

《Translation of excerpted sections》

Consolidated Financial Statements for the Third Quarter of the Fiscal Year Ending March 31, 2014

[JGAAP]



February 7, 2014
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: Mayumi Tamura / General Manager, Public Relations Office; Phone: (03) 3982-0700

Scheduled date to submit Quarterly Securities Report: February 13, 2014

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 Third Quarter of the Fiscal Year Ending March 31, 2014 (April 1, 2013 to December 31, 2013)

(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)	(%)
3 rd Quarter FY2013	186,525	1.4	33,384	0.7	42,442	3.3	27,566	5.6
3 rd Quarter FY2012	183,905	(4.0)	33,155	(2.5)	41,085	5.6	26,115	21.9

(Note) Comprehensive income: 3rd Quarter FY2013 41,389 million yen [42.0%]
3rd Quarter FY2012 29,149 million yen [38.7%]

	Net income per share	Net income per share (diluted)
	(Yen)	(Yen)
3 rd Quarter FY2013	150.12	149.66
3 rd Quarter FY2012	142.22	141.56

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(Yen)
3 rd Quarter FY2013	2,231,312	430,735	19.1	2,325.43
FY2012	2,141,802	394,868	18.3	2,131.58

(Reference) Equity: 3rd Quarter FY2013 427,019 million yen FY2012 391,426 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)
FY2012	–	0.00	–	30.00	30.00
FY2013	–	0.00	–		
FY2013 (Projected)				30.00	30.00

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

3. Consolidated Earning Forecasts for Fiscal 2013 (April 1, 2013 to March 31, 2014)

(% 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)	(%)	
FY2013	251,000	2.7	43,500	2.8	51,300	(3.6)	32,000	(2.3)	174.26

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

Notes

- (1) Changes in significant subsidiaries during the third quarter (cumulative): 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):

3 rd Quarter FY2013: 185,444,772 shares	FY2012: 185,444,772 shares
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 - b. Number of treasury shares at the end of the period:

3 rd Quarter FY2013: 1,814,210 shares	FY2012: 1,812,612 shares
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 - c. Average number of outstanding shares during the period (cumulative):

3 rd Quarter FY2013: 183,631,337 shares	3 rd Quarter FY2012: 183,632,915 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)

	FY2012 (As of March 31, 2013)	Third quarter of FY2013 (As of December 31, 2013)
(ASSETS)		
Current assets		
Cash and deposits	57,524	55,583
Accounts receivable-installment	1,291,731	1,342,961
Lease investment assets	219,571	222,245
Operational investment securities	13,846	19,357
Real estate for sale	79,902	81,714
Purchased receivables	9,303	9,541
Other inventories	1,339	1,404
Other	36,044	41,368
Allowance for doubtful accounts	(64,910)	(60,169)
Total current assets	1,644,355	1,714,005
Noncurrent assets		
Property, plant and equipment	64,837	63,387
Intangible assets	114,296	131,746
Investments and other assets		
Liquidation business assets	137,956	119,946
Other	197,897	218,044
Allowance for doubtful accounts	(18,042)	(16,389)
Total investments and other assets	317,811	321,601
Total noncurrent assets	496,945	516,735
Deferred assets	500	570
Total assets	2,141,802	2,231,312

(Millions of yen)

	FY2012 (As of March 31, 2013)	Third quarter of FY2013 (As of December 31, 2013)
(LIABILITIES)		
Current liabilities		
Notes and accounts payable-trade	256,283	214,218
Short-term loans payable	212,960	198,160
Current portion of long-term loans payable	118,937	126,190
Current portion of bonds	30,225	50,225
Commercial papers	15,000	160,000
Current portion of long-term loans payable under credit fluidity	35,714	14,834
Lease obligations	1,941	1,016
Income taxes payable	7,744	8,065
Provision for bonuses	2,083	1,017
Provision for directors' bonuses	146	96
Provision for loss on interest repayment	9,290	6,293
Allowance for losses on collecting gift tickets	175	164
Deferred installment income	6,278	6,621
Other	39,112	42,196
Total current liabilities	735,893	829,101
Noncurrent liabilities		
Bonds payable	230,437	215,225
Long-term loans payable	673,874	657,044
Long-term loans payable under credit fluidity	8,548	232
Lease obligations	2,217	3,051
Provision for directors' retirement benefits	74	77
Provision for loss on guarantees	4,209	4,370
Allowance for losses on warranty of defects	19	16
Provision for point card certificates	71,532	75,984
Provision for loss on interest repayment	9,744	6,294
Asset retirement obligations	853	843
Other	9,528	8,337
Total noncurrent liabilities	1,011,040	971,476
Total liabilities	1,746,933	1,800,577

(Millions of yen)

	FY2012 (As of March 31, 2013)	Third quarter of FY2013 (As of December 31, 2013)
(NET ASSETS)		
Shareholders' equity		
Capital stock	75,929	75,929
Capital surplus	84,838	84,838
Retained earnings	217,882	239,938
Treasury stock	(6,118)	(6,122)
Total shareholders' equity	372,531	394,582
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	20,391	33,443
Deferred gains or losses on hedges	(1,496)	(1,006)
Total accumulated other comprehensive income	18,894	32,436
Subscription rights to shares	0	0
Minority interests	3,442	3,715
Total net assets	394,868	430,735
Total liabilities and net assets	2,141,802	2,231,312

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

(Millions of yen)

	Third quarter of FY2012 (April 1, 2012 to December 31, 2012)	Third quarter of FY2013 (April 1, 2013 to December 31, 2013)
Operating revenue		
Income from the credit service business	142,722	140,790
Income from the Lease business revenue	10,859	10,649
Revenue from the finance business	12,722	14,063
Income from the real estate related business		
Revenue from the real estate related business	23,847	36,151
Cost of the real estate related business	16,731	25,391
Income from the real estate related business	7,116	10,759
Income from the entertainment business I		
Revenue from the entertainment business	57,907	54,657
Cost of the entertainment business	47,659	44,708
Income from the entertainment business	10,248	9,949
Financial revenue	235	312
Total operating revenue	183,905	186,525
Operating expenses		
Selling, general and administrative expenses		
Provision for point card certificates	6,094	9,558
Provision of allowance for doubtful accounts	11,921	10,315
Provision for loss on interest repayment	3,481	1,155
Provision for loss on guarantees	2,485	2,758
Commission fee	38,206	41,203
Other	77,210	78,085
Total selling, general and administrative expenses	139,399	143,077
Financial expenses	11,350	10,062
Total operating expenses	150,749	153,140
Operating income	33,155	33,384
Non-operating income		
Interest income	25	22
Dividends income	972	2,220
Equity in earnings of affiliates	4,216	4,206
Gain on bad debts recovered	1,042	1,111
Gain on liquidation business	1,129	1,163
Other	633	406
Total non-operating income	8,019	9,131
Non-operating expenses		
Interest expenses	31	20
Equity in loss of limited liability partnerships and other similar partnerships	25	15
Loss on disposal of supplies	6	18
Other	25	18
Total non-operating expenses	90	73
Ordinary income	41,085	42,442
Extraordinary income		
Gain on sales of investment securities	0	0
Gain on sales of subsidiaries and affiliates' stocks	-	76
Gain on sales of noncurrent assets	8	2
Compensation income for expropriation	-	564
Other	-	1
Total extraordinary income	8	645

(Millions of yen)

	Third quarter of FY2012 (April 1, 2012 to December 31, 2012)	Third quarter of FY2013 (April 1, 2013 to December 31, 2013)
Extraordinary loss		
Loss on disposal of noncurrent assets	45	28
Loss on valuation of investment securities	173	2
Impairment loss	4	22
Other	27	-
Total extraordinary losses	251	53
Income before income taxes and minority interests	40,842	43,034
Income taxes-current	6,773	14,444
Income taxes-deferred	7,603	742
Total income taxes	14,377	15,187
Income before minority interests	26,465	27,847
Minority interests in income	349	280
Net income	26,115	27,566

Consolidated Quarterly Statements of Comprehensive Income (Cumulative)

(Millions of yen)

	Third quarter of FY2012 (April 1, 2012 to December 31, 2012)	Third quarter of FY2013 (April 1, 2013 to December 31, 2013)
Income before minority interests	26,465	27,847
Other comprehensive income		
Valuation difference on available-for-sale securities	1,571	9,898
Deferred gains or losses on hedges	(83)	490
Share of other comprehensive income of associates accounted for using equity method	1,195	3,153
Total other comprehensive income	2,684	13,542
Comprehensive income	29,149	41,389
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	28,800	41,108
Comprehensive income attributable to minority interests	349	280

(5) Segment information, etc

Segment information

For the third quarter ended December 31, 2012 (from April 1, 2012 to December 31, 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	142,957	10,860	12,722	7,116	10,248	183,905	-	183,905
Inter-segment revenue and transfer	745	18	118	64	7	954	(954)	-
Total	143,703	10,878	12,841	7,181	10,255	184,860	(954)	183,905
Segment income	19,347	4,773	6,724	567	1,814	33,227	(71)	33,155

(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 third quarter ended December 31, 2013 (from April 1, 2013 to December 31, 2013)

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	141,102	10,649	14,063	10,759	9,949	186,525	-	186,525
Inter-segment revenue and transfer	808	20	-	54	10	893	(893)	-
Total	141,910	10,670	14,063	10,813	9,960	187,418	(893)	186,525
Segment income	15,944	4,362	7,182	4,279	1,610	33,379	4	33,384

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

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