

## Consolidated Financial Statements for the Third Quarter of the Fiscal Year Ending March 31, 2015

[JGAAP]



February 6, 2015  
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, 2015

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, 2015 (April 1, 2014 to December 31, 2014)

#### (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 <sup>rd</sup> Quarter FY2014	192,122	3.0	35,739	7.1	40,139	(5.4)	25,899	(6.0)
3 <sup>rd</sup> Quarter FY2013	186,525	–	33,384	–	42,432	–	27,555	–

(Note) Comprehensive income: 3<sup>rd</sup> Quarter FY2014 34,586 million yen [(16.4)%]

3<sup>rd</sup> Quarter FY2013 41,378 million yen [–%]

	Net income per share	Net income per share
	(Yen)	(diluted) (Yen)
3 <sup>rd</sup> Quarter FY2014	141.04	–
3 <sup>rd</sup> Quarter FY2013	150.06	149.60

Year-on-year change for 3<sup>rd</sup> Quarter FY2013 is not provided due to retrospective application with the changes in accounting policies.

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(Yen)
3 <sup>rd</sup> Quarter FY2014	2,430,172	451,850	18.4	2,441.64
FY2013	2,285,943	422,829	18.3	2,283.29

(Reference) Equity: 3<sup>rd</sup> Quarter FY2014 448,357 million yen FY2013 419,281 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)
FY2013	–	0.00	–	30.00	30.00
FY2014	–	0.00	–		
FY2014 (Projected)				30.00	30.00

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

### 3. Consolidated Earning Forecasts for Fiscal 2014 (April 1, 2014 to March 31, 2015)

(% 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)
FY2014	256,000	3.4	42,000	15.6	49,000	10.3	32,000	25.2	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: Yes
  - 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 shares):
 

3 <sup>rd</sup> Quarter FY2014: 185,444,772 shares	FY2013: 185,444,772 shares
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  - b. Number of treasury shares at the end of the period:
 

3 <sup>rd</sup> Quarter FY2014: 1,815,275 shares	FY2013: 1,814,444 shares
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  - c. Average number of outstanding shares during the period (cumulative):
 

3 <sup>rd</sup> Quarter FY2014: 183,629,978 shares	3 <sup>rd</sup> Quarter FY2013: 183,631,337 shares
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#### Additional information

(Joint core system)

The Company and some of its consolidated subsidiaries have been developing a joint core system with a transition to the new system scheduled for October 2014. However, to implement the transition more safely and reliably, initial schedule of the transition period has been revised.

Since then, it became apparent that some problems exist in the reports and external interface system (total investment of 19 billion yen) under development for the joint core system. In this regard, we are currently formulating a re-plan of the joint core system as well as examining the effect to the system.

#### - 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)

	FY2013 (As of March 31, 2014)	Third quarter of FY2014 (As of December 31, 2014)
<b>(ASSETS)</b>		
Current assets		
Cash and deposits	52,742	41,856
Accounts receivable - installment	1,396,495	1,512,214
Lease investment assets	225,333	225,347
Operational investment securities	18,979	22,177
Real estate for sale	83,212	90,986
Purchased receivables	9,818	12,881
Other inventories	1,403	1,273
Other	39,392	47,308
Allowance for doubtful accounts	(51,677)	(46,492)
Total current assets	1,775,699	1,907,554
Non-current assets		
Property, plant and equipment	62,833	60,882
Intangible assets	138,941	152,081
Investments and other assets		
Liquidation business assets	104,078	92,504
Other	214,494	224,763
Allowance for doubtful accounts	(10,704)	(8,383)
Total investments and other assets	307,868	308,883
Total non-current assets	509,643	521,847
Deferred assets	599	771
Total assets	2,285,943	2,430,172

(Millions of yen)

	FY2013 (As of March 31, 2014)	Third quarter of FY2014 (As of December 31, 2014)
<b>(LIABILITIES)</b>		
Current liabilities		
Notes and accounts payable - trade	273,444	239,046
Short-term loans payable	199,160	203,160
Current portion of long-term loans payable	160,010	155,990
Current portion of bonds	60,225	65,225
Commercial papers	115,000	200,000
Current portion of long-term loans payable under credit fluidity	7,493	-
Lease obligations	1,270	951
Income taxes payable	11,756	7,341
Provision for bonuses	2,062	991
Provision for directors' bonuses	147	105
Provision for loss on interest repayment	10,436	6,102
Allowance for losses on collecting gift tickets	167	160
Deferred installment income	6,835	7,349
Other	37,217	44,430
Total current liabilities	885,228	930,854
Non-current liabilities		
Bonds payable	215,212	215,000
Long-term loans payable	660,164	730,074
Lease obligations	2,204	1,376
Provision for directors' retirement benefits	82	95
Provision for loss on guarantees	4,296	4,498
Allowance for losses on warranty of defects	18	6
Provision for point card certificates	77,390	81,734
Provision for loss on interest repayment	9,263	5,991
Asset retirement obligations	821	839
Other	8,430	7,850
Total non-current liabilities	977,885	1,047,467
Total liabilities	1,863,113	1,978,322

(Millions of yen)

	FY2013 (As of March 31, 2014)	Third quarter of FY2014 (As of December 31, 2014)
<b>(NET ASSETS)</b>		
Shareholders' equity		
Capital stock	75,929	75,929
Capital surplus	84,838	84,838
Retained earnings	237,784	258,121
Treasury shares	(6,123)	(6,125)
Total shareholders' equity	392,428	412,763
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	28,054	36,728
Deferred gains or losses on hedges	(1,201)	(1,134)
Total accumulated other comprehensive income	26,852	35,593
Subscription rights to shares	0	0
Minority interests	3,548	3,493
Total net assets	422,829	451,850
Total liabilities and net assets	2,285,943	2,430,172

**(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 FY2013 (April 1, 2013 to December 31, 2013)	Third quarter of FY2014 (April 1, 2014 to December 31, 2014)
Operating revenue		
Income from the credit service business	140,790	146,529
Income from the Lease business revenue	10,649	10,518
Revenue from the finance business	14,063	16,250
Income from the real estate related business		
Revenue from the real estate related business	36,151	28,657
Cost of the real estate related business	25,391	18,380
Income from the real estate related business	10,759	10,277
Income from the entertainment business I		
Revenue from the entertainment business	54,657	47,031
Cost of the entertainment business	44,708	38,779
Income from the entertainment business	9,949	8,251
Financial revenue	312	296
Total operating revenue	186,525	192,122
Operating expenses		
Selling, general and administrative expenses		
Provision for point card certificates	9,558	9,418
Provision of allowance for doubtful accounts	10,315	10,862
Provision for loss on interest repayment	1,155	148
Provision for loss on guarantees	2,758	3,148
Commission fee	41,203	44,252
Other	78,085	78,848
Total selling, general and administrative expenses	143,077	146,679
Financial expenses	10,062	9,703
Total operating expenses	153,140	156,383
Operating income	33,384	35,739
Non-operating income		
Interest income	22	23
Dividend income	2,220	1,169
Share of profit of entities accounted for using equity method	4,195	1,841
Gain on bad debts recovered	1,111	864
Gain on liquidation business	1,163	428
Other	406	323
Total non-operating income	9,121	4,650
Non-operating expenses		
Interest expenses	20	12
Equity in loss of limited liability partnerships and other similar partnerships	15	67
Loss on disposal of supplies	18	111
Other	18	58
Total non-operating expenses	73	250
Ordinary income	42,432	40,139
Extraordinary income		
Gain on sales of investment securities	0	230
Gain on sales of shares of subsidiaries and associates	76	-
Gain on sales of non-current assets	2	297
Compensation income for expropriation	564	754
Other	1	5
Total extraordinary income	645	1,288

(Millions of yen)

	Third quarter of FY2013 (April 1, 2013 to December 31, 2013)	Third quarter of FY2014 (April 1, 2014 to December 31, 2014)
Extraordinary losses		
Loss on disposal of non-current assets	28	8
Loss on valuation of investment securities	2	633
Loss on sales of investment securities	-	68
Impairment loss	22	45
Business structure improvement expenses	-	217
Other	-	29
Total extraordinary losses	53	1,001
Income before income taxes and minority interests	43,023	40,425
Income taxes-current	14,444	14,870
Income taxes-deferred	742	(290)
Total income taxes	15,187	14,580
Income before minority interests	27,836	25,845
Minority interests in income (loss)	280	(54)
Net income	27,555	25,899

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

(Millions of yen)

	Third quarter of FY2013 (April 1, 2013 to December 31, 2013)	Third quarter of FY2014 (April 1, 2014 to December 31, 2014)
Income before minority interests	27,836	25,845
Other comprehensive income		
Valuation difference on available-for-sale securities	9,898	5,338
Deferred gains or losses on hedges	490	67
Share of other comprehensive income of entities accounted for using equity method	3,153	3,335
Total other comprehensive income	13,542	8,741
Comprehensive income	41,378	34,586
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	41,097	34,641
Comprehensive income attributable to minority interests	280	(54)



## (5) Segment information, etc

## Segment information

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.

For the third quarter ended December 31, 2014 (from April 1, 2014 to December 31, 2014)

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	146,825	10,518	16,250	10,277	8,251	192,122	-	192,122
Inter-segment revenue and transfer	720	23	-	16	9	769	(769)	-
Total	147,545	10,542	16,250	10,293	8,261	192,892	(769)	192,122
Segment income	17,275	4,530	9,089	3,899	940	35,736	2	35,739

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

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