

《Translation of excerpted sections》

## Consolidated Financial Statements for the Second Quarter of the Fiscal Year Ending March 31, 2024



(IFRS)

November 10, 2023  
Stock exchange listing: Tokyo  
(URL <https://www.saisoncard.co.jp>)

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

Code number: 8253

Representative: Katsumi Mizuno / Representative, Executive President and COO

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

Scheduled date to submit Quarterly Securities Report: November 14, 2023

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, 2024 (April 1, 2023 to September 30, 2023)

(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 FY2023	175,117	11.3	39,813	1.2	59,372	48.6	44,180	60.1	44,010	60.0	56,090	68.4
2 <sup>nd</sup> Quarter FY2022	157,310	5.4	39,347	11.4	39,965	20.2	27,595	27.2	27,499	27.6	33,316	34.3

	Basic earnings per share (Yen)	Diluted earnings per share (Yen)
2 <sup>nd</sup> Quarter FY2023	276.26	276.16
2 <sup>nd</sup> Quarter FY2022	175.93	175.64

(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 FY2023	4,053,405	658,592	656,440	16.2
FY2022	3,896,105	600,041	598,301	15.4

### 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)
FY2022	–	0.00	–	70.00	70.00
FY2023	–	0.00	–	–	–
FY2023 (Projected)	–	–	–	100.00	100.00

(Note) Revision of projected dividends most recently announced: Yes  
Year-end dividend forecast for the fiscal year ending March 31, 2024  
Ordinary dividend: 80.00 yen    Special dividend: 20.00 yen

### 3. Consolidated Earnings Forecasts for Fiscal 2023 (April 1, 2023 to March 31, 2024)

(% represents year-on-year change)

	Net revenue		Business profit		Profit attributable to owners of parent		Basic earnings per share (Yen)
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	
FY2023	362,000	12.2	70,000	14.8	64,000	46.8	392.02

(Note) Revision of projected earnings forecasts most recently announced: Yes

For detail on the revision to the consolidated earnings forecasts please refer to “Notification Regarding Recognition of Gain on Negative Goodwill, Differences between Forecast of (Consolidated and Non-Consolidated) Business Results and Actual Results for the First Half of the Fiscal Year Ending March 31, 2024, Revision of Forecast of Full-year (Consolidated and Non-Consolidated) Business Results, and Revision of Forecast of Year-end Dividend (Special Dividend)” released today (November 10, 2023).

The number of shares used as the basis for calculating "basic earnings per share" above is the number of shares outstanding (excluding treasury stock) as of September 30, 2023.

#### 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: Yes
- 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 share issued at the end of the period (including treasury shares):
 

2 <sup>nd</sup> Quarter FY2023: 185,444,772 shares	FY2022: 185,444,772 shares
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- b. Treasury shares at the end of the period:
 

2 <sup>nd</sup> Quarter FY2023: 22,186,029 shares	FY2022: 29,116,888 shares
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- c. Average number of shares during the period (cumulative):
 

2 <sup>nd</sup> Quarter FY2023: 159,305,792 shares	2 <sup>nd</sup> Quarter FY2022: 156,309,959 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.

**Condensed Quarterly Consolidated Financial Statements**  
**(1) Condensed Quarterly Consolidated Statements of Financial Position**

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Cash and cash equivalents	159,671	107,256
Trade and other receivables	2,990,519	3,139,521
Inventories	133,247	138,212
Operational investment securities	62,521	74,345
Investment securities	74,394	76,630
Other financial assets	20,346	25,266
Property, plant and equipment	28,753	29,073
Right-of-use assets	11,044	10,831
Intangible assets	150,458	144,301
Investment property	116,612	131,430
Investments accounted for using equity method	89,176	125,598
Deferred tax assets	41,615	36,435
Other assets	16,714	14,499
Assets held for sale	1,030	–
Total assets	3,896,105	4,053,405

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities and equity		
Liabilities		
Trade and other payables	253,329	281,145
Financial guarantee liabilities	7,875	8,753
Bonds and borrowings	2,805,175	2,876,929
Other financial liabilities	19,606	19,399
Income taxes payable	10,385	12,232
Provision for point card certificates	126,023	128,304
Provision for loss on interest repayment	18,091	15,249
Other provisions	1,437	1,488
Deferred tax liabilities	86	202
Other liabilities	54,051	51,107
Total liabilities	3,296,063	3,394,813
Equity		
Share capital	75,929	75,929
Capital surplus	83,560	81,504
Retained earnings	481,163	513,187
Treasury shares	(62,668)	(47,430)
Other components of equity	20,317	33,249
Total equity attributable to owners of parent	598,301	656,440
Non-controlling interests	1,739	2,151
Total equity	600,041	658,592
Total liabilities and equity	3,896,105	4,053,405

## (2) Condensed Quarterly Consolidated Statements of Income

(Millions of yen)

	Second quarter of FY2022 (April 1, 2022 to September 30, 2022)	Second quarter of FY2023 (April 1, 2023 to September 30, 2023)
Revenue		
Income from the payment business	106,193	113,734
Income from the lease business	6,000	6,261
Income from the finance business	25,126	28,549
Revenue from the real estate-related business	27,312	32,182
Revenue from the global business	4,335	9,787
Revenue from the entertainment business	15,805	16,027
Finance income	564	736
Total	185,339	207,278
Cost of sales		
Cost of sales for the real estate-related business	15,380	19,369
Cost of sales for the entertainment business	12,649	12,791
Total	28,029	32,161
Net revenue	157,310	175,117
Selling, general and administrative expenses	109,145	116,125
Impairment losses on financial assets	12,331	19,011
Finance costs	6,951	10,880
Gain arising from the derecognition of financial assets measured at amortized cost	-	122
Share of profit of investments accounted for using equity method	3,943	23,048
Other income	7,297	7,759
Other expenses	156	658
Profit before tax	39,965	59,372
Income tax expense	12,370	15,192
Profit	27,595	44,180
Profit attributable to		
Owners of parent	27,499	44,010
Non-controlling interests	95	170
Profit	27,595	44,180
Earnings per share		
Basic earnings per share (Yen)	175.93	276.26
Diluted earnings per share (Yen)	175.64	276.16

## Reconciliation from profit before tax to business profit

(Millions of yen)

	Second quarter of FY2022 (April 1, 2022 to September 30, 2022)	Second quarter of FY2023 (April 1, 2023 to September 30, 2023)
Profit before tax	39,965	59,372
Reconciliations (Share of profit of investments accounted for using equity method)	–	(20,043)
Reconciliations (Other income)	(542)	–
Reconciliations (Other expenses)	48	604
Adjustments for the application of the effective interest method to financial assets	(124)	(119)
Subtotal	(618)	(19,558)
Business profit	39,347	39,813

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

(Millions of yen)

	Second quarter of FY2022 (April 1, 2022 to September 30, 2022)	Second quarter of FY2023 (April 1, 2023 to September 30, 2023)
Profit	27,595	44,180
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	(1,032)	2,867
Remeasurements of defined benefit plans	–	(8)
Share of other comprehensive income of investments accounted for using equity method	(683)	(136)
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	(0)	0
Effective portion of cash flow hedges	1,965	3,330
Exchange differences on translation of foreign operations	3,793	5,162
Share of other comprehensive income of investments accounted for using equity method	1,679	694
Total other comprehensive income, net of tax	5,721	11,910
Comprehensive income	33,316	56,090

Comprehensive income attributable to		
Owners of parent	33,216	55,905
Non-controlling interests	100	185
Comprehensive income	33,316	56,090

**(4) Condensed Quarterly Consolidated Statements of Changes in Equity**  
**Second quarter of FY2022 (April 1, 2022 to September 30, 2022)**

(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, 2022	75,929	85,152	442,550	(62,737)	21,492	562,387	1,351	563,738
Profit			27,499			27,499	95	27,595
Other comprehensive income					5,717	5,717	4	5,721
Comprehensive income	–	–	27,499	–	5,717	33,216	100	33,316
Purchase of treasury shares				(0)		(0)		(0)
Share-based payment transactions		73		71		145	0	145
Dividends			(8,600)			(8,600)		(8,600)
Transfer from other components of equity to retained earnings			131		(131)	–		–
Obtaining of control of subsidiaries						–	34	34
Changes in ownership interest in subsidiaries		(22)				(22)	22	–
Total transactions with owners	–	51	(8,468)	70	(131)	(8,478)	57	(8,421)
Balance as of September 30, 2022	75,929	85,203	461,581	(62,667)	27,078	587,125	1,508	588,634

**Second quarter of FY2023 (April 1, 2023 to September 30, 2023)**

(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, 2023	75,929	83,560	481,163	(62,668)	20,317	598,301	1,739	600,041
Profit			44,010			44,010	170	44,180
Other comprehensive income					11,895	11,895	15	11,910
Comprehensive income	–	–	44,010	–	11,895	55,905	185	56,090
Purchase of treasury shares				(2,484)		(2,484)		(2,484)
Disposal of treasury shares		(2,173)		17,669		15,495		15,495
Share-based payment transactions		95		53		149		149
Dividends			(10,948)			(10,948)	(93)	(11,041)
Transfer from other components of equity to retained earnings			(1,037)		1,037	–		–
Obtaining of control of subsidiaries						–	297	297
Loss of control of subsidiaries						–	78	78
Changes in ownership interest in subsidiaries		(14)			(0)	(14)	(57)	(72)
Other		36				36		36
Total transactions with owners	–	(2,055)	(11,985)	15,238	1,036	2,234	226	2,460
Balance as of September 30, 2023	75,929	81,504	513,187	(47,430)	33,249	656,440	2,151	658,592



## **(5) Changes in Presentation**

- (a) As stated in “(6) Segment Information, Etc.,” effective the third quarter ended December 31, 2022 (from April 1, 2022 to December 31, 2022), the segment that the rent guarantee business belongs to changed from the “Finance business segment” to the “Payment business segment”. In order to reflect the changes to the method of presentation of these segments, the income from the rent guarantee business has been transferred from “income from the finance business” to “income from the payment business”. As a result, for the second quarter ended September 30, 2022 (from April 1, 2022 to September 30, 2022), “income from the payment business” was increased by 768 million yen, while “income from the finance business” was decreased by the same amount.
- (b) As stated in “(6) Segment Information, Etc.,” effective the first quarter ended June 30, 2023 (from April 1, 2023 to June 30, 2023), the “Global business segment,” which had been included in the “Payment business segment,” was changed into to its own reportable segment. In order to reflect the changes to the method of presentation of these segments, the income from the “Global business segment” has been reclassified. As a result, for the second quarter ended September 30, 2022 (from April 1, 2022 to September 30, 2022), “income from the payment business” was decreased by 4,335 million yen, while “revenue from the global business” was increased by the same amount.

## **(6) 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," "Global" 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.

The Global business segment operates the lending business and the investment business.

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

From the third quarter ended December 31, 2022, to reflect the reorganization that was conducted in October 2022, the method of presenting the rent guarantee business, which was previously included in the Finance business segment, has changed, and it is now included in the Payment business segment.

In addition, from the first quarter ended June 30, 2023, after conducting a review of management classifications for profit and loss in conjunction with our initiatives concerning future expansion of global operations, we changed to the method of presenting businesses and associated companies involved in global operations, which had been included in the Payment business segment, in their own Global business segment. Moreover, in order to more appropriately evaluate business performance of each segment, the method by which finance costs are allocated were changed, and such costs are allocated to each reportable segment based on reasonable criteria.

As a result of the above change, segment information for the second quarter ended September 30, 2022 has been restated based on the reportable segments after the change.

## (ii) Information regarding profit or loss by reportable segments

For the second quarter ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(Millions of yen)

	Payment	Lease	Finance	Real estate-related	Global	Entertainment	Total	Adjustments (Note 2)	Consolidated
Revenue									
Revenue from external customers	106,584	6,001	25,126	27,312	4,508	15,805	185,339	–	185,339
Intersegment revenue	679	0	–	218	–	0	898	(898)	–
Total	107,263	6,001	25,126	27,531	4,508	15,805	186,237	(898)	185,339
Net revenue	107,263	6,001	25,126	12,354	4,508	3,156	158,411	(1,101)	157,310
Segment profit (Business profit) (Note 1)	10,894	2,621	10,947	7,763	6,091	724	39,043	303	39,347
Reconciliations	–	–	–	–	–	–	–	–	618
Profit before tax	–	–	–	–	–	–	–	–	39,965

For the second quarter ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

(Millions of yen)

	Payment	Lease	Finance	Real estate-related	Global	Entertainment	Total	Adjustments (Note 2)	Consolidated
Revenue									
Revenue from external customers	114,088	6,261	28,549	32,182	10,168	16,027	207,278	–	207,278
Intersegment revenue	881	0	–	165	–	0	1,047	(1,047)	–
Total	114,970	6,262	28,549	32,348	10,168	16,027	208,326	(1,047)	207,278
Net revenue	114,970	6,262	28,549	13,051	10,168	3,235	176,237	(1,120)	175,117
Segment profit (Business profit) (Note 1)	10,121	2,335	12,243	11,676	1,758	1,001	39,137	676	39,813
Reconciliations	–	–	–	–	–	–	–	–	19,558
Profit before tax	–	–	–	–	–	–	–	–	59,372

(Notes) 1. Business profit is a profit indicator calculated by subtracting the adjustment amount by the application of the effective interest rate method for financial assets and the non-recurring one-time profit and loss items from the profit before tax.

2. Adjustments include inter-segment eliminations.

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

(Millions of yen)

	Second quarter of FY2022 (April 1, 2022 to September 30, 2022)	Second quarter of FY2023 (April 1, 2023 to September 30, 2023)
Segment profit (Business profit)	39,347	39,813
Adjustments for the application of the effective interest method to financial assets	124	119
Reconciliations (Share of profit of investments accounted for using equity method)	–	20,043
Gain on bargain purchase	–	20,043
Reconciliations (Other income)	542	–
Gain on valuation of investment securities (stocks, etc.)	541	–
Gain on change in equity	1	–
Reconciliations (Other expenses)	(48)	(604)
Loss on valuation of investment securities (stocks, etc.)	–	(213)
Loss on sale of shares of subsidiaries and associates	–	(130)
Loss on disposal of fixed assets	(46)	(127)
Other	(1)	(131)
Reconciliations - total	618	19,558
Profit before tax	39,965	59,372