《Translation of excerpted sections》

Consolidated Financial Statements for the Second Quarter (First Six Months) of the Fiscal Year Ending March 31, 2025

(IFRS)

November 14, 2024
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: Naoki Misaka / Executive Officer, In charge of Corporate Planning Dept., General Manager, Corporate Planning Dept.; Phone: (03) 3988-2110
Scheduled date to submit Semi-annual Securities Report: November 14, 2024
Scheduled date to commence dividend payments: –
Preparation of supplementary material on financial results: Yes
Holding of 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 (First Six Months) of the Fiscal Year Ending March 31, 2025 (April 1, 2024 to September 30, 2024)

(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)	(%)
2nd Quarter FY2024	196,326	12.1	40,005	0.5	41,781	(29.6)	28,942	(34.5)	28,445	(35.4)	17,109	(69.5)
2nd 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

	Basic earnings per share (Yen)	Diluted earnings per share (Yen)
2nd Quarter FY2024	177.05	176.84
2nd Quarter FY2023	276.26	276.16

(Note) Net revenue is an indicator calculated by deducting cost of sales from revenue. Business profit is a profit indicator defined by the Group to measure the performance of ordinary business operations.

(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 (%)
2nd Quarter FY2024	4,441,730	698,099	685,418	15.4
FY2023	4,335,852	717,611	705,053	16.3

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)
FY2023	–	0.00	–	105.00	105.00
FY2024	–	0.00			
FY2024 (Projected)			–	105.00	105.00

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

3. Consolidated Earnings Forecasts for Fiscal 2024 (April 1, 2024 to March 31, 2025)

(% 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)
FY2024	416,000	15.0	80,000	11.2	55,000	(24.6)	352.49

(Note) Revision of projected earnings forecasts most recently announced: Yes
Note that the Company engages in stock buybacks as provided for by the resolution passed at the Board of Directors meeting held on May 15, 2024. "Basic earnings per share" in the consolidated earnings forecasts takes into account the effect of the total number of its own shares bought back as of October 31, 2024.

Notes

(1) Significant changes in the scope of consolidation during the period: None

(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 share issued at the end of the period (including treasury shares):
      2nd Quarter FY2024: 185,444,772 shares FY2023: 185,444,772 shares
   b. Treasury shares at the end of the period:
      2nd Quarter FY2024: 28,519,020 shares FY2023: 22,364,710 shares
   c. Average number of shares during the period (cumulative):
      2nd Quarter FY2024: 160,662,809 shares 2nd Quarter FY2023: 159,305,792 shares

(Note) For shares of the Company held by affiliated companies accounted for using the equity method, the portion attributable to the Company is included in the number of treasury shares.
(Treasury shares at the end of the period: 2nd Quarter FY2024 1,622,246 shares, FY2023 1,575,365 shares)

- Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.
- 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 financial results)

Supplementary material on financial results will be posted on the Company's website immediately after the announcement of the financial results.

Condensed Semi-annual Consolidated Financial Statements

(1) Condensed Semi-annual Consolidated Statements of Financial Position

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Cash and cash equivalents	108,745	99,414
Trade and other receivables	3,344,573	3,457,642
Inventories	153,773	161,517
Operational investment securities	79,783	84,055
Investment securities	89,261	63,870
Other financial assets	47,503	43,199
Property, plant and equipment	30,296	29,805
Right-of-use assets	15,828	15,357
Intangible assets	138,569	133,312
Investment property	144,586	158,997
Investments accounted for using equity method	132,442	137,505
Deferred tax assets	34,337	39,205
Other assets	16,151	17,845
Total assets	4,335,852	4,441,730

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities and equity		
Liabilities		
Trade and other payables	322,746	250,292
Financial guarantee liabilities	8,484	8,939
Bonds and borrowings	3,048,797	3,244,587
Other financial liabilities	22,038	20,607
Income taxes payable	12,311	17,608
Provision for point card certificates	127,947	131,078
Provision for loss on interest repayment	15,230	13,414
Other provisions	1,409	1,444
Deferred tax liabilities	188	205
Other liabilities	59,086	55,450
Total liabilities	3,618,240	3,743,630
Equity		
Share capital	75,929	75,929
Capital surplus	93,178	93,463
Retained earnings	542,602	565,407
Treasury shares	(47,767)	(67,662)
Other components of equity	41,110	18,281
Total equity attributable to owners of parent	705,053	685,418
Non-controlling interests	12,558	12,681
Total equity	717,611	698,099
Total liabilities and equity	4,335,852	4,441,730

(2) Condensed Semi-annual Consolidated Statements of Income

(Millions of yen)

	Second quarter of FY2023 (April 1, 2023 to September 30, 2023)	Second quarter of FY2024 (April 1, 2024 to September 30, 2024)
Revenue		
Income from the payment business	113,734	119,443
Income from the lease business	6,261	6,566
Income from the finance business	28,549	32,579
Revenue from the real estate-related business	32,182	26,899
Revenue from the global business	9,787	19,652
Revenue from the entertainment business	16,027	17,316
Finance income	736	2,616
Total	207,278	225,074
Cost of sales		
Cost of sales for the real estate-related business	19,369	14,615
Cost of sales for the entertainment business	12,791	14,132
Total	32,161	28,748
Net revenue	175,117	196,326
Selling, general and administrative expenses	116,082	125,442
Impairment losses on financial assets	19,011	20,920
Finance costs	10,880	17,423
Gain arising from the derecognition of financial assets measured at amortized cost	122	552
Share of profit of investments accounted for using equity method	23,048	7,090
Other income	7,716	3,310
Other expenses	658	1,711
Profit before tax	59,372	41,781
Income tax expense	15,192	12,838
Profit	44,180	28,942
Profit attributable to		
Owners of parent	44,010	28,445
Non-controlling interests	170	497
Profit	44,180	28,942

Earnings per share		
Basic earnings per share (Yen)	276.26	177.05
Diluted earnings per share (Yen)	276.16	176.84

Reconciliation from profit before tax to business profit

(Millions of yen)

	Second quarter of FY2023 (April 1, 2023 to September 30, 2023)	Second quarter of FY2024 (April 1, 2024 to September 30, 2024)
Profit before tax	59,372	41,781
Reconciliations (Share of profit of investments accounted for using equity method)	(20,043)	(219)
Reconciliations (Other income)	–	(1,552)
Reconciliations (Other expenses)	604	107
Adjustments for the application of the effective interest method to financial assets	(119)	(111)
Subtotal	(19,558)	(1,776)
Business profit	39,813	40,005

(3) Condensed Semi-annual Consolidated Statements of Comprehensive Income

(Millions of yen)

	Second quarter of FY2023 (April 1, 2023 to September 30, 2023)	Second quarter of FY2024 (April 1, 2024 to September 30, 2024)
Profit	44,180	28,942
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	2,867	(1,577)
Remeasurements of defined benefit plans	(8)	(9)
Share of other comprehensive income of investments accounted for using equity method	(136)	102
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	(3)
Effective portion of cash flow hedges	3,330	1,093
Exchange differences on translation of foreign operations	5,162	(10,910)
Share of other comprehensive income of investments accounted for using equity method	694	(527)
Total other comprehensive income, net of tax	11,910	(11,832)
Comprehensive income	56,090	17,109

Comprehensive income attributable to		
Owners of parent	55,905	17,266
Non-controlling interests	185	(156)
Comprehensive income	56,090	17,109

(4) Condensed Semi-annual Consolidated Statements of Changes in Equity

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

Second quarter of FY2024 (April 1, 2024 to September 30, 2024)

(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, 2024	75,929	93,178	542,602	(47,767)	41,110	705,053	12,558	717,611
Profit			28,445			28,445	497	28,942
Other comprehensive income					(11,178)	(11,178)	(654)	(11,832)
Comprehensive income	–	–	28,445	–	(11,178)	17,266	(156)	17,109
Purchase of treasury shares				(19,932)		(19,932)		(19,932)
Share-based payment transactions		403		36		440		440
Dividends			(17,288)			(17,288)	(103)	(17,392)
Transfer from other components of equity to retained earnings			11,648		(11,648)	–		–
Changes in ownership interest in subsidiaries		(79)			(2)	(81)	383	302
Other		(39)				(39)		(39)
Total transactions with owners	–	284	(5,640)	(19,895)	(11,650)	(36,902)	279	(36,622)
Balance as of September 30, 2024	75,929	93,463	565,407	(67,662)	18,281	685,418	12,681	698,099

(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," "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.

(ii) Information regarding profit or loss by reportable segments

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

(Millions of yen)

	Reportable segment							Adjustments (Note 2)	Consolidated
	Payment	Lease	Finance	Real estate-related	Global	Entertain-ment	Total		
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)	10,128	2,336	12,236	11,676	1,758	1,001	39,137	676	39,813
Reconciliations	–	–	–	–	–	–	–	–	19,558
Profit before tax	–	–	–	–	–	–	–	–	59,372

For the second quarter ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(Millions of yen)

	Reportable segment							Adjustments (Note 2)	Consolidated
	Payment	Lease	Finance	Real estate-related	Global	Entertain-ment	Total		
Revenue									
Revenue from external customers	120,298	6,566	32,579	26,899	21,413	17,316	225,074	–	225,074
Intersegment revenue	979	0	–	87	–	0	1,068	(1,068)	–
Total	121,278	6,567	32,579	26,987	21,413	17,316	226,143	(1,068)	225,074
Net revenue	121,278	6,567	32,579	12,422	21,413	3,183	197,445	(1,119)	196,326
Segment profit or loss (Business profit or loss) (Note 1)	13,659	2,167	17,235	7,059	(511)	493	40,103	(98)	40,005
Reconciliations	–	–	–	–	–	–	–	–	1,776
Profit before tax	–	–	–	–	–	–	–	–	41,781

(Notes) 1. Business profit or loss 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 FY2023 (April 1, 2023 to September 30, 2023)	Second quarter of FY2024 (April 1, 2024 to September 30, 2024)
Segment profit (Business profit)	39,813	40,005
Adjustments for the application of the effective interest method to financial assets	119	111
Reconciliations (Share of profit of investments accounted for using equity method)	20,043	219
Gain on bargain purchase	20,043	219
Reconciliations (Other income)	–	1,552
Gain on sale of fixed assets	–	1,111
Gain on valuation of investment securities (stocks, etc.)	–	341
Other	–	98
Reconciliations (Other expenses)	(604)	(107)
Loss on valuation of investment securities (stocks, etc.)	(213)	–
Loss on sale of shares of subsidiaries and associates	(130)	–
Loss on sale of fixed assets	–	(88)
Loss on disposal of fixed assets	(127)	(15)
Other	(131)	(3)
Reconciliations - total	19,558	1,776
Profit before tax	59,372	41,781