



CREDIT SAISON



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 resulting 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

A handwritten signature in black ink, appearing to read 'H. Rinno', written in a cursive style.

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.

International Alliance Network

Domestic Alliance Network



Topics

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



MUJI Card



Fukui Saison Card



Kamome Card Saison



Style Index Saison Card

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.



Postal Savings IC Card Saison



ETC Card

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.

Credit Saison Initiates Net Answer, an Online Card Inquiry Service



SAISON CARD Net Answer

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.

Balance Sheet (as of March 31, 2001)

(Millions of yen)

ASSETS	
Current assets	823,990
Cash and time deposits	48,328
Trade notes receivable	2
Trade accounts receivable	477
Installment accounts receivable	719,907
Products	2,104
Inventories	338
Prepaid expenses	994
Short-term loans	64,993
Accounts receivable	3,702
Deferred tax assets	4,220
Other current assets	222
Allowance for loss on receivables	(21,299)
Fixed assets	207,181
Property and equipment	83,169
Equipment for lease	56,146
Buildings	15,576
Vehicles	0
Fixtures and equipment	5,209
Land	6,235
Intangible assets	6,489
Leasehold interests	971
Software	5,260
Other intangible fixed assets	257
Investments and other assets	117,521
Investment securities	56,503
Investments in subsidiaries	14,854
Other investments	1,002
Long-term loans to subsidiaries	28,960
Long-term prepaid expenses	1,971
Lease deposits	7,704
Deferred tax assets	6,197
Other long-term assets	2,490
Allowance for loss on receivables	(2,162)
Deferred assets	188
Bond issue expenses	188
Total assets	1,031,360

LIABILITIES	
Current liabilities	531,896
Trade notes payable	1,435
Trade accounts payable	100,292
Short-term loans	194,783
Current portion of long-term loans	22,863
Current portion of bonds	15,000
Commercial paper	163,000
Current portion of obligation on assignment of receivables	8,969
Accounts payable	1,187
Accrued income taxes	6,728
Accrued expenses	11,186
Deposits	1,760
Deferred income	221
Deferred installments	3,906
Other current liabilities	561
Long-term liabilities	267,070
Bonds	100,000
Convertible bonds	15,456
Long-term loans	126,782
Obligation on assignment of receivables	12,244
Accrued pension allowance for employees	7,971
Accrued retirement allowances for directors and statutory auditors	426
Lease deposits	276
Guarantees receivable	2,083
Other long-term liabilities	1,830
Total liabilities	798,967
SHAREHOLDERS' EQUITY	
Capital stock	61,302
Legal reserve	67,416
Additional paid-in capital	64,716
Legal reserve	2,700
Retained earnings	104,906
Voluntary reserve	78,756
Reserve for the reduction of fixed assets value	301
General reserve	78,455
Unappropriated retained earnings at end of period	26,150
[Net income for the year]	[16,521]
Unrealized loss on marketable securities	(1,233)
Unrealized loss on other marketable securities	(1,233)
Total shareholders' equity	232,392
Total liabilities and shareholders' equity	1,031,360

Statement of Income (from April 1, 2000 to March 31, 2001)

(Millions of yen)

Operating revenues		
Credit cards	49,821	
Shopping loans	1,704	
Guarantees	967	
Loans	66,190	
Agency services	6,431	
Leases		
Leasing income	21,882	
Leasing cost	19,018	2,864
Income on merchandise sales		
Merchandise sales	11,677	
Cost of merchandise sold	10,491	1,186
Other sales income		
Other sales	6,459	
Cost of other sales	2,236	4,223
Financial reserves		388
Total operating revenues		133,776
Operating expenses		
Selling, general and administrative expenses	87,371	
Financial cost		
Interest expense	8,147	
Other expenses	456	8,604
Total operating expenses		95,976
Operating income		37,800
Non-operating revenue		764
Non-operating expenses		1,521
Ordinary income		37,043
Extraordinary gain		
Gain on sale of investment securities	177	177
Extraordinary loss		
Loss on sale of fixed assets	517	
Loss on revaluation of investment securities	2,368	
Loss on revaluation of investments in subsidiaries	2,453	
Loss on sale of investment securities	1,830	
Loss on interest rate swaps	1,248	8,562
Net income before taxes		28,658
Corporate, inhabitant and enterprise taxes	13,944	
Adjustments for corporate income tax, etc.	(1,870)	12,137
Net income		16,521
Balance carried forward from preceding year		9,628
Unappropriated retained earnings		26,150

Appropriation of Retained Earnings and 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 forward	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	308,019	341,227	+10.8
Shopping loans	20,491	16,686	-18.6
Guarantees	87	69	-19.9
Loans	270,475	342,928	+26.8
Agency services	9,099	16,362	+79.8
Leases	1,882	2,227	+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

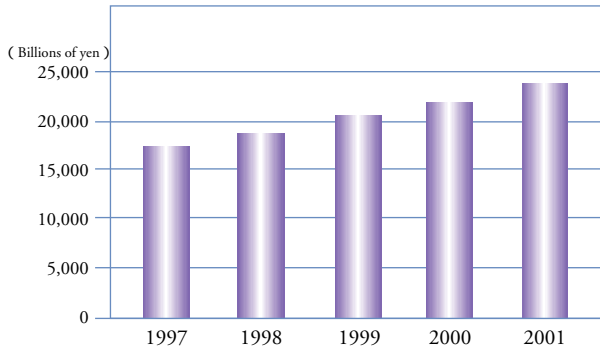
(Millions of yen)

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

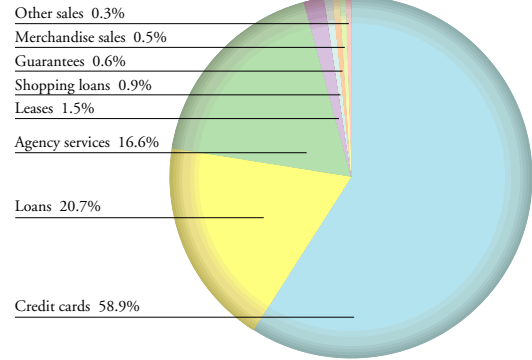
Note: Amounts in parentheses represent principal.

Overview of Results

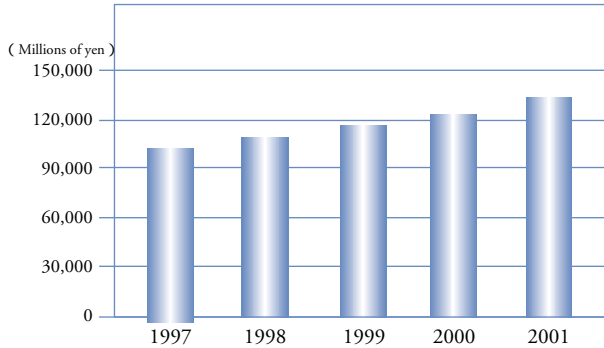
Volume of New Contracts



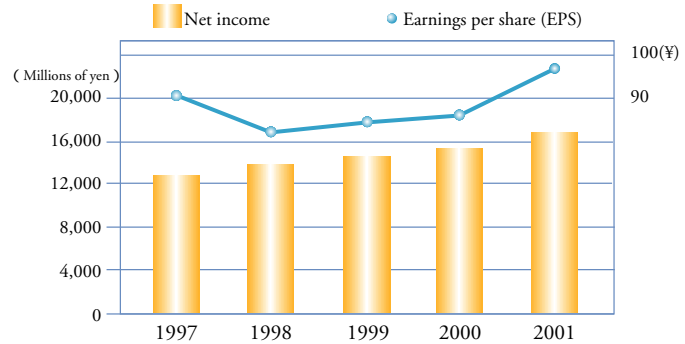
New Contracts by Type



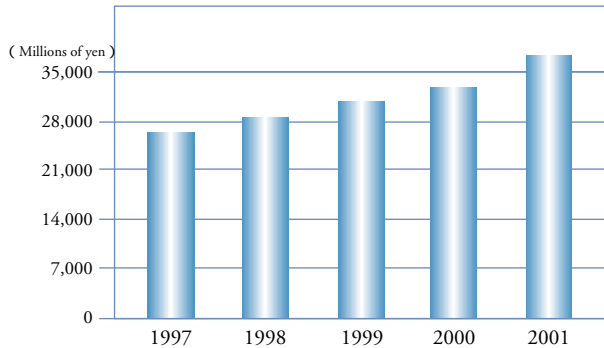
Total Operating Revenues



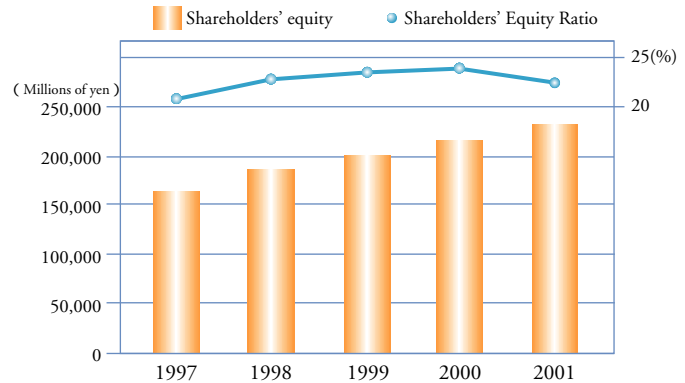
Net Income and Earnings Per Share



Operating Income

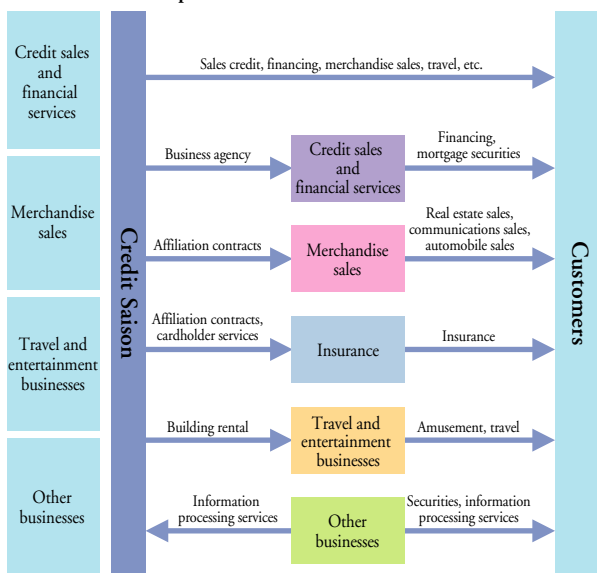


Total Shareholders' Equity and Shareholders' Equity Ratio



Corporate Data (As of March 31, 2001)

Credit Saison Group



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

* Affiliate accounted for by the equity method

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:

Chairman

Osamu Yanase

President and CEO

Hiroshi Rinno

Vice President

Shiro Yanagihara

Executive Managing Director

Teruyuki Maekawa

Managing Directors

Atsushige Takahashi

Hirokichi Sato

Toshiharu Yamamoto

Executive Advisor and Director

Kazuo Toriumi

Number of Employees:
1,697

Paid-in Capital:
¥61,302,880,400

Internet Homepage:
<http://www.saisoncard.co.jp>

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.

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

SAISON
CARD
INTERNATIONAL

クレディセゾン



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