

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

Term Item	First half of Fiscal 2004 (As of Sept. 30, 2004)		First half of Fiscal 2005 (As of Sept. 30, 2005)		Fiscal 2004 (As of Mar. 31, 2005)	
	Value	%	Value	%	Value	%
(ASSETS)						
I. Current assets						
Cash and deposits	56,354		46,927		54,307	
Notes and installment accounts receivable	951,129		1,113,351		1,037,069	
Other trade receivables	727		483		1,046	
Inventory	-		79,099		-	
Merchandise	38,794		-		54,175	
Deferred income taxes	14,001		7,653		17,902	
Short-term loans	9,424		24,542		15,125	
Prepaid expenses and other current assets	18,568		16,990		16,383	
Allowance for losses on receivables	(38,067)		(43,094)		(41,483)	
Total current assets	1,050,933	76.1	1,245,953	76.3	1,154,527	76.3
II. Fixed assets						
Property and equipment, at cost:						
Equipment for lease	137,775		153,635		145,281	
Buildings	15,576		18,310		19,069	
Land	7,033		6,375		6,375	
Construction in progress	4,998		772		1,304	
Other tangible fixed assets	10,559		13,033		13,705	
Total property and equipment	175,943	12.8	192,127	11.8	185,737	12.3
Intangible assets:						
Leaseholds	971		971		971	
Software	11,634		23,214		18,696	
Other intangible fixed assets	290		281		282	
Total intangible assets	12,896	0.9	24,467	1.5	19,950	1.3
Investments and other assets:						
Investment securities	71,888		108,212		98,612	
Long-term loans	34,565		29,396		29,324	
Lease deposits	8,877		8,306		8,606	
Deferred income taxes	7,784		13,339		5,223	
Other	21,527		15,677		15,375	
Allowance for losses on receivables	(4,840)		(5,725)		(5,486)	
Total Investments and other assets	139,803	10.1	169,206	10.3	151,655	10.0
Total fixed assets	328,643	23.8	385,801	23.6	357,342	23.6
III. Deferred assets						
Bond issue costs	447		490		379	
Development costs	1,050		350		700	
Total deferred assets	1,497	0.1	840	0.1	1,079	0.1
Total assets	1,381,074	100.0	1,632,595	100.0	1,512,949	100.0

Item	Term	First Half of Fiscal 2004 (As of Sept. 30, 2004)		First Half of Fiscal 2005 (As of Sept. 30, 2005)		Fiscal 2004 (As of Mar. 31, 2005)	
		Value	%	Value	%	Value	%
(LIABILITIES)							
I. Current liabilities							
Notes and accounts payable		92,196		101,309		102,510	
Short-term loans		374,247		362,101		389,525	
Current portion of long-term loans		34,271		76,956		64,224	
Current portion of bonds		31,270		23,102		32,080	
Current portion of convertible bonds		6,588		-		-	
Commercial paper		35,000		65,000		57,000	
Current portion of payables under securitized lease receivables		-		9,000		3,000	
Accrued taxes on income		10,783		13,752		13,213	
Allowance for bonuses		1,790		1,940		1,740	
Allowance for loss of business downsizing		-		476		-	
Unearned income		3,283		3,330		3,388	
Accrued expenses and other current liabilities		37,855		21,975		44,039	
Total current liabilities		627,285	45.4	678,944	41.6	710,722	47.0
II. Long-term liabilities							
Bonds		153,800		186,747		152,760	
Long-term loans		280,199		372,095		298,337	
Payables under securitized lease receivables		33,000		24,000		30,000	
Accrued pension and severance costs		7,268		7,023		7,121	
Retirement allowance for directors and statutory auditors		713		790		796	
Allowance for losses on guarantees		1,118		1,412		1,253	
Allowance for losses on warranty of defects		57		24		59	
Allowance for permanent points		-		23,857		-	
Consolidation adjustments		636		359		487	
Other long-term liabilities		5,700		6,038		6,177	
Total long-term liabilities		482,492	35.0	622,348	38.1	496,993	32.8
Total liabilities		1,109,777	80.4	1,301,293	79.7	1,207,715	79.8
(MINORITY INTERESTS)							
Minority interests		547	0.0	4,553	0.3	3,924	0.3
(SHAREHOLDERS' EQUITY)							
I. Common stock							
		64,292	4.7	72,254	4.4	69,526	4.6
II. Capital surplus							
		67,917	4.9	75,897	4.6	73,148	4.8
III. Retained earnings							
		139,179	10.1	172,332	10.6	155,101	10.2
IV. Unrealized gain (loss) on other securities							
		3,076	0.2	10,007	0.6	7,263	0.5
V. Treasury stock, at cost							
		(3,716)	(0.3)	(3,744)	(0.2)	(3,729)	(0.2)
Total shareholders' equity		270,749	19.6	326,748	20.0	301,309	19.9
Total liabilities and shareholders' equity		1,381,074	100.0	1,632,595	100.0	1,512,949	100.0

(2) Consolidated Statements of Income

(Millions of yen)

Term Item	First half of Fiscal 2004 (As of Sept. 30, 2004)		First half of Fiscal 2005 (As of Sept. 30, 2005)		Fiscal 2004 (As of Mar. 31, 2005)				
	Value	%	Value	%	Value	%			
I. Operating revenues									
Financing and administration fees		88,787		98,601		183,618			
Income from entertainment									
Entertainment sales	52,511		70,734		108,546				
Cost of entertainment sales	44,342	8,169	61,947	8,786	91,556	16,989			
Income from real estate									
Real estate sales	28,717		32,853		52,178				
Cost of real estate sales	21,855	6,862	24,705	8,148	39,547	12,631			
Income from leases									
Leases sales	27,779		32,100		57,535				
Cost of leases sales	24,516	3,263	28,329	3,771	50,732	6,803			
Income from other business									
Other sales	6,027		4,049		13,432				
Cost of other sales	2,211	3,815	1,608	2,441	5,348	8,083			
Financial revenues		6,337		6,041		12,258			
Total operating revenues		117,234	100.0	127,791	100.0	240,385	100.0		
II. Operating expenses									
Selling, general and administrative expenses		83,059	70.9	88,637	69.4	172,024	71.5		
Financial cost		4,579	3.9	5,547	4.3	9,771	4.1		
Total operating expenses		87,638	74.8	94,184	73.7	181,795	75.6		
Operating income		29,596	25.2	33,607	26.3	58,590	24.4		
III. Non-operating income		1,247	1.1	2,904	2.3	2,163	0.9		
IV. Non-operating expenses		2,835	2.4	1,470	1.2	4,238	1.8		
Ordinary income		28,007	23.9	35,040	27.4	56,514	23.5		
V. Extraordinary gains									
Gain on sale of fixed assets	-			-		853			
Gain on sale of investment securities	721			413		946			
Net gain on changes in equity interest	-			-		2,371			
Gain on sale of investments	638			305		779			
Gain on changes in pension and severance cost system	282			-		282			
Gain on transfer of operations	-	1,643	1.4	69	787	0.6	5,234	2.2	
VI. Extraordinary losses									
Loss from sale of fixed assets	41			620		646			
Impairment loss of property and equipment, other assets	363			31		1,115			
Loss on evaluation of investment securities	450			6		4,782			
Loss on sale of investment securities	110			111		579			
Loss on membership rights	-			-		18			
Amount revision for change basis of recognition of revenues	143			-		143			
Provision for allowance for loss of business downsizing	-	1,110	1.0	476	1,247	0.9	7,326	3.1	
Income (loss) before income taxes and minority interests		28,541	24.3	34,580	27.1	54,421	22.6		
Income taxes, current	9,624			13,175		23,238			
Income taxes, deferred	2,906	12,530	10.6	(3)	13,171	10.3	(1,413)	21,824	9.1
Minority interests		113	0.1		725	0.6		778	0.3
Net income (loss)		15,896	13.6	20,683	16.2	31,818	13.2		

(3) Consolidated Statements of Retained Earnings

(Millions of yen)

Term Item	First half of Fiscal 2004 (As of Sept. 30, 2004)		First half of Fiscal 2005 (As of Sept. 30, 2005)		Fiscal 2004 (As of Mar. 31, 2005)	
	Value		Value		Value	
(Capital Surplus)						
I. Capital surplus at the beginning of period		67,133		73,148		67,133
II. Increase in capital surplus						
Gain on disposal of treasury stock	159		22		159	
Conversion of convertible bonds	97		-		3,389	
Exercise of stock option	526	783	2,727	2,749	2,465	6,014
III. Capital surplus at the end of period		67,917		75,897		73,148
(Retained Earnings)						
I. Retained earnings at the beginning of period		126,719		155,101		126,719
II. Increase in retained earnings						
Net Income	15,896		20,683		31,818	
Resulting from business combination of affiliated companies to the scope of application of equity method	-	15,896	220	20,903	-	31,818
III. Decrease in retained earnings						
Cash dividends	3,058		3,498		3,058	
Bonuses to directors and statutory auditors'	171		174		171	
Resulting from addition of affiliated companies to the scope of application of equity method	207	3,436	-	3,672	207	3,436
IV. Unappropriated retained earnings at the end of period		139,179		172,332		155,101

(4) Consolidated Statements of Cash Flows

(Millions of yen)

Term Item	First Half of Fiscal 2004 (As of Sept. 30, 2004)	First Half of Fiscal 2005 (As of Sept. 30, 2005)	Fiscal 2004 (As of Mar. 31, 2005)
	Value	Value	Value
I. Cash flows from operating activities			
Income (loss) before income taxes	28,541	34,580	54,421
Adjustments to reconcile income (loss) before income taxes to net cash provided by (used in) operating activities:			
Depreciation and amortization	20,319	24,454	42,439
Amortization of consolidation adjustments	(107)	(127)	(203)
Amortization of deferred assets	497	533	1,035
Allowance for losses on accounts receivables	3,660	1,850	7,722
Accrued pension and severance costs	(130)	(98)	(277)
Allowance for permanent points	-	2,871	-
Allowance for other reserves	333	794	503
Interest and dividend income	(4,826)	(6,232)	(10,777)
Interest expenses	4,884	5,938	10,447
Equity in(earnings) losses of affiliated companies	1,814	(1,439)	1,840
Foreign exchange (gain) loss	(55)	3	(134)
Realized (gain) loss on sale of investment securities	(895)	(572)	(725)
Loss on evaluation of investment securities	450	6	4,782
Net gain on changes in equity interest	-	-	(2,371)
Impairment loss of property and equipment, other assets	363	31	1,155
Loss on disposal of property and equipment, other assets	8,648	9,696	17,513
Changes in operating assets and liabilities			
(Increase) decrease in trade receivable	(59,508)	(90,929)	(146,654)
Proceeds from liquidation of trade receivable	30,000	-	30,000
(Increase) decrease in inventories	(1,029)	(9,078)	(16,397)
(Increase) decrease in other assets	(2,644)	2,459	(762)
Increase (decrease) in payables	(1,950)	(1,147)	8,323
Increase (decrease) in other liabilities	3,646	1,537	7,414
Directors' and statutory auditors' bonuses	(173)	(183)	(173)
Subtotal	31,837	(25,050)	9,122
Interest and dividends received	4,611	6,421	10,544
Interest paid	(4,674)	(5,700)	(10,090)
Income taxes paid	(22,754)	(12,423)	(34,290)
Net cash provided by (used in) operating activities	9,020	(36,752)	(24,714)
II. Cash flows from investing activities			
Payments for purchases of investment securities	(11,358)	(11,419)	(29,503)
Proceeds from sales of investment securities	3,228	4,715	4,912
Payments for purchases of fixed assets	(44,889)	(48,515)	(91,698)
Proceeds from sales of fixed assets	31	179	1,467
Payment for long-term loans	(74)	(9,527)	(4,700)
Proceeds from short-term and long-term loans	3,590	37	7,757
(Increase) decrease in other assets	(1,875)	189	(1,881)
Net cash provided by (used in) investing activities	(51,347)	(64,339)	(113,648)

Item	Term	First Half of Fiscal 2004 (As of Sept. 30, 2004)	First Half of Fiscal 2005 (As of Sept. 30, 2005)	Fiscal 2004 (As of Mar. 31, 2005)
		Value	Value	Value
III. Cash flows from financing activities				
Increase (decrease) in short-term loans		(2,994)	(27,463)	12,401
Increase (decrease) in commercial paper		(36,000)	8,000	(14,000)
Proceeds from long-term debts		56,000	109,800	117,020
Repayments of long-term debts		(10,889)	(23,309)	(23,817)
Proceeds from issuance of bonds		24,088	35,755	43,968
Repayment of bonds		(230)	(11,040)	(20,462)
Repayment of payables under securitized lease receivables		(3,127)	-	(3,127)
Proceeds from payments from minority shareholders		-	-	5,002
Sales of treasury stock		427	79	427
Purchase of treasury stock		(8)	(8)	(22)
Proceeds from stock issuance		1,052	5,455	4,931
Cash dividends paid		(3,058)	(3,498)	(3,058)
Dividends paid to minorities		(4)	(88)	(4)
Net cash provided by (used in) financing activities		25,256	93,683	119,260
IV. Translation Gain on cash and cash equivalents		3	28	(11)
V. Increases (decrease) in cash and cash equivalents		(17,066)	(7,380)	(19,113)
VI. Cash and cash equivalents, at the beginning of year		73,421	54,307	73,421
VII. Cash and cash equivalents, at the end of year		56,354	46,927	54,307

Non-Consolidated Financial Statements for the First Half 2005

November 18, 2005

Listed company name

Credit Saison Co., Ltd.

Stock exchange listings: Tokyo

Code number: 8253

Location of headquarters: Tokyo

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

Representative: Hiroshi Rinno, President and CEO

Responsible person/Title: Shinji Hojo/Director in charge of Finance and Accounting

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

Board of Directors meeting: November 18, 2005

Interim dividend system: Adopted

Round-lot system: Adopted

(Round lot: 100 shares)

1. Results for the First Half of Fiscal 2005 (April 1, 2005 to September 30, 2005)

(1) Operating results

	Operating revenues (¥ million)	Year-on-year change (%)	Operating income (¥ million)	Year-on-year change (%)	Ordinary income (¥ million)	Year-on-year change (%)
First half of fiscal 2005	100,094	7.8	24,296	7.8	24,933	8.6
First half of fiscal 2004	92,824	6.7	22,537	8.8	22,963	8.7
Fiscal 2004	190,248		46,659		46,985	

	Net income (¥ million)	Year-on-year change (%)	Earnings per share (¥)
First half of fiscal 2005	14,689	3.2	83.44
First half of fiscal 2004	14,235	16.2	83.55
Fiscal 2004	25,798		149.78

Notes: 1. Average number of shares issued outstanding during the term: 176,043,710 shares

(First half of fiscal 2004: 170,387,468 shares; Fiscal 2004: 171,376,525 shares)

2. Volume of new contracts: ¥1,873,576 million (First half of fiscal 2004: 1,590,966 shares; Fiscal 2004: 3,383,680 shares) (Year-on-year change: 17.8%)

3. Changes in accounting methods: Adopted

4. Year-on-year changes for operating revenues, operating income, ordinary income and net income are based on the previous fiscal year.

(2) Dividends

	Annual dividends per share Interim	Annual dividends per share Year-end
First half of fiscal 2005	00.00	-
First half of fiscal 2004	00.00	-
Fiscal 2004	-	20.00

(3) Financial Position

	Total assets (¥ million)	Shareholders' equity (¥ million)	Shareholders' equity/ Total assets (%)	Shareholders' equity per share (¥)
First half of fiscal 2005	1,384,095	317,744	23.0	1,790.66
First half of fiscal 2004	1,189,583	272,355	22.9	1,595.32
Fiscal 2004	1,290,066	298,502	23.1	1,703.39

Notes: 1. Total number of shares outstanding: As of September 30, 2005: 177,445,823 shares (First half of fiscal 2004: 170,721,718 shares; Fiscal 2004: 175,164,359 shares)

2. Total number of treasury stock: As of September 30, 2005: 1,476,502 shares (First half of fiscal 2004: 1,450,754 shares; Fiscal 2004: 1,454,466 shares)

2. Projected Results for Fiscal 2005 (April 1, 2005 - March 31, 2006)

	Operating revenues (¥ million)	Ordinary income (¥ million)	Net income (¥ million)	Annual dividends per share (¥)	
				Year-end	
Fiscal 2005	214,000	50,000	15,000	22.00	22.00

Notes: Volume of new contracts Fiscal 2005: ¥ 4,050,000 million (Reference) Estimated earnings per share (fiscal 2005): ¥84.53

* The above projected results are based on future prospects and the assumptions and forecasts on which plans are based. The actual results may differ from the above projected results depending on various factors in the future.

Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(Millions of yen)

Item	Term	First half of Fiscal 2004 (As of Sept. 30, 2004)		First half of Fiscal 2005 (As of Sept. 30, 2005)		Fiscal 2005 (As of Mar. 31, 2005)	
		Value	%	Value	%	Value	%
(ASSETS)							
I. Current assets							
Cash and deposits		36,295		31,487		34,480	
Installment accounts receivable		857,498		1,005,410		922,420	
Inventory		1,759		1,537		1,544	
Other current assets		24,189		17,019		28,346	
Allowance for losses on receivables		(34,253)		(38,509)		(36,696)	
Total Current assets		885,490	74.4	1,016,946	73.5	950,095	73.6
II. Fixed assets							
Property and equipment , at cost:							
Equipment for lease		137,927		153,733		145,397	
Buildings		2,123		6,149		6,234	
Fixtures and equipment		3,716		7,230		7,458	
Land		3,654		3,654		3,654	
Other property and equipment		4,958		691		1,287	
Total Property and equipment		152,380	12.8	171,459	12.4	164,033	12.7
Intangible assets:		11,235	1.0	22,761	1.6	18,269	1.4
Investments and other assets:							
Investment in securities		91,929		123,359		112,789	
Investment in capital		2,538		107		51	
Long-term loans		35,587		33,220		35,527	
Lease deposits		3,206		2,812		3,085	
Other long-term investments		7,170		14,068		6,520	
Allowance for losses on receivable		(1,265)		(1,282)		(1,270)	
Total investments and other assets		139,167	11.7	172,286	12.5	156,703	12.2
Total fixed assets		302,784	25.5	366,507	26.5	339,007	26.3
III. Deferred assets							
Bond issue costs		258		291		263	
Development costs		1,050		350		700	
Total deferred assets		1,308	0.1	641	0.0	963	0.1
Total assets		1,189,583	100.0	1,384,095	100.0	1,290,066	100.0

Term Item	First half of Fiscal 2004 (As of Sept. 30, 2004)		First half of Fiscal 2005 (As of Sept. 30, 2005)		Fiscal 2005 (As of Mar. 31, 2005)	
	Value	%	Value	%	Value	%
(LIABILITIES)						
I. Current liabilities						
Notes payable	1,549		2,265		1,538	
Accounts payable	89,174		98,124		99,007	
Short-term loans	251,344		245,754		244,766	
Current portion of long-term loans	26,455		64,021		55,221	
Current portion of bonds	30,000		20,000		30,000	
Current portion of convertible bonds	6,588		-		-	
Commercial paper	35,000		65,000		57,000	
Current portion of payables under securitized lease receivables	-		9,000		3,000	
Accrued taxes on income	9,036		10,199		10,202	
Allowance for bonuses	1,364		1,327		1,333	
Allowance for loss on support of business downsizing of subsidiaries	-		600		-	
Unearned income	3,283		3,330		3,388	
Other current liabilities	32,033		16,206		39,272	
Total current liabilities	485,829	40.8	535,829	38.7	544,730	42.2
II. Long-term liabilities						
Bonds	140,000		170,000		140,000	
Long-term loans	250,274		304,323		268,573	
Payables under securitized lease receivables	33,000		24,000		30,000	
Accrued pension and severance cost	5,916		5,742		5,804	
Retirement allowance for directors and statutory auditors	492		540		539	
Allowance for losses on guarantees	1,118		1,412		1,253	
Allowance for permanent points	-		23,857		-	
Other long-term liabilities	596		646		664	
Total Long-term liabilities	431,397	36.3	530,521	38.3	446,833	34.7
Total liabilities	917,227	77.1	1,066,351	77.0	991,564	76.9
(SHAREHOLDERS' EQUITY)						
I. Common stock	64,292	5.4	72,254	5.2	69,526	5.4
II. Capital surplus						
Additional paid-in capital	67,703		75,660		72,933	
Other additional paid-in capital	0		0		0	
Total capital surplus	67,703	5.7	75,660	5.5	72,933	5.6
III. Retained earnings						
Legal reserve	3,020		3,020		3,020	
Voluntary reserves	114,455		135,455		114,455	
Unappropriated retained earnings at the end of period	23,260		24,880		34,824	
Total retained earnings	140,735	11.8	163,355	11.8	152,299	11.8
IV. Unrealized gain (loss) on investment securities	3,030	0.3	9,975	0.7	7,162	0.6
V. Treasury stock	(3,405)	(0.3)	(3,501)	(0.2)	(3,419)	(0.3)
Total shareholders' equity	272,355	22.9	317,744	23.0	298,502	23.1
Total liabilities and shareholders' equity	1,189,583	100.0	1,384,095	100.0	1,290,066	100.0

(2) Non-Consolidated Statements of Income

(Millions of yen)

Term Item	First half of Fiscal 2004 (As of Sept. 30, 2004)		First half of Fiscal 2005 (As of Sept. 30, 2005)		Fiscal 2005 (As of Mar. 31, 2005)		
	Value	%	Value	%	Value	%	
I. Operating revenues							
Financing and administration fees							
Credit cards	30,097		32,913		62,616		
Shopping loans	538		398		997		
Guarantees	1,593		1,799		3,203		
Loans	44,001		48,632		89,722		
Agency services	4,846		4,953		10,326		
Income from leases							
Lease sales	27,943		32,147		57,750		
Cost of lease sales	24,639	3,303	28,351	3,795	50,897	6,853	
Income Other sales							
Other sales	2,713		1,891		5,421		
Cost of other sales	446	2,267	180	1,711	931	4,490	
Financial revenues		6,177		5,889		12,037	
Total operating revenues		92,824	100.0	100,094	100.0	190,248	100.0
II. Operating expenses							
Selling, general and administrative expenses		66,443	71.6	71,214	71.1	135,402	71.2
Financial cost							
Interest expense	3,571		4,226		7,531		
Other expenses	272	3,843	4.1	356	4,583	4.6	
Total operating expenses		70,287	75.7	75,797	75.7	143,589	75.5
Operating income		22,537	24.3	24,296	24.3	46,659	24.5
III. Non-operating income		679	0.7	1,084	1.1	1,079	0.6
IV. Non-operating expenses		252	0.3	447	0.5	753	0.4
Ordinary income		22,963	24.7	24,933	24.9	46,985	24.7
V. Extraordinary gains		770	0.9	406	0.4	770	0.4
VI. Extraordinary losses		198	0.2	1,139	1.1	5,575	2.9
Net income (loss) before income taxes		23,536	25.4	24,200	24.2	42,180	22.2
Income taxes, current	7,972		9,740		19,537		
Income taxes, deferred	1,329	9,301	10.1	(229)	9,511	9.5	
Net income (loss)		14,235	15.3	14,689	14.7	25,798	13.6
Retained earnings carried forward from preceding year		9,025		10,190		9,025	
Unappropriated retained earnings at the end of the year		23,260		24,880		34,824	