

Consolidated Financial Statements for the Nine Months of the Fiscal Year Ending March 31, 2012

[JGAAP]



February 8, 2012
Stock exchange listing: Tokyo
(URL <http://www.saisoncard.co.jp>)

Listed company name: Credit Saison Co., Ltd.

Code number: 8253

Representative: Hiroshi Rinno / President and CEO

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Scheduled date to submit Quarterly Securities Report: February 14, 2012

Scheduled date to commence dividend payments: –

Preparation of supplementary material on quarterly financial results: Yes

Holding of quarterly financial results presentation meeting: None

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

1. Consolidated Results for the Nine Months of the Fiscal Year Ending March 31, 2012 (April 1, 2011 to December 31, 2011)

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

| | Operating revenue | | Operating income | | Ordinary income | | Net income | |
|-----------------------|-------------------|--------|-------------------|--------|-------------------|-------|-------------------|------|
| | (Millions of yen) | (%) | (Millions of yen) | (%) | (Millions of yen) | (%) | (Millions of yen) | (%) |
| Nine months of FY2011 | 191,589 | (12.6) | 34,000 | 32.3 | 38,907 | 25.5 | 21,430 | 13.0 |
| Nine months of FY2010 | 219,288 | (6.7) | 25,699 | (17.0) | 30,996 | (6.0) | 18,970 | 10.8 |

(Note) Comprehensive income: Nine months of FY2011 21,012 million yen [17.4%]
 Nine months of FY2010 17,895 million yen [–%]

| | Net income per share | Net income per share |
|-----------------------|----------------------|----------------------|
| | (Yen) | (diluted) (Yen) |
| Nine months of FY2011 | 116.70 | 116.52 |
| Nine months of FY2010 | 103.30 | 102.53 |

(2) Consolidated Financial Position

| | Total assets | Net assets | Equity ratio |
|-------------------------|-------------------|-------------------|--------------|
| | (Millions of yen) | (Millions of yen) | (%) |
| As of December 31, 2011 | 2,200,781 | 363,372 | 16.4 |
| As of March 31, 2011 | 2,231,246 | 347,915 | 15.5 |

(Reference) Equity: As of December 31, 2011 360,565 million yen As of March 31, 2011 345,229 million yen

2. Dividends

| | Dividends per share | | | | |
|--------------------|----------------------|-----------------------|----------------------|--------------------|--------|
| | End of first quarter | End of second quarter | End of third quarter | End of fiscal year | Annual |
| | (Yen) | (Yen) | (Yen) | (Yen) | (Yen) |
| FY2010 | – | 0.00 | – | 30.00 | 30.00 |
| FY2011 | – | 0.00 | – | – | – |
| FY2011 (Projected) | – | – | – | 30.00 | 30.00 |

(Note) Revision of projected dividends most recently announced: None

3. Consolidated Earning Forecasts for Fiscal 2011 (April 1, 2011 to March 31, 2012)

(% represents year-on-year change)

| | Operating revenue | | Operating income | | Ordinary income | | Net income | | Net income per share |
|--------|-------------------|--------|-------------------|------|-------------------|------|-------------------|------|----------------------|
| | (Millions of yen) | (%) | (Millions of yen) | (%) | (Millions of yen) | (%) | (Millions of yen) | (%) | (Yen) |
| FY2011 | 257,000 | (10.0) | 36,500 | 33.3 | 42,500 | 25.9 | 25,000 | 94.9 | 136.14 |

(Note) Revision of consolidated earning forecasts most recently announced: None

4. Others

- (1) Changes in significant subsidiaries during the nine months under review: None
(Changes in specified subsidiaries resulting in changes in the scope of consolidation)
- (2) Application of specific accounting for preparing quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections
 - a. Changes in accounting policies in accordance with revisions of accounting standards and other regulations: None
 - b. Changes in accounting policies other than a. above: None
 - c. Changes in accounting estimates: None
 - d. Restatement of prior period financial statements after error corrections: None
- (4) Number of shares issued (common stock):
 - a. Number of shares issued at the end of the period (including treasury stock):
 - As of December 31, 2011: 185,444,772 shares
 - As of March 31, 2011: 185,444,772 shares
 - b. Number of treasury shares at the end of the period:
 - As of December 31, 2011: 1,811,223 shares
 - As of March 31, 2011: 1,809,960 shares
 - c. Average number of outstanding shares during the period (cumulative):
 - Nine months ended December 31, 2011: 183,634,175 shares
 - Nine months ended December 31, 2010: 183,636,964 shares

- Indication regarding execution of quarterly review procedures

The quarterly review procedures pursuant to the Financial Instruments and Exchange Act do not apply to this quarterly financial results report. At the time of disclosure of this quarterly financial results report, the quarterly review procedures for quarterly financial statements pursuant to the Financial Instruments and Exchange Act are incomplete.

- Proper use of projected results, and other special matters

(Caution regarding forward-looking statements, etc.)

The forecasts indicated above are based on our future outlook as of the announcement date of these materials, assumptions that form the basis of plans, and predictions. Actual performance may differ from the forecasts due to various factors.

(Means of obtaining supplementary material on quarterly financial results)

The Company provides English translations of supplementary materials on its businesses and performance and its quarterly financial statements (excerpted sections only) on its website.

Consolidated Quarterly Financial Statements

(1) Consolidated Quarterly Balance Sheets

(Millions of yen)

| | FY2010 (As of March 31, 2011) | Third quarter of FY2011 (As of December 31, 2011) |
|------------------------------------|----------------------------------|------------------------------------------------------|
| (ASSETS) | | |
| Current assets | | |
| Cash and deposits | 64,111 | 57,554 |
| Accounts receivable-installment | 1,490,518 | 1,430,122 |
| Lease investment assets | 219,894 | 217,282 |
| Operational investment securities | 7,219 | 15,469 |
| Short-term investment securities | 5,982 | 998 |
| Real estate for sale | 229,996 | 234,645 |
| Purchased receivables | 12,737 | 13,071 |
| Other inventories | 1,113 | 1,265 |
| Other | 60,092 | 48,666 |
| Allowance for doubtful accounts | (118,625) | (100,577) |
| Total current assets | 1,973,041 | 1,918,499 |
| Noncurrent assets | | |
| Property, plant and equipment | 59,569 | 61,912 |
| Intangible assets | 76,632 | 92,620 |
| Investments and other assets | | |
| Investments and other assets | 126,540 | 132,289 |
| Allowance for doubtful accounts | (4,969) | (4,921) |
| Total investments and other assets | 121,571 | 127,367 |
| Total noncurrent assets | 257,774 | 281,900 |
| Deferred assets | 431 | 380 |
| Total assets | 2,231,246 | 2,200,781 |

| | FY2010 (As of March 31, 2011) | Third quarter of FY2011 (As of December 31, 2011) |
|------------------------------------------------------------------|----------------------------------|------------------------------------------------------|
| (LIABILITIES) | | |
| Current liabilities | | |
| Notes and accounts payable-trade | 171,065 | 213,998 |
| Short-term loans payable | 248,029 | 225,679 |
| Current portion of long-term loans payable | 138,960 | 173,523 |
| Current portion of bonds | 45,225 | 25,225 |
| Commercial papers | 110,000 | 67,000 |
| Current portion of long-term loans payable under credit fluidity | 15,850 | 34,289 |
| Lease obligations | 1,598 | 1,813 |
| Income taxes payable | 1,535 | 9,266 |
| Provision for bonuses | 2,017 | 959 |
| Provision for directors' bonuses | 88 | 59 |
| Provision for loss on interest repayment | 19,612 | 16,650 |
| Allowance for losses on collecting gift tickets | 191 | 180 |
| Deferred installment income | 6,148 | 5,751 |
| Other | 37,342 | 44,175 |
| Total current liabilities | 797,666 | 818,571 |
| Noncurrent liabilities | | |
| Bonds payable | 210,887 | 210,675 |
| Long-term loans payable | 691,635 | 661,488 |
| Long-term loans payable under credit fluidity | 78,317 | 48,585 |
| Lease obligations | 3,928 | 3,499 |
| Provision for retirement benefits | 2,179 | - |
| Provision for directors' retirement benefits | 73 | 92 |
| Provision for loss on guarantees | 5,464 | 5,621 |
| Allowance for losses on warranty of defects | 19 | 22 |
| Provision for point card certificates | 65,880 | 69,580 |
| Provision for loss on interest repayment | 15,569 | 7,974 |
| Asset retirement obligations | 834 | 826 |
| Negative goodwill | 705 | 421 |
| Other | 10,169 | 10,051 |
| Total noncurrent liabilities | 1,085,664 | 1,018,837 |
| Total liabilities | 1,883,330 | 1,837,408 |

| | FY2010 (As of March 31, 2011) | Third quarter of FY2011 (As of December 31, 2011) |
|-------------------------------------------------------|----------------------------------|------------------------------------------------------|
| (NET ASSETS) | | |
| Shareholders' equity | | |
| Capital stock | 75,929 | 75,929 |
| Capital surplus | 84,838 | 84,838 |
| Retained earnings | 185,628 | 201,512 |
| Treasury stock | (6,114) | (6,116) |
| Total shareholders' equity | 340,282 | 356,163 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 6,569 | 6,051 |
| Deferred gains or losses on hedges | (1,622) | (1,649) |
| Total accumulated other comprehensive income | 4,947 | 4,401 |
| Subscription rights to shares | 0 | 0 |
| Minority interests | 2,686 | 2,806 |
| Total net assets | 347,915 | 363,372 |
| Total liabilities and net assets | 2,231,246 | 2,200,781 |

(2) Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income**Consolidated Quarterly Statements of Income (Cumulative)**

(Millions of yen)

| | Nine months of FY2010 (April 1, 2010 to December 31, 2010) | Nine months of FY2011 (April 1, 2011 to December 31, 2011) |
|----------------------------------------------------|------------------------------------------------------------------|------------------------------------------------------------------|
| Operating revenue | | |
| Income from the credit service business | 175,676 | 149,485 |
| Income from the lease business revenue | 10,889 | 11,028 |
| Revenue from the finance business | 11,603 | 11,377 |
| Income from the real estate related business | | |
| Revenue from the real estate related business | 34,604 | 36,573 |
| Cost of the real estate related business | 24,374 | 26,857 |
| Income from the real estate related business | 10,230 | 9,715 |
| Income from the entertainment business | | |
| Revenue from the entertainment business | 60,083 | 56,750 |
| Cost of the entertainment business | 49,556 | 47,094 |
| Income from the entertainment business | 10,527 | 9,656 |
| Financial revenue | 362 | 325 |
| Total operating revenue | 219,288 | 191,589 |
| Operating expenses | | |
| Selling, general and administrative expenses | | |
| Provision for point card certificates | 10,982 | 8,944 |
| Provision of allowance for doubtful accounts | 33,627 | 16,928 |
| Provision for loss on interest repayment | 12,434 | 3,517 |
| Provision for loss on guarantees | 3,040 | 2,416 |
| Commission fee | 35,631 | 36,403 |
| Other | 80,959 | 74,438 |
| Total selling, general and administrative expenses | 176,675 | 142,649 |
| Financial expenses | 16,913 | 14,938 |
| Total operating expenses | 193,589 | 157,588 |
| Operating income | 25,699 | 34,000 |

(Millions of yen)

| | Nine months of FY2010 (April 1, 2010 to December 31, 2010) | Nine months of FY2011 (April 1, 2011 to December 31, 2011) |
|-------------------------------------------------------------------------------------------|------------------------------------------------------------------|------------------------------------------------------------------|
| Non-operating income | | |
| Interest income | 37 | 25 |
| Dividends income | 2,148 | 955 |
| Amortization of negative goodwill | 282 | 284 |
| Equity in earnings of affiliates | 1,582 | 2,588 |
| Gain on bad debts recovered | 1,144 | 855 |
| Other | 432 | 316 |
| Total non-operating income | 5,628 | 5,026 |
| Non-operating expenses | | |
| Interest expenses | 48 | 38 |
| Provision of allowance for doubtful accounts | 121 | – |
| Equity in loss of limited liability partnerships and other similar partnerships | 75 | 29 |
| Loss on disposal of supplies | 28 | 24 |
| Other | 57 | 26 |
| Total non-operating expenses | 331 | 119 |
| Ordinary income | 30,996 | 38,907 |
| Extraordinary income | | |
| Gain on sales of investment securities | – | 173 |
| Gain on sales of subsidiaries and affiliates' stocks | – | 7,140 |
| Other | – | 17 |
| Total extraordinary income | – | 7,331 |
| Extraordinary loss | | |
| Loss on valuation of investment securities | 453 | 56 |
| Loss on sales of investment securities | 55 | – |
| Loss on adjustment for changes of accounting standard for asset retirement obligations | 1,224 | – |
| Loss on disaster | – | 210 |
| Loss on revision of retirement benefit plan | – | 1,658 |
| Other | 186 | 67 |
| Total extraordinary losses | 1,919 | 1,992 |
| Income before income taxes and minority interests | 29,076 | 44,246 |
| Income taxes-current | 4,897 | 12,876 |
| Income taxes-deferred | 4,739 | 9,811 |
| Total income taxes | 9,637 | 22,687 |
| Income before minority interests | 19,438 | 21,558 |
| Minority interests in income | 468 | 127 |
| Net income | 18,970 | 21,430 |

Consolidated Quarterly Statements of Comprehensive Income (Cumulative)

(Millions of yen)

| | Nine months of FY2010 (April 1, 2010 to December 31, 2010) | Nine months of FY2011 (April 1, 2011 to December 31, 2011) |
|----------------------------------------------------------------------------------------|------------------------------------------------------------------|------------------------------------------------------------------|
| Income before minority interests | 19,438 | 21,558 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (1,370) | (1,316) |
| Deferred gains or losses on hedges | (266) | (41) |
| Share of other comprehensive income of associates accounted for using equity method | 94 | 811 |
| Total other comprehensive income | (1,542) | (546) |
| Comprehensive income | 17,895 | 21,012 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of the parent | 17,428 | 20,885 |
| Comprehensive income attributable to minority interests | 467 | 126 |