tenant buildings using real estate properties that we own and we also lease buildings from owners in their entirety for real estate sub-leasing in which we operate and manage the properties.

### ● Entertainment businesses (amusement businesses)

In the amusement business, we strived to develop sound, safe, comfortable, community-based amusement facilities. As a result of tighter regulations on gaming machines, operating revenues was 7,337 million yen, down 21.9%, operating loss was 2,009 million yen.

### ● Others (insurance, information processing services and non-life insurance businesses)

Other business consists of insurance, information processing services and non-life insurance businesses. Operating revenues increased 29.8% year-on-year, to 819 million yen, and operating income rose 54.8%, to 452 million yen.

Business category	Company name
● Credit services	JPN COLLECTION SERVICE Co., Ltd., LAWSON CS Card, Inc.*, Idemitsu Credit Co., Ltd.*, UC Card Co., Ltd.*, Resona Card Co., Ltd.*, Shizugin Saison Card Co., Ltd.*, Daiwa House Financial Co., Ltd.*, Takashimaya Credit Co., Ltd.*
● Finance	SAISON FUNDEX CORPORATION
● Real estate-related	Atrium Co., Ltd., Atrium Servicing Co., Ltd., House Planning Co., Ltd., uraku AOYAMA Co., Ltd., AIC Co., Ltd. Anonymous association with AR Hotels Ginza Inc. as an operator
● Entertainment	VIVRE INTERNATIONAL INC., A&A Co., Ltd.
● Others	Saison Information Systems Co., Ltd.*, Saison Automobile & Fire Insurance Co., Ltd.*

Companies without a mark: consolidated subsidiaries

Companies marked with \*: companies subject to the equity method

An anonymous association that has AR Hotels Ginza Inc. as an operator has become a consolidated subsidiary in the first half of the consolidated term under review.

# Interim Consolidated Balance Sheet

(As of September 30, 2007 / unit: million yen)

ASSETS		
Account item	Amount	Amount of increase or decrease
<b>Current assets</b>		
Cash and deposits	42,066	△ 13,894
Installment accounts receivable	1,739,046	66,141
Other trade receivables	1,167	635
Securities	15,000	13,500
Inventory	160,856	12,899
Deferred income taxes	25,766	6,295
Short-term loans	5,901	676
Other	35,420	1,457
Allowance for losses on receivables	△ 72,946	△ 7,739
<b>Total current assets</b>	<b>1,952,279</b>	<b>79,972</b>
<b>Fixed assets</b>		
<b>Property and equipment, at cost</b>		
Equipment for lease	165,878	2,771
Buildings	17,244	623
Land	11,531	—
Construction in progress	1,670	△ 282
Other	12,085	△ 652
<b>Total property and equipment</b>	<b>208,411</b>	<b>2,459</b>
<b>Intangible assets</b>		
Leaseholds	970	—
Software	37,217	1,295
Other	5,697	1,541
<b>Total intangible assets</b>	<b>43,885</b>	<b>2,836</b>
<b>Investments and other assets</b>		
Investment securities	107,351	1,077
Long-term loans	28,532	△ 807
Lease deposits	8,587	156
Deferred income taxes	34,746	2,905
Other	8,096	△ 1,558
Allowance for losses on receivables	△ 4,714	652
Allowance for losses of investments	△ 381	—
<b>Total investments and other assets</b>	<b>182,219</b>	<b>2,425</b>
<b>Total fixed assets</b>	<b>434,516</b>	<b>7,721</b>
<b>Deferred assets</b>		
Bond issue costs	702	196
<b>Total deferred assets</b>	<b>702</b>	<b>196</b>
<b>Total assets</b>	<b>2,387,497</b>	<b>87,890</b>

LIABILITIES		
Account item	Amount	Amount of increase or decrease
<b>Current liabilities</b>		
Notes and accounts payable	226,978	△ 10,283
Short-term loans	389,404	7,695
Current portion of long-term loans	57,615	5,086
Current portion of corporate bonds	30,275	△ 12,170
Commercial paper	110,000	8,700
Current portion of payables under securitized lease receivables	16,334	4,218
Accrued taxes on income	20,655	△ 15,705
Allowance for bonuses	2,380	220
Allowance for directors' bonuses	49	△ 110
Allowance for loss on interest repayment	12,517	1,270
Allowance for loss of business structure reforms	1,624	1,624
Allowance for losses on collecting gift tickets	108	108
Unearned income	5,399	273
Other	46,665	4,956
<b>Total current liabilities</b>	<b>920,009</b>	<b>△ 4,113</b>
<b>Long-term liabilities</b>		
Bonds	274,465	41,967
Long-term loans	666,256	46,428
Payables under securitized lease receivables	26,165	△ 9,718
Accrued pension and severance costs	5,923	△ 569
Accrued retirement benefits to directors and statutory auditors	178	△ 762
Allowance for losses on guarantee	2,980	437
Allowance for losses on warranty of defects	42	△ 7
Allowance for permanent point	39,654	3,449
Allowance for losses on interest repayments	36,135	1,478
Negative goodwill	429	321
Other	8,450	1,998
<b>Total long-term liabilities</b>	<b>1,060,679</b>	<b>85,023</b>
<b>Total liabilities</b>	<b>1,980,688</b>	<b>80,909</b>
NET ASSETS		
Account item	Amount	Amount of increase or decrease
<b>Shareholders' equity</b>		
Common stock	75,640	409
Capital surplus	81,286	409
Retained earnings	211,327	7,197
Treasury stock	△ 6,058	△ 11
<b>Total shareholders' equity</b>	<b>362,195</b>	<b>8,005</b>
<b>Valuation and translation adjustments</b>		
Unrealized gain on investment securities	15,376	△ 3,775
Treasury stock, at cost	△ 64	118
<b>Total valuation and translation adjustments</b>	<b>15,311</b>	<b>△ 3,657</b>
<b>Minority interests</b>	<b>29,301</b>	<b>2,632</b>
<b>Total net assets</b>	<b>406,809</b>	<b>6,980</b>
<b>Total liabilities and net assets</b>	<b>2,387,497</b>	<b>87,890</b>

Notes: 1. Rounded down to the nearest million yen.

2. The amount of increase or decrease reflects the difference from the outstanding balance as of March 31, 2007.

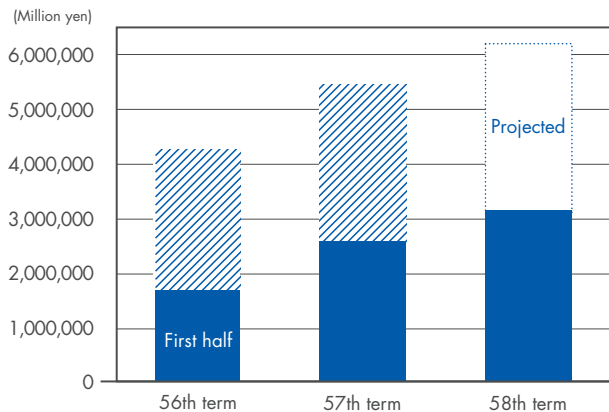
# Interim Consolidated Statement of Income

(From April 1, 2007 to September 30, 2007 / unit: million yen)

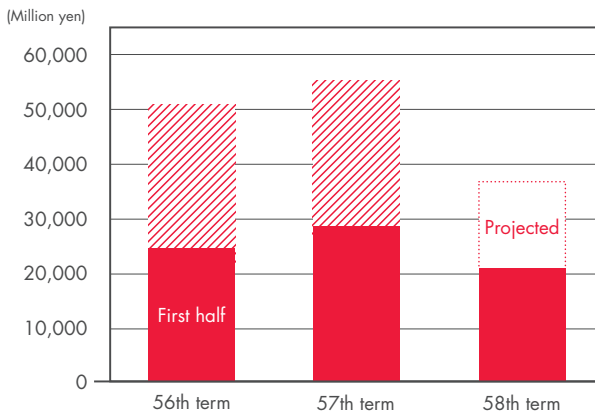
Account item	Amount		Amount of increase or decrease (%)
<b>Operating revenues</b>			
Credit services businesses fees		125,444	
Income from finance			
Revenue from finance businesses	55,114		
Cost of finance businesses	33,597	21,516	
Income from real estate-related			
Revenue from real estate businesses	62,737		
Cost of real estate-related	45,424	17,312	
Income from entertainment businesses			
Revenue from entertainment businesses	58,718		
Cost of entertainment sales	51,395	7,323	
Income from other businesses			
Revenue from other businesses	819		
Cost of other businesses	—	819	
Financial revenues		4,962	
<b>Total operating revenues</b>		<b>177,379</b>	<b>107.1</b>
<b>Operating expenses</b>			
Selling, general and administrative expenses		134,695	
Financial cost		10,551	
<b>Total operating expenses</b>		<b>145,247</b>	<b>115.5</b>
<b>Operating income</b>		<b>32,132</b>	<b>80.6</b>
<b>Non-operating income</b>		2,139	
<b>Non-operating expenses</b>		1,296	
<b>Ordinary income</b>		<b>32,975</b>	<b>76.4</b>
<b>Extraordinary gains</b>			
Gains on redemption of investment securities	1,390		
Gain on sale of investment securities	324		
Other	26	1,741	
<b>Extraordinary losses</b>			
Loss on business structure reforms	2,440		
Loss on evaluation of investment securities	1,632		
Impairment loss of property and equipment, other assets	449		
Loss from sale of fixed assets	190		
Provision of allowance for loss of collecting tickets	111		
Loss on change of shareholder's equity	66		
Loss on sale of investment securities	4		
Other	47	4,943	
<b>Income before income taxes and minority interests</b>		<b>29,772</b>	<b>—</b>
Income taxes, current	19,779		
Income taxes, deferred	△ 6,037	13,741	
Minority interests		3,803	
<b>Net income</b>		<b>12,228</b>	<b>—</b>

Note: Rounded down to the nearest million yen.

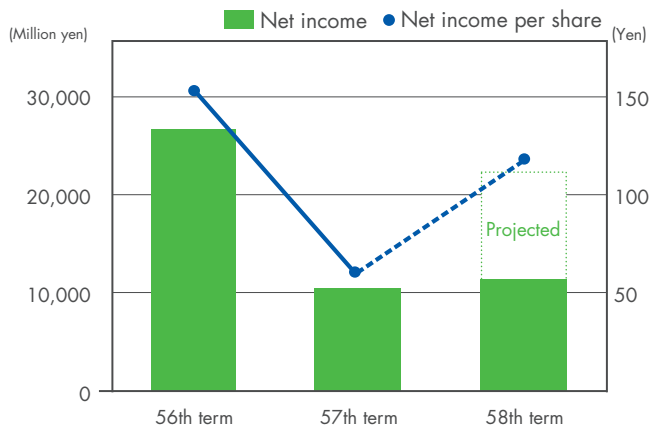
## Turnover



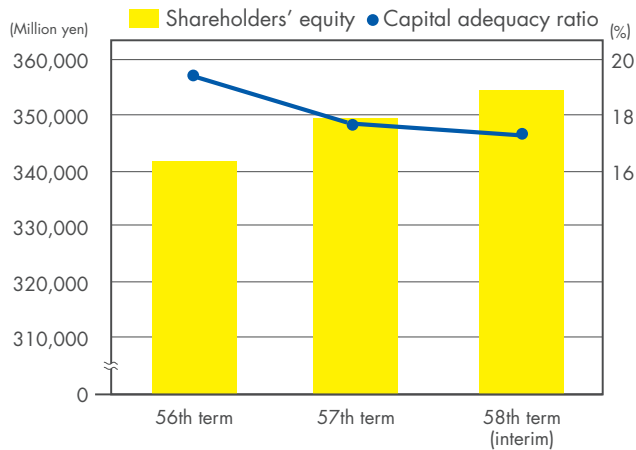
## Ordinary income



## Net income and net income per share



## Shareholders' equity and capital adequacy ratio



# Interim Non-consolidated Balance Sheet

(As of September 30, 2007 / unit: million yen)

ASSETS		
Account item	Amount	Amount of increase or decrease
<b>Current assets</b>		
Cash and deposits	30,286	△ 10,898
Installment accounts receivable	1,590,236	62,443
Securities	15,000	15,000
Inventory	1,911	6
Short-term loans	2,999	△ 2,001
Other	47,095	4,697
Allowance for losses on receivables	△ 62,994	△ 6,555
<b>Total current assets</b>	<b>1,624,535</b>	<b>62,692</b>
<b>Fixed assets</b>		
<b>Property and equipment, at cost</b>		
Equipment for lease	165,924	2,775
Buildings	5,317	△ 869
Fixtures and equipment	7,253	△ 688
Land	3,642	—
Other	538	19
<b>Total property and equipment</b>	<b>182,676</b>	<b>1,236</b>
<b>Total intangible assets</b>	<b>41,108</b>	<b>2,780</b>
<b>Investments and other assets</b>		
Investment in securities	112,567	△ 6,989
Investment in capital	75	23
Long-term loans	33,223	—
Lease deposits	2,883	4
Other	35,753	4,248
Allowance for losses on receivables	△ 4,350	△ 226
Allowance for losses of investment	△ 2,054	—
<b>Total investments and other assets</b>	<b>178,099</b>	<b>△ 2,938</b>
<b>Total fixed assets</b>	<b>401,884</b>	<b>1,077</b>
<b>Deferred assets</b>		
Bond issue costs	528	181
<b>Total deferred assets</b>	<b>528</b>	<b>181</b>
<b>Total assets</b>	<b>2,026,948</b>	<b>63,952</b>

LIABILITIES		
Account item	Amount	Amount of increase or decrease
<b>Current liabilities</b>		
Notes payable	2,563	318
Accounts payable	223,115	△ 10,380
Short-term loans	290,252	10,987
Current portion of long-term loans	36,550	△ 3,650
Current portion of corporate bonds	20,000	△ 10,000
Commercial paper	100,000	3,000
Current portion of payables under securitized lease receivables	16,334	4,218
Accrued taxes on income	11,385	△ 17,192
Allowance for bonuses	1,708	△ 3
Allowance for directors' bonuses	39	△ 120
Allowance for loss on interest repayment	11,212	1,050
Allowance for loss of business structure reforms	1,624	1,624
Allowance for losses on collecting gift tickets	108	108
Unearned income	5,399	273
Other	39,491	5,507
<b>Total current liabilities</b>	<b>759,785</b>	<b>△ 14,258</b>
<b>Long-term liabilities</b>		
Bonds	260,000	40,000
Long-term loans	541,970	36,300
Payables under securitized lease receivables	26,165	△ 9,718
Accrued pension and severance costs	5,268	△ 396
Accrued retirement benefits to directors and statutory auditors	—	△ 715
Allowance for losses on guarantee	2,975	438
Allowance for permanent point	39,654	3,449
Allowance for loss on interest repayment	31,810	1,449
Negative goodwill	304	304
Other	4,143	1,983
<b>Total long-term liabilities</b>	<b>912,291</b>	<b>73,093</b>
<b>Total liabilities</b>	<b>1,672,076</b>	<b>58,835</b>
NET ASSETS		
Account item	Amount	Amount of increase or decrease
<b>Shareholders' equity</b>		
Common stock	75,640	409
Capital surplus	80,940	409
Capital reserve	79,044	409
Other capital surplus	1,896	—
Retained earnings	188,933	7,724
Earned reserve	3,020	—
Other retained surplus	185,913	7,724
Special reserve	162,455	5,000
Retained earnings carried forward	23,458	2,724
Treasury stock	△ 5,580	△ 3
<b>Total shareholders' equity</b>	<b>339,933</b>	<b>8,540</b>
<b>Valuation and translation adjustments</b>		
Unrealized gain on investment securities	15,002	△ 3,402
Treasury stock, at cost	64	△ 21
<b>Total Valuation and translation adjustments</b>	<b>14,937</b>	<b>△ 3,423</b>
<b>Total net assets</b>	<b>354,871</b>	<b>5,117</b>
<b>Total liabilities and net assets</b>	<b>2,026,948</b>	<b>63,952</b>

Notes: 1. Rounded down to the nearest million yen.

2. The amount of increase or decrease reflects the difference from the outstanding balance as of March 31, 2007.

# Interim Non-consolidated Statement of Income

(From April 1, 2007 to September 30, 2007 / unit: million yen)

Account item	Amount		Amount of increase or decrease (%)
<b>Operating revenues</b>			
Credit services businesses fees			
Credit cards	53,414		
Shopping loans	275		
Income from card cashing	53,032		
Agency services	7,444		
Other incomes	3,158	117,325	
Income from finance			
Guarantees	3,448		
Income from loans	11,079		
Lease sales	36,868		
Cost of leases	33,608		
Income from leases	3,259	17,788	
Loss from real estate-related			
Revenue from real estate businesses	260		
Cost of real estate-related	272	△ 11	
Income from other businesses			
Revenue from other businesses	819		
Cost of other businesses	—	819	
Financial revenues		4,953	
<b>Total operating revenues</b>		<b>140,875</b>	<b>106.9</b>
<b>Operating expenses</b>			
Selling, general and administrative expenses		113,021	
Financial cost			
Interest expense	8,278		
Other expenses	1,037	9,315	
<b>Total operating expenses</b>		<b>122,336</b>	<b>115.8</b>
<b>Operating income</b>		<b>18,538</b>	<b>70.9</b>
<b>Non-operating income</b>		<b>2,263</b>	
<b>Non-operating expenses</b>		<b>72</b>	
<b>Ordinary income</b>		<b>20,728</b>	<b>70.6</b>
<b>Extraordinary gains</b>		<b>1,731</b>	
<b>Extraordinary losses</b>		<b>4,260</b>	
<b>Net income before income taxes</b>		<b>18,199</b>	<b>—</b>
Income taxes, current	10,540		
Income taxes, deferred	△ 5,100	5,440	
<b>Net income</b>		<b>12,758</b>	<b>—</b>

Note: Rounded down to the nearest million yen.

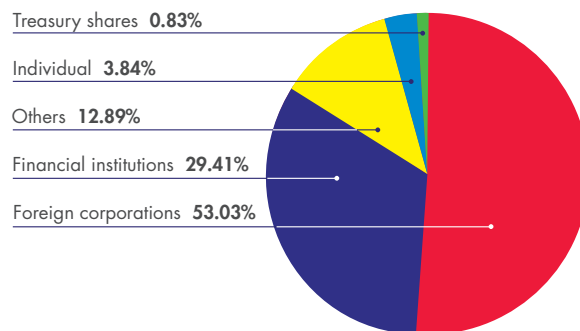
- Number of shares common stock issued 300,000,000 shares
- Number of outstanding shares 181,609,225 shares
- Number of shareholders 9,931

## ● Major shareholders

Shareholder's name	Equity contribution to the Company	
	Number of shares held	Shareholding
State Street Bank and Trust Company	120,123	6.61
The Seibu Department Stores, Ltd.	116,000	6.39
The Master Trust Bank of Japan, Ltd. (trust account)	104,983	5.78
Japan Trustee Services Bank, Ltd. (trust account)	98,222	5.41
Mellon Bank Treaty Clients Omnibus	55,077	3.03
Mizuho Bank, Ltd.	50,931	2.80
Mizuho Corporate Bank, Ltd.	46,755	2.57
Goldman Sachs International	43,995	2.42
JP Morgan Chase Oppenheimer Funds JASDEC Account	42,934	2.36
Mellon Bank NA as agent for its client Mellon Omnibus US Pension	40,352	2.22

(Unit: 100 shares, %)

## ● Shareholders composition



## ● Stock price trend





- **Trade name:** Kabushiki-Kaisha Credit Saison
- **English name:** Credit Saison Co., Ltd.
- **Incorporated on:** May 1, 1951
- **Paid-in capital:** ¥75,640,640,408
- **Number of employees:** 2,628 persons (1,891 persons)  
 Note 1: The figure in parentheses represents the average number of temporary and part-time employees in the first half of the term.  
 Note 2: The number of employees increased, as the employment status of certain contract employees who had been categorized as temporary employees was changed to specialist employees in association with the introduction of a specialist employee system in the first half of the consolidated term under review.
- **Scope of business:**
  - ① Brokerage for installment selling (credit sales using credit cards and other means), financing, leasing, credit guarantee and insurance services
  - ② Total consultation for asset operation and investment
  - ③ Leasing and sales of real estate
  - ④ Data processing services and others
- **Head office:** 52F Sunshine 60 Bldg., 1-1 Higashi-Ikebukuro 3-chome, Toshima-ku, Tokyo 170-6073, JAPAN  
 TEL: 81-3-3988-2111 (main switchboard)  
 Website: [www.saisoncard.co.jp](http://www.saisoncard.co.jp)

- **Board of Directors and Statutory Auditors:**

President and CEO	Hiroshi Rinno
Executive Vice President	Teruyuki Maekawa
Senior Executive Director	Toshiharu Yamamoto
Executive Director	Hideki Miyauchi
Managing Director	Hidetoshi Suzuki
Managing Director	Kazufusa Inada
Managing Director	Naoki Takahashi
Managing Director	Mitsusuke Yamamoto
Director	Kenzo Tada
Director	Takayoshi Yamaji
Director	Chikako Yokoi
Director	Hideo Suzuki
Director	Hong Tae Kim
Director	Hiroshi Yamamoto
Director	Yoshiro Yamamoto
Director	Kyousuke Togano
Standing Statutory Auditor	Hiromichi Sato
Standing Statutory Auditor	Masaru Sakurai
Standing Statutory Auditor	Hiroshi Tomizawa
Standing Statutory Auditor	Kotaro Matsumoto
Statutory Auditor	Atsushi Toki

## ● Permanent Points (“Eikyufumetsu Points”), valid indefinitely, are awarded to our shareholders.

Permanent Points (“Eikyufumetsu Points”), valid indefinitely, are awarded annually in the middle of August to those who were our shareholders and Saison and UC Card members as of the end of March, based on the number of shares held.

\*Some cards are not eligible for the Permanent Points Program.

Number of shares held	Number of points awarded
100 shares to below 500 shares	<b>500</b> points
500 shares to below 1,000 shares	<b>1,000</b> points
1,000 shares or more	<b>1,500</b> points

## ● For questions regarding the shareholder program, please contact:

General Affairs Department, Credit Saison Co., Ltd. ☎ 03-3988-2111

(Inquiries accepted between 9:00 a.m. and 5:45 p.m. on weekdays; closed on Saturdays, Sundays and holidays)

## Information for Shareholders

- **Business year:** From April 1 of each year to March 31 of the following year
- **Ordinary general meeting of shareholders:** June
- **Record date:** Date of record for exercise of rights at Ordinary General Shareholders Meeting: March 31  
Date of record for cash dividends: March 31  
Other dates will be announced in advance as necessary.
- **Transfer agent:** Stock Transfer Agency Department, The Sumitomo Trust & Banking Co., Ltd.  
5-33 Kitahama 4-chome, Chuo-ku Osaka
- Place where tasks are handled:** Stock Transfer Agency Department, The Sumitomo Trust & Banking Co., Ltd.  
4-4 Marunouchi 1-chome, Chiyoda-ku, Tokyo
- Mailing address and contact phone number:** Stock Transfer Agency Department, The Sumitomo Trust & Banking Co., Ltd.  
1-10 Nikko-cho, Fuchu, Tokyo 183-8701  
When requesting forms for change of address and others:  
☎ 0120-175-417 (automated voice response)  
For other referrals:  
☎ 0120-176-417 (9:00 - 17:00. Closed on Saturdays, Sundays and holidays)  
[www.sumitomotrust.co.jp/STA/retail/service/daiko/index.html](http://www.sumitomotrust.co.jp/STA/retail/service/daiko/index.html)
- Website:**
- Locations of agent:** The Sumitomo Trust & Banking Co., Ltd., the head office and branch offices nationwide
- **Media for public notice:** *Nihon Keizai Shimbun* (newspaper) issued in Tokyo