

《Translation of excerpted sections》

Consolidated Financial Statements
for the Second Quarter of the Fiscal Year Ending March 31, 2013
[JGAAP]



November 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

Inquiries to: Manabu Oaku / General Manager, Public Relations Office; Phone: (03) 3982-0700

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

Scheduled date to commence dividend payments: –

Preparation of supplementary material on quarterly financial results: Yes

Holding of quarterly financial results presentation meeting: Yes (for institutional investors and analysts)

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

1. Consolidated Results for the Second Quarter of the Fiscal Year Ending March 31, 2013 (April 1, 2012 to September 30, 2012)

(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)	(%)
2 nd Quarter FY2012	122,441	(4.0)	22,433	2.7	27,948	11.9	17,698	1.1
2 nd Quarter FY2011	127,555	(12.2)	21,833	59.6	24,970	41.7	17,513	75.7

(Note) Comprehensive income: 2nd Quarter FY2012 17,808 million yen [4.8%]

2nd Quarter FY2011 16,993 million yen[154.5%]

	Net income per share	Net income per share
	(Yen)	(diluted) (Yen)
2 nd Quarter FY2012	96.38	95.93
2 nd Quarter FY2011	95.37	95.17

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	(Millions of yen)	(Millions of yen)	(%)
2 nd Quarter FY2012	2,141,756	369,110	17.1
FY2011	2,155,906	355,727	16.4

(Reference) Equity: 2nd Quarter FY2012 365,815 million yen FY2011 352,695 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)
FY2011	–	0.00	–	30.00	30.00
FY2012	–	0.00	–	–	–
FY2012 (Projected)	–	–	–	30.00	30.00

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

3. Consolidated Earning Forecasts for Fiscal 2012 (April 1, 2012 to March 31, 2013)

(% represents year-on-year change)

	Operating revenue		Operating income		Ordinary income		Net income		Net income per share (Yen)
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	
FY2012	246,000	0.8	42,000	31.8	51,000	32.2	30,500	222.6	166.09

(Note) Revision of consolidated earning forecasts most recently announced: Yes

Please refer to the “Announcement regarding difference in the forecasted and actual performance for the second quarter (cumulative) and revision of business forecasts for full fiscal year ending March 31, 2013 (consolidated/non-consolidated)” announced on November 8, 2012.

Notes

- (1) Changes in significant subsidiaries during the first quarter: None
(Changes in specified subsidiaries resulting in changes in the scope of consolidation)
- (2) Application of specific accounting for preparing consolidated quarterly 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):

2 nd Quarter FY2012:	185,444,772 shares	FY2011:	185,444,772 shares
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 - b. Number of treasury shares at the end of the period:

2 nd Quarter FY2012:	1,811,944 shares	FY2011:	1,811,527 shares
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 - c. Average number of outstanding shares during the period (cumulative):

2 nd Quarter FY2012:	183,633,061 shares	2 nd Quarter FY2011:	183,634,406 shares
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- 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 of 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 projected results 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 results report (excerpted sections only) on its website.

Consolidated Quarterly Financial Statements
(1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	FY2011 (As of March 31, 2012)	Second quarter of FY2012 (As of September 30, 2012)
(ASSETS)		
Current assets		
Cash and deposits	60,085	44,152
Accounts receivable-installment	1,379,146	1,282,333
Lease investment assets	218,389	220,183
Operational investment securities	16,616	13,958
Real estate for sale	183,784	86,777
Purchased receivables	10,315	9,722
Other inventories	1,251	1,331
Other	40,499	74,165
Allowance for doubtful accounts	(95,172)	(71,511)
Total current assets	1,814,916	1,661,113
Noncurrent assets		
Property, plant and equipment	63,136	60,462
Intangible assets	98,938	104,937
Investments and other assets		
Liquidation business assets	-	150,638
Other	180,821	182,409
Allowance for doubtful accounts	(2,257)	(18,337)
Total investments and other assets	178,563	314,710
Total noncurrent assets	340,638	480,110
Deferred assets	350	531
Total assets	2,155,906	2,141,756

(Millions of yen)

	FY2011 (As of March 31, 2012)	Second quarter of FY2012 (As of September 30, 2012)
(LIABILITIES)		
Current liabilities		
Notes and accounts payable-trade	240,949	219,892
Short-term loans payable	234,190	225,560
Current portion of long-term loans payable	192,124	172,871
Current portion of bonds	10,225	30,225
Commercial papers	32,000	40,000
Current portion of long-term loans payable under credit fluidity	41,079	42,393
Lease obligations	1,973	1,961
Income taxes payable	9,465	5,515
Provision for bonuses	1,984	1,929
Provision for directors' bonuses	153	58
Provision for loss on interest repayment	13,246	12,051
Allowance for losses on collecting gift tickets	182	174
Deferred installment income	5,840	6,102
Other	41,298	36,943
Total current liabilities	824,713	795,677
Noncurrent liabilities		
Bonds payable	210,662	220,450
Long-term loans payable	619,722	633,265
Long-term loans payable under credit fluidity	44,872	24,714
Lease obligations	2,953	2,654
Provision for directors' retirement benefits	92	64
Provision for loss on guarantees	4,067	4,227
Allowance for losses on warranty of defects	16	17
Provision for point card certificates	70,661	71,083
Provision for loss on interest repayment	11,573	9,490
Asset retirement obligations	830	843
Negative goodwill	329	164
Other	9,683	9,992
Total noncurrent liabilities	975,465	976,968
Total liabilities	1,800,178	1,772,646

(Millions of yen)

	FY2011 (As of March 31, 2012)	Second quarter of FY2012 (As of September 30, 2012)
(NET ASSETS)		
Shareholders' equity		
Capital stock	75,929	75,929
Capital surplus	84,838	84,838
Retained earnings	189,535	202,810
Treasury stock	(6,116)	(6,117)
Total shareholders' equity	344,186	357,460
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,044	9,908
Deferred gains or losses on hedges	(1,535)	(1,554)
Total accumulated other comprehensive income	8,508	8,354
Subscription rights to shares	0	0
Minority interests	3,032	3,294
Total net assets	355,727	369,110
Total liabilities and net assets	2,155,906	2,141,756

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

(Millions of yen)

	Second quarter of FY2011 (April 1, 2011 to September 30, 2011)	Second quarter of FY2012 (April 1, 2012 to September 30, 2012)
Operating revenue		
Income from the credit service business	99,291	94,727
Income from the Lease business revenue	7,351	7,213
Revenue from the finance business	7,481	8,376
Income from the real estate related business		
Revenue from the real estate related business	23,030	17,979
Cost of the real estate related business	16,268	12,966
Income from the real estate related business	6,762	5,013
Income from the entertainment business		
Revenue from the entertainment business	37,423	39,613
Cost of the entertainment business	30,970	32,664
Income from the entertainment business	6,453	6,948
Financial revenue	215	161
Total operating revenue	127,555	122,441
Operating expenses		
Selling, general and administrative expenses		
Provision for point card certificates	6,006	3,646
Provision of allowance for doubtful accounts	12,357	8,037
Provision for loss on interest repayment	1,900	2,734
Provision for loss on guarantees	1,558	1,589
Commission fee	24,060	25,308
Other	49,690	50,935
Total selling, general and administrative expenses	95,573	92,252
Financial expenses	10,148	7,754
Total operating expenses	105,722	100,007
Operating income	21,833	22,433
Non-operating income		
Interest income	18	16
Dividends income	583	573
Amortization of negative goodwill	187	164
Equity in earnings of affiliates	1,586	2,811
Gain on bad debts recovered	598	805
Gain on liquidation business	-	948
Other	260	264
Total non-operating income	3,233	5,584
Non-operating expenses		
Interest expenses	26	19
Equity in loss of limited liability partnerships and other similar partnerships	21	19
Loss on disposal of supplies	24	6
Other	24	22
Total non-operating expenses	96	69
Ordinary income	24,970	27,948
Extraordinary income		
Gain on sales of investment securities	23	0
Gain on sales of subsidiaries and affiliates' stocks	7,140	-
Total extraordinary income	7,163	0

(Millions of yen)

	Second quarter of FY2011 (April 1, 2011 to September 30, 2011)	Second quarter of FY2012 (April 1, 2012 to September 30, 2012)
Extraordinary loss		
Loss on valuation of investment securities	-	173
Loss on disaster	169	-
Other	47	53
Total extraordinary losses	217	226
Income before income taxes and minority interests	31,916	27,722
Income taxes-current	12,086	5,287
Income taxes-deferred	2,174	4,471
Total income taxes	14,261	9,758
Income before minority interests	17,654	17,963
Minority interests in income	141	265
Net income	17,513	17,698

Consolidated Quarterly Statements of Comprehensive Income (Cumulative)

(Millions of yen)

	Second quarter of FY2011 (April 1, 2011 to September 30, 2011)	Second quarter of FY2012 (April 1, 2012 to September 30, 2012)
Income before minority interests	17,654	17,963
Other comprehensive income		
Valuation difference on available-for-sale securities	(839)	(343)
Deferred gains or losses on hedges	(37)	(18)
Share of other comprehensive income of associates accounted for using equity method	215	207
Total other comprehensive income	(661)	(154)
Comprehensive income	16,993	17,808
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	16,852	17,543
Comprehensive income attributable to minority interests	140	264

(5) Segment information, etc

Segment information

For the second quarter ended September 30, 2011 (from April 1, 2011 to September 30, 2011)

Information regarding sales, income and other items by reportable segments

(Unit: Millions of yen)

	Reportable segments						Adjustments	Consolidated quarterly statements of income
	Credit service	Lease	Finance	Real estate related	Entertainment	Total		
Operating revenue								
External revenue	99,493	7,351	7,495	6,762	6,453	127,555	-	127,555
Inter-segment revenue and transfer	469	12	124	35	7	649	(649)	-
Total	99,962	7,363	7,620	6,797	6,460	128,204	(649)	127,555
Segment income	14,214	1,894	3,536	1,091	1,172	21,909	(75)	21,833

(Notes)1. Adjustments include inter-segment eliminations.

2. Segment income is adjusted to total operating income in the consolidated quarterly statements of income.

For the second quarter ended September 30, 2012 (from April 1, 2012 to September 30, 2012)

Information regarding sales, income and other items by reportable segments

(Unit: Millions of yen)

	Reportable segments						Adjustments	Consolidated quarterly statements of income
	Credit service	Lease	Finance	Real estate related	Entertainment	Total		
Operating revenue								
External revenue	94,889	7,213	8,376	5,013	6,948	122,441	-	122,441
Inter-segment revenue and transfer	483	12	118	44	7	666	(666)	-
Total	95,373	7,225	8,494	5,057	6,956	123,107	(666)	122,441
Segment income	12,695	3,458	4,522	513	1,290	22,481	(47)	22,433

(Notes)1. Adjustments include inter-segment eliminations.

2. Segment income is adjusted to total operating income in the consolidated quarterly statements of income.