TSAISON

Business Report (For the period from April 1 to March 31, 2001)

To Our Shareholders

As Japan's financial institutions undergo a period of reorganization, the credit industry is also experiencing restructuring, shakeouts and consolidation. This, coupled with the influx of foreign capital and increasing participation of international corporations in the Japanese market, is ushering in an era of heightened competition. The only companies that can succeed in this challenging operating environment will be those that possess strong management capabilities to adapt to advancements in information technology as well as the shift to market value accounting and consolidated accounting from the adoption of international accounting standards.

Under these conditions, we have made revising our approach to the credit card business for the twenty-first century a major element of our mid-term management policies, and are entering new business areas as a leading company in the credit industry. In these changing times, we must quickly and accurately respond to market trends by adopting new approaches to traditional businesses, redefining customer satisfaction, developing new products and services and investing in various systems.

In addition to enhancing corporate value, earning support from customers and continually increasing earnings, a sense of social responsibility is becoming an increasingly important factor in generating profits for shareholders, business partners and other stakeholders.

The period under review is our eighteenth straight period of growth in both revenues and profits. However, restructuring remains a pressing issue, particularly the reorganization of personnel at affiliates. Proceeding with a series of bold innovations, we are striving to become the leading company in the credit card business in the twenty-first century.

I would like to thank our shareholders for their support and invite their continued participation in the growth of Credit Saison in the future.



Hiroshi Rinno President and CEO

President and CEO

June 2001

Credit Saison's Network of Alliances

The network of alliances that Credit Saison has been promoting with businesses in Japan and around the world is a powerful tool for raising the positioning of the Saison Card and a core point in its merchandising strategy. Credit Saison will continue to work to build its network of strategic alliances and develop products and provide services matched to customer needs, thus further expanding its market share.



Range of Affinity Cards Expanded

Credit Saison is proceeding with its strategy of offering affinity cards in cooperation with prominent and emerging companies. Examples include the Mitsui Outlet Park Card, issued in alliance with Mitsui Fudosan Co., Ltd., which provides special benefits at certain outlet malls; the MUJI Card, an affinity card with Ryohin Keikaku Co., Ltd., a company that is attracting attention for its Internet sales and expansion into new business areas; the Fukui Saison Card, offered in alliance with The Fukui Bank, Ltd., which combines credit and cashing functions into one multifunctional card; the Kamome Card Saison, which is the house card for Amu Plaza Nagasaki in the JR Nagasaki Terminal Building; and the Style Index Saison Card, designed to build Credit Saison's market share in the market for personal computers.

Mitsui Outlet Park Card



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New Services Exclusively for Saison Cardholders

In an alliance with Thomas Cook, one of the world's oldest and best-known travel companies, Credit Saison has launched the Saison Tour Desk, an overseas travel support service exclusively for Saison Gold Card and American Express Card members. Credit Saison has also begun offering a full-fledged members' banking service, including automatic overdraft coverage and preferred interest rates for Saison cardholders. Both services have proved extremely popular with customers.

New Agreements with Department Stores

Alliance card agreements have been reached with Sogo Co., Ltd., to issue the Sogo Millennium Card, which integrates point card and credit card functions, and with Marui Co., Ltd., to issue the Red Card Saison, an extension of the Marui Red Card. Credit Saison intends to use its extensive expertise in developing affinity cards with major distributors as a tool to help revitalize department stores.



Sogo Millennium Card



Red Card Saison

IC Card Initiatives

Credit Saison, which is participating in the Postal Services Agency's Pilot Program for the Postal Savings IC Card, has issued a multifunctional Postal Savings IC card. The Company has also issued the Saison ETC (Electronic Toll Collection) Card for the automatic toll payment system being promoted by the Ministry of Land, Infrastructure and Transport and four public highway corporations.







ETC Card

C red it Saison In it ates Net Answer, an Online Card Inquiry Service



In August 2000, Credit Saison launched Net Answer, a secure and convenient service that enables registered Saison cardholders to request information about their credit limit and itemized statements over the Internet. As of March 31, 2001, the service had more than 200,000 registered users.

(Millions of yen)

ASSETS		LIABILITIES	
Current assets	823,990	Current liabilities	531,896
Cash and time deposits	48,328	Trade notes payable	1,435
Trade notes receivable	2	Trade accounts payable	100,292
Trade accounts receivable	477	Short-term loans	194,783
Installment accounts receivable	719,907	Current portion of long-term loans Current portion of bonds	22,863 15,000
Products	2,104	Commercial paper	163,000
Inventories	338	Current portion of obligation on assignment of receivables	8,969
Prepaid expenses	994	Accounts payable	1,187
Short-term loans	64,993	Accrued income taxes	6,728
Accounts receivable	3,702	Accrued expenses	11,186
	1.7	Deposits	1,760
Deferred tax assets	4,220	Deferred income	221
Other current assets	222	Deferred installments	3,906
Allowance for loss on receivables	(21,299)	Other current liabilities	561
Fixed assets	207,181	Long-term liabilities	267,070
Property and equipment	83,169	Bonds	100,000
Equipment for lease	56,146	Convertible bonds	15,456
* *		Long-term loans	126,782
Buildings	15,576	Obligation on assignment of receivables	12,244
Vehicles	0	Accrued pension allowance for employees Accrued retirement allowances for directors and statutory auditors	7,971 426
Fixtures and equipment	5,209	Lease deposits	276
Land	6,235	Guarantees receivable	2,083
Intangible assets	6,489	Other long-term liabilities	1,830
Leasehold interests	971	č	
Software	5,260	Total liabilities	798,967
Other intangible fixed assets	257	SHAREHOLDERS' EQUITY	
Investments and other assets	117,521	SHAREHOLDERS EQUITI	
Investment securities	56,503	Capital stock	61,302
Investments in subsidiaries	14,854	Legal reserve	67,416
Other investments	1,002	Additional paid-in capital	64,716
Long-term loans to subsidiaries	28,960	Legal reserve	2,700
Long-term prepaid expenses	1,971	Retained earnings	104,906
Lease deposits	7,704	Voluntary reserve Reserve for the reduction of fixed assets value	78,756 301
Deferred tax assets	6,197	General reserve	78,455
Other long-term assets	2,490	Unappropriated retained earnings at end of period	26,150
Allowance for loss on receivables	(2,162)	[Net income for the year]	[16,521]
Thorance for 1000 off feetivables	(2,102)	Unrealized loss on marketable securities	(1,233)
Deferred assets	188	Unrealized loss on other marketable securities	(1,233)
Bond issue expenses	188	Total shareholders' equity	232,392
Total assets	1,031,360	Total liabilities and shareholders' equity	1,031,360
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(Millions of yen)

Operating revenues 49,821 Credit cards 49,821 Shopping loans 1,704 Guarantees 967 Loans 66,190 Agency services 6,431 Leases 19,018 2,864 Leasing income 21,882 19,018 2,864 Income on merchandise sales 11,677 6,459 10,491 1,186 Other sales income 6,459 2,236 4,223 4,223 4,223 5,760 6,459 2,236 4,223 4,223 5,776 6,459 2,236 4,223 4,223 6,459 2,236 4,223 7,371 7,372 7,372 7,372 7,372 7,372 <th>Credit cards Shopping loans Guarantees Loans Agency services Leases</th> <th></th> <th>49,821</th>	Credit cards Shopping loans Guarantees Loans Agency services Leases		49,821
Credit cards 49,821 Shopping loans 1,704 Guarantees 967 Loans 66,190 Agency services 1,821 Leasing income 21,882 Leasing cost 19,018 2,864 Income on merchandise sales 11,677 Cost of merchandise sold 10,491 1,186 Other sales income 6,459 2,236 4,223 Financial reserves 2,236 4,223 388 Total operating revenues 8,147 8,604 13,776 Operating expenses 8,147 8,604 13,776 Operating expenses 8,147 8,604 13,776 Operating expenses 8,147 456 8,604 Total operating expenses 8,147 456 8,604 Total operating expenses 37,800 Operating income 37,800 Non-operating expenses 1,521 Ordinary income 37,043 Extraordinary gain<	Credit cards Shopping loans Guarantees Loans Agency services Leases		49,821
Credit cards 49,821 Shopping loans 1,704 Guarantees 967 Loans 66,190 Agency services 1,821 Leasing income 21,882 Leasing cost 19,018 2,864 Income on merchandise sales 11,677 Cost of merchandise sold 10,491 1,186 Other sales income 6,459 2,236 4,223 Financial reserves 2,236 4,223 388 Total operating revenues 8,147 8,604 13,776 Operating expenses 8,147 8,604 13,776 Operating expenses 8,147 8,604 13,776 Operating expenses 8,147 456 8,604 Total operating expenses 8,147 456 8,604 Total operating expenses 37,800 Operating income 37,800 Non-operating expenses 1,521 Ordinary income 37,043 Extraordinary gain<	Credit cards Shopping loans Guarantees Loans Agency services Leases		49,821
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Leases	Loans Agency services Leases		
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Leasing income			6,431
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Loss on interest rate swaps 1,248 8,562 Net income before taxes 28,658 Corporate, inhabitant and enterprise taxes Adjustments for corporate income tax, etc. 13,944 (1,870) 12,137 Net income 16,521 Balance carried forward from preceding year 9,628	Loss on revaluation of investments in	2,453	
Net income before taxes Corporate, inhabitant and enterprise taxes Adjustments for corporate income tax, etc. Net income Balance carried forward from preceding year 28,658 13,944 (1,870) 12,137 16,521	Loss on revaluation of investments in subsidiaries	2,453 143	
Corporate, inhabitant and enterprise taxes Adjustments for corporate income tax, etc. Net income Balance carried forward from preceding year 13,944 (1,870) 12,137 16,521	Loss on revaluation of investments in subsidiaries Loss on sale of investment securities	2,453 143 1,830	8 562
Adjustments for corporate income tax, etc. (1,870) 12,137 Net income 16,521 Balance carried forward from preceding year 9,628	Loss on revaluation of investments in subsidiaries Loss on sale of investment securities	2,453 143 1,830	8,562
Adjustments for corporate income tax, etc. (1,870) 12,137 Net income 16,521 Balance carried forward from preceding year 9,628	Loss on revaluation of investments in subsidiaries Loss on sale of investment securities Loss on interest rate swaps	2,453 143 1,830	
Net income 16,521 Balance carried forward from preceding year 9,628	Loss on revaluation of investments in subsidiaries Loss on sale of investment securities Loss on interest rate swaps Net income before taxes	2,453 143 1,830 1,248	
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	Loss on revaluation of investments in subsidiaries Loss on sale of investment securities Loss on interest rate swaps Net income before taxes Corporate, inhabitant and enterprise taxes Adjustments for corporate income tax, etc.	2,453 143 1,830 1,248	28,658 12,137
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Apı	proi	priation	of	Retaine	d Earn	ings	and I	Notes

Appropriation of Retained Earnings				
Unappropriated retained earnings	26,150,495,282 Yen			
Transfer to legal reserve	320,000,000			
Cash dividends (¥18.00 per share)	3,050,438,652			
Directors' bonuses (Statutory auditors' bonuses)	130,000,000 (15,000,000)			
Voluntary reserve				
General reserve	13,000,000,000			
Retained earnings to be carried forw	vard 9,650,056,630			

Note: Dividends for 65 shares of treasury stock are not included in the cash dividends.

Installment Accounts Receivable			(Millions of yen)	
(1) Installment Accounts Receivable Relating to Credit Sales	Fiscal 1999	Fiscal 2000	Percent change	
Type of Contract Credit cards Shopping loans Guarantees Loans Agency services Leases	308,019 20,491 87 270,475 9,099 1,882	341,227 16,686 69 342,928 16,362 2,227	+10.8 -18.6 -19.9 +26.8 +79.8 +18.3	
Other sales	0	-	0.0	
Total	610,056	719,502	+17.9	
(2) Installment Accounts Receivable Relating to Merchandise Sales	Fiscal 1999	Fiscal 2000	Percent change	
Merchandise sales	458	404	-11.7	
Total	610,515	719,907	+17.9	

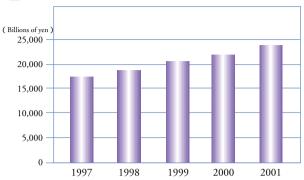
Amounts Classified by Type of Contract (Millions of yen)

7 71					
Type of Contract	Fiscal 1999 April 1, 1999 to March 31, 200	Fiscal 2000 April 1, 2000 to March 31, 2001	Percent change		
Credit cards	1,278,719	1,420,243	+11.1		
	(1,278,718)	(1,420,240)			
Shopping loans	24,256	20,771	-14.4		
11 0	(23,080)	(19,936)			
Guarantees	25,628	14,646	-42.9		
	(25,628)	(14,646)			
Loans	414,660	500,645	+20.7		
	(414,660)	(500,645)			
Agency services	400,495	401,084	+0.1		
	(400,495)	(401,084)			
Leases	23,919	35,192	+47.1		
Merchandise sales	13,729	11,677	-14.9		
	(13,729)	(11,677)	,		
Other sales	8,331	8,914	+7.0		
Total	2,189,740	2,413,174	+10.2		
NT 4 1					

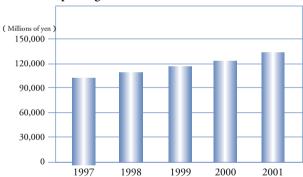
Note: Amounts in parentheses represent principal.

Overview of Results

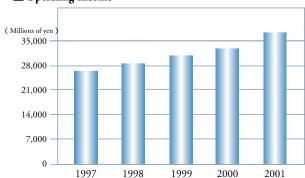
Volume of New Contracts



Total Operating Revenues



Operating Income



Other sales 0.3% Merchandise sales 0.5% Guarantees 0.6% Shopping loans 0.9% Leases 1.5% Agency services 16.6% Credit cards 58.9%

Net Income and Earnings Per Share



■ Total Shareholders' Equity and Shareholders' Equity Ratio



Corporate Data (As of March 31, 2001)

Credit sales Sales credit, financing, merchandise sales, travel, etc. and financial services Financing, Credit sales Business agency and financial services Merchandise sales

Travel and entertainment businesses

Other

Credit Saison Group

mortgage securities Real estate sales, communications sales, Credit Affiliation contracts automobile sales Merchandise Customers sales Affiliation contracts. cardholder services Insurance Insurance Travel and Building rental Amusement, travel entertainment businesses Information Securities, information businesses processing services processing services Other businesses

Consolidated subsidiaries/Affiliates	Business		
Saison Fundex Corporation	Loans and mortgage securities		
Atrium Co., Ltd.	Real estate mobilization		
Saison Direct Marketing Co., Ltd.	Mail-order sales		
New Seibu Motor Sales Co., Ltd.	Automobile sales		
House Planning Co., Ltd.	Real estate mobilization		
Saison Life Insurance Co., Ltd.	Life insurance		
Saison Automobile & Fire Insurance Co., Ltd.*	Non-life insurance		
Vivre Co., Ltd.	Amusement industry		
United Vacations Japan Inc.	Travel business		
NOA Planning Co., Ltd.	Consultancy for amusement center development		
Saison Securities Co., Ltd.	Securities		
Saison Information Systems Co., Ltd.*	Information processing services		

No mark = Consolidated subsidiary

Firm Name:

Credit Saison Co., Ltd.

Founded:

September 12, 1946

Incorporated:

May 1, 1951

Business Purposes:

- 1. Installment purchase (credit sales with credit cards, etc.), loans, leases, guarantees, and insurance businesses
- 2. General consulting business including savings and investment
- 3. Real estate rental and sales
- 4. Cash and credit sales of clothing, home products, miscellaneous goods, foods, etc.

Head Office:

Sunshine 60 Bldg., 1-1, Higashi-Ikebukuro 3-chome, Toshima-ku, Tokyo 170-6073, Japan

Telephone:

+81-3-3988-2111

Board of Directors:

Chaiman

Osamu Yanase

President and CEO

Hiroshi Rinno

Vice President

Shiro Yanagihara

Executive Managing Director

Teruvuki Maekawa **Managing Directors**

Atsushige Takahashi Hiromichi Sato

Toshiharu Yamamoto

Executive Advisor and Director

Kazuo Toriumi

Internet Homepage:

http://www.saisoncard.co.jp

Number of Employees:

Paid-in Capital:

¥61,302,880,400

1,697

Directors

Tadao Joyama Takeshi Yano Hideki Miyauchi Shigeru Yamada Terutaka Hasuda Shinji Hojo

Standing Statutory Auditors

Shigeru Suzuki Akira Uno Toshio Sakai

Statutory Auditor

Seikou Yoshimi

Investor Information

- [1] Fiscal Year-End: March 31
- [2] Ordinary General Meeting of Shareholders: June
- [3] Base Dates

Voting Rights at Ordinary General Meeting of Shareholders: March 31 Settlement Date for Distribution of Dividends: March 31

[4] Transfer Agent

The Sumitomo Trust & Banking Co., Ltd. 5-33, Kitahama 4-chome, Chuo-ku, Osaka

Tokyo Office

The Sumitomo Trust & Banking Co., Ltd. 4-4, Marunouchi 1-chome, Chiyoda-ku, Tokyo

Mail and Telephone Inquiries

The Sumitomo Trust & Banking Co., Ltd.

1-10, Nikkocho, Fuchu, Tokyo 183-8701, Japan Tokyo: +81-42-351-2211 Osaka: +81-6-6833-4700

[5] Newspaper Advertisement Placement: Nihon Keizai Shimbun, Tokyo edition

^{*} Affiliate accounted for by the equity method



Saison Card Green Points promote understanding and enjoyment of the natural environment.