

## Consolidated Financial Statements for the Third Quarter of the Fiscal Year Ending March 31, 2019

[JGAAP]



February 8, 2019  
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, 2019

Scheduled date to commence dividend payments: –

Preparation of supplementary material on quarterly financial results: Yes

Holding of quarterly financial results presentation meeting: No

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, 2019 (April 1, 2018 to December 31, 2018)

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

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
3 <sup>rd</sup> Quarter FY2018	227,507	3.2	32,950	(11.3)	43,020	(15.7)	28,169	(18.7)
3 <sup>rd</sup> Quarter FY2017	220,461	5.6	37,130	9.4	51,031	18.3	34,646	(5.7)

(Note) Comprehensive income: 3<sup>rd</sup> Quarter FY2018 17,406 million yen [(51.8)%]  
3<sup>rd</sup> Quarter FY2017 36,116 million yen [(5.0)%]

	Earnings per share	Earnings per share (diluted)
	(Yen)	(Yen)
3 <sup>rd</sup> Quarter FY2018	172.47	–
3 <sup>rd</sup> Quarter FY2017	212.12	212.05

#### (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 FY2018	3,191,513	492,356	15.4	3,010.50
FY2017	2,940,022	480,669	16.3	2,933.46

(Reference) Equity: 3<sup>rd</sup> Quarter FY2018 491,711 million yen FY2017 479,128 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)
FY2017	–	0.00	–	35.00	35.00
FY2018	–	0.00	–		
FY2018 (Projected)				45.00	45.00

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

### 3. Consolidated Earnings Forecasts for Fiscal 2018 (April 1, 2018 to March 31, 2019)

(% represents year-on-year change)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Yen)
FY2018	305,500	4.6	38,200	(6.3)	51,000	(10.1)	33,000	(13.9)	202.04

(Note) Revision of consolidated earnings forecasts most recently announced: No

#### Notes

- (1) Changes in significant subsidiaries during the third 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 shares):
  - a. Number of shares issued at the end of the period (including treasury shares):

3 <sup>rd</sup> Quarter FY2018: 185,444,772 shares	FY2017: 185,444,772 shares
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  - b. Number of treasury shares at the end of the period:

3 <sup>rd</sup> Quarter FY2018: 22,112,551 shares	FY2017: 22,112,371 shares
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  - c. Average number of outstanding shares during the period (cumulative):

3 <sup>rd</sup> Quarter FY2018: 163,332,314 shares	3 <sup>rd</sup> Quarter FY2017: 163,333,056 shares
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- Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

- 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 statements (excerpted sections only) on its website.

**Consolidated Quarterly Financial Statements**  
**(1) Consolidated Quarterly Balance Sheets**

(Millions of yen)

	FY2017 (As of March 31, 2018)	Third quarter of FY2018 (As of December 31, 2018)
<b>(ASSETS)</b>		
Current assets		
Cash and deposits	74,612	92,342
Accounts receivable - installment	1,927,544	2,153,577
Purchased receivables	15,347	17,232
Lease investment assets	231,733	238,051
Operational investment securities	35,976	32,261
Real estate for sale	102,009	108,301
Other inventories	1,578	2,590
Other	34,073	39,666
Allowance for doubtful accounts	(50,570)	(52,787)
Total current assets	<u>2,372,304</u>	<u>2,631,236</u>
Non-current assets		
Property, plant and equipment	76,490	76,362
Intangible assets	210,605	210,062
Investments and other assets		
Liquidation business assets	32,108	32,025
Other	249,817	243,003
Allowance for doubtful accounts	(2,924)	(2,914)
Total investments and other assets	<u>279,001</u>	<u>272,113</u>
Total non-current assets	<u>566,097</u>	<u>558,539</u>
Deferred assets	1,620	1,736
Total assets	<u>2,940,022</u>	<u>3,191,513</u>
<b>(LIABILITIES)</b>		
Current liabilities		
Notes and accounts payable - trade	295,523	295,569
Short-term loans payable	247,960	239,960
Current portion of long-term loans payable	55,300	74,000
Current portion of bonds	20,000	30,000
Commercial papers	389,500	570,000
Lease obligations	466	476
Income taxes payable	5,173	1,250
Provision for bonuses	2,636	1,141
Provision for directors' bonuses	172	96
Provision for loss on interest repayment	9,229	6,617
Allowance for losses on collecting gift tickets	139	136
Deferred installment income	9,579	9,475
Other	50,185	51,877
Total current liabilities	<u>1,085,865</u>	<u>1,280,601</u>

(Millions of yen)

	FY2017 (As of March 31, 2018)	Third quarter of FY2018 (As of December 31, 2018)
Non-current liabilities		
Bonds payable	320,000	365,000
Long-term loans payable	902,299	901,799
Long-term loans payable under credit fluidity	20,000	20,000
Lease obligations	1,318	1,240
Provision for directors' retirement benefits	128	136
Provision for loss on guarantees	7,359	7,903
Allowance for losses on warranty of defects	19	15
Provision for point card certificates	101,319	103,665
Provision for loss on interest repayment	13,918	12,358
Asset retirement obligations	467	814
Other	6,655	5,621
Total non-current liabilities	1,373,486	1,418,555
Total liabilities	2,459,352	2,699,156
(NET ASSETS)		
Shareholders' equity		
Capital stock	75,929	75,929
Capital surplus	85,634	85,574
Retained earnings	334,698	357,148
Treasury shares	(52,880)	(52,880)
Total shareholders' equity	443,381	465,771
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	36,806	27,107
Deferred gains or losses on hedges	(458)	(417)
Foreign currency translation adjustment	(601)	(749)
Total accumulated other comprehensive income	35,746	25,939
Share acquisition rights	0	0
Non-controlling interests	1,540	645
Total net assets	480,669	492,356
Total liabilities and net assets	2,940,022	3,191,513

**(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 FY2017 (April 1, 2017 to December 31, 2017)	Third quarter of FY2018 (April 1, 2018 to December 31, 2018)
Operating revenue		
Income from the credit service business	164,657	168,608
Income from the lease business revenue	9,679	9,555
Revenue from the finance business	26,050	29,853
Income from the real estate related business		
Revenue from the real estate related business	31,788	28,236
Cost of the real estate related business	18,980	15,546
Income from the real estate related business	12,807	12,689
Income from the entertainment business		
Revenue from the entertainment business	38,968	38,226
Cost of the entertainment business	31,866	31,612
Income from the entertainment business	7,101	6,614
Financial revenue	164	185
Total operating revenue	220,461	227,507
Operating expenses		
Selling, general and administrative expenses		
Provision for point card certificates	13,130	9,379
Provision of allowance for doubtful accounts	15,811	17,358
Provision for loss on guarantees	5,901	6,650
Commission fee	51,443	57,701
Other	89,957	96,372
Total selling, general and administrative expenses	176,244	187,461
Financial expenses	7,086	7,094
Total operating expenses	183,331	194,556
Operating profit	37,130	32,950
Non-operating income		
Interest income	19	27
Dividend income	1,447	1,660
Share of profit of entities accounted for using equity method	10,054	6,309
Gain on liquidation business	62	508
Other	2,429	1,758
Total non-operating income	14,013	10,265
Non-operating expenses		
Interest expenses	16	15
Equity in loss of limited liability partnerships and other similar partnerships	71	125
Loss on disposal of supplies	1	46
Other	21	7
Total non-operating expenses	111	195
Ordinary profit	51,031	43,020

(Millions of yen)

	Third quarter of FY2017 (April 1, 2017 to December 31, 2017)	Third quarter of FY2018 (April 1, 2018 to December 31, 2018)
Extraordinary income		
Gain on sales of investment securities	8,505	276
Other	293	–
Total extraordinary income	8,798	276
Extraordinary losses		
Loss on disposal of non-current assets	182	17
Loss on valuation of investment securities	–	957
System transfer cost	12,969	3,299
Other	1	73
Total extraordinary losses	13,154	4,347
Profit before income taxes	46,676	38,949
Income taxes - current	7,317	4,508
Income taxes - deferred	4,805	7,205
Total income taxes	12,122	11,714
Profit	34,554	27,235
Loss attributable to non-controlling interests	(92)	(934)
Profit attributable to owners of parent	34,646	28,169

## Consolidated Quarterly Statements of Comprehensive Income (Cumulative)

(Millions of yen)

	Third quarter of FY2017 (April 1, 2017 to December 31, 2017)	Third quarter of FY2018 (April 1, 2018 to December 31, 2018)
Profit	34,554	27,235
Other comprehensive income		
Valuation difference on available-for-sale securities	5,876	(9,701)
Deferred gains or losses on hedges	132	40
Foreign currency translation adjustment	(36)	(71)
Share of other comprehensive income of entities accounted for using equity method	(4,409)	(95)
Total other comprehensive income	1,562	(9,828)
Comprehensive income	36,116	17,406
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	36,220	18,362
Comprehensive income attributable to non-controlling interests	(103)	(955)

### (3) Segment information, etc.

#### Segment information

For the third quarter ended December 31, 2017 (from April 1, 2017 to December 31, 2017)

Information regarding revenue, profit and other items by reportable segments

(Millions of yen)

	Reportable segments						Adjustments	Consolidated quarterly statements of income
	Credit service	Lease	Finance	Real estate related	Entertainment	Total		
Operating revenue								
External revenue	164,811	9,690	26,050	12,807	7,101	220,461	–	220,461
Inter-segment revenue and transfer	855	14	–	16	–	886	(886)	–
Total	165,667	9,704	26,050	12,824	7,101	221,347	(886)	220,461
Segment profit	14,868	3,226	12,080	6,001	950	37,127	2	37,130

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

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

For the third quarter ended December 31, 2018 (from April 1, 2018 to December 31, 2018)

Information regarding revenue, profit and other items by reportable segments

(Millions of yen)

	Reportable segments						Adjustments	Consolidated quarterly statements of income
	Credit service	Lease	Finance	Real estate related	Entertainment	Total		
Operating revenue								
External revenue	168,791	9,557	29,853	12,689	6,614	227,507	–	227,507
Inter-segment revenue and transfer	1,031	2	–	13	–	1,048	(1,048)	–
Total	169,822	9,560	29,853	12,703	6,614	228,555	(1,048)	227,507
Segment profit	8,414	4,399	13,195	5,931	1,007	32,948	2	32,950

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

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