

Brief Statement of Second Quarter Financial Results for the Fiscal Year Ending March 2009

November 7, 2008

Stock exchange listings: Tokyo
(URL <http://www.saisoncard.co.jp>)

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

Code number: 8253

Representative: Hiroshi Rinno / President and CEO

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

Scheduled date for filing the quarterly report to Financial Services Agency: November 13, 2008

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

1. Consolidated Business Results for the Second Quarter Accounting Period (April 1, 2008 to September 30, 2008)

(1) Consolidated Operating Results (% represents year-on-year change)

	Operating revenues (Millions of yen)		Operating income (Millions of yen)		Ordinary income (Millions of yen)		Net income(First Quarter) (Millions of yen)	
		yoy%		yoy%		yoy%		yoy%
2 st Quarter FY 2008	171,203	—	30,443	—	28,714	—	15,614	—
2 st Quarter FY 2007	177,379	7.1	32,132	(19.4)	32,975	(23.6)	12,228	—

	Earnings per share (yen)	Earnings per share (diluted) (yen)
2 st Quarter FY 2008	86.72	85.98
2 st Quarter FY 2007	68.02	65.99

(2) Consolidated Financial Position

	Total assets (Millions of yen)	Equity (Millions of yen)	Equity ratio (%)	Equity per share (yen)
2 st Quarter FY 2008	2,497,467	430,199	15.9	2,210.28
FY2007	2,450,637	418,661	15.8	2,147.04

(Reference) Shareholder's equity : FY2008 2st quarter ¥398,166 million FY2007 ¥386,279 million

2. Dividends

Effective date	Dividends per share (¥)				
	First Quarter	Second Quarter	Third Quarter	End of fiscal year	Full year
FY 2007	—	0.00	—	28.00	28.00
FY 2008	—	0.00			30.00
FY 2008(Projected)	—	—	—	30.00	

(Note) Revision of projected dividend in this term: None

3. Consolidated Projected Results for Fiscal 2008 (April 1, 2008 to March 31, 2009)

(% represents year-on-year change)

	Operating revenues (¥million)		Operating income (¥million)		Ordinary income (¥million)		Net income (¥million)		Earnings per share (¥)
		(yoy%)		(yoy%)		(yoy%)		(yoy%)	
FY 2008	342,000	(1.0)	53,000	(7.3)	52,000	(10.5)	25,500	(4.7)	141.55

(Note) Revision of Consolidated projected results in this term: Yes

4. Others

- (1) Changes of significant subsidiaries during fiscal year (Changes in Scope of Consolidation): None
- (2) Adoption of simplified accounting methods and specific accounting methods of quarterly consolidated financial statements: None
- (3) Accounting change for consolidated financial statements (Significant Accounting Policies for Consolidated Financial Statements)
 - a. Changes in accordance with revision of accounting standard : Yes
 - b. Other than a. : Yes
- (4) Number of shares issued (common stock):
 - a. Number of shares issued at the end of fiscal year (including treasury stock):
2st Quarter FY2008: 181,884,725 shares FY2007: 181,651,525 shares
 - b. Treasury stocks at the end of fiscal year:
2st Quarter FY 2008: 1,741,646 shares FY2007: 1,739,124 shares
 - c. Average number of shares during the term:
2st Quarter FY 2008: 180,054,202 shares 2st Quarter FY2007: 179,776,050 shares

Note:

- Effective from the fiscal year ending March 31, 2009, the “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No.12) and its Implementation Guidance, “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Guidance No.14) have been applied. Quarterly consolidated financial statements have been prepared in accordance with “Regulation for Quarterly Consolidated Financial Reporting”
- The projected results revised on 25th of September 2008 is re-revised in this material for Fiscal 2008.
- Projection shown on page 1 is estimated based on information available as of the issuing date of this report, and therefore the actual results for the future terms may differ from these projected figures due to various unknown factors.

(Reference) Non-consolidated Projected Results for the Fiscal 2008 (April 1, 2008 to March 31, 2009)

	Operating revenues		Operating income		Ordinary income		Net income		Earnings per share (¥)
	(¥million)	(yoy%)	(¥million)	(yoy%)	(¥million)	(yoy%)	(¥million)	(yoy%)	
Fiscal 2008	270,000	(2.8)	360,000	7.1	390,000	6.7	22,500	(8.5)	124.74

(Note) Revision of Consolidated projected results in this term: Yes

- The projected results revised on 25th of September 2008 is re-revised in this material for fiscal 2008.
- Projection shown on page 1 is estimated based on information available as of the issuing date of this report, and therefore the actual results for the future terms may differ from these projected figures due to various unknown factors.

5. Qualitative information concerning non-consolidated projected results.

Considering financial results of our group companies and current business environment of the second quarter of this term, we revised projected results of fiscal 2008.

Consolidated Projected Results for Fiscal 2008 (April 1, 2008 to March 31, 2009)

	Operating revenues (¥million)	Operating income (¥million)	Ordinary income (¥million)	Net income (¥million)
Last projected results (A) Revised on Sep.25,2008	347,000	52,000	51,000	24,000
This projected results (B)	342,000	54,000	52,000	25,500
Increase/decrease (A-B)	(5,000)	1,000	1,000	1,500
Rate of increase/decrease (%)	(1.4)	1.9	2.0	6.3

Non-consolidated Projected Results for Fiscal 2008 (April 1, 2008 to March 31, 2009)

	Operating revenues (¥million)	Operating income (¥million)	Ordinary income (¥million)	Net income (¥million)
Last projected results (A) Revised on Sep.25,2008	275,000	355,000	38,000	22,000
This projected results (B)	270,000	36,000	39,000	22,500
Increase/decrease (A-B)	(5,000)	500	1,000	500
Rate of increase/decrease (%)	(1.8)	1.9	2.6	2.3

We forecast continuation of the slowdown of consumption caused by hike of the consumer price and slump of the real estate market and stock market triggered by sub-prime loan issue. In addition, impacted by tighter revision of money lending and business control law, installment sales law, and other related law, we assume continued severe business environment. We do our best to achieve the projected results shown above.

Projection shown above is estimated based on information available as of the issuing date of this report, and therefore the actual results for the future terms may differ from these projected figures due to various unknown factors.

6. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	(Millions of yen)	
	End of Second quarter fiscal 2008 (As of September 30, 2008)	End of fiscal 2007(Summary) (As of March 31, 2008)
(ASSETS)		
Current assets		
Cash and deposits	55,283	57,244
Accounts receivable-installment	1,753,588	1,737,956
Operational investment securities	16,712	—
Short-term investment securities	—	2,499
Real estate for sale	170,267	164,016
Purchased receivables	27,278	29,926
Other inventories	1,485	4,085
Other	112,142	98,331
Allowance for doubtful accounts	(81,790)	(75,300)
Current assets	2,054,966	2,018,760
Noncurrent assets		
Property, plant and equipment	218,285	212,242
Intangible assets	58,316	47,825
Investments and other assets		
Investments and other assets	182,023	187,039
Allowance for doubtful accounts	(16,799)	(15,598)
Allowance for investment loss	—	(304)
Investments and other assets	165,223	171,136
Noncurrent assets	441,824	431,204
Deferred assets	676	672
Assets	2,497,467	2,450,637

(Millions of yen)

	End of Second quarter fiscal 2008 (As of September 30, 2008)	End of fiscal 2007(Summary) (As of March 31, 2008)
(LIABILITIES)		
Current liabilities		
Notes and accounts payable-trade	195,599	217,059
Short-term loans payable	394,609	406,901
Current portion of long-term loans payable	74,685	67,078
Current portion of bonds	27,355	16,825
Commercial papers	157,500	114,000
Current portion of payables under securitized lease receivables	13,107	14,272
Income taxes payable	13,149	15,018
Provision for bonuses	2,452	2,082
Provision for directors' bonuses	67	98
Provision for loss on interest repayment	10,363	11,630
Allowance for losses on business structure reforms	397	435
Allowance for losses on collecting gift tickets	136	141
Deferred installment income	6,007	5,703
Other	37,851	43,136
Current liabilities	933,282	914,382
Noncurrent liabilities		
Bonds payable	265,810	283,977
Long-term loans payable	721,132	715,103
Payables under securitized lease receivables	9,000	20,698
Long-term loans payable under credit fluidity	40,000	—
Provision for retirement benefits	3,935	5,326
Provision for directors' retirement benefits	116	241
Provision for loss on guarantees	4,124	3,608
Allowance for losses on warranty of defects	98	124
Provision for point card certificates	49,801	45,474
Provision for loss on interest repayment	30,386	33,841
Negative goodwill	1,557	298
Other	8,024	8,900
Noncurrent liabilities	1,133,985	1,117,593
Liabilities	2,067,268	2,031,976

(Millions of yen)

	End of Second quarter fiscal 2008 (As of September 30, 2008)	End of fiscal 2007(Summary) (As of March 31, 2008)
(Net assets)		
Shareholder's equity		
Capital stock	75,929	75,684
Capital Surplus	81,574	81,330
Retained earnings	236,430	225,855
Treasury stock	(6,098)	(6,092)
Shareholder's equity	387,835	376,778
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	10,514	10,171
Deferred gains or losses on hedges	(183)	(670)
Valuation and translation adjustments	10,331	9,501
Subscription rights to shares	0	—
Minority Interests	32,032	32,381
Net assets	430,199	418,661
Liabilities and net assets	2,497,467	2,450,637

(2) Consolidated Statements of Income

	(Millions of yen)
	Second quarter ended September 30, 2008 (April 1, 2008 to September 30, 2008)
I. Operating revenue	
Income from the credit services business	125,799
Income from the finance business	
Revenue from the finance business	56,223
Cost of the finance business	36,355
Income from the finance business	19,867
Income from the real estate related business	
Revenue from the real estate related business	41,323
Cost of the real estate related business	28,498
Income from the real estate related business	12,824
Income from the entertainment business	
Revenue from the entertainment business	48,494
Cost of the entertainment business	40,482
Income from the entertainment business	8,011
Income from the other business	
Revenue from the other business	960
Cost of the other business	—
Income from the other business	960
Financial revenue	3,740
Operating revenue	171,203
Operating expenses	
Selling, general and administrative expenses	
Provision for point card certificates	6,844
Provision of allowance for doubtful accounts	26,416
Provision for loss on interest repayment	2,962
Provision for loss on guarantees	2,453
Commission fee	26,113
Other	64,369
Selling, general and administrative expenses	129,159
Financial expenses	11,601
Operating expenses	140,760
Operating income	30,443
Non-operating income	
Interest income	93
Dividends income	555
Amortization of negative goodwill	15
Gain on bad debts recovered	280
Other	551
Non-operating Income	1,497
Non-operating expenses	
Interest expenses	1,441
Equity in losses of affiliates	286
Provision of allowance for doubtful accounts	1,100
Other	397
Non-operating expenses	3,225
Ordinary income	28,714

	(Millions of yen)
	Second quarter ended September 30, 2008 (April 1,2008 to September 30,2008)
Extraordinary income	
Gain on sales of noncurrent assets	796
Gain on sales of investment securities	1,451
Other	588
Extraordinary income	<u>2,836</u>
Extraordinary loss	
Loss on evaluation of investment securities	1,722
Other	343
Extraordinary loss	<u>2,065</u>
Income before income taxes and minority interests	<u>29,485</u>
Income taxes-current	15,907
Income taxes-deferred	(3,308)
Income taxes	<u>12,599</u>
Minority interests in income	<u>1,272</u>
Net income	<u>15,614</u>

(3) Notes on premise of going concern: Not applicable

(4) Notes on significant changes in shareholder's equity: Not applicable

【Reference】 Financial statement of the Second quarter ended September 30, 2007
 (Summary) Consolidated Statements of Income

	Second quarter ended September 30, 2007 (April 1,2007 to September 30,2007)	
	Value	
I. Operating revenue		
Income form the credit services business		125,444
Income from the finance business		
Revenue from the finance business	55,114	
Cost of the finance business	33,597	21,516
Income from the real estate related business		
Revenue from the real estate related business	62,737	
Cost of the real estate related business	45,424	17,312
Income from the entertainment business		
Revenue from the entertainment business	58,718	
Cost of the entertainment business	51,395	7,323
Income from the other business		
Other business revenue	819	
Other business cost	—	819
Financial revenue		4,962
Operating revenue		177,379
II. Operating expenses		
Selling, general and administrative expenses		134,695
Financial expenses		10,551
Operating expenses		145,247
Operating income		32,132
III. Non-operating income		
Interest Income	69	
Dividend Income	695	
Amortization of negative goodwill	54	
Equity in Gain Loss under Equity Method	689	
Dividends from investment partnership	126	
Others	503	2,139
IV. Non-operating expenses		
Interest expense	1,023	
Others	273	1,296
Ordinary income		32,975
V. Extraordinary income		
Gain on Sale of Investment Securities	324	
Gain on redemption of investment securities	1,390	
Others	26	1,741
VI. Extraordinary loss		
Loss on sales of property, plant and equipment	190	
Impairment Loss on Assets	449	
Loss on Devaluation of Investment Securities	1,632	
Loss on Sale of Investment Securities	4	
Losses on business structure reforms	2,440	
Loss on change in equity	66	
Allowance for losses on collecting gift tickets	111	
Others	47	4,943
Income before income taxes and minority interests		29,772
Income taxes-current	19,779	
Income taxes-deferred	(6,037)	13,741
Minority interests in income		3,803
Net income		12,228