

## To Our Stakeholders



**Kazuhide Kamitani**  
President and CEO

### Fiscal 2011 Performance

In fiscal 2011, the year ended February 20, 2012, the Company continued to enhance the credit card business and in addition, promote the e-money business and fee businesses, including the bank agency service and Internet businesses, and also undertook expansion of the overseas business in new countries.

In the credit card business, as a result of efforts to attract new card members in Japan and overseas and joint promotions with business partners, the card-member base increased by 1.69 million year on year to 29.76 million, on a consolidated basis, the number of active card members increased by 0.87 million from the beginning of the fiscal year to 14.71 million, and credit

card purchase volume increased 10.4% year on year to ¥2,855,591 million. As a result, total transaction volume increased 5.3% to ¥3,363,809 million, and operating revenues increased 0.4% to ¥169,853 million.

The Company continued to invest in business network expansion in the e-money and bank agency service businesses in the overseas business, the Company established local subsidiaries in Shenyang, China, and Cambodia while rigorously pursuing improvement in bad debt costs and low-cost operations. As a result, we were able to contain operating expenses, which decreased 2.0% year on year to ¥145,572 million.

As a result, operating income increased 17.2% year on year to ¥24,280 million, and ordinary income rose 16.5% to ¥24,268 million. Meanwhile the Company recorded total extraordinary losses of ¥6,460 million from items including an increase in the provision for doubtful accounts taking into account the impact of the Great East Japan Earthquake and the flooding in Thailand and the effect of application of asset retirement obligation accounting standards. As a result, consolidated net income decreased 5.8% to ¥8,988 million.

On March 23, 2012, the Company procured funds by issuing bonds with stock acquisition rights. The Company will utilize the funds raised for the repurchase of shares and for investment and financing for business expansion in new countries to further accelerate the growth of businesses in Asia.

### Fiscal 2012 Plans

Although the adverse business environment is expected to continue, we will focus on the credit card business as the core business and undertake expansion of transaction volume by stepping up card-member recruitment and enhancing the convenience of credit card use. In addition, we intend to transform the business structure by addressing the following priority tasks, among them the promotion of fee businesses, such as the e-money and bank agency service businesses, and acceleration of overseas business development in new geographical areas.

#### 1) Reinforcement of the Credit Card Business

To attract new customers, the Company will issue new co-branded cards, enhance card-member privileges and services, and strengthen card-member recruitment at branches and on the Internet. We will also actively engage in joint promotions with business partners that utilize customer data and point programs.

#### 2) Promotion of Fee Businesses

We will strengthen the e-money and bank agency service businesses by expanding the business network, focusing on urban areas, and develop a secure, convenient, and affordable Internet-based settlement service by concentrating management resources on Internet businesses.

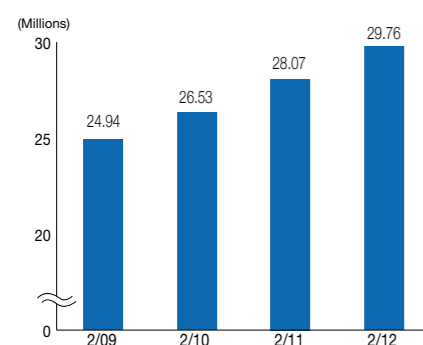
#### 3) Expansion of Overseas Businesses

We will expand the credit card business and credit-peripheral business in Asian countries and, to further accelerate the growth of overseas operations, utilize the funds raised through the issuance of convertible bonds as funds for investment and financing of business expansion in new countries.

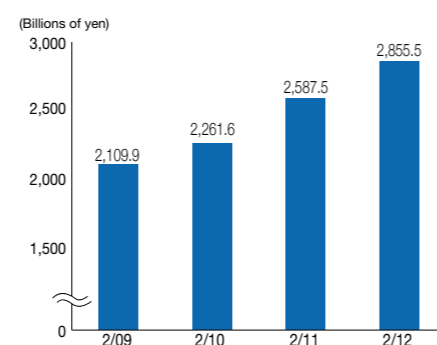
#### 4) Further Strengthening of the Business Structure

We will continue low-interest, stable financing and in the meantime construct a back-up center in Western Japan for the three system data centers located in the Kanto region. We will also rigorously ensure compliance with laws and regulations and the protection of personal information. In the overseas business, we will carry on with the nurturing of global human resources and the development of common system platforms for overseas operations.

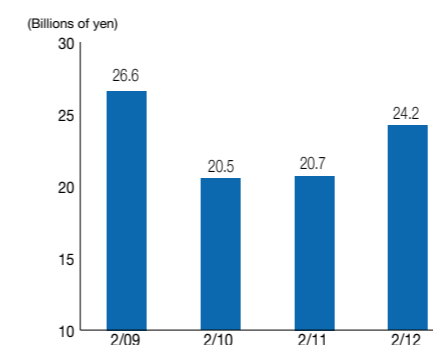
Number of Cardmembers



Credit Card Purchase Volume



Operating Income



Operating Income to Revenues

