

## Consolidated Financial Statements for the Second Quarter of the Fiscal Year Ending March 31, 2021



(IFRS)

November 10, 2020  
Stock exchange listing: Tokyo  
(URL <https://www.saisoncard.co.jp>)

**Listed company name: Credit Saison Co., Ltd.**

Code number: 8253

Representative: Masahiro Yamashita / Representative, Executive President and COO

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Scheduled date to submit Quarterly Securities Report: November 13, 2020

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, 2021 (April 1, 2020 to September 30, 2020)

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

	Net revenue		Business profit		Profit before tax		Profit		Profit attributable to owners of parent		Total comprehensive income	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
2 <sup>nd</sup> Quarter FY2020	140,355	(11.9)	28,766	(8.0)	29,315	16.5	20,424	10.3	20,395	9.4	23,742	84.0
2 <sup>nd</sup> Quarter FY2019	159,285	5.3	31,263	15.4	25,159	(3.8)	18,524	(0.8)	18,637	(0.1)	12,900	(39.9)

	Basic earnings per share (Yen)	Diluted earnings per share (Yen)
2 <sup>nd</sup> Quarter FY2020	130.53	130.36
2 <sup>nd</sup> Quarter FY2019	115.33	115.24

#### (2) Consolidated Financial Position

	Total assets (Millions of yen)	Total equity (Millions of yen)	Equity attributable to owners of parent (Millions of yen)	Ratio of equity attributable to owners of parent to total assets (%)
2 <sup>nd</sup> Quarter FY2020	3,323,618	502,196	501,244	15.1
FY2019	3,357,229	485,476	484,670	14.4

### 2. Dividends

	Annual dividends				
	End of first quarter (Yen)	End of second quarter (Yen)	End of third quarter (Yen)	End of fiscal year (Yen)	Annual (Yen)
FY2019	–	0.00	–	45.00	45.00
FY2020	–	0.00	–	45.00	45.00
FY2020 (Projected)	–	–	–	45.00	45.00

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

### 3. Consolidated Earnings Forecasts for Fiscal 2020 (April 1, 2020 to March 31, 2021)

(% represents year-on-year change)

	Net revenue		Business profit		Profit attributable to owners of parent		Basic earnings per share
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Yen)
FY2020	287,500	(7.7)	37,000	2.3	24,000	5.0	153.58

(Note) Revision of projected earnings forecasts most recently announced: Yes  
 Regarding the revision of the consolidated earnings forecast, please refer to the “Notification Regarding Difference Between Actual Business Results and Forecasts of Business Results for the Second Quarter of the Fiscal Year Ending March 31, 2021 (Consolidated and Non-consolidated) and the Revision of Forecast of Business Results for the Full Fiscal Year Ending March 31, 2021 (Consolidated and Non-consolidated)” announced today (November 10, 2020).

#### Notes

- (1) Changes in significant subsidiaries during second quarter: None  
 (Changes in specified subsidiaries resulting in changes in the scope of consolidation)
- (2) Changes in accounting policies and changes in accounting estimates
  - a. Changes in accounting policies required by IFRS: None
  - b. Changes in accounting policies other than a. above: None
  - c. Changes in accounting estimates: None
- (3) Number of shares issued (common shares):
  - a. Number of shares issued at the end of the period (including treasury shares):
 

2 <sup>nd</sup> Quarter FY2020: 185,444,772 shares	FY2019: 185,444,772 shares
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  - b. Treasury shares at the end of the period:
 

2 <sup>nd</sup> Quarter FY2020: 29,179,418 shares	FY2019: 29,213,396 shares
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  - c. Average number of outstanding shares during the period (cumulative):
 

2 <sup>nd</sup> Quarter FY2020: 156,245,918 shares	2 <sup>nd</sup> Quarter FY2019: 161,598,988 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 earnings forecasts, 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.

**2. Condensed Quarterly Consolidated Financial Statements**  
**(1) Condensed Quarterly Consolidated Statement of Financial Position**

(Millions of yen)

	As of March 31, 2020	As of September 30, 2020
Assets		
Cash and cash equivalents	109,761	96,800
Trade and other receivables	2,565,409	2,539,385
Inventories	135,380	136,080
Operational investment securities	48,789	47,444
Investment securities	60,724	67,569
Other financial assets	13,905	14,850
Property, plant and equipment	29,414	29,627
Right-of-use assets	17,565	16,321
Intangible assets	181,058	175,443
Investment property	61,508	66,222
Investments accounted for using equity method	77,198	78,485
Deferred tax assets	47,910	45,941
Other assets	8,601	9,443
Total assets	3,357,229	3,323,618

(Millions of yen)

	As of March 31, 2020	As of September 30, 2020
Liabilities and equity		
Liabilities		
Trade and other payables	230,927	211,498
Financial guarantee debt	10,206	8,897
Bonds and borrowings	2,413,565	2,392,761
Other financial liabilities	26,619	25,567
Income taxes payable	9,364	7,738
Provision for point card certificates	109,938	111,657
Provision for loss on interest repayment	22,897	19,948
Other provisions	1,554	1,556
Deferred tax liabilities	903	903
Other liabilities	45,775	40,892
Total liabilities	2,871,753	2,821,421
Equity		
Share capital	75,929	75,929
Capital surplus	85,279	85,105
Retained earnings	384,182	396,323
Treasury shares	(62,881)	(62,808)
Other components of equity	2,161	6,695
Total equity attributable to owners of parent	484,670	501,244
Non-controlling interests	805	951
Total equity	485,476	502,196
Total liabilities and equity	3,357,229	3,323,618

**(2) Condensed Quarterly Consolidated Statements of Income**

(Millions of yen)

	Second quarter of FY2019 (April 1, 2019 to September 30, 2019)	Second quarter of FY2020 (April 1, 2020 to September 30, 2020)
Revenue		
Income from the payment business	116,629	102,843
Income from the lease business	6,117	5,942
Income from the finance business	20,994	21,544
Revenue from the real estate-related business	34,407	17,045
Revenue from the entertainment business	25,465	12,878
Finance income	381	600
Total	203,995	160,855
Cost of sales		
For the real estate-related business	23,855	9,974
For the entertainment business	20,854	10,525
Total	44,710	20,499
Net revenue	159,285	140,355
Selling, general and administrative expenses	112,596	98,127
Impairment losses on financial assets	16,784	13,834
Finance costs	5,179	5,645
Share of profit of investments accounted for using equity method	3,848	2,306
Other income	3,232	4,552
Other expenses	6,645	291
Profit before tax	25,159	29,315
Income tax expense	6,635	8,890
Profit	18,524	20,424
Profit attributable to		
Owners of parent	18,637	20,395
Non-controlling interests	(112)	28
Profit	18,524	20,424
Earnings per share		
Basic earnings per share	115.33	130.53
Diluted earnings per share	115.24	130.36

## Reconciliation from profit before tax to business profit

(Millions of yen)

	Second quarter of FY2019 (April 1, 2019 to September 30, 2019)	Second quarter of FY2020 (April 1, 2020 to September 30, 2020)
Profit before tax	25,159	29,315
Reconciliations (Selling, general and administrative expenses)	-	929
Reconciliations (Other income)	(702)	(1,879)
Reconciliations (Other expenses)	6,501	-
Adjustments for the application of the effective interest method to financial assets	304	401
Subtotal	6,103	(548)
Business profit	31,263	28,766

**(3) Condensed Quarterly Consolidated Statements of Comprehensive Income**

(Millions of yen)

	Second quarter of FY2019 (April 1, 2019 to September 30, 2019)	Second quarter of FY2020 (April 1, 2020 to September 30, 2020)
Profit	18,524	20,424
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	(4,138)	3,687
Share of other comprehensive income of investments accounted for using equity method	(395)	(43)
Items that may be reclassified to profit or loss		
Net change in fair value of debt instruments measured at fair value through other comprehensive income	4	0
Effective portion of cash flow hedges	(733)	(237)
Exchange differences on translation of foreign operations	(52)	10
Share of other comprehensive income of investments accounted for using equity method	(310)	(99)
Total other comprehensive income, net of tax	(5,624)	3,318
Comprehensive income	12,900	23,742

Comprehensive income attributable to		
Owners of parent	13,015	23,709
Non-controlling interests	(114)	33
Comprehensive income	12,900	23,742

**(4) Condensed Quarterly Consolidated Statements of Changes in Equity**  
**Second quarter of FY2019 (April 1, 2019 to September 30, 2019)**

(Millions of yen)

	Equity attributable to owners of parent						Non-controlling interests	Total
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Total		
Balance as of April 1 2019	75,929	85,642	360,303	(52,881)	22,004	490,998	743	491,741
Profit			18,637			18,637	(112)	18,524
Other comprehensive income					(5,622)	(5,622)	(2)	(5,624)
Comprehensive income	-	-	18,637	-	(5,622)	13,015	(114)	12,900
Purchase of treasury shares				(5,880)		(5,880)		(5,880)
Disposal of treasury shares		(0)		0		0		0
Dividends			(7,353)			(7,353)		(7,353)
Transfer from other components of equity to retained earnings			1,347		(1,347)	-		-
Changes in ownership interest in subsidiaries		1				1	0	2
Total transactions with owners	-	1	(6,005)	(5,880)	(1,347)	(13,232)	0	(13,231)
Balance as of September 30, 2019	75,929	85,644	372,934	(58,761)	15,034	490,781	628	491,410

**Second quarter of FY2020 (April 1, 2020 to September 30, 2020)**

(Millions of yen)

	Equity attributable to owners of parent						Non-controlling interests	Total
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Total		
Balance as of April 1 2020	75,929	85,279	384,182	(62,881)	2,161	484,670	805	485,476
Profit			20,395			20,395	28	20,424
Other comprehensive income					3,313	3,313	4	3,318
Comprehensive income	-	-	20,395	-	3,313	23,709	33	23,742
Purchase of treasury shares				(0)		(0)		(0)
Disposal of treasury shares		(0)		0		0		0
Share-based payment transactions		(61)		73		11		11
Dividends			(7,033)			(7,033)		(7,033)
Transfer from other components of equity to retained earnings			(1,220)		1,220	-		-
Changes in ownership interest in subsidiaries		(112)				(112)	112	-
Total transactions with owners	-	(173)	(8,254)	73	1,220	(7,134)	112	(7,022)
Balance as of September 30, 2020	75,929	85,105	396,323	(62,808)	6,695	501,244	951	502,196



## (5) Segment information, etc.

### (i) General information regarding reportable segments

The Group's reportable segments are components of the Group for which separate financial information is available, and which are subject to regular review by the Board of Directors for the purpose of making decisions about the allocation of management resource and assessing the segments' performance.

The Company and its consolidated subsidiaries separately develop and conduct business activities that directly relate to their various customers, and that are mainly based on market and customer service offerings. In accordance with these considerations, the Group's reportable segments are classified by market and customer service offerings and comprise the "Payment," "Lease," "Finance," "Real Estate-Related" and "Entertainment" business segments.

The Payment business segment mainly consists of the credit card business, which is the Group's major segment, and various peripheral businesses closely related to the credit card business.

The Lease business segment operates the Group's leasing business which is centered on the leasing of office equipment.

The Finance business segment consists of the credit guarantee business and the finance related business.

The Real Estate-Related business segment comprises the real estate business and the real estate leasing business.

In the Entertainment business, the Group is developing an amusement business centered on the management of amusement centers/arcades.

### (ii) Information regarding reportable segments

For the second quarter ended September 30, 2019 (from April 1, 2019 to September 30, 2019)

(Millions of yen)

	Payment	Lease	Finance	Real estate related	Entertainment	Total	Adjustments (Note 2)	Consolidated
Revenue								
Revenue from external customers	117,011	6,117	20,994	34,407	25,465	203,995	—	203,995
Intersegment revenue	745	2	—	488	0	1,236	(1,236)	—
Total	117,756	6,119	20,994	34,895	25,465	205,231	(1,236)	203,995
Net revenue	117,756	6,119	20,994	11,038	4,610	160,519	(1,234)	159,285
Segment profit (Business profit) (Note 1)	11,628	2,176	9,623	6,238	1,594	31,261	1	31,263
Reconciliations	—	—	—	—	—	—	—	(6,103)
Profit before tax	—	—	—	—	—	—	—	25,159

For the second quarter ended September 30, 2020 (from April 1, 2020 to September 30, 2020)

(Millions of yen)

	Payment	Lease	Finance	Real estate related	Entertainment	Total	Adjustments (Note 2)	Consolidated
Revenue								
Revenue from external customers	103,441	5,945	21,544	17,045	12,878	160,855	—	160,855
Intersegment revenue	738	0	—	487	0	1,226	(1,226)	—
Total	104,179	5,945	21,544	17,532	12,878	162,081	(1,226)	160,855
Net revenue	104,179	5,945	21,544	7,554	2,353	141,578	(1,223)	140,355
Segment profit (Business profit) or Segment loss (Business loss) (Note 1)								
Segment profit								
Segment loss	13,141	2,724	10,332	3,421	(855)	28,764	1	28,766
Reconciliations	—	—	—	—	—	—	—	548
Profit before tax	—	—	—	—	—	—	—	29,315

(Notes) 1. Business profit or Business loss is calculated by adding or subtracting certain items of adjustment to or from profit before tax.

The items of adjustment are determined by the Group based on the judgment that they provide useful comparative information of business performance from the consideration of the nature or frequency of the respective revenue or expense and appropriately reflect the method by which the business is managed.

2. Adjustments include inter-segment eliminations.

Breakdown of reconciliations from segment profit (business profit) to profit before tax

(Millions of yen)

	Second quarter of FY2019 (April 1, 2019 to September 30, 2019)	Second quarter of FY2020 (April 1, 2020 to September 30, 2020)
Segment profit (Business profit)	31,263	28,766
Adjustments for the application of the effective interest method to financial assets	(304)	(401)
Reconciliations (Selling, general and administrative expenses)	—	(929)
Loss related to COVID-19 (*)	—	(929)
Reconciliations (Other income)	702	1,879
Gain on valuation of investment securities (stocks, etc.)	702	1,379
Gain on sale of fixed assets	—	435
Other	—	64
Reconciliations (Other expenses)	(6,501)	—
Impairment losses on non-financial assets	(6,327)	—
Other	(173)	—
Reconciliations - total	(6,103)	548
Profit before tax	25,159	29,315

\* In response to various requests from the national and local governments taken to address the novel coronavirus disease (COVID-19), we compensated some of our employees due to the suspension of business partners and locations, and took measures to close some locations temporarily. This item of reconciliation from business profit comprises non-recurring expenses that include the fixed costs (such as personnel costs and depreciation) resulting from the aforementioned. The Group recognizes the ¥657 million grant received as a government grant pertaining to COVID-19 in the second quarter of the fiscal year ending March 31, 2021 as profit or loss, and has excluded it from related expenses.