

《Straight translation》

Brief Statement of Third Quarter Financial Results for the Fiscal Year Ending March 2007 (Consolidated)

February 9, 2007

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: Shinji Hojo /Director in charge of Finance and Accounting

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

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

- ① Simplified Accounting Policies : Adopted
- ② Change in Accounting Policies : None
- ③ Change in Scope of Consolidation and Equity method : Adopted

Consolidated	(New)	—
	(Eliminated) :	—
Equity method	(New) :	2 company
	(Eliminated) :	—

2. Consolidated Business Results for the Third Quarter Accounting Period (April 1, 2006 to Dec. 31, 2006)

(1) Consolidated Operating Results

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

	Operating revenues		Operating income		Ordinary income		Net income(Third Quarter)	
	(Millions of yen)	yoy%	(Millions of yen)	yoy%	(Millions of yen)	yoy%	(Millions of yen)	yoy%
12/06 (3 rd Quarter)	250,822	26.7	61,316	12.8	64,957	16.8	7,326	(77.3)
12/05 (3 rd Quarter)	198,035	10.5	54,377	18.3	55,617	26.1	32,329	29.2
03/06 (Annual)	274,666		69,575		71,149		42,219	

	Earnings per share (yen)	Earnings per share (Diluted) (yen)
12/06 (3 rd Quarter)	40.96	36.02
12/05 (3 rd Quarter)	183.17	180.97
03/06 (Annual)	237.29	220.65

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 third quarter are omitted, because quarterly consolidated financial statements are prepared from previous fiscal year.

(2) Consolidated Financial Position

	Total Assets (Millions of yen)	Shareholders' Equity (Millions of yen)	Ratio of Shareholders' Equity (%)	Shareholders' Equity Per Share (yen)
12/06 (3 rd Quarter)	2,320,140	371,629	14.9	1,983.78
12/05 (3 rd Quarter)	1,818,874	347,078	19.1	1,944.62
03/06 (Annual)	2,062,735	360,717	17.5	2,014.20

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

Item	Term	Third quarter 2005 (As of Dec. 31, 2005)	Third quarter 2006 (As of Dec. 31, 2006)	Increase (Decrease)		Fiscal 2005 (As of March 31,2006)
		Value	Value	Value	(%)	Value
(ASSETS)						
I. Current assets						
Cash and deposits		57,446	61,644	4,197	7.3	66,314
Installment accounts receivable		1,236,748	1,714,371	477,622	38.6	1,487,013
Other		137,552	191,831	54,278	39.5	174,295
Allowance for losses on receivables		(45,144)	(61,611)	(16,466)	36.5	(58,189)
Total Current assets		1,386,603	1,906,236	519,632	37.5	1,669,434
II. Fixed assets						
Property and equipment ,at cost:						
Equipment for lease		156,495	159,598	3,103	2.0	158,580
Other		39,573	41,225	1,651	4.2	41,359
Total Tangible Fixed assets		196,068	200,823	4,754	2.4	199,940
Intangible fixed assets:		25,752	35,826	10,073	39.1	29,453
Investments and other assets:						
Investment securities		151,978	105,744	(46,234)	(30.4)	103,004
Long-term loans		29,378	29,262	(116)	(0.4)	29,909
Other		34,107	49,328	15,220	44.6	38,720
Allowance for losses on receivables		(5,730)	(7,150)	(1,420)	24.8	(7,759)
Allowance for losses on investment		-	(381)	(381)	-	(381)
Total Investments and other assets		209,734	176,802	(32,931)	(15.7)	163,492
Total Fixed assets		431,555	413,452	(18,102)	(4.2)	392,886
III. Deferred assets						
Bond issue costs		540	451	(89)	(16.5)	414
Development costs		175	-	(175)	-	-
Total Deferred assets		715	451	(264)	(36.9)	414
Total assets		1,818,874	2,320,140	501,265	27.6	2,062,735

(Millions of yen)

Item	Term	Third quarter 2005 (As of Dec 31, 2005)	Third quarter 2006 (As of Dec 31, 2006)	Increase (Decrease)		Fiscal 2005 (As of March 31,2006)
		Value	Value	Value	(%)	Value
(LIABILITIES)						
I. Current liabilities						
Notes and Accounts payable		127,397	187,804	60,406	47.4	180,221
Short-term loans		402,103	420,990	18,887	4.7	470,857
Current portion of long-term loans		56,910	52,208	(4,702)	(8.3)	58,775
Current portion of bonds		3,102	54,485	51,382	—	15,925
Commercial paper		120,000	195,000	75,000	62.5	113,000
Current portion of payables under securitized lease receivables		12,000	11,000	(1,000)	(8.3)	12,000
Allowance for losses on interest repayment		—	12,504	12,504	—	2,305
Other		36,982	67,322	30,340	82.0	47,086
Total Current liabilities		758,496	1,001,316	242,819	32.0	900,169
II. Long-term liabilities						
Bonds		215,737	215,910	172	0.1	216,472
Long-term loans		430,396	608,972	178,576	41.5	475,349
Payables under securitized lease receivables		21,000	40,000	19,000	90.5	48,000
Accrued pension and severance costs		6,981	6,668	(312)	(4.5)	7,403
Allowance for permanent points		25,757	34,181	8,424	32.7	29,023
Allowance for losses on interest repayment		—	32,198	32,198	—	—
Consolidation adjustments		297	—	(297)	—	194
Negative goodwill		—	126	126	—	—
Other		7,911	9,137	1,225	15.5	8,933
Total Long-term liabilities		708,081	947,194	239,113	33.8	785,375
Total liabilities		1,466,577	1,948,510	481,933	32.9	1,685,545
(MINORITY INTERESTS IN CONSOLIDATED SUBSIDIARIES)						
Minority interests in consolidated subsidiaries		5,219	—	—	—	16,471
(SHAREHOLDERS' EQUITY)						
I. Common stock		73,750	—	—	—	74,458
II. Capital surplus		77,393	—	—	—	78,176
III. Retained earnings		184,289	—	—	—	194,179
IV. Unrealized gains(losses)on other securities		15,445	—	—	—	18,057
V. Treasury stock, at cost		(3,800)	—	—	—	(4,155)
Total shareholders' equity		347,078	—	—	—	360,717
Total liabilities and shareholders' equity		1,818,874	—	—	—	2,062,735

(Millions of yen)

Item	Term	Third quarter 2005 (As of Dec 31, 2005)	Third quarter 2006 (As of Dec 31, 2006)	Increase (Decrease)		Fiscal 2005 (As of March 31,2006)
		Value	Value	Value	(%)	Value
(NET ASSETS)						
I. Shareholders' Equity						
Common stock		—	75,073	—	—	—
Capital surplus		—	78,823	—	—	—
Retained earnings		—	196,634	—	—	—
Treasury stock, at cost		—	(23,338)	—	—	—
Total shareholders' equity		—	327,192	—	—	—
II. Valuation and translation adjustments						
Unrealized gains(losses) on other securities		—	19,651	—	—	—
Deferred gains(losses) on hedges		—	(98)	—	—	—
Total valuation and translation adjustments		—	19,553	—	—	—
III. Minority Interests						
Total net assets		—	371,629	—	—	—
Total liabilities and net assets		—	2,320,140	—	—	—

(2) Consolidated Statements of Income

(Millions of yen)

Item	Term	Third quarter 2005 (As of Dec 31, 2005)		Third quarter 2006 (As of Dec 31, 2006)		Increase (Decrease)		Fiscal 2005 (As of March 31, 2006)	
		Value		Value		Value	(%)	Value	
I. Operating revenues									
Financing and administration fees			151,860		203,748	51,887	34.2		214,449
Income from entertainment									
Entertainment sales		107,110		104,267				143,547	
Cost of entertainment sales		93,818	13,292	90,434	13,832	540	4.1	125,663	17,884
Income from real estate									
Real estate sales		54,183		76,514				70,132	
Cost of real estate sales		39,603	14,579	60,637	15,876	1,297	8.9	51,771	18,361
Income from leases									
Leases sales		49,445		51,458				65,622	
Cost of leases sales		43,647	5,797	46,143	5,314	(482)	(8.3)	58,479	7,142
Income from other sales									
Other sales		5,054		4,540				6,888	
Cost of other sales		1,706	3,348	256	4,283	934	27.9	2,050	4,837
Financial revenues			9,156		7,766	(1,390)	(15.2)		11,990
Total operating revenues			198,035		250,822	52,787	26.7		274,666
II. Operating expenses									
Selling, general and administrative expenses			135,205		177,693	42,488	31.4		193,125
Financial cost			8,452		11,811	3,359	39.7		11,965
Total operating expenses			143,657		189,505	45,847	31.9		205,090
Operating income			54,377		61,316	6,939	12.8		69,575
III. Non-operating income			3,275		5,626	2,350	71.8		4,296
IV. Non-operating expenses			2,035		1,985	(50)	(2.5)		2,722
Ordinary income			55,617		64,957	9,340	16.8		71,149
V. Extraordinary gains			805		4,530	3,725	462.6		15,646
VI. Extraordinary losses			1,459		50,155	48,695	—		36,001
Income before income taxes and minority interests			54,962		19,332	(35,630)	(64.8)		50,795
Income taxes, current		20,680		30,518				16,375	
Income taxes, deferred		698	21,379	(22,079)	8,438	(12,940)	(60.5)	(9,418)	6,956
Minority interests			1,253		3,567	2,313	184.5		1,619
Net income			32,329		7,326	(25,003)	(77.3)		42,219

Brief Statement of Third Quarter Financial Results for the Fiscal Year Ending March 2007 (Non-Consolidated)

February 9, 2007

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Representative: Hiroshi Rinno, President and CEO

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

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

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

- ① Simplified Accounting Policies : Adopted
- ② Change in Accounting Policies : None

2. Non-Consolidated Business Results for the Third Quarter Accounting Period (April 1, 2006 to Dec 31, 2006)

(1) Non-Consolidated Operating Results Note: All amounts are rounded down to the nearest million yen.

	Operating revenues		Operating income		Ordinary income		Net income(Third Quarter)	
	(millions of yen)	yoy%	(millions of yen)	yoy%	(millions of yen)	yoy%	(millions of yen)	yoy%
12/06 (3 rd Quarter)	201,517	31.0	41,877	9.5	45,487	16.6	3,530	△84.7
12/05 (3 rd Quarter)	153,855	8.5	38,253	8.5	39,023	8.8	23,110	6.4
03/06 (Annual)	216,453		49,865		50,762		27,131	

	Earnings per share (yen)	Earnings per share (Diluted) (yen)
12/06 (3 rd Quarter)	19.71	19.59
12/05 (3 rd Quarter)	130.78	129.21
03/06 (Annual)	152.21	150.43

Notes:

- ① Volume of new contracts: Fiscal 2006 Third Quarter ¥4,115,923 million Fiscal 2005 Third Quarter : ¥2,929,671 million Fiscal 2006 ¥4,183,697million (Year-on-year change: 40.5%)
- ② 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 third quarter are omitted.

(2) Non-Consolidated Financial Position

	Total Assets (Millions of yen)	Shareholders' Equity (Millions of yen)	Ratio of Shareholders' Equity (%)	Shareholders' Equity Per Share (yen)
12/06 (3 rd Quarter)	1,986,130	324,137	16.3	1,852.31
12/05 (3 rd Quarter)	1,558,734	334,052	21.4	1,869.74
03/06 (Annual)	1,761,666	341,423	19.4	1,904.13

Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

(Millions of yen)

Term Item	Third quarter 2005 (As of Dec.31, 2005)	Third quarter 2006 (As of Dec.31, 2006)	Increase (Decrease)		Fiscal 2005 (As of March 31, 2006)
	Value	Value	Value	(%)	Value
(ASSETS)					
I. Current assets					
Cash and deposits	43,408	40,591	(2,817)	(6.5)	37,001
Installment accounts receivable	1,122,651	1,572,833	450,182	40.1	1,364,763
Inventory	1,512	1,897	384	25.4	1,679
Other	19,246	38,078	18,832	97.8	42,242
Allowance for losses on receivables	(40,683)	(54,804)	(14,121)	34.7	(53,246)
Total Current assets	1,146,136	1,598,597	452,460	39.5	1,392,442
II. Fixed assets					
Property and equipment, at cost:					
Equipment for lease	156,586	159,642	3,055	2.0	158,645
Other	18,113	17,164	(948)	(5.2)	18,537
Total Tangible fixed assets	174,699	176,806	2,107	1.2	177,183
Intangible fixed assets:	23,899	33,402	9,502	39.8	27,389
Investments and other assets:					
Investment securities	166,463	118,643	(47,820)	(28.7)	116,170
Long-term loans	33,220	33,223	3	0.0	33,223
Other	15,074	31,308	16,233	107.7	21,125
Allowance for losses on receivables	(1,298)	(4,121)	(2,822)	217.3	(4,112)
Allowance for losses of investment	—	(2,054)	(2,054)	—	(2,054)
Total Investments and other assets	213,459	176,998	(36,460)	(17.1)	164,352
Total Fixed assets	412,059	387,207	(24,851)	(6.0)	368,925
III. Deferred assets					
Bond issue costs	364	325	(38)	(10.6)	298
Development costs	175	—	(175)	—	-
Total Deferred assets	539	325	(213)	(39.6)	298
Total assets	1,558,734	1,986,130	427,395	27.4	1,761,666

(Millions of yen)

Item	Term	Third quarter 2005 (As of Dec 31, 2005)	Third quarter 2006 (As of Dec 31, 2006)	Increase (Decrease)		Fiscal 2005 (As of March 31,2006)
		Value	Value	Value	(%)	Value
(LIABILITIES)						
I. Current liabilities						
Notes and Accounts payable		126,611	187,279	60,667	47.9	178,988
Short-term loans		284,761	320,264	35,502	12.5	353,769
Current portion of long-term loans		41,671	38,303	(3,368)	(8.1)	40,903
Current portion of bonds		—	40,000	40,000	—	10,000
Commercial paper		120,000	190,000	70,000	58.3	113,000
Current portion payables under securitized lease receivables		12,000	11,000	(1,000)	(8.3)	12,000
Allowance for losses on interest repayment		—	11,516	11,516	—	2,090
Unearned income		3,493	4,939	1,445	41.4	4,244
Other		25,056	47,171	22,115	88.3	27,350
Total Current liabilities		613,594	850,473	236,879	38.6	742,345
II. Long-term liabilities						
Bonds		200,000	205,000	5,000	2.5	200,000
Long-term loans		355,923	494,620	138,697	39.0	391,370
Payables under securitized lease receivables		21,000	40,000	19,000	90.5	48,000
Accrued pension and severance costs		5,721	5,792	70	1.2	6,164
Allowance for permanent points		25,757	34,181	8,424	32.7	29,023
Allowance for losses on interest repayment		—	27,826	27,826	—	—
Other		2,685	4,099	1,413	52.6	3,339
Total Long-term liabilities		611,087	811,519	200,431	32.8	677,896
Total liabilities		1,224,681	1,661,992	437,311	35.7	1,420,242
(SHAREHOLDERS' EQUITY)						
I. Common stock						
		73,750	—	—	—	74,458
II. Capital surplus						
Capital reserve		77,155	—	—	—	77,863
Other capital surplus		0	—	—	—	0
Total capital surplus		77,155	—	—	—	77,863
III. Retained earnings						
Legal reserves		3,020	—	—	—	3,020
Voluntary reserves		135,455	—	—	—	135,455
Unappropriate retained earnings at the end of period		33,301	—	—	—	37,322
Total Retained earnings		171,776	—	—	—	175,797
IV. Unrealized gains(losses) on other securities						
		14,934	—	—	—	16,871
V. Treasury stock, at cost						
		(3,564)	—	—	—	(3,567)
Total shareholders' equity		334,052	—	—	—	341,423
Total liabilities and shareholders' equity		1,558,734	—	—	—	1,761,666

(Millions of yen)

Item	Term	Third quarter 2005 (As of Dec 31, 2005)	Third quarter 2006 (As of Dec 31, 2006)	Increase (Decrease)		Fiscal 2005 (As of March 31,2006)
		Value	Value	Value	(%)	Value
(NET ASSETS)						
I. Shareholders' Equity						
Common stock		—	75,073	—	—	—
Capital surplus						
Capital reserves		—	78,477	—	—	—
Other capital surplus		—	0	—	—	—
Total capital surplus		—	78,478	—	—	—
Retained earnings						
Legal reserve		—	3,020	—	—	—
Other retained earnings		—	171,497	—	—	—
Other reserves		—	157,455	—	—	—
Deferred on retained earnings		—	14,042	—	—	—
Total Retained earnings		—	174,517	—	—	—
Treasury stock, at cost		—	(22,868)	—	—	—
Total shareholders' equity		—	305,200	—	—	—
II. Valuation and translation adjustments						
Unrealized gains on other securities		—	18,920	—	—	—
Deferred gains on hedges		—	16	—	—	—
Total valuation and translation adjustments		—	18,936	—	—	—
Total net assets		—	324,137	—	—	—
Total liabilities and net assets		—	1,986,130	—	—	—

(2) Non-Consolidated Statements of Income

(Millions of yen)

Item	Term	Third quarter 2005 (As of Dec 31, 2005)		Third quarter 2006 (As of Dec 31, 2006)		Increase (Decrease)		Fiscal 2005 (As of March 31, 2006)	
		Value		Value		Value	%	Value	
I. Operating revenues									
Credit cards			51,323		74,108	22,784	44.4		74,202
Shopping loans			570		465	(105)	(18.5)		748
Guarantees			2,799		3,868	1,068	38.2		3,877
Loans			74,168		96,783	22,614	30.5		104,099
Agency services			7,638		8,945	1,306	17.1		10,368
Income from leases									
Leases sales		49,502		51,497				65,691	
Cost of leases sales		43,678	5,823	46,161	5,336	(486)	(8.4)	58,507	7,183
Income from other sales									
Other sales		2,966		4,852				4,907	
Cost of other sales		278	2,688	256	4,596	1,907	71.0	622	4,284
Financial revenues			8,842		7,413	(1,428)	(16.2)		11,689
Total Operating revenues			153,855		201,517	47,661	31.0		216,453
II. Operating expenses									
Selling, general and administrative expenses			108,624		149,472	40,848	37.6		156,887
Financial cost			6,977		10,167	3,189	45.7		9,700
Total Operating expenses			115,602		159,639	44,037	38.1		166,587
Operating income			38,253		41,877	3,623	9.5		49,865
III. Non-operating income			1,264		3,777	2,512	198.7		1,620
IV. Non-operating expenses			494		166	(327)	(66.3)		723
Ordinary income			39,023		45,487	6,464	16.6		50,762
V. Extraordinary gains			424		1,345	921	217.3		12,722
VI. Extraordinary losses			1,138		41,417	40,279	—		36,207
Net income(loss) before income taxes			38,309		5,415	(32,894)	(85.9)		27,277
Income taxes, current		14,374		20,436				7,968	
Income taxes, deferred		825	15,199	(18,551)	1,885	(13,314)	(87.6)	(7,822)	146
Net income(loss)			23,110		3,530	(19,580)	(84.7)		27,131
Retained earnings carried forward from preceding year			10,190			—	—		10,190
Unappropriated retained earnings at the end of the year			33,301			—	—		37,322