

# Sustainability of the Credit Saison Group



Achieving sustainable growth and improving corporate value through sound corporate management



Creating human resources and an organization where each person can fulfill an active role in their own way



Enriching our customers' lives and enabling them to live happily and true to themselves



Creating a better society through co-creation with partners



Protecting the rich natural environment and culture that enriches life, and energizing people in the region and community

► Click here for details of the Sustainability of the Credit Saison Group.  
<https://corporate.saisoncard.co.jp/en/sustainability/esg/>

## Basic Approach

Based on our "leading-edge service company" management philosophy, we contribute through the everyday operation of our businesses to resolve problems and move society forward in ways only Credit Saison can by leveraging our unique know-how, management resources, and the experiences of each of our employees. We will create a sustainable society that is even more convenient and prosperous than today's.

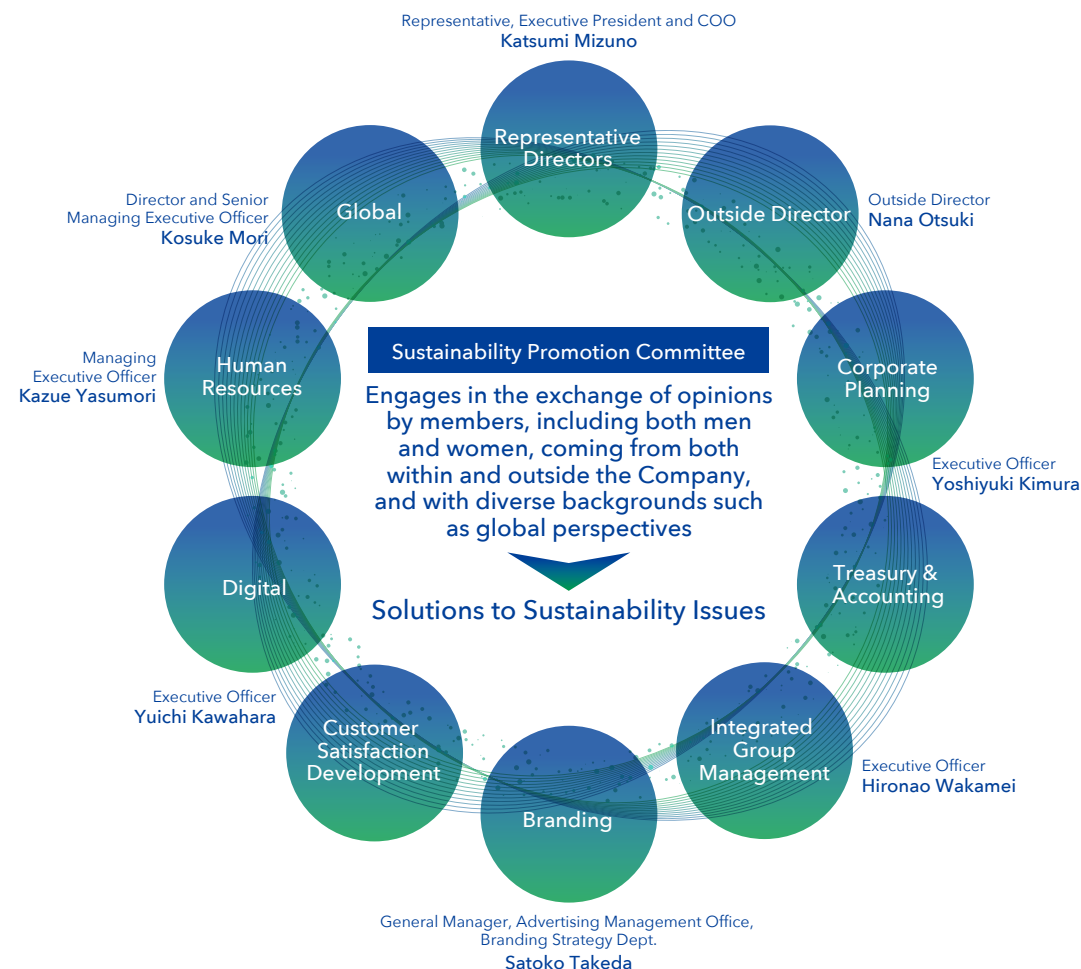
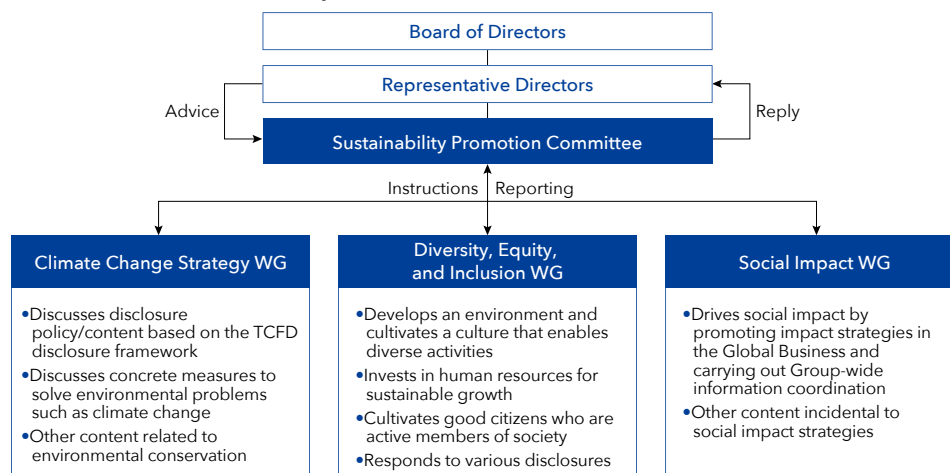
## Value co-creation with stakeholders

To remain as a company on which society depends, it is important to understand what stakeholders demand and to reflect these demands in our services and business activities. We will always seriously consider the opinions of our stakeholders and use those opinions to improve our corporate value and achieve sustainable growth.

## Sustainability promotion system

In August 2021, we established the Sustainability Promotion Committee with the understanding that addressing issues involving sustainability, including consideration of global environmental issues, respect for human rights, and the health of our employees, is an important management theme that will both reduce risk and lead to earnings opportunities. To realize a sustainable society, this Committee is strengthening efforts throughout the Group to solve social and environmental issues through its business.

### Structure of the Sustainability Promotion Committee



## A sustainable society that is even more convenient and prosperous than today's

Contribution to achieving the SDGs



Human Resource Strategy ▶ P31



Corporate Governance ▶ P59



Response to Climate Change ▶ P48

Environment ▶ P50

Human Rights ▶ P52

Coexistence with Local Communities ▶ P55



Contributing to a Safe, Secure, and Convenient Cashless Society ▶ P53  
Information/Cybersecurity ▶ P54

Expectations and needs of stakeholders =

Efforts to address important issues



Global Business ▶ P21

Employees

Customers

Partners

Regions/communities

Shareholders

### Materialities for sustainability

Achieving sustainable growth and improving corporate value through sound corporate management



Creating human resources and an organization where each person can fulfill an active role in their own way



Enriching our customers lives, and enabling them to live happily and true to themselves



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Sustainability Promotion Committee

Declining birthrate, aging population

Climate change

Digitalization

Promoting conversion to cashless operations

Growing needs for asset formation

Changing society/Global environment

# Response to Risk/Opportunities

The Credit Saison Group's businesses carry with them several risks, including risks related to the external environment as well as financial and business aspects. In this context, in addition to continuing to strengthen our response to the risks common to the industry that we have been dealing with so far, there remains the necessity to evaluate any risks that have emerged due to changes in the external environment from a medium- to long-term perspective and to take countermeasures. Some of the risks that could significantly influence investor decisions are listed below.

## Risks common to the industry

Materialities	Risks	Details	Responses
	Economic Conditions	<ul style="list-style-type: none"> <li>Decrease in transaction volumes of credit cards, loans, credit guarantees, and real estate mortgage loans provided by the Group, and decline in the loan collection rate due to deterioration of the domestic and overseas economic environment (employment environment, household disposable income, personal consumption, etc., due to recession)</li> <li>Decrease in capital investment by SMEs, which are the main customers of the Lease Business, and deterioration in corporate earnings</li> <li>Recorded loss on valuation of real estate for sale, etc., due to falling real estate prices in the Real Estate-related Business</li> </ul>	<ul style="list-style-type: none"> <li>Calculation by risk capital management (RCM) of the risk capital required by our business to maintain ratings and maximize returns within the scope of the risk capital surplus</li> </ul>
	Fund Procurement	<ul style="list-style-type: none"> <li>Among fund procurement methods, such as borrowing from financial institutions and the issuing of corporate bonds and CP, liquidity risk due to the considerable amount of funding with a procurement period of less than one year</li> </ul>	<ul style="list-style-type: none"> <li>In fund procurement, maintaining a certain percentage of long-term and fixed financing; the setting of liquidity enhancement limits, such as commitment lines; and the reduction of liquidity risk by promoting diversification by executing direct procurement, such as corporate bonds and the liquidation of receivables</li> </ul>
	Market Risk	<ul style="list-style-type: none"> <li>Risk of falling prices of investment assets, such as stocks of listed and unlisted companies, venture investment funds, bonds, real estate, and real estate funds</li> <li>Rise in funding interest rates when interest rates rise</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate management of market risk by introduction and utilization of RCM and ALM</li> </ul>
	Impairment of Financial Instruments (Allowance for Doubtful Accounts)	<ul style="list-style-type: none"> <li>Risk of non-repayment of receivables by large numbers of customers due to changes in the domestic and overseas economic environment (employment environment, household disposable income, personal consumption, etc., due to recession)</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing soundness of claims and appropriate allowance for doubtful accounts by strengthening credit management systems, such as establishment and operation of credit management systems relating to credit limits, credit information management, and internal ratings, as well as monitoring of credit status</li> </ul>
	Provision for Loss on Interest Payment	<ul style="list-style-type: none"> <li>Risk of increase in the amount of reimbursement claims from customers regarding the portion of interest that was higher than the interest rate ceiling set by the Interest Rate Restriction Act, interest that within the Group in Japan was repaid before the revision of the Act</li> </ul>	<ul style="list-style-type: none"> <li>The amount of allowance required at the present time is recorded in consideration of the past reimbursement record and trends in interest reimbursement claims</li> </ul>
	Impairment of Goodwill	<ul style="list-style-type: none"> <li>Risk of ongoing impairment into the future when goodwill is not amortized on a regular basis with respect to IFRS to which the Group is subject</li> <li>Negative impacts on financial results and financial standing when impairment is declared due to a continuous increase in the balance of goodwill in the event that new goodwill arises following M&amp;As, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Investment limits based on RCM are set in order to establish mechanisms for avoiding excessive risk</li> <li>Deliberations by supervisory divisions and specialized departments are conducted regarding the propriety of acquisition prices at the investment stage</li> <li>Follow up and regular monitoring of the business environment are implemented to achieve the income and expenditure plan at the time of acquisition once financing is complete</li> </ul>
	Various Regulatory and Legal System Changes	<ul style="list-style-type: none"> <li>Revisions, changes in interpretation, and increasing strictness of general laws and regulations pertaining to company management, and adoption of new legal regulations</li> <li>Risk of having to cease certain services due to regulatory changes, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Internal systems, rules, and operations are reviewed, maintained, etc., in accordance with the changes</li> <li>While complying with laws and regulations, prompt responses to service developments in accordance with new regulations</li> </ul>
	Anti-Money Laundering	<ul style="list-style-type: none"> <li>Risk of violations to laws and regulations when money laundering and terrorism financing measures (hereafter, money laundering measures) fail to function effectively</li> <li>Deterioration in the business operations, financial results, and financial standing of the Company and the Group due to business suspensions, penalties, and other administrative actions, and due to damage to reputation, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Preparations are made for complying with various laws and regulations in Japan and abroad as a result of being subject to various laws and regulations in Japan and abroad, and of falling under the supervision of supervisory authorities in Japan and abroad based on these</li> <li>Further strengthening of money laundering measures is ongoing</li> </ul>
	Compliance	<ul style="list-style-type: none"> <li>Risk of negative impacts on the business operations, financial results, and financial standing of the Group due to administrative actions or damage to reputation following the occurrence of legal or regulatory violations</li> </ul>	<ul style="list-style-type: none"> <li>Employee training, monitoring of training implementation status, and other preventive measures are promoted by constructing a compliance framework and by strengthening internal control systems</li> <li>Early detection and prompt response are enabled through the preparation of an internal reporting system for violations of legal and regulatory compliance, acts of wrongdoing by managers and employees, scandals, and potential conflicts of interest, etc.</li> </ul>

## Materialities for sustainability and initiatives

- Achieving sustainable growth and improving corporate value through sound corporate management
- Creating human resources and an organization where each person can fulfill an active role in their own way
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## Risks and opportunities that need to be addressed over the medium to long term

Materialities				Risks	Details	Responses
				Occurrences of Large-Scale Disasters	<div>Risks</div> <ul style="list-style-type: none"> <li>Physical damage to owned assets and human damage to employees due to large-scale natural disasters (e.g., earthquakes) in various regions in Japan and overseas</li> </ul> <div>Opportunities</div> <ul style="list-style-type: none"> <li>Securing human resources through BCP plan formulation and education, building trust with other corporations, and improving corporate value</li> <li>Continuously developing services as social infrastructure by preparing for unexpected circumstances</li> </ul>	<ul style="list-style-type: none"> <li>Formulating a BCP plan and regularly confirming its effectiveness; implementing BCP education and training</li> <li>Improving the credit card usage environment by decentralizing authorization systems to the Kanto and Kansai regions</li> </ul> <p>▶ P48 Response to Climate Change</p>
				Impact of the COVID-19 Pandemic	<div>Risks</div> <ul style="list-style-type: none"> <li>Economic downturn, corporate bankruptcies, and prolonged decline in personal consumption due to continued uncertain future restrictions on behavior and pandemic trends</li> <li>Decreasing acquisition of new members due to intensifying competition caused by factors such as diversification of payment methods through promotion of cashless payment and entry from companies in other industries</li> </ul> <div>Opportunities</div> <ul style="list-style-type: none"> <li>Improving customer satisfaction through Group-wide efforts to appropriately and quickly resolve all kinds of problems that arise in a mature society</li> <li>Initiated business structure transformation based on changes in customer psychology and behavior caused by the COVID-19 pandemic</li> </ul>	<ul style="list-style-type: none"> <li>Response to changes in the business environment by transforming the business portfolio from management based on the Payment Business to a comprehensive life services group</li> <li>Expand services targeting new customer segments by building new remote-type member capture models using SAISON CARD Digital</li> <li>Thoroughly implement employee health management and infection countermeasures</li> </ul>
				Impact of Climate Change	<div>Risks</div> <ul style="list-style-type: none"> <li>Decreasing transaction volume and increasing financing cost associated with deterioration of Group creditworthiness and brand due to factors such as a delay in responding to climate change and serious impact on the global environment and economy resulting from factors such as intensification of natural disasters and changes in ecosystems associated with climate change</li> <li>Increasing bad debt costs due to deterioration of customers' household finances and business performance caused by abnormal weather such as typhoons and heavy rains</li> </ul> <div>Opportunities</div> <ul style="list-style-type: none"> <li>Improving corporate value through recognition of climate change countermeasures and CO<sub>2</sub> reduction activities</li> <li>Securing human resources by improving corporate value and name recognition, improving employee motivation, and gaining the trust of various stakeholders by increasing recognition from investors who have a high interest in ESG</li> </ul>	<ul style="list-style-type: none"> <li>In August 2021, we established the Sustainability Promotion Committee (attended by the Representative, Executive President and COO) to strengthen initiatives for sustainable business operations</li> <li>Express support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and promote information disclosure on governance, strategy, risk management, and indicators/targets related to responding to climate change</li> <li>Promote CO<sub>2</sub> reduction by reducing paper consumption by changing to online statements and applications, reducing the issuance of plastic cards through SAISON CARD Digital, and use of recyclable materials in the envelope windows of statements</li> <li>* Online statements: As of March 2022, 50% reduction compared to total members/Reduction of 500 grams of CO<sub>2</sub> per envelope</li> <li>* Online applications: 95% of face-to-face card applications are accepted on tablet devices</li> <li>Switched all electricity used at Credit Saison's Ubiquitous Building data centers to electricity derived from 100% virtually renewable energy using non-fossil certificates with tracking</li> <li>* CO<sub>2</sub> emissions reduced among the Company's business activities</li> </ul> <p>▶ P48 Response to Climate Change</p> <p>August 2023: Approximately 38% annually (approximately 1,433 t-CO<sub>2</sub>) after introducing at Tokyo Ubiquitous Building December 2023: Approximately 58% annually (approximately 2,200 t-CO<sub>2</sub>) after introducing at Kansai Ubiquitous Building</p>
				Competitive Environment	<div>Risks</div> <ul style="list-style-type: none"> <li>Intensifying competition due to new entrants from other industries into the payment industry as the result of deregulation and technological advancement</li> <li>Presenting favorable transaction conditions and services to customers without regard to profitability by competitors in the real estate finance market</li> </ul> <div>Opportunities</div> <ul style="list-style-type: none"> <li>Developing new business domains and new products/services through collaboration with other industries</li> <li>Expanding market share by improving convenience and strengthening relationships with affiliated companies</li> </ul>	<ul style="list-style-type: none"> <li>In addition to issuing credit cards, prepaid cards, and other plastic cards, working to provide a wide variety of payment platforms aimed at improving customer convenience in a bid to realize a cashless society, including smartphone payments, QR code payments linked to partner apps, and the smartphone-exclusive payment service "SAISON CARD Digital."</li> <li>Increasing screening speed for the purpose of improving customer convenience, strengthening relationships with real estate-related companies, and achieving differentiation by providing products and services unavailable from other companies</li> </ul> <p>▶ P38 CSDX Business</p>
				Overseas Business Development	<div>Risks</div> <ul style="list-style-type: none"> <li>Market trends in the countries in which the Company develops its business, the presence of competitors, politics, the economy, law, culture, religion, customs, foreign exchange rates, and various other country risks</li> </ul> <div>Opportunities</div> <ul style="list-style-type: none"> <li>Development of existing and new services in countries/regions where there are many people who do not possess a bank account and are unable to receive financial services</li> </ul>	<ul style="list-style-type: none"> <li>Dispersing country risks by expanding into multiple countries/regions; reducing risks through regular risk analysis of the countries where we are located; establishment of a detailed monitoring system for local affiliates</li> </ul> <p>▶ P21 Global Business</p>
				System Risk and Cyberattack Risk (including leaks of personal information, etc.)	<div>Risks</div> <ul style="list-style-type: none"> <li>System failures due to malfunction of computer systems, communication line disruptions, etc.</li> <li>Decreasing reliability due to the emergence of risks and leakage/unauthorized use of personal information (member information) or confidential information due to cyberattacks, etc.</li> </ul> <div>Opportunities</div> <ul style="list-style-type: none"> <li>External sales of core systems in which the Company has been accumulating know-how for many years</li> <li>In collaboration with external partners, external sales of secure payment systems in which use is made of fraud prevention technology</li> </ul>	<ul style="list-style-type: none"> <li>Development of contingency plans, such as ensuring the backup of important systems</li> <li>Improving employee awareness of information security and developing countermeasures against cyberattacks, such as minimizing damage through the introduction of systems capable of detecting advanced cyberattacks</li> <li>Appropriate protection measures and system development of personal information, as stipulated Opportunities under Opportunities the Personal Information Protection Law, acquisition of Privacy Mark</li> </ul> <p>▶ P54 Information/Cybersecurity</p>
				Actualization of Administrative Risks	<div>Risks</div> <ul style="list-style-type: none"> <li>Risk of negligence and inappropriate handling of administrative tasks due to a large amount of manual paperwork</li> </ul> <div>Opportunities</div> <ul style="list-style-type: none"> <li>Expanding demand for administrative process agencies at affiliated cards and partners</li> </ul>	<ul style="list-style-type: none"> <li>Creating an administrative work manual, regular inspection of administrative work status, prevention of employee errors and fraud, development and operation of a whistleblowing system for early detection of any illegal activity</li> <li>Promoting automation of administrative work by the systematization and introduction of robotic process automation (RPA)</li> </ul>
				Reputation Risk	<div>Risks</div> <ul style="list-style-type: none"> <li>Risks affecting business operations, financial results, and financial standing in the event negative reviews or rumors are spread regarding the Company and the Group, regardless of the veracity of such</li> </ul> <div>Opportunities</div> <ul style="list-style-type: none"> <li>Building of relationships with stakeholders through reputation management</li> <li>New customers and greater earnings due to consumer need identification and service improvements</li> </ul>	<ul style="list-style-type: none"> <li>Striving for early detection of gossip and rumors</li> <li>Implementing countermeasures that respond in a timely, appropriate fashion according to the degree of impact and extent of dissemination in order to minimize impacts</li> </ul>
				Relationships with Major Partners	<div>Risks</div> <ul style="list-style-type: none"> <li>Deterioration of business performance of business alliances that form important strategies and business partners with whom we have a capital relationship, changes of business alliance conditions, and cancellation of alliances with partners</li> </ul> <div>Opportunities</div> <ul style="list-style-type: none"> <li>Business development utilizing the acquisition of memberships through alliances with partner companies and organizations, expansion and diversification of services, product sales channels, and customer bases of both parties</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening relationships with existing partners</li> <li>Building a business model that does not depend on a specific partner by promoting new alliances with partners in diverse industries and sectors</li> </ul> <p>▶ P15 Establish the Saison Partner Economic Zone and Reinforce Cooperation among the Group's Companies</p>
				Securing and Developing Human Resources	<div>Risks</div> <ul style="list-style-type: none"> <li>Risk of being unable to secure diverse, talented human resources to provide high-level services to customers and develop advanced products and services; risk of human resources leaving the Company</li> </ul> <div>Opportunities</div> <ul style="list-style-type: none"> <li>New service/product development by securing talent with expertise in digital technology</li> </ul>	<ul style="list-style-type: none"> <li>Providing equal opportunities by developing work systems and common employment patterns that meet employees' needs, the securing of excellent human resources by adopting personnel systems that can utilize the abilities and characteristics of employees, such as the executive officer and specialist/expert systems</li> <li>Introducing support systems such as a new business proposal system, a voluntary selective training program, and career development seminars by age group; creating a culture of taking on challenges through the development of an environment that allows for long-term/multifaceted training and career development, for example, personnel allocation based on employee requests centered on open recruitment</li> </ul> <p>▶ P33 Human Resource</p>

# Response to Climate Change

## (Information Disclosure Based on the TCFD Recommendations)

The Company expressed its support for the Task Force on Climate-related Financial Disclosures (TCFD) recommendations in 2022 and is involved in the TCFD consortium, a discussion forum for the companies and financial institutions supporting the recommendations. With respect to disclosures of governance, strategy, risk management, metric, and target information as recommended by the TCFD, we listed the FY2021 results for these on our website in June 2023.



### Governance

Credit Saison established the Sustainability Promotion Committee in August 2021 as an organization for discussing the direction of its activities to achieve its sustainability-related strategies and to respond to inquiries from the representative director. The Committee is also attended by the Representative, Executive President and COO. We also set up three working groups—the Climate Change Strategy Promotion Working Group (WG), the DE&I (Diversity, Equity, & Inclusion) Promotion WG, and the Social Impact WG—under the purview of this Committee. These meet regularly to deepen discussions on each theme.

► Please refer to page 44 for details.

### Strategy

We predict changes in the external environment and analyze the future impacts of climate change on our operations in accordance with the TCFD framework and by using a scenario analysis method. It is important for us to pursue sustainable growth by mitigating climate change and adapting to it through our business activities. Based on this understanding, we believe that actions to address climate change are important in the management of our business. We identify and assess its impact on us by forecasting changes in the external environment and our operating environment accompanying the manifestation of climate-related risks and by identifying risk events. In the scenario analysis, we referenced multiple existing scenarios published by organizations such as the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC).



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► Click here for details of Information Disclosure Based on the TCFD Recommendations  
<https://corporate.saisoncard.co.jp/en/sustainability/environment/tcfcd/>

### Risk management

For climate change risks, the Sustainability Promotion Committee leads the formulation of policies and strategies for minimizing risks and seizing opportunities and structurally monitors related efforts.

### Metrics and targets

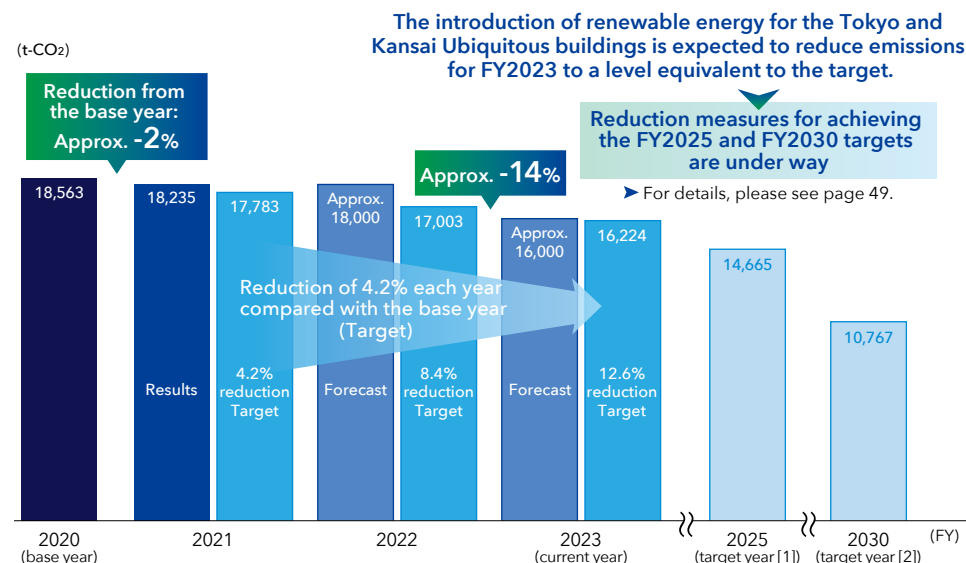
Credit Saison included the six companies that are collectively responsible for more than 95% of net revenue within the scope of measurement. These companies are working to reduce GHG emissions through efforts including the introduction of renewable energy and the reduction of paper use.

#### Consolidated Group companies within the scope of measurement



#### Scope 1 and 2 reduction targets and trends

Note: Market standard





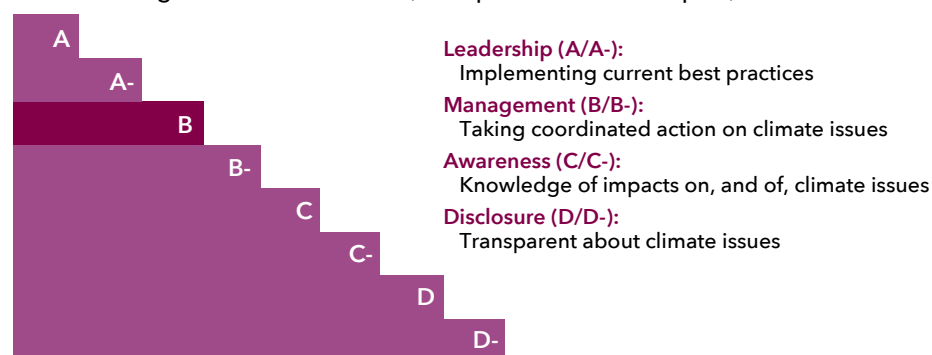
## Received a score of B for our first response to the CDP Climate Change Questionnaire in 2022

Credit Saison responded to the CDP\* Climate Change Questionnaire for the first time in 2022, for which we received a score of B. We will continue to engage in climate change action through product and service developments, the introduction of renewable energy, and other areas, and will strive to disclose the sustainability information demanded globally.

\* CDP is a non-governmental organization (NGO) administered by a U.K. based charity organization. CDP operates a global information disclosure system that allows investors, corporations, states, regions, and cities to manage their own environmental impacts. The CDP was formerly known as the Carbon Disclosure Project.



### Climate change related assessment (excerpt from the CDP report)



## Promoting the use of online statements and environmentally friendly materials

Credit Saison is promoting the use of online applications for credit cards and financial commodities, online credit card statements, and environmentally friendly materials. In FY2022, the online statement ratio increased to approximately 54%, with online statements being received by approximately 13 million customers.

Moreover, we are also working to reduce plastic waste, where our use of a new envelope material for the Tento-mushi (ladybug) Express card member magazine is expected to reduce plastic waste by approximately 17 tons per year.



## Switching to renewable energy for 100% of the electricity used at Credit Saison's Tokyo Ubiquitous Building and Kansai Ubiquitous Building

Credit Saison switched all electricity used at the Tokyo Ubiquitous Building and Kansai Ubiquitous Building, which consist of call center functions and operations for the customers of our card business, etc., to electricity derived from 100% virtually renewable energy using non-fossil certificates with tracking. The Tokyo Ubiquitous Building, for which conversion was completed in August 2023, is estimated to have reduced CO<sub>2</sub> emissions from our business activities\* by approximately 38% annually (approximately 1,435 t-CO<sub>2</sub>). Together with the Kansai Ubiquitous Building, for which conversion was completed in December 2023, in total these two properties are expected to reduce CO<sub>2</sub> emissions from our business activities by approximately 58% annually (approximately 2,193 t-CO<sub>2</sub>). As a result, the ratio of renewable energy electricity as part of Credit Saison's total electricity consumption is expected to reach approximately 61%.

\* Total for Scope 1 and Scope 2



Tokyo Ubiquitous Building

## CO<sub>2</sub> reductions through DX and paperless operations

With its responsibility for operations, the Operation DX Department is advancing efforts to improve the efficiency of operations through DX. The number of new credit card accounts opened online has increased threefold over the past three years following improvements to the user interface for the withdrawal account registration and update page, expansion of online direct debit financial institutions, and other measures. Of the roughly 9 million operations made per year, as of October 2023 approximately 60% had been automated as part of the Department's DX efforts. Moreover, the Department introduced a work flow system for payment and refund operations to eliminate the need for voucher printing. This system is expected to reduce paper use by approximately 500,000 sheets per year and CO<sub>2</sub> emissions by approximately 4.7 tons per year.



▶ Click here for details on Environment  
<https://corporate.saisoncard.co.jp/en/sustainability/environment/>

### Basic Approach

Corporations around the world are responsible for taking action to solve environmental problems. We will strive to reduce the environmental impact of our business and actively work to reduce the environmental impact of society through means such as financial products. We also promote environmental conservation activities through the management of Akagi Nature Park.

### "SAISON CARD Digital for becoz" received grand prizes in two external awards

We have partnered with Datafluct, Inc. to launch SAISON CARD Digital for becoz ("becoz card") from June 2022. This is the first credit card in Japan\* that can visualize CO<sub>2</sub> emissions based on payment data to counter climate change. In March 2023, the becoz (=be CO<sub>2</sub> zero) card received grand prizes of the NIKKEI Decarbonization Award 2022 (project category) sponsored by Nikkei Inc. and the Japan Financial Innovation Award 2023, which recognizes financial innovation, sponsored by FINOLAB. The Company was recognized for its efforts to

visualize CO<sub>2</sub> emissions through daily purchasing activities aimed at raising user awareness of environmental issues. The card has been well received by those who have a strong awareness of sustainability. Credit Saison is working to enhance its services, launching an initiative a year after the becoz card was issued in June 2023 that enables customers to participate in environmental conservation activities at the Akagi Nature Park (Shibukawa City, Gunma Prefecture), operated by Credit Saison, depending on the amount spent using the becoz card.

\* According to research by Credit Saison.



### Raise awareness through environmental events

Through our active participation in events that promote sustainable products and services, the becoz card helps to raise awareness of climate change and contributes to environmental conservation activities. In 2023, we participated in GOOD LIFE Fair 2023, which showcases goods and services from all around Japan that brighten people's lifestyles, and in Environment Day Nagoya 2023 (Nagoya City, Aichi Prefecture), where citizens, businesses, and government collaborate to learn about the environment and take action.



## Initiatives for Akagi Nature Park

With the theme of “coexistence of humanity and nature” and the concept of providing lush natural scenery to pass on to future children, Credit Saison has been operating Akagi Nature Park in Shibukawa City, Gunma Prefecture since 2010. The devastation of forests destroys ecosystems and significantly impacts our lives by limiting our water supply, increasing the risk of mudslides and other disasters, and reducing the Earth’s ability to sequester CO<sub>2</sub>. Through our reforestation project, we strive to increase the amount of CO<sub>2</sub> sequestered and protect biodiversity. At the same time, we focus on balancing the Akagi

Nature Park’s function as a natural environment conservation area with its exhibition and tourism facility functions by providing hands-on environmental learning opportunities such as tree transplanting to “create a forest where people and nature can coexist.”

As a result, survey results show that the Satoyama ecosystem is well maintained mainly in terms of the illumination level of the *Quercus serrata* forests and the growth status and number of species of forest floor plants, indicating that the park’s focus not only on management for conservation but also on park maintenance is contributing to biodiversity conservation.



## Initiatives by ReSAISON

We established ReSAISON Co., Ltd. in August 2022 as a joint venture with the Cyclers Group, which has comprehensive recycling functions. The Company contributes to developing secondary distribution markets by recycling and engaging in resource recovery through the salvage, resale, and material recycling of office equipment with expired leases, particularly office automation equipment. In September 2023, we held an event to collect unwanted items at Mitsui Residential for resale and material recycling, with the aim of reducing waste and realizing a circular economy.





## Human Rights



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► Click here for details on Human rights: Policy/main initiatives  
[https://corporate.saisoncard.co.jp/en/sustainability/esg2/esg\\_policy.html](https://corporate.saisoncard.co.jp/en/sustainability/esg2/esg_policy.html)

## Basic Approach

To embody our management philosophy of being a leading-edge service company, together with our stakeholders, we will create a sustainable society that respects human rights through our “Action Declaration” and “Behavioral Standards,” which are the values and conduct policy that we expect all officers and employees to share.



## Human rights policy

We respect basic human rights by complying with various relevant laws and regulations related to human rights in each of the countries where we operate, and by understanding and supporting international norms such as the Universal Declaration of Human Rights, the International Bill of Human Rights, and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work. Furthermore, we conduct our business activities based on the UN Guiding Principles on Business and Human Rights.

## Respect for human rights in business activities

We respect basic human rights by understanding and supporting various international norms related to human rights in each of the countries where we operate. We strive to respect human rights by establishing policies such as prohibition of discrimination, respect for freedom of association and collective bargaining rights, prohibition of harassment, prohibition of child labor and forced labor, and payment of wages.

## Initiatives for respecting human rights

### ■ Prohibition of harassment

We have defined harassment items (subject to disciplinary action) in our rules of employment. We also conduct harassment education in compliance training tailored to different levels of the organization, including executive employees including general managers, managers, and newly appointed managers. Furthermore, we appoint compliance officers in each department and carry out education programs led by the departments themselves.

### ■ Respect for human rights in tune with our human resource strategy

We believe that innovation is born out of diversity, by bringing together people with their individual personalities, strengths, and values that come with age, gender, handicap, nationality, lifestyle, career, and work style. Our endeavors focus on the creation of an environment where all can flourish in their own way, and we promote initiatives for the active participation of all employees while valuing the spirit of DE&I, such as the introduction of the COMMON PERSONNEL SYSTEM for all employees to realize equal pay for equal work, the strengthening of mid-career recruitment and ways of working without regard to age or company history, including reskilling, the hiring of people with disabilities and creating environments that suit them, and hiring locally at our overseas offices.

► Click here for details on human resource Strategy  
[P33 Human Resource](#)

► Click here for details on Initiatives for DE&I  
<https://corporate.saisoncard.co.jp/en/sustainability/diversity/gender/>

### ■ Universal Manners Test/LGBT Manners Training

We encourage employees to take the Universal Manners Test to learn the ways of thinking and behaviors that enable them to act from the perspective of someone different from themselves, such as the elderly and people with disabilities. Our employees also participate in LGBT Manners Training to learn how to interact with diverse people.

► Universal Manners Test/LGBT Manners Training  
<https://corporate.saisoncard.co.jp/en/sustainability/csr/>

### ■ Initiatives on children's rights

In addition to eliminating child labor in Japan and other countries, we take initiatives to address problems faced by children in the aspects of education, the environment, and others. To create a prosperous future for the next generation, we respect and support children's rights through initiatives such as the “School Visit: SAISON TEACHER” financial education program and nature education through hands-on classes for parents and children at Akagi Nature Park (certified for forest therapy).

► School Visit: SAISON TEACHER  
<https://corporate.saisoncard.co.jp/sustainability/csr/teacher/>  
 (Japanese only)

► Akagi Nature Park  
<https://corporate.saisoncard.co.jp/en/sustainability/environment/>

# Contributing to a Safe, Secure, and Convenient Cashless Society



Achieving sustainable growth and improving corporate value through sound corporate management



Enriching our customers' lives and enabling them to live happily and true to themselves

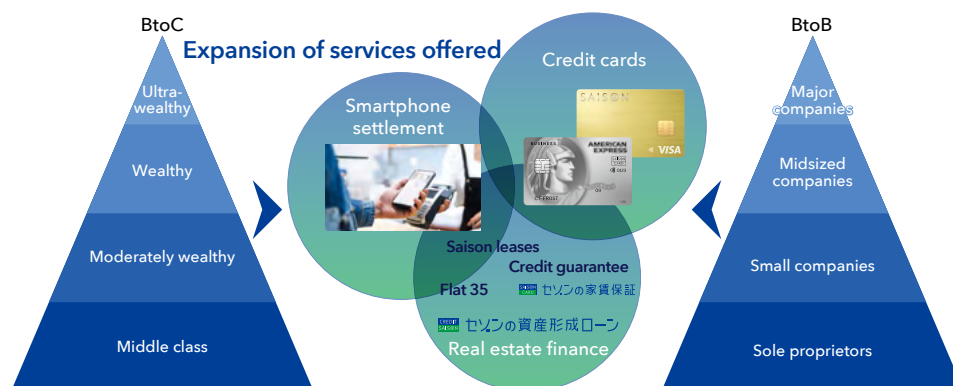


Creating a better society through co-creation with partners

## Basic Approach

Cashless payments in Japan are progressing significantly in conjunction with the growth of digitalization and the spread of COVID-19. As a company that provides financial services such as credit cards, we aim to create a safe, secure, and convenient cashless society. We are working to manage personal information and build security infrastructure against new forms of unauthorized use.

Credit Saison's aim is to become a leading-edge service company by providing services that enable our customers to realize high-quality and affluent lifestyles, centered on financial services. In our pursuit of a sustainable society that is even more convenient and prosperous than today's, our offerings have expanded from the provision of financial services, primarily credit cards, to a wide range of services.



## Realizing a safe, secure, and convenient cashless society

As cashless payments become increasingly commonplace, we are working to develop environments, such as for the construction of diverse payment schemes, proper management of personal information, support for multiple loans, improved accuracy of detecting unauthorized use, and others, so that customers can use their credit cards safely, securely, and with convenience.

▶ Contributions to Society  
<https://corporate.saisoncard.co.jp/en/sustainability/csr/>



▶ Payment Business (BtoC)  
<https://corporate.saisoncard.co.jp/en/business/payment/>

## SAISON ID makes credit card usage safer, more secure, and convenient

We have launched SAISON ID, a new service that can manage multiple IDs for our Net Answer members' site. Customers who hold multiple partner cards will no longer need to log in with separate IDs for each card, making it easier to manage spending amounts and membership information. It can also be used to log into one's Saison Card LINE official account or other companies' services that use Net Answer IDs to link information. As we work toward the creation of our Saison Partner Economic Zone that enhances convenience for our card members, we continuously strive to improve our service.

▶ SAISON ID  
<https://www.saisoncard.co.jp/customer-support/saison-id/>  
 (Japanese only)

▶ Saison Card LINE official account  
<https://www.saisoncard.co.jp/service/line/>  
 (Japanese only)



## Early resolution of problems by opening a Web-based unauthorized use investigation desk

Given the recent rising number of instances of unauthorized credit card use that threaten peace of mind when making cashless payments, in September 2023 we launched the "Net Answer Investigation Desk Function" to put customers at ease in the unlikely case that they are charged for usage they did not authorize. By enabling Net Answer to accept queries for fraudulent use investigations, previously only accepted by telephone from the Information Center, it is now possible that customers can find prompt solutions in as little as five minutes.

▶ Net Answer Investigation Desk Function  
[https://www.saisoncard.co.jp/topic/entry/voice\\_51/](https://www.saisoncard.co.jp/topic/entry/voice_51/)  
 (Japanese only)





## Basic Approach

We have positioned cybersecurity measures as a management theme to respond to threats such as cyberattacks that have become increasingly advanced and sophisticated in recent years.

As a company that provides financial services, we have established the Information Security Policy and strive to conduct appropriate information management. We also work to appropriately protect and manage information assets such as hardware and software, and continuously maintain and improve information security.

## Policy

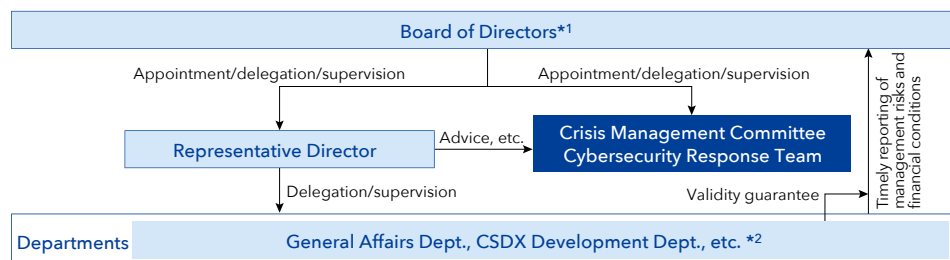
Based on our understanding that the appropriate management of information assets we own is an important task for businesses, we have established basic policies that our directors, executive officers, and employees should observe.

## Management systems

We maintain and comply with various regulations related to information security, including information management regulations, and are continuously reviewing our internal regulations to heighten our security level. Furthermore, we appoint the head of each department as a compliance officer and build and promote a system for promoting information security.

We have also set up the Cybersecurity Response Team as an organization within the Crisis Management Committee, which is under the supervision of the Board of Directors. Collecting information on security vulnerabilities, monitoring cyberattacks and other forms of trouble, and formulating response policies and procedures, the Team is working to establish systems that minimize the damage caused by an incident and then restore the situation. Responsibility for overseeing these initiatives rests with the CIO (and CISO), positions established within the CSDX Development Department that promotes cybersecurity measures, and with the director and senior managing executive officer responsible for the CSDX Development Department, who concurrently serves as CDO (and CTO ).

### Cybersecurity diagram



\*1 Head of CSDX Development Dept.: Director, Senior Managing Executive Officer and CDO, CTO

\*2 General Manager of CSDX Development Dept.: concurrently CIO and CISO

## Audits and training

To ensure information security, regular audits are conducted by our internal audit department or external auditors, and security items are covered in audits conducted by Deloitte Touche Tohmatsu LLC. We also provide our directors, executive officers, and employees with information security training continually through various compliance training programs. There were no serious incidents in FY2022 or FY2023 (as of the end of September 2023).

## Information/Cybersecurity initiatives

To respond to recent cyberattacks, including targeted attacks, we believe that rather than extensions of the past more specialized and specific measures are needed. To implement a drastic response for the IT infrastructure area, which represents a constraint on security measures, in FY2023 we are proceeding with a gradual and speedy response. Specifically, with regard to areas from where threats originate, we are addressing, for example, security strengthening and network improvements as well as a preparedness system while keeping risk countermeasures in mind.

### Theme 1 Security strengthening

To improve security measures, we are promoting the replacement of in-house terminals. In addition to further strengthening security by carrying out these replacements, consolidating the devices will also improve operational efficiency for employees who use multiple devices to perform their business duties.

### Theme 2 Network improvements

In conjunction with modernizing and optimizing network routes on the premise of high speed and expansion of cloud usage, we are working to strengthen security measures against recent cyberattacks.

### Theme 3 Preparedness system

We are building a security posture in conjunction with our CSDX strategy initiatives, such as creating a specialized organization and in-house system development through the recruitment and training of digital human resources. We also periodically conduct system risk assessments to detect and improve system vulnerabilities. To develop a Group-wide preparedness system, we are working to foster awareness through in-house education activities such as regular compliance education in the Corporate Risk Management Department. As a response to cyberattacks such as targeted attack e-mails, we also continuously take measures to prepare for cyberattacks, such as regularly conducting simulated e-mail drills to improve employee awareness of information security.

# Coexistence with Local Communities



Achieving sustainable growth and improving corporate value through sound corporate management



Creating a better society through co-creation with partners



Protecting the rich natural environment and culture that enriches life, and energizing people in the region and community

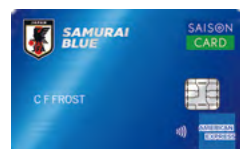
► Click here for details on Contributions to Society  
<https://corporate.saisoncard.co.jp/en/sustainability/csr/>

## Basic Approach

We conduct social contribution activities based on the following approach: “A corporation should not only fulfill its responsibilities as a social entity, such as compliance with laws and regulations and contribution to profits, but also develop its business using methods and contents that satisfy or exceed the actual and latent demands of citizens, communities, and society.”

## JFA Major Partner agreement and start of SAMURAI BLUE Card Saison issuance

Starting from 2023, Credit Saison has signed an eight-year JFA Major Partner agreement with the Japan Football Association (JFA). Our support for the Japan national soccer team has been ongoing for 22 years, ever since we signed an initial supporting company agreement with the JFA in 2001. In addition to the Japan national men's team, we will support a wide range of JFA projects, including the 47 prefectural soccer associations, nurturing the next generation, and promoting the active participation of women. Also, in November 2023, we will begin issuing the SAMURAI BLUE Card Saison, which provides benefits based on the amount spent, such as exclusive benefits for card members and invitations to exclusive events. In the years ahead, we will continue to engage in support activities that connect soccer culture and supporters.



SAISON

Credit Saison is a major partner of Japan's national soccer team.

©JFA

## Contributing to local communities through business

In November 2022, the Ikebukuro Area Platform was established for companies, organizations, schools, and government agencies to collaborate in the Ikebukuro area of Tokyo, where the Credit Saison head office is located. As a member of the Platform, our company is participating in initiatives that contribute to “improving the value and attractiveness of Ikebukuro.” We have also established Saison Business Support, which provides solutions to local business operators, in Kagoshima Prefecture. Our company is thus contributing to local communities through its business.

SAISON BUSINESS SUPPORT

## Next-generation education and financial education that will lead to regional economic revitalization and human resource development

In January 2023, as part of the Hiroike Institute's educational partnership agreement with Reitaku University, we began accepting applications for the Reitaku University original credit card, a service developed mainly by students with the support of our employees.

Through KASSAI, a cloud-based support payment service that collects application fees for Fintertech Co., Ltd., which promotes the creation of next-generation financial services using cutting-edge technology, in December 2023 we also sought support for the student-led Kashiwa Firework Festival Project (Kashiwa City, Chiba Prefecture). Since the agreement was signed, industry-academia collaboration efforts have been progressing.



## Regional revitalization through Furusato tax payment service

In April 2023, the number of local governments that could use Saison's Furusato tax payment service, which had been launched in October 2020, as a donation destination had increased significantly to more than 1,500, and the number of return gifts had increased significantly to more than 550,000 items. Connecting donors, including Saison Card and UC Card members, with local governments across the country, we are working to revitalize local communities by providing a system that makes it easy for all donors to use the Furusato tax payment service. We are also supporting donations for disaster recovery efforts and carrying out recovery support activities that do not incur processing charges from local governments.





## Roundtable Discussion between Outside Directors

Strengthening governance for “offense” and “defense” as we look to be a game-changer in a transitioning financial industry



**Naoki Togashi**

Outside Director  
(Independent)

**Nana Otsuki**

Outside Director  
(Independent)

**Eiji Sakaguchi**

Outside Director  
(Independent)

**Hitoshi Yokokura**

Outside Director  
(Independent)



**What are your assessments of the Company's governance structure, and what challenges does it face?**

**Togashi:** Compared to when I was appointed in 2017, I feel that the Company has made great strides in strengthening internal auditing, risk management, and other “defensive” governance. Our tasks going forward, I believe, are to firmly build and bolster audit and management structures established under local holding companies in our fast-growing global business and to deepen discussions on our ideal vision for the future in our finance business with respect to issues such as credit screening, reserves, screening criteria, and returns on a risk-capital basis.

**Yokokura:** I was appointed as an outside director in 2020. Even within these past three years I have seen dramatic changes to the situation, including surging growth in the Global Business, an increased presence in the Finance Business, and recovery in the Payment Business, among other developments. Under such circumstances, the role of outside directors is to support management so that the Company can make decisions about maintaining and increasing our corporate value while engaging in sound risk-taking. The Company's Board of Directors' meetings are the scene of lively discussions and are well documented. The ratio of outside directors has increased from this fiscal year, and diversity has further risen in the ranks. I feel that we have a system that has evolved to enable each individual to demonstrate their respective skills and personalities in a multifaceted manner.

**Sakaguchi:** I have been serving as an outside director from the current fiscal year. Prior to my appointment, my belief was that there was a structure in which Chairman Rinno usually led the discussion, but that is not really the case. We have a very open Board of Directors where members can freely and frankly express their opinions. My feeling is that the transparency of information sharing and the operational structure of the Board of Directors are at a very high standard, even compared to that required by the Corporate Governance Code.

**Otsuki:** I was appointed in 2017, and from the beginning I had the impression that the Board was extremely open, giving maximum opportunity for people outside the Company to express their opinions. Many of the directors are also from outside the Company, giving the impression that management oversight is provided from a broad perspective. Subsequently, the Company changed itself in major ways, such as with system development, overseas expansion, new M&A, and other activities. I can clearly recall that there were quite heated discussions at every step along the way.



### What are your thoughts on the accomplishments and issues regarding the current Medium-term Management Plan?

**Yokokura:** I believe we have achieved our goals as evidenced by our business performance. The point we need to watch closely now is how capital allocation will be made from the next Medium-term Management Plan onward.

**Togashi:** Having achieved the goals of the plan a year ahead of schedule, we had the option of continuing the current plan as is. However, I appreciate that it is in the nature of the current management team to tackle the challenges of formulating a new Medium-term Management Plan. The prospect of lifting an unprecedented monetary easing policy is increasing, and if that becomes a reality, there will likely be an enormous impact on the Company in terms of procurement availability, cost, and other factors. The fact that management is trying to come up with their next growth strategy amid this situation, I feel, demonstrates their unyielding determination, or in other words, “unless we can come through this, there will be no break-away future for non-banks.”

**Sakaguchi:** In light of the expectations and demands placed on us by the stock market, some may have thought it necessary to formulate a new Medium-term Management Plan and work to issue a steady stream of messaging.

**Yokokura:** I agree. The business and economic environment has changed considerably since the current Medium-term Management Plan was formulated, and going forward we need to have a robust discussion on just how to achieve our high goals under such circumstances.

**Otsuki:** The current Medium-term Management Plan started during the unimaginable COVID-19 pandemic, and it was within this environment, where we could not even see our hand in front of our faces, that we formulated the plan. Nonetheless, I think that we achieved results. It is highly likely that 2024 will be the year that we see a major turning

point in Japan’s financial policy, and as the Tokyo Stock Exchange’s market reform set in motion from 2023 progresses, we will be under even more intense scrutiny from the market. As a company engaged in the financial industry, which is hugely affected by these factors, we must brace ourselves and stand firm.

**Togashi:** In Japan, we are one of the few players to be engaged in various financial businesses beyond the framework of credit cards, consumer credit, personal finance, and other areas. To remain independent and continue to exist in the future, it is essential for us to constantly keep abreast of changes in the market and customer needs. As part of this, I think that an issue for the next Medium-term Management Plan will be for the various businesses in the Group to create mutual synergies. In the domestic market as well, we will sow the seeds of revenue by seizing upon synergies, and there are many opportunities for growth. On the other hand, investors might call it a conglomerate discount if you simply expand your reach. So how do you create synergies? Of course, that means working toward horizontal cooperation within the Group. To this end, I believe that, first of all, the executive side should be more energetic in discussions at Board meetings, speaking up without hesitation about businesses that are outside their own jurisdiction.

**Yokokura:** As an attorney, I sometimes handle corporate misconduct cases. In companies that are involved in such incidents, there seems to be a tendency for Board members to take no interest in matters outside their jurisdiction or to reject opinions on matters within their own sphere of responsibility. At the Company’s Board of Directors, while there is an atmosphere conducive to open discussion on all sorts of matters, I believe that thinking from the perspective of “offense” about what direction the Company as a whole should take, regardless of area of responsibility, will lead to sound governance in terms of “defense” as well.

**Sakaguchi:** I totally agree. We need to take a more attentive stance concerning our internal business. What’s more, the Company talks about being “comprehensive,” but I believe that



## Roundtable Discussion between Outside Directors

there will always be situations where a more specific focus on a particular business or field will lead to synergies.

**Togashi:** That is an interesting point. While the Company is also taking on the challenge of non-financial areas, considering strategies that link these to finance might lead to the creation of synergies. Well, how would you go about generating synergies? Of course, we will find the answer in human resources. It is critical that we increase the number of people within the Company who can illustrate the story of our overall corporate strategy.

**Yokokura:** That would be people who not only connect the dots but also draw the picture. It might also be good for personnel departments to aim for solutions that find and bring together human resources with the necessary skills, based on a recognition of management issues.

**Otsuki:** We do not have any large-scale facilities like factories or for logistics, and almost all our assets that generate revenue are human resources. The Company should be commended for its pioneering efforts in motivating all employees to become full-time employees. Female CEOs in our overseas subsidiaries, which are an area of growth, are also putting their skills to use. However, in FY2022, the ratio of female officers at the Company stood at 24.9%, which is at an underdeveloped level, and an issue also exists in terms of diversity.



**Please tell us about the role you yourself would like to perform and your expectations of the Company.**

**Sakaguchi:** As you can see from this group of outside directors, we have a lineup of risk management experts. That is why, I believe, we need to play a role that encourages risk taking. We would like to support the Company, such as by somehow prioritizing the many things that need to be done in management so that we can better bring form to the content of the “comprehensive” issues espoused by the Company.

**Yokokura:** As a lawyer and accountant by profession, what I have come to value in reaching a decision is to always be conscious of the important facts, whether there is anything wrong with the logic, if the conclusion has been reached through a proper process, and whether the argument itself is ethical. I would like to support appropriate risk-taking by keeping these “facts,” “logic,” “processes,” and “ethics” in mind during Board discussions.

**Otsuki:** The Company has taken a big step up from “defensive DX” to “offensive DX,” based on updates to core systems completed with the previous Medium-term Management Plan. Under the next plan, by making this into a sharp tool we will further promote our “transformation into a comprehensive life services group” as set forth in the current Medium-term Management Plan, and together with expanding our business capacity in Japan, we look forward to taking a great leap forward on a global scale in Asia and Central and South America.

**Togashi:** Credit Saison has now come to a crossroads in terms of just how to transform its credit card business, our founding business. While settlement makes available only two functions, either “immediate” or “deferred payment,” driven by a history of technological innovation, there are now a diverse array of payment products in Japan, from cards to code payments, far exceeding options offered in other countries. On the other hand, we are now in an age where technologically, one method can offer two functions. Outside of Japan, in India, Thailand, and other countries, technological innovation has enabled them to achieve leapfrog-type development. So, considering that what changes at overseas locations will also eventually arrive in Japan, whether that is credit cards fading away or transformation to a settlement style, payment systems will depend on precisely what steps we take in the future. As we formulated the new Medium-term Management Plan ahead of schedule, I would like to make every effort to ensure that when we look back a decade from now, we will be a company that is said to have been a game changer at a major turning point.



# Corporate Governance



Achieving sustainable growth and improving corporate value through sound corporate management



Creating human resources and an organization where each person can fulfill an active role in their own way



Enriching our customers' lives and enabling them to live happily and true to themselves



Creating a better society through co-creation with partners



Protecting the rich natural environment and culture that enriches life, and energizing people in the region and community

## Our basic view on corporate governance

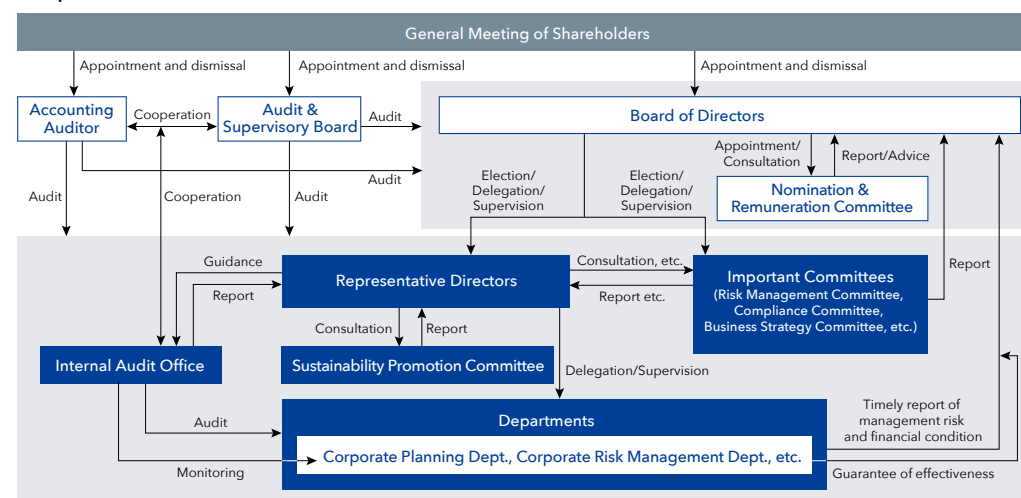
The Credit Saison Group is implementing a variety of initiatives to improve and strengthen our corporate governance in recognition of the enormous importance that bolstering management supervisory functions intended to attain business objectives and to enhance management transparency holds for sustainably growing corporate value. We will continue to study approaches to management that best suit the Credit Saison Group considering global trends in corporate governance and our basic policies for ensuring the proper functioning of internal controls.

► Click here for details of our Corporate Governance Report.  
[https://corporate.saisoncard.co.jp/en/sustainability/governance/pdf/governance\\_report\\_202209EG.pdf](https://corporate.saisoncard.co.jp/en/sustainability/governance/pdf/governance_report_202209EG.pdf)

## Matters Concerning Composition of Governing Bodies and Organization Management

Organization Form	Company with Audit & Supervisory Board Members
Number of directors stipulated by the Articles	25
Term of office for directors stipulated by the Articles	1 year
Chairman of the Board of Directors	President
Number of Directors (of which are Outside Directors)	12 (4)
Appointment status of Outside Directors	Appointed
Number of Independent Directors designated among Outside Directors	4
Number of Audit & Supervisory Board members stipulated by the Articles	5
Number of Audit & Supervisory Board members (of which are outside Audit & Supervisory Board members)	3 (2)
Number of Independent Directors designated among Audit & Supervisory Board members	2

## Corporate Governance Structure

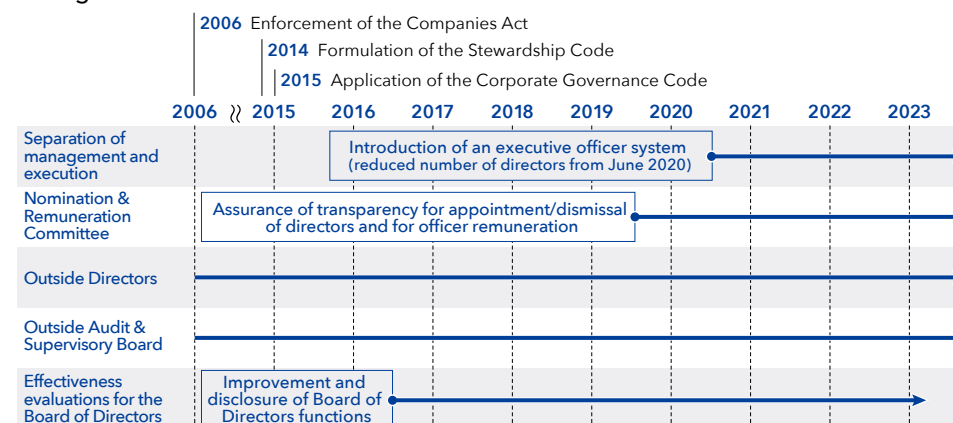


## Management/Executive system

Credit Saison (the Company) has adopted the Audit & Supervisory Board (ASB) model, with ASB members, for its corporate governance system. To ensure that we retain the confidence of our shareholders and other investors, we strive to improve and strengthen corporate governance by nominating outside directors and outside ASB members. The Board of Directors and Nomination & Remuneration Committee receive advice and recommendations from outside directors to ensure the appropriateness of business decision-making. This is intended to enable directors, who are well versed in business matters, to maintain and improve management efficiency.

We have introduced an executive officer system to strengthen our corporate governance system through separation between operational execution and management supervision. As of October 2023, the Board of Directors consists of 12 members, four of whom are independent outside directors. The term of office for Directors is set at one year to ensure the Board can respond flexibly to changes in the business environment and to ensure that shareholders can have confidence in the Company's management. Going forward, we aim to exercise more appropriate management supervision functions while developing an efficient business execution system.

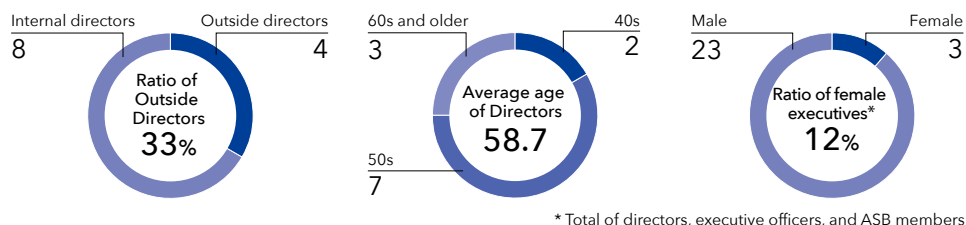
## Changes in the Governance Structure





## Composition of the Directors (As of September 30, 2023)

The Board of Directors consists of members, some of whom were hired through periodic recruitment and others through mid-career recruitment, from a wide range of career backgrounds, including finance, retail, real estate, and digital technology.



## Board of Directors

The Company reviewed the criteria for submission of proposals to the Board of Directors and delegated authority for business execution to the business strategy committee, the Directors in charge, and the Executive Officers, in April 2023. This review is expected to not only reduce the number of proposals on the Board of Directors, allowing more time for discussion of each item, but also to improve the speed of business execution and create opportunities for training successors by expanding the authority and responsibility of decision-makers by the delegation of authority.

**Year ended March 31, 2023,  
Board of Directors**  
**20 meetings 94 discussion items**

### Major discussion topics/Number of discussion items

Internal control and compliance	6
Financial results and financial standing	7
Management strategies and management planning	12
Human resources	19
Other individual matters	20
Subsidiary, associate, and Group governance	30

## Nomination & Remuneration Committee

The Nomination & Remuneration Committee is made up of Directors elected by resolution of the Board of Directors, and is currently composed of five members, the majority of whom are independent outside directors and which include the Representative Chairman and CEO as the chairperson. The Committee meets at least once a year.

**Year ended March 31, 2023,  
Nomination & Remuneration Committee**  
**5 meetings\* 9 discussion items**

### Major discussion topics/Number of discussion items

Election and assessment process for Directors, etc.	2
Election of Directors, etc., and General Meeting of Shareholders' election proposal deliberations	2
Directors' remuneration system, etc.	4
Skill matrix for Directors, etc.	1

\* Including one meeting held in writing

## Effectiveness of the Board of Directors

### Implementation Summary

With the goal of improving the effectiveness of the Board of Directors, the Company implements a self-evaluation-based annual assessment and analysis for all directors and Audit & Supervisory Board members (including retirees before the expiration of their term of office) elected in the previous year.

A questionnaire is given to each director and Audit & Supervisory Board member covering the following items, with the Board of Directors conducting discussions based on feedback from the results.

### Assessment Items

- 1) Composition of the Board of Directors
- 2) Management of the Board of Directors
- 3) Roles and Responsibilities of the Board of Directors

### Summary of Assessment Results

We have confirmed that the Board of Directors is operating at a generally proper level and that the effectiveness of the Board of Directors has been secured.

Based on the opinion that the criteria for the selection and submission of proposals for the Board of Directors meetings need to be improved in order to allocate more time to the deliberation of important management issues, such as the strategies and capital policies, etc., of the Company and the Group as a whole, the Company reviewed the criteria for submission of proposals to the Board of Directors and delegated authority for business execution to the business strategy committee, the Directors in charge, and the Executive Officers, in April 2023. This review is expected to not only reduce the number of proposals on the Board of Directors, allowing more time for discussion of each item, but also to improve the speed of business execution and create opportunities for training successors by expanding the authority and responsibility of decision-makers by the delegation of authority.

The Company will continue to examine the effectiveness through the evaluation of the effectiveness of the Board of Directors to see if the review contributes to improvement of the effectiveness of the Board of Directors, and based on the recognition of issues to further revitalize discussions at Board of Directors meetings aimed at enhancing corporate value, the Company will continue to improve operations to further improve the effectiveness of the Board of Directors.

## About Director remuneration

### Basic policy on Director remuneration

As the Credit Saison policy for determining the amount for director remuneration, etc., and the calculation method thereof, at its meeting on February 25, 2021, the Board of Directors deliberated the policy for determining the content of Individual Directors' Compensation following consultation and a report by the Nomination & Remuneration Committee regarding the details to be deliberated in advance. This policy is intended to ensure that remuneration sufficiently functions as an incentive for Directors to sustainably improve corporate value and to build a remuneration structure that is linked to shareholder profits. At the Board of Directors meeting held on June 21, 2023, we revised part of the policy regarding the determination of the content of Individual Directors' Compensation for those Directors posted overseas. The basic policy for determining the individual remuneration package of directors, etc., is to consider the level of companies/industries of similar size and the balance with employee remuneration for the system of director remuneration and individual remuneration. At the same time, we set the remuneration level according to position, presence, or absence of representation rights, etc.

## ■ Remuneration structure

The remuneration structure is composed of basic remuneration, performance-based remuneration (bonus), and non-monetary remuneration including restricted stock compensation. For outside directors and Audit & Supervisory Board members, remuneration is basic remuneration only. Furthermore, the Nomination & Remuneration Committee considers the ratio of remuneration by type for executive directors based on the remuneration levels of companies, industries, etc., of similar size to Credit Saison. The ratio of each type of remuneration, etc., is based on a 7:2:1 ratio of basic remuneration: performance-based remuneration, etc. (bonuses): non-monetary remuneration, etc. (restricted stock compensation). For Directors posted overseas, the ratio for each type of remuneration, etc., is based on remuneration excluding fringe benefits. However, Restricted Stock Compensation might not be paid to Directors posted overseas, and in such cases, the approximate ratio of each type of remuneration is as follows: basic remuneration: performance-based remuneration (bonus) = 8:2 (however, excluding fringe benefits).

Eligible officers	Basic remuneration (monetary remuneration)	Performance-based remuneration, etc. (bonuses)	Non-monetary remuneration, etc.
Executive directors	Amount calculated as fixed monthly remuneration after setting annual remuneration levels for each position and considering the presence or absence of representation rights, etc.*1	Amount calculated by multiplying the amount of the basic bonus by position, etc., considering the retention rate, etc., by the performance-based coefficient*2 for quantitative indicators*2 and the performance-based coefficient for qualitative evaluation*4	Amount calculated as restricted stock compensation*5 after setting annual remuneration levels for each position and considering the presence or absence of representation rights, etc.*6
Outside directors	Fixed remuneration only	-	-
ASB members*7	Fixed remuneration only	-	-

\*1 Fringe benefits such as housing allowance, child allowance, and temporary return allowance, etc., might be paid to Directors posted overseas.

\*2 Quantitative indicators: Non-consolidated ordinary income (excluding temporary factors, etc.) growth rate and plan achievement rate.

\*3 Performance-based coefficient: Based on a 50:50 ratio between the quantitative performance indicator growth rate and the plan achievement rate, while comprehensively considering the occurrence of large-scale disasters, pandemics, etc.

\*4 Qualitative evaluation: This is the result of evaluating each degree of contribution to improving the Company's business performance and corporate value by all directors, including the relevant director.

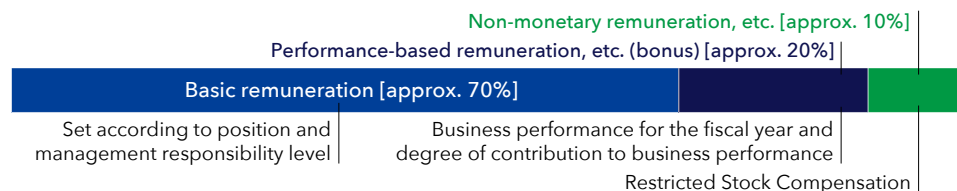
\*5 Restricted stock compensation: Please refer to the Securities Report for details of the conditions.

\*6 Fringe benefits such as insurance premiums, etc., might be covered by the Company for Directors posted overseas as non-monetary compensation.

\*7 Audit & Supervisory Board member remuneration: The amount of remuneration for each Audit & Supervisory Board member is determined through deliberations by the Audit & Supervisory Board within the total amount resolved at the General Meeting of Shareholders.

## ■ Remuneration structure of executive directors

### Remuneration coefficient of executive directors



In calculating the planned amount of performance-based remuneration (bonuses) for FY2022, we comprehensively considered the impact of factors such as COVID-19 and set the expected performance-based coefficient for quantitative indicators at 105% and the expected performance-based coefficient for qualitative indicators of each director to 80%-120%.

The amount of remuneration for each individual can be entrusted to the Chairman of the Board based on a resolution of the Board of Directors. The scope or remuneration is the amount of basic remuneration for each director, the evaluation allocation of performance-based remuneration (bonuses) for each director, and the allocated amount of monetary remuneration claims related to the acquisition of restricted shares. As a measure for the Chairman of the Board to properly exercise this authority, the Nomination & Remuneration Committee has established standards for the remuneration received by directors. Based on these standards, the Chairman of the Board makes decisions within the scope delegated by the Board of Directors.

In determining the actual issued amount of remuneration for individual directors in FY2022, Representative, Chairman and CEO Hiroshi Rinno will be entrusted with the determination of the amount of basic remuneration for each director and the allocation amount of monetary remuneration claims related to the acquisition of restricted stock. He will also be entrusted with the evaluation allocation of performance-based remuneration (bonuses) for each director.

## ■ Total amount of remuneration, etc., for each officer category, total amount of remuneration, etc., by type, and number of eligible officers

The total amount of remuneration, etc., for each officer category of the Company, the total amount of remuneration, etc., by type, and the number of eligible officers in FY2022 are as follows.

Classification	Total remuneration (Millions of yen)	Total amount of remuneration by type (Millions of yen)			Number of people
		Basic remuneration	Performance-based remuneration, etc.	Non-monetary remuneration, etc.	
Directors (excluding outside directors)	332	228	77	27	7
ASB members (excluding outside ASB members)	16	16	-	-	1
Outside directors	24	24	-	-	3
Outside ASB members	36	36	-	-	3

Notes: 1. The total amount of remuneration paid to directors does not include employee salaries in the case of employees who serve concurrently as executive directors.

2. Performance-based remuneration, etc., lists the planned payment amount of performance-based remuneration (bonuses) for FY2022.

3. The content of non-monetary remuneration, etc., is the common stock of the Company, and the conditions for allotment are as described in the remuneration structure and calculation section of the Company's 73rd business term Securities Report.

4. The numbers above include one director who retired.

5. As of the end of FY2022, there were nine directors and four Audit & Supervisory Board members.

6. Since there are no Directors whose total amount of consolidated remuneration exceeds ¥100 million, the names, classifications, total consolidated remuneration, and amount of consolidated remuneration by type for each Director have been omitted.

## Strengthening the risk management and compliance systems

To achieve sustainable improvement of corporate value, we position the enhancement of corporate governance as a key management initiative. To this end, we are improving internal control systems, strengthening risk management systems, ensuring thorough compliance, and creating mechanisms based on diversity, equity, and inclusion.

In establishing internal control systems, the Board of Directors decides on basic policies for such, with the aim of building systems that ensure appropriate and efficient operations mainly in the Corporate Planning Department, which is the unit responsible for overseeing internal controls. As for internal controls on financial reports, the Corporate Risk Management Department leads the way in promoting the establishment of internal controls in the Company and at our consolidated Group companies, while the Internal Audit Office carries out independent monitoring.

Regarding risk management, the Risk Management Committee and the Corporate Risk Management Department lead the way in preventing risks from materializing and in working to minimize the effects on the Company when they do arise. Accordingly, we strive to maintain our risk management framework by holding regular internal training sessions for employees in accordance with “risk management rules,” “rules concerning loss risk management,” and “crisis management rules.” In addition to the above, with regard to matters inherent in our Company Group or control matters that involve serious risks, for domestic subsidiaries, the Group Strategic Management Department establishes and controls the matters, and for overseas subsidiaries, the Global Management Department, which is responsible for overall management of overseas affiliate subsidiaries, gathers information. As such, the Company oversees the status of business execution at each Group company and shares information with the departments in charge of each Group company.

As for our compliance system, we have established the Compliance Committee to ensure legal compliance, fairness, and ethical standards in our corporate activities. In addition to assigning compliance responsibilities to employees in each department, we issued a declaration on how the Company should conduct its activities and organized the ways in which officers and employees should conduct themselves as standards of conduct. As a further means of strengthening our compliance system, we have disclosed this declaration and standards of conduct on the Company's employee website, inform employees about our compliance help desk, and hold compliance training sessions to ensure rigorous adherence to these standards.

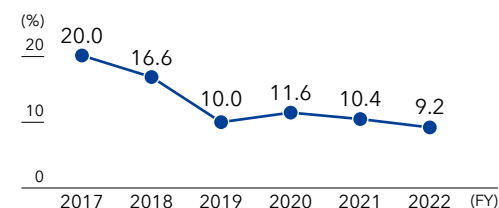
### Risk management system/compliance system



## Strategic shareholding shares

Regarding strategic shareholding shares, Credit Saison only holds shares of companies that are transaction (investment) partners necessary for our Group's business strategy and that are rational to hold. When verifying the rationality of holdings, we properly ascertain the risks and costs associated with holdings and the returns from holdings, including from a medium- to long-term perspective, and comprehensively verify profitability and other matters at the Board of Directors and the ALM Committee. As a result of verification, while considering factors such as the impact of the market, we promptly sell stocks that are judged to have little rationality to hold.

Consolidated net assets ratio for strategic shareholding shares



## Dialogue with shareholders and investors (IR activities)

Credit Saison endeavors to convey corporate information to all shareholders and investors in a prompt, fair, and easy-to-understand manner, and actively discloses business results, financial conditions, strategies, and other matters that the Company believes to be effective in providing a better understanding of the Company. We also actively disclose sustainability initiatives that can only be implemented by Credit Saison aimed at achieving a sustainable society. In addition to continuing to participate in results briefings, conferences hosted by securities companies, and briefings for individual investors, we are actively engaging in dialogue with shareholders and investors, such as by holding business strategy briefings on our global business and CSDX strategy, which attracted a lot of attention during discussions. The Company will continue to promote IR activities with an awareness of shareholder and investor needs.

Individual meetings with sell-side analysts/institutional investors













2018	2019	2020	2021	2022
190 times	158 times	176 times	196 times	214 times

### Feedback regarding the details of dialogue with shareholders and investors

In regard to the opinions and requests acquired from shareholders and investors through dialogue, and to the analyst reports that are occasionally issued, as the department in charge of investor relations, the Public Relations Office takes the lead in appropriately providing feedback to the Company's executives and making reports regarding dialogue at the Board of Directors meetings and management meetings, etc., in order to apply these opinions and requests in discussions for enhancing corporate value.

# Board of Directors/Audit & Supervisory Board Members/Executive Officers (As of October 1, 2023)

Credit Saison visualizes the management skills of its directors, Audit & Supervisory Board members, and executive officers as a skill matrix. To conduct flexible management in uncertain times, management composes members with diverse skills and expertise.





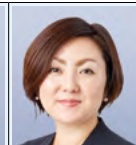









												
	Representative, Chairman and CEO Hiroshi Rinno	Representative, Executive President and COO Katsumi Mizuno	Representative, Executive Vice President and CHO Naoki Takahashi	Director, Senior Managing Executive Officer Yoshiaki Miura	Director, Senior Managing Executive Officer and CDO, CTO Kazutoshi Ono	Director, Senior Managing Executive Officer Kosuke Mori	Director, Managing Executive Officer Naoki Nakayama <span>Newly appointed</span>	Director (Non-executive) Kosuke Kato <span>Newly appointed</span>	Director Naoki Togashi	Director Nana Otsuki	Director Hitoshi Yokokura	Director Eiji Sakaguchi <span>Newly appointed</span>
									Outside/ Independent	Outside/ Independent	Outside/ Independent	Outside/ Independent
	Born in 1942	Born in 1969	Born in 1950	Born in 1966	Born in 1976	Born in 1977	Born in 1965	Born in 1966	Born in 1960	Born in 1964	Born in 1969	Born in 1966
Board of Directors ◎: Chairman ○: Member	○	◎	○	○	○	○	○	○	○	○	○	○
Nomination & Remuneration Committee ◎: Chairman ○: Member	◎	○							○	○	○	
<b>Skill matrix</b>												
Corporate management	●	●	●	●	●	●		●	●			●
Global	●	●			●	●			●	●		●
Financial affairs/ Accounting			●			●		●		●	●	●
Human resources/ Labor affairs	●		●									
Legal affairs/ Risk management				●				●		●	●	
Sales/ Marketing	●	●		●			●	●	●			●
Digital/IT				●	●	●		●	●			
M&A/New business	●	●	●	●	●	●		●				●
Real estate							●			●		●
Finance/ Loans			●				●	●	●			●
ESG	●	●	●			●				●		

Notes: 1. The data presented in this table do not reflect all the skills possessed by the Board of Directors, Audit & Supervisory Board members, and executive officers. Up to seven of the major skills and other attributes are marked.

2. To transform into a comprehensive life services group, we are placing particular focus on global, digital/IT, and M&A/new business skills for our business strategy.



# Board of Directors/Audit & Supervisory Board Members/Executive Officers

														
	Standing Audit & Supervisory Board Member Hideo Suzuki	Standing Audit & Supervisory Board Member Hiroaki Igawa	Audit & Supervisory Board Member Chie Kasahara	Managing Executive Officer Shunji Ashikaga	Managing Executive Officer Kazue Yasumori	Managing Executive Officer and CFO Masaki Negishi	Managing Executive Officer Ryuki Tabata	Executive Officer Yasuyuki Isobe	Executive Officer Yuichi Kawahara	Executive Officer Naoki Misaka	Executive Officer Hironao Wakamei	Executive Officer Ryo Kihara	Executive Officer Koji Sugahara	Executive Officer Yoshiyuki Kimura
	Newly appointed										Newly appointed	Newly appointed	Newly appointed	Newly appointed
		Outside/ Independent	Outside/ Independent											
	Born in 1956	Born in 1958	Born in 1968	Born in 1971	Born in 1973	Born in 1972	Born in 1967	Born in 1969	Born in 1975	Born in 1975	Born in 1970	Born in 1973	Born in 1979	Born in 1971
Audit & Supervisory Board ◎ : Chairman ○ : Member	◎	○	○											
Skill matrix														
Corporate management	●			●										
Global			●			●							●	●
Financial affairs/ Accounting		●				●								●
Human resources/ Labor affairs					●									
Legal affairs/ Risk management		●	●									●		
Sales/ Marketing	●		●	●		●	●	●	●	●	●	●	●	
Digital/IT			●					●	●					
M&A/New business			●	●		●			●	●	●		●	●
Real estate		●										●		
Finance/ Loans		●		●		●	●	●		●		●		●
ESG		●			●									●