

《Straight translation》

## Brief Statement of First Quarter Financial Results for the Fiscal Year Ending March 2005 (Consolidated)

August 6, 2004

Stock market: Tokyo stock exchange

Code number: 8253

**Listed company name** **Credit Saison Co., Ltd.**

(URL <http://www.saisoncard.co.jp>)

Representative: Hiroshi Rinno, President and CEO

Responsible person /Title: Toshiyasu Suganuma /Director in charge of Finance and Accounting

Inquiries to: Ayumi Sakamoto /General Manager, Public Relations Office Phone: (03) 3982-0700

### 1. Items Relating to the Preparation of Brief Statement of Quarter Financial Results

Simplified Accounting Policies : Adopted

Change in Accounting Policies : None

Change in Scope of Consolidation and Equity method: Adopted

Consolidated (New) : -

(Eliminated) : -

Equity method (New) : 1 company

(Eliminated) : -

### 2. Consolidated Business Results for the First Quarter Accounting Period (April 1, 2004 to June 30, 2004)

#### (1) Consolidated Operating Results

Note: All amounts are rounded down to the nearest million yen.

	Operating revenues (Millions of yen) yoy%		Operating income (Millions of yen) yoy%		Ordinary income (Millions of yen) yoy%		Net income(First Quarter) (Millions of yen) yoy%	
6/04 ( 1 <sup>st</sup> Quarter )	57,338	6.3	13,750	19.2	13,562	18.4	7,883	41.4
6/03 ( 1 <sup>st</sup> Quarter )	53,946	-	11,536	-	11,459	-	5,575	-
3/04 ( Annual )	220,331		54,005		52,955		22,419	

	Earnings per share (yen)	Earnings per share (Diluted) (yen)
6/04 ( 1 <sup>st</sup> Quarter )	46.40	45.37
6/03 ( 1 <sup>st</sup> Quarter )	34.77	34.10
3/04 ( Annual )	130.55	127.79

Notes: Figures in the percent columns indicate percentage changes in operating revenues, operating income, ordinary income and net income for the quarter (current) compared with the same period of the previous year. In addition, the figures showing the year-on-year increase/decrease for the previous first quarter are omitted, because consolidated first quarter financial statements are prepared from previous fiscal year.

#### (2) Consolidated Financial Position

	Total Assets (Millions of yen)	Shareholder's Equity (Millions of yen)	Ratio of Shareholder's Equity (%)	Shareholder's Equity Per Share (yen)
6/04 ( 1 <sup>st</sup> Quarter )	1,353,284	263,597	19.5	1,551.60
6/03 ( 1 <sup>st</sup> Quarter )	1,261,887	239,360	19.0	1,400.55
3/04 ( Annual )	1,352,709	258,253	19.1	1,519.13

## Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Millions of yen)

Item	Term	First quarter 2003 (As of June 30, 2003)	First quarter 2004 (As of June 30, 2004)	Increase (Decrease)		Fiscal 2003 (As of March 31, 2004)
		Value	Value	Value	(%)	Value
(ASSETS)						
I. Current assets						
Cash and deposits		61,029	56,608	(4,420)	(7.2)	73,421
Installment accounts receivable		858,046	933,417	75,370	8.8	921,697
Other		66,712	78,483	11,770	17.6	79,768
Allowance for losses on receivables		(32,834)	(37,610)	(4,775)	14.5	(34,612)
Total Current assets		952,954	1,030,899	77,944	8.2	1,040,274
II. Fixed assets						
Property and equipment ,at cost						
Equipment for lease		112,833	132,831	19,998	17.7	127,335
Other		40,858	37,277	(3,581)	(8.8)	35,375
Total Tangible Fixed assets		153,691	170,108	16,416	10.7	162,710
Intangible fixed assets:		8,170	11,275	3,104	38.0	10,698
Investments and other assets:						
Investment securities		74,319	72,493	(1,826)	(2.5)	68,468
Long-term loans		28,252	34,555	6,303	22.3	36,987
Other		47,020	36,989	(10,031)	(21.3)	36,420
Allowance for losses on receivables		(4,844)	(4,741)	102	(2.1)	(4,634)
Total Investments and other assets:		144,747	139,296	(5,451)	(3.8)	137,241
Total Fixed assets		306,609	320,679	14,069	4.6	310,650
III. Deferred assets						
Bond issue costs		398	480	81	20.5	383
Development costs		1,925	1,225	(700)	(36.4)	1,400
Total Deferred assets		2,323	1,705	(618)	(26.6)	1,783
Total assets		1,261,887	1,353,284	91,396	7.2	1,352,709

(Millions of yen)

Item	Term	First quarter 2003 (As of June 30, 2003)	First quarter 2004 (As of June 30, 2004)	Increase (Decrease)		Fiscal 2003 (As of March 31,2004)
		Value	Value	Value	(%)	Value
<b>( LIABILITIES )</b>						
<b>I. Current liabilities</b>						
Notes and Accounts payable		111,692	109,925	(1,767)	(1.6)	94,228
Short-term loans		321,769	360,050	38,280	11.9	377,292
Current portion of long-term loans		12,485	33,128	20,643	165.3	22,273
Current portion of bonds		40,000	21,270	(18,730)	(46.8)	20,460
Current portion of convertible bonds		-	6,784	6,784	-	6,784
Commercial paper		89,000	40,000	(49,000)	(55.1)	71,000
Current portion of payables under securitized lease receivables		4,377	1,712	(2,664)	(60.9)	3,127
Other		34,977	43,445	8,467	24.2	62,245
Total Current liabilities		614,302	616,315	2,013	0.3	657,410
<b>II. Long-term liabilities</b>						
Bonds		128,000	153,830	25,830	20.2	140,540
Convertible bonds		7,445	-	(7,445)	-	-
Long-term loans		219,121	270,038	50,916	23.2	247,086
Payables under securitized lease receivables		36,771	33,000	(3,771)	(10.3)	33,000
Accrued pension and severance costs		6,739	7,479	739	11.0	7,398
Consolidation adjustments		389	690	301	77.4	745
Other		8,851	7,879	(971)	(11.0)	7,844
Total Long-term liabilities		407,318	472,918	65,600	16.1	436,614
Total liabilities		1,021,620	1,089,234	67,613	6.6	1,094,025
<b>(MINORITY INTERESTS IN CONSOLIDATEDSUBSIDIARIES)</b>						
Minority interests in consolidated subsidiaries		907	453	(454)	(50.0)	430
<b>( SHAREHOLDER'S EQUITY)</b>						
I. Common stock		63,337	63,667	330	0.5	63,667
II. Additional paid in capital		66,793	67,133	340	0.5	67,133
III. Retained earnings		109,692	131,104	21,412	19.5	126,719
IV. Unrealized gains(losses)on other securities		360	5,647	5,286	-	4,685
V. Treasury stock, at cost		(823)	(3,956)	(3,133)	380.6	(3,953)
Total shareholders' equity		239,360	263,597	24,237	10.1	258,253
Total liabilities and shareholders' equity		1,261,887	1,353,284	91,396	7.2	1,352,709

**(2) Consolidated Statements of Income**

(Millions of yen)

Item	Term	First quarter 2003 (As of June 30, 2003)		First quarter 2004 (As of June 30, 2004)		Increase (Decrease)		Fiscal 2003 (As of March 31, 2004)	
		Value		Value		Value	%	Value	
I. Operating revenues									
Financing and administration fees			43,365		44,186	820	1.9		174,963
Income from merchandise sales								59,621	
Merchandise sales		12,763		-					
Cost of merchandise sales		10,156	2,606	-	-	(2,606)	-	47,289	12,332
Income from travel & entertainment								94,501	
Travel & entertainment sales		23,748		-					
Cost of travel & entertainment sales		19,812	3,935	-	-	(3,935)	-	78,314	16,187
Income from entertainment									
Entertainment sales		-		24,831				-	
Cost of entertainment sales		-	-	20,892	3,938	3,938	-	-	-
Income from real estate									
Real estate sales		-		13,155				-	
Cost of real estate sales		-	-	10,315	2,839	2,839	-	-	-
Income from leases								46,331	
Leases sales		-		13,578					
Cost of leases sales		-	-	12,044	1,534	1,534	-	40,805	5,525
Income from other sales								8,378	
Other sales		12,555		2,600					
Cost of other sales		10,018	2,536	1,047	1,553	(983)	(38.8)	3,626	4,751
Financial revenues			1,502		3,285	1,783	118.8		6,570
Total operating revenues			53,946		57,338	3,392	6.3		220,331
II. Operating expenses									
Selling, general and administrative expenses			39,633		41,417	1,784	4.5		156,501
Financial cost			2,776		2,170	(605)	(21.8)		9,824
Total operating expenses			42,409		43,588	1,178	2.8		166,326
Operating income			11,536		13,750	2,213	19.2		54,005
III. Non-operating income			345		633	288	83.6		1,992
IV. Non-operating expenses			422		820	398	94.3		3,041
Ordinary income			11,459		13,562	2,103	18.4		52,955
V. Extraordinary gains			6		175	168	-		-
VI. Extraordinary losses			1,064		21	(1,043)	(98.0)		12,446
Income before income taxes and minority interests			10,401		13,716	3,315	31.9		40,509
Income taxes, current		2,848		2,163				23,928	
Income taxes, deferred		1,946	4,794	3,635	5,799	1,004	21.0	(5,906)	18,022
Minority interests			30		34	3	10.4		67
Net income			5,575		7,883	2,307	41.4		22,419

## Brief Statement of First Quarter Financial Results for the Fiscal Year Ending March 2005 (Non-Consolidated)

August.6. 2004

Stock market: Tokyo stock exchange

Code number: 8253

**Listed company name**                      **Credit Saison Co., Ltd.**

Representative:                      Hiroshi Rinno, President and CEO

Responsible person /Title:        Toshiyasu Suganuma/Director in charge of Finance and Accounting

Inquiries to:                          Ayumi Sakamoto/General Manager, Public Relations Office Phone: (03) 3982-0700

### 1. Items Relating to the Preparation of Brief Statement of Quarter Financial Results

Simplified Accounting Policies : Adopted

Change in Accounting Policies : None

### 2. Non-Consolidated Business Results for the First Quarter Accounting Period

**(April 1, 2004 to June 30, 2004)**

#### (1) Non-Consolidated Operating Results

Note: All amounts are rounded down to the nearest million yen.

	Operating revenues		Operating income		Ordinary income		Net income(First Quarter)	
	(millions of yen)	yoy%	(millions of yen)	yoy%	(millions of yen)	yoy%	(millions of yen)	yoy%
6/04 ( 1 <sup>st</sup> Quarter )	46,015	5.6	10,731	6.3	11,173	7.5	6,683	12.1
6/03 ( 1 <sup>st</sup> Quarter )	43,593	-	10,095	-	10,391	-	5,960	-
3/04 ( Annual )	175,725		44,824		45,051		24,396	

	Earnings per share (yen)	Earnings per share (Diluted) (yen)
6/04 ( 1 <sup>st</sup> Quarter )	39.24	38.37
6/03 ( 1 <sup>st</sup> Quarter )	32.62	32.00
3/04 ( Annual )	142.00	138.99

Notes:

Volume of new contracts: ¥753,343 million (Fiscal 2003 First Quarter : ¥730,667 million Fiscal 2004 ¥2,924,399 million) (Year-on-year change: 3.1%)

Figures in the percent columns indicate percentage changes in operating revenues, operating income, ordinary income and net income for the quarter (current) compared with the same period of the previous year.

#### (2) Non-Consolidated Financial Position

	Total Assets (Millions of yen)	Shareholder's Equity (Millions of yen)	Ratio of Shareholder's Equity (%)	Shareholder's Equity Per Share (yen)
6/04 ( 1 <sup>st</sup> Quarter )	1,174,087	266,220	22.7	1,563.28
6/03 ( 1 <sup>st</sup> Quarter )	1,071,912	241,027	22.5	1,406.22
3/04 ( Annual )	1,155,776	261,792	22.7	1,536.51

## Non-consolidated Financial Statements

### (1) Non-Consolidated Balance Sheets

(Millions of yen)

Item	Term	First quarter 2003 (As of June 30, 2003)	First quarter 2004 (As of June 30, 2004)	Increase (Decrease)		Fiscal 2003 (As of March 31,2004)
		Value	Value	Value	(%)	Value
(ASSETS)						
I. Current assets						
Cash and deposits		30,400	39,193	8,792	28.9	43,928
Installment accounts receivable		790,203	850,929	60,726	7.7	838,629
Inventory		2,323	1,877	(445)	(19.2)	1,935
Other		25,099	22,101	(2,997)	(11.9)	21,786
Allowance for losses on receivables		(29,765)	(34,087)	(4,322)	14.5	(31,241)
Total Current assets		818,261	880,014	61,753	7.5	875,038
II. Fixed assets						
Property and equipment, at cost::						
Equipment for lease		113,217	132,992	19,775	17.5	127,552
Other		11,500	13,606	2,105	18.3	11,964
Total Tangible fixed assets		124,718	146,599	21,881	17.5	139,516
Intangible fixed assets:		6,644	9,625	2,981	44.9	9,052
Investments and other assets:						
Investment securities		71,836	90,636	18,799	26.2	86,030
Long-term loans		35,737	35,617	(120)	(0.3)	35,647
Other		15,193	11,389	(3,804)	(25.0)	10,044
Allowance for losses on receivables		(2,633)	(1,275)	1,358	(51.6)	(1,182)
Total Investments and other assets:		120,133	136,367	16,233	13.5	130,538
Total Fixed assets		251,496	292,592	41,096	16.3	279,107
III. Deferred assets						
Bond issue costs		229	254	25	11.1	229
Development costs		1,925	1,225	(700)	(36.4)	1,400
Total Deferred assets		2,154	1,479	(674)	(31.3)	1,629
Total assets		1,071,912	1,174,087	102,175	9.5	1,155,776

(Millions of yen)

Item	Term	First quarter 2003	First quarter 2004	Increase (Decrease)		Fiscal 2003 (As of March 31,2004)
		(As of June 30, 2003)	(As of June 30, 2004)	Value	(%)	Value
<b>( LIABILITIES )</b>						
<b>I. Current liabilities</b>						
Notes and Accounts payable		109,574	108,515	(1,058)	(1.0)	92,540
Short-term loans		202,549	249,100	46,550	23.0	246,348
Current portion of long-term loans		2,802	25,655	22,853	815.6	13,455
Current portion of bonds		40,000	20,000	(20,000)	(50.0)	20,000
Current portion of convertible bonds		-	6,784	6,784	-	6,784
Commercial paper		89,000	40,000	(49,000)	(55.1)	71,000
Current portion payables under securitized lease receivables		4,377	1,712	(2,664)	(60.9)	3,127
Unearned income		3,357	3,409	52	1.6	3,446
Other		25,758	33,436	7,678	29.8	51,328
<b>Total Current liabilities</b>		<b>477,418</b>	<b>488,613</b>	<b>11,195</b>	<b>2.3</b>	<b>508,030</b>
<b>II. Long-term liabilities</b>						
Bonds		120,000	140,000	20,000	16.7	130,000
Convertible bonds		7,445	-	(7,445)	-	-
Long-term loans		181,629	237,974	56,345	31.0	214,924
Payables under securitized lease receivables		36,771	33,000	(3,771)	(10.3)	33,000
Accrued pension and severance costs		5,479	6,094	614	11.2	6,030
Other		2,140	2,184	44	2.1	1,997
<b>Total Long-term liabilities</b>		<b>353,465</b>	<b>419,252</b>	<b>65,787</b>	<b>18.6</b>	<b>385,952</b>
<b>Total liabilities</b>		<b>830,884</b>	<b>907,866</b>	<b>76,982</b>	<b>9.3</b>	<b>893,983</b>
<b>( SHAREHOLDER'S EQUITY )</b>						
<b>I. Common stock</b>		<b>63,337</b>	<b>63,667</b>	<b>330</b>	<b>0.5</b>	<b>63,667</b>
<b>II. Additional paid-in capital</b>		<b>66,748</b>	<b>67,078</b>	<b>330</b>	<b>0.5</b>	<b>67,078</b>
<b>III. Retained earnings</b>						
Legal reserve		3,020	3,020	-	-	3,020
Voluntary reserves		99,756	114,455	14,698	14.7	99,756
Unappropriate retained earnings at the end of period.		8,484	15,708	7,224	85.2	26,920
<b>Total Retained earnings</b>		<b>111,260</b>	<b>133,183</b>	<b>21,923</b>	<b>19.7</b>	<b>129,696</b>
<b>IV. Unrealized gains(losses) on other securities</b>		<b>(296)</b>	<b>5,622</b>	<b>5,919</b>	<b>-</b>	<b>4,679</b>
<b>V. Treasury stock, at cost</b>		<b>( 21 )</b>	<b>(3,332)</b>	<b>(3,311)</b>	<b>-</b>	<b>(3,329)</b>
<b>Total shareholders' equity</b>		<b>241,027</b>	<b>266,220</b>	<b>25,192</b>	<b>10.5</b>	<b>261,792</b>
<b>Total liabilities and shareholders' equity</b>		<b>1,071,912</b>	<b>1,174,087</b>	<b>102,175</b>	<b>9.5</b>	<b>1,155,776</b>

**(2) Non-Consolidated Statements of Income**

(Millions of yen)

Item	Term	First quarter 2003 (As of June 30, 2003)		First quarter 2004 (As of June 30, 2004)		Increase (Decrease)		Fiscal 2003 (As of March 31, 2004)	
		Value		Value		Value	%	Value	
I. Operating revenues									
Credit cards			14,927		14,961	33	0.2		59,324
Shopping loans			333		264	(69)	(20.9)		1,275
Guarantees			811		803	(8)	(1.0)		3,229
Loans			22,350		22,052	(297)	(1.3)		90,892
Agency services			1,678		2,406	728	43.4		6,531
Income from leases									
Leases sales		10,818		13,680				46,771	
Cost of leases sales		9,448	1,370	12,134	1,546	175	12.8	41,162	5,609
Income from merchandise sales									
Merchandise sales		1,332		-				2,763	
Cost of merchandise sold		1,157	175	-	-	(175)	-	2,359	403
Income from other sales									
Other sales		732		965				3,392	
Cost of other sales		14	717	165	800	82	11.5	255	3,136
Financial revenues			1,228		3,181	1,952	158.9		5,321
Total Operating revenues			43,593		46,015	2,422	5.6		175,725
II. Operating expenses									
Selling, general and administrative expenses			31,735		33,492	1,756	5.5		123,746
Financial cost			1,762		1,792	30	1.7		7,154
Total Operating expenses			33,497		35,284	1,786	5.3		130,900
Operating income			10,095		10,731	635	6.3		44,824
III. Non-operating income			322		482	159	49.4		975
IV. Non-operating expenses			26		40	14	54.6		748
Ordinary income			10,391		11,173	781	7.5		45,051
V. Extraordinary gains			1		-	(1)	-		-
VI. Extraordinary losses			-		-	-	-		2,702
Income before income taxes			10,393		11,173	779	7.5		42,349
Income taxes, current		2,719		1,567				22,322	
Income taxes, deferred		1,714	4,433	2,923	4,490	56	1.3	(4,368)	17,953
Net income			5,960		6,683	723	12.1		24,396
Loss on sales of treasury stock			-		-	-	-		0
Retained earnings carried forward from preceding year			2,524		9,025	6,501	257.6		2,524
Unappropriated retained earnings at the end of the year			8,484		15,708	7,224	85.2		26,920