



Credit Saison is a supporting company  
of Japanese national football team



Nadeshiko Japan, Women's National Team



Samurai Blue, Men's National Team

# Management Report FY2011

May 22, 2012



# AGENDA

- ◆ **FY2011 Highlights** **1**
- ◆ **FY2011 Financial Report** **2**
- ◆ **Management Strategies** **19**
- ◆ **Corporate Social Responsibility** **43**

This report contains forward-looking statements that reflect our plans and expectation. These forward-looking statements are not guarantees of future performance and known and unknown risks, uncertainties and other factors that may cause our actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements.

# Main Topics of the 2011 Fiscal Year

- ◇ Nadeshiko Japan, women's national football team, wins the World Cup  
Presents SAISON Gold American Express cards to all of the team members
- ◇ Formed an alliance with "Regus", a French company offering rental offices in 1,200 locations all over the world  
Opened an office in Hanoi, Vietnam on May, 12
- ◇ Formed a comprehensive alliance with China Union Pay
- ◇ Deposits from customers of SAISON ASSET MANAGEMENT CO., LTD. exceeds 50 billion yen / 50,000 customer's accounts
- ◇ Number of Net members achieved 7 million people; transaction volume of eikyufumetsu.com achieved 50 billion yen
- ◇ Eikyufumetsu points exchange service expanded to include "nanaco" and "Yahoo!" points
- ◇ SNS: the number of the Company's fans at Facebook achieved 46,000 within three months
- ◇ "Mekiki linkai" is established; launched new businesses development with LIFENET INSURANCE COMPANY and Automobile Insurance for Grownups
- ◇ Launched net marketing, research and advertising to increase revenue as
- ◇ Entry into the Asian markets taking concrete shape in Singapore, Vietnam, and China
- ◇ PARCO Card: assigned 5% discount incentive
- ◇ Launched LED rental business

- 1. Financial Results**
- 2. Results by Business Segment**
- 3. Contributions by Consolidated Companies**
- 4. Restructuring the real estate business**
- 5. Main Indices (Non-Consolidated)**
- 6. Credit Risk Trends / Interest Repayment  
/ Review of the provision for loss on disaster**
- 7. Financial Indices**
- 8. Dividends**



# 1. Financial Results

(¥ billion)

		FY2010	YoY(%)	FY2011	YoY(%)	FY2012 (Estimate)	YoY(%)
Consolidated	Operating revenues	285.7	93.1	244.0	85.4	250.0	102.5
	Ordinary income	33.7	86.3	38.5	114.3	50.0	129.6
	Net income	12.8	68.7	9.4	73.7	29.0	306.8
	Earnings per share (¥)	69	68.2	51	73.7	157	306.8

Non-consolidated	Operating revenues	239.6	92.9	210.2	87.7	206.0	98.0
	Ordinary income	28.7	85.0	41.0	142.8	41.5	101.2
	Net income	7.5	47.1	5.6	73.9	23.0	409.7

## 2. Results by Business Segment

(¥ billion)

	Operating revenues			Operating income (loss)		
	FY2010	FY2011	YoY (%)	FY2010	FY2011	YoY (%)
Credit Service	230.8	198.8	(13.9)	15.9	27.1	70.0
Lease	14.4	14.6	1.5	5.0	5.0	1.2
Finance	15.5	15.7	0.9	6.7	7.7	14.5
Real Estate-related	12.3	3.0	(75.2)	(2.1)	(10.1)	—
Entertainment	13.9	12.9	(6.7)	1.7	2.0	18.9
Total	287.1	245.3	(14.6)	27.3	31.9	16.7
Inter-segment Transactions	(1.4)	(1.3)	—	0	(0)	—
Consolidated	285.7	244.0	(14.6)	27.3	31.8	16.4



# 3. Contribution by Consolidated Companies

Ordinary income: Difference between consolidated and non-consolidated figures

Contribution to consolidated results

	Non-consolidated	Consolidated	Difference
<b>Ordinary income</b>	¥41.0 billion	¥38.5 billion	(¥2.5) billion

Major consolidated subsidiaries	Contribution to ordinary income
<b>Atrium Group</b> •Atrium Co., Ltd. (liquidation of real estate) •Atrium Servicing Co., Ltd. (servicing business)	(¥10.6) billion
<b>Saison Fundex Group</b> •Saison Fundex Corp. (loans) •House Planning Co., Ltd. (real estate)	¥0.63 billion
<b>Concerto Inc.</b> (entertainment business)	¥3.04 billion
<b>JPN Holdings Co., Ltd.</b> (servicing business)	¥0.19 billion

Major equity-method affiliates	Contribution to ordinary income
<b>Idemitsu Credit Co., Ltd.</b> (credit card business)	¥1.24 billion
<b>Seven CS Card Service Co., Ltd.</b> (credit card business)	¥0.90 billion
<b>Saison Information Systems Co., Ltd.</b> (information processing)	¥0.56 billion
<b>Resona Card Co., Ltd.</b> (credit card business)	¥0.52 billion



# 4. Restructuring the real estate business (Restructuring of the Atrium Co., Ltd.)

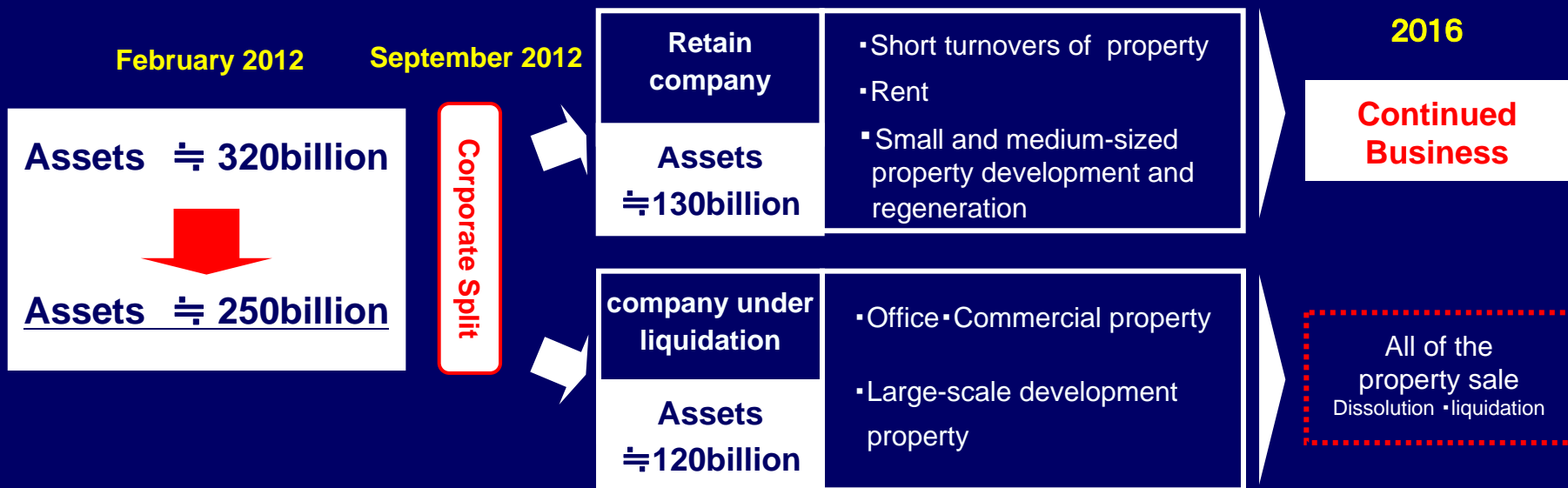
1

By promoting early reduction of the large-scale properties to concentrate the managerial resources in our credit card and finance business, we could increase efficiency of group assets and achieve sustainable growth.

## ■ Restructuring schedule

- February 2012    20% to 30% impairment of large property in the center  
⇒ Of approximately 70 billion yen recorded write-downs of assets, etc.
- September 2012    Business portfolio to classify and retreat from continuing operations  
⇒ Conduct business division
- ~2016                Sale of large-scale development property  
⇒ Sale and liquidation of the assets related to business to withdraw

## ■ Restructuring scheme of the Atrium Co., Ltd





## Direction of the Atrium Co., Ltd.

### <Retain company>

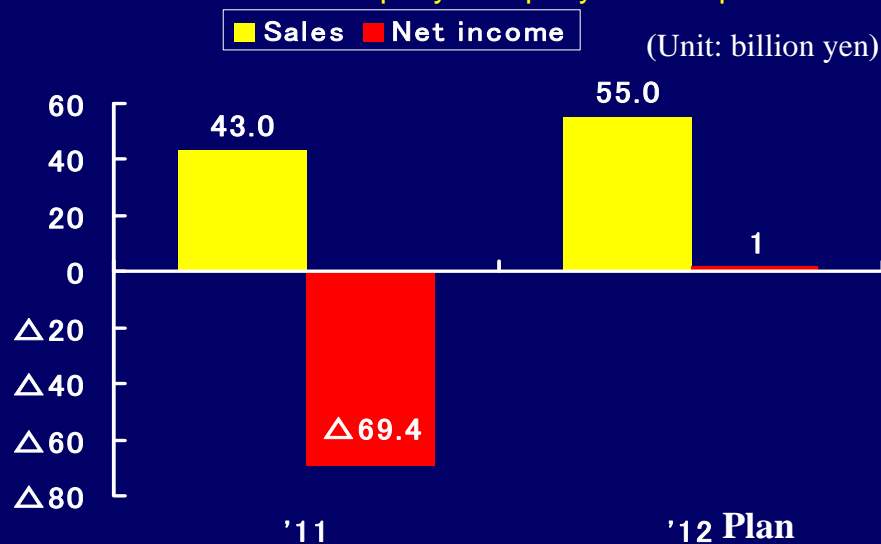
- Appropriately carried out the replacement of assets specializing in real estate securitization business of small and medium-sized, carefully selected by the purchasing
- The property held by the middle term profitability, ensure the rental income
  - ⇒ Strong earnings structure to implement the transformation of market fluctuations, and management aimed at stabilizing the black

### <company under liquidation>

- Capital and business alliance with major real estate company
  - ⇒ Sell all the assets held in stages until around 2016

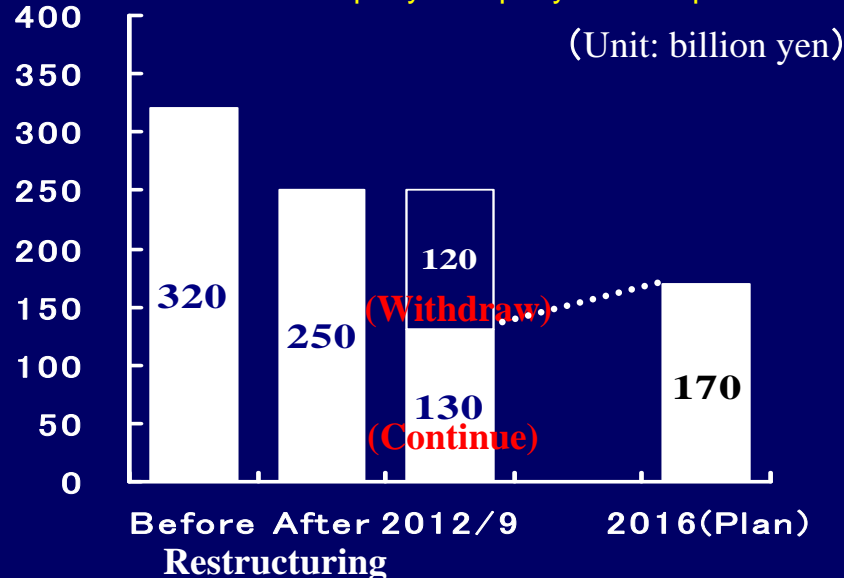
## Business Plan

(Total of Retain company+company under liquidation)



## Assets Plan

(Total of Retain company+company under liquidation)





## 5. Main Indices (Non-Consolidated)

	FY2010		FY2011		FY2012	
		YoY(%)		YoY(%)	(Estimate)	YoY(%)
New Applications (millions)	2.57	84.3	2.60	101.2	3.00	115.4
New Card Issued (millions)	2.12	81.9	1.96	92.5	2.20	112.2
Total Cardholders (millions)	28.34 (+0.05)	100.2	24.75 (Δ3.59)	87.3	25.20 (+0.45)	101.8
Active Cardholders (millions)	14.70 (+0.37)	102.6	12.99 (Δ1.71)	88.4	13.4 (+0.41)	103.2
Transaction Volume (¥ billion)	4,324.8	97.2	3,669.3	84.8	3,833.0	104.5
Card Shopping	3,953.4	102.8	3,402.4	86.1	3,572.0	105.0
Cash Advances	371.4	61.5	266.9	71.9	261.0	97.8

(Unit: million cards, million people, ¥ billion)

Figures in parentheses are changes from the previous year



# Strategic move to expand card business in the 7 & i group

Some effects of 7CS card business split are expected to expand over the medium term contribution to the consolidated profit

## ■ Excluding the impact of 7CS card business split

(¥ billion)

		FY2011		
			YoY(%)	excluding the impact of 7CS
Card Transaction Volume		3,669.3	84.8	100.5
	Card shopping	3,402.4	86.1	103.3
	Cash advances	266.9	71.9	78.0
Shopping revolving balance		262.1	87.4	103.0
Cash advance balance		284.2	71.7	76.3

## ■ The first year of card performance 7CS (April 2011~February 2012)

New applications 0.33million cards, Total Cardholders 3.12 million

Shopping Transaction Volume ¥620billion, Ordinary Income ¥2.6billion

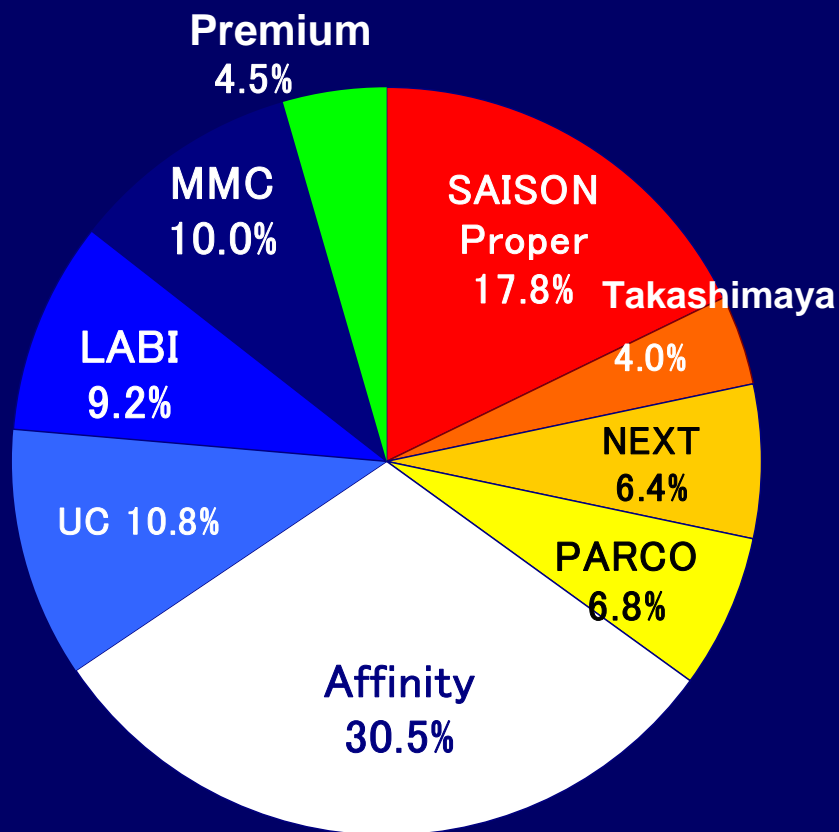
**Targets : Together with Seven Card Service, generate shopping transaction volume of ¥2 trillion from 10 million cardholders.**

# (Reference) Share of Cards

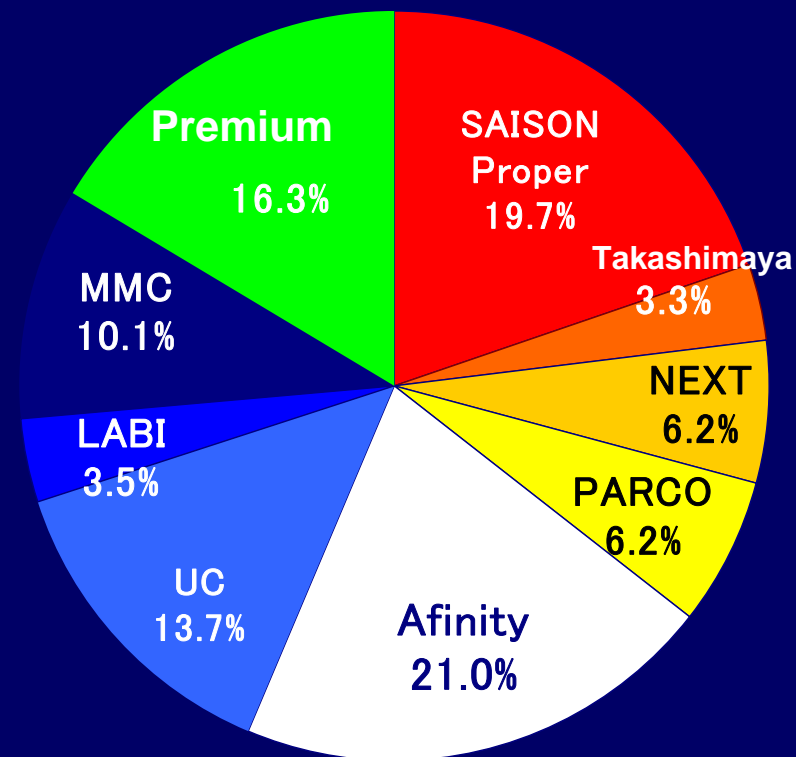
The transaction volume per card for premium cards is 4 times that of the other cards.

【FY2011】

【Share of Total Cardholders】



【Share of Shopping Transaction Volume】

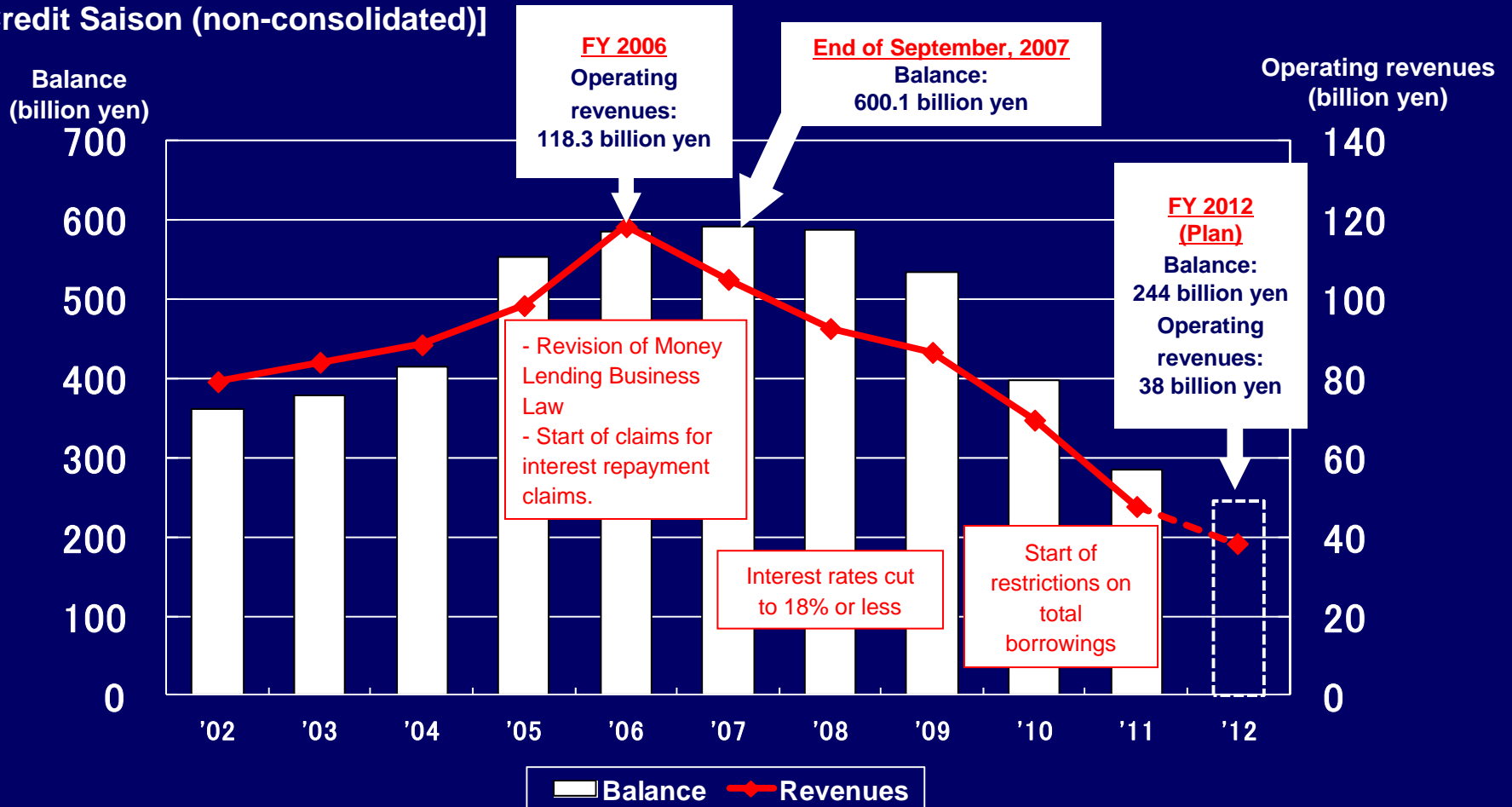


※Premium includes Saison & UC GOLD/Platinum cards and AMEX Blue cards



# Trends in the cash advance business

[Credit Saison (non-consolidated)]



Under the impact of regulations of the Money Lending Business Control and Regulation Law, cash advance balance decreased by approx. 60 % compared with the peak period, with revenues also decreasing by approx. 70 %.

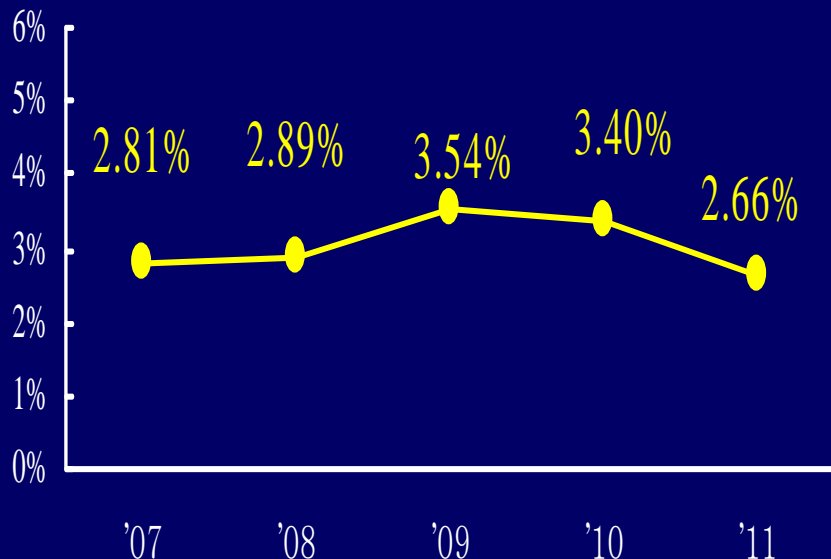
In the first half, transaction volume has recovered to approx. the same level as the previous year, and balance is also expected to start recovering although about six months later than transaction volume.



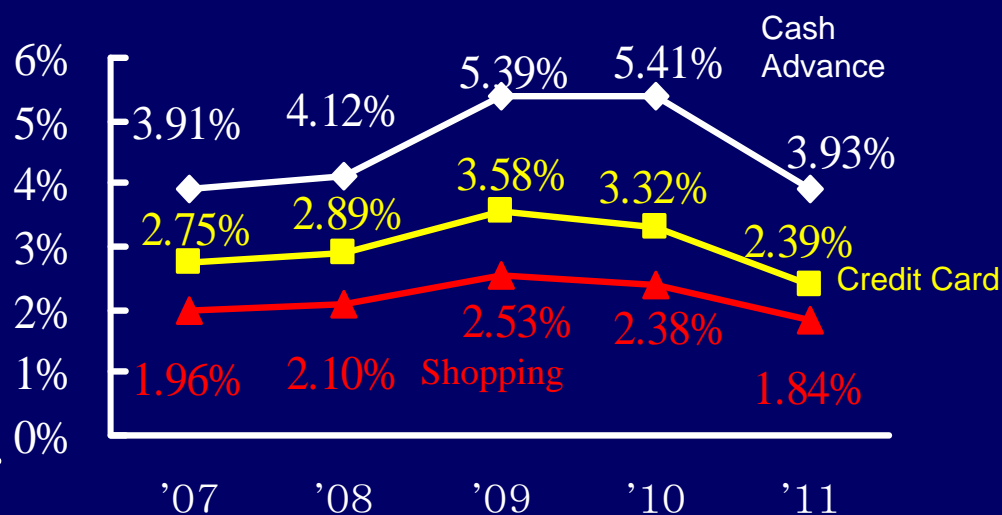
## 6. Credit Risk

Enhanced risk control and reduction of interest repayment claims has made progress the soundness of loans

Delinquency of over 90 days (Consolidated)



Delinquency of over 90 days (Non-Consolidated)

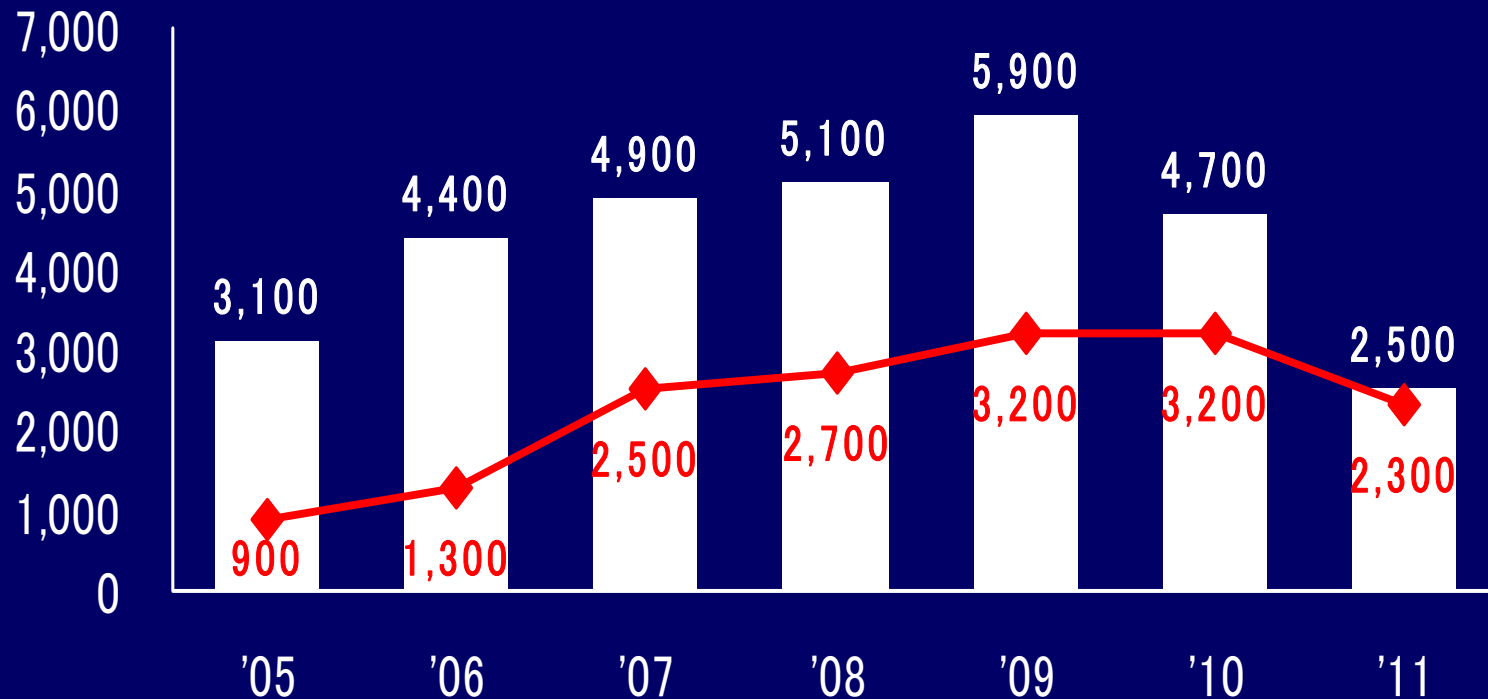




# Changes in the number of interest repayment claims processing

The interest repayment claims are in the downward trend.

Monthly average number



■ New claims handled by lawyers and other third parties  
◆ Settlements of interest repayment claims



# Credit cost / Provision for loss on interest repayment

Trend will continue over quality of receivables, bad debts are expected to also reduce costs this fiscal year

## ■ Credit cost results and estimate

	Results		Full Year Estimate	
		Difference		Difference
Credit Cost	26.4	(33.2)	23.0	(3.4)
Interest Repayment Cost	5.4	(12.0)	5.0	(0.4)

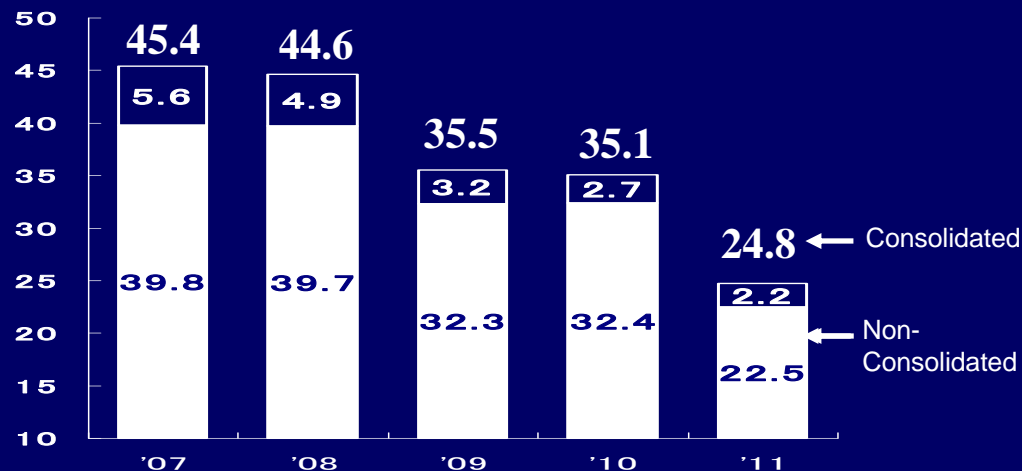
(¥ billion)

### Factors of credit cost reduction

- Proper screening
- Strengthen collection
- Reduction of claims handled by lawyers
- Reduction of cash advances balance

## ■ Trend of provision for loss on interest repayment

Results	(¥ billion)	
	Consolidated	Non-Consolidated
Reversal	17.3	15.2
Provsion	6.9	5.4
Balance Increase	(10.3)	(9.8)

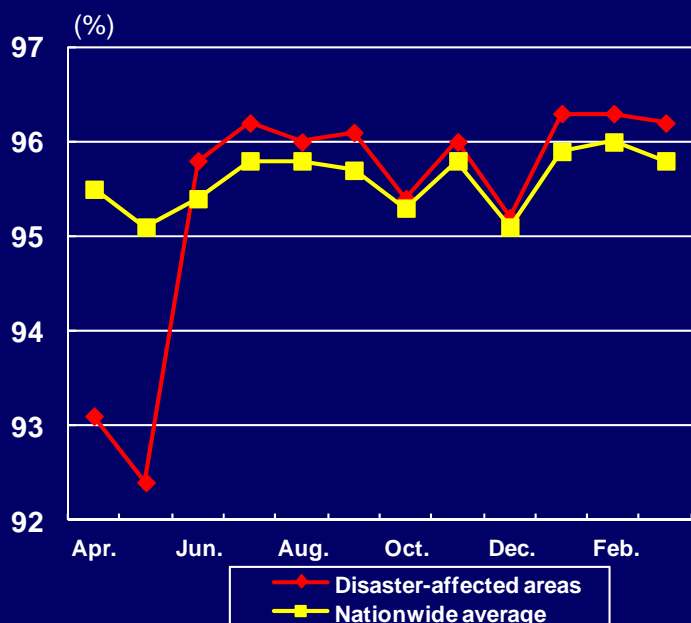




# Review of the provision for loss related with the Great East Japan Earthquake

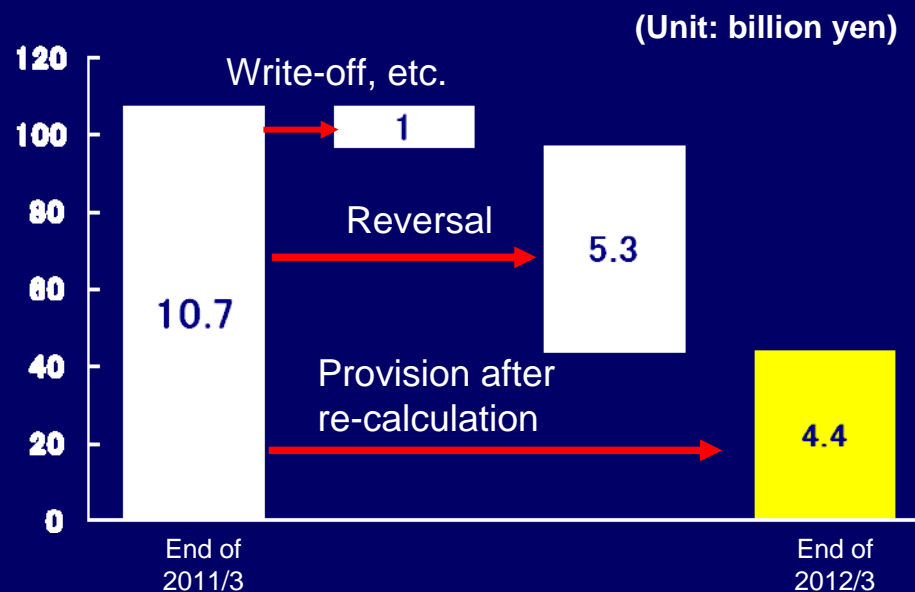
Because collection of claims in the disaster-affected areas advanced smoothly and bad debt risk has dropped, provision for loss related with the Great East Japan Earthquake was re-calculated at the end of the year and part of it has been reversed.

## Payments on card claims in the disaster-affected areas



Payments on card claims that had dropped after the Earthquake have recovered to the nationwide level by June of last year.

## Trends of provision for loss related with the Great East Japan Earthquake in the disaster-affected areas



	End of 2011/3	End of 2012/3
Accounts receivable balance	30.6 billion yen	20.8 billion yen
Bad-debt reserve ratio	35%	21%

• Credit cards and lease credit guarantee of disaster-affected areas are included in the accounts receivable balance



## 7. Financial Indices

(¥ billion)

	Consolidated		Non-Consolidated	
		From the previous year		From the previous year
Shareholders' Equity	352.6	+7.4	322.5	+2.1
Total Assets	2,155.9	(75.3)	2,059.4	(38.3)
Shareholders' Equity Ratio	16.4%	+0.9%	15.7%	+0.4%

※1 ROE	6.6%	+0.7%	7.7%	+2.3%
※2 ROA	1.8%	+0.3%	2.0%	+0.7%

※1 ROE is calculated to assume that return is based on ordinary income (excluding extraordinary income/loss) with corporate tax deducted at the rate of 40%.

※2 ROA is calculated that ordinary income is divided by total asset.



## 8. Dividends

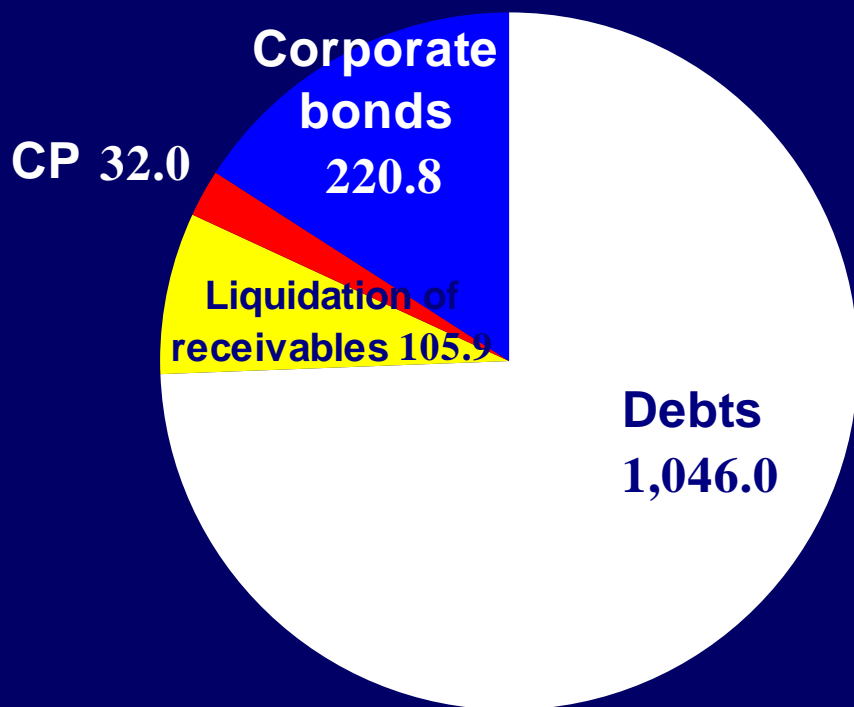
	FY2010	FY2011	FY2012 (Plan)
Dividend per share	¥30	¥30	¥30
Total cash dividend	¥5.5 billion	¥5.5 billion	¥5.5 billion
Payout ratio (consolidated)	42.9%	58.3%	19.0%

# (Reference) Fund Structure

(Unit: billion yen)

## 【Consolidated】

Total Balance: 1,404.8

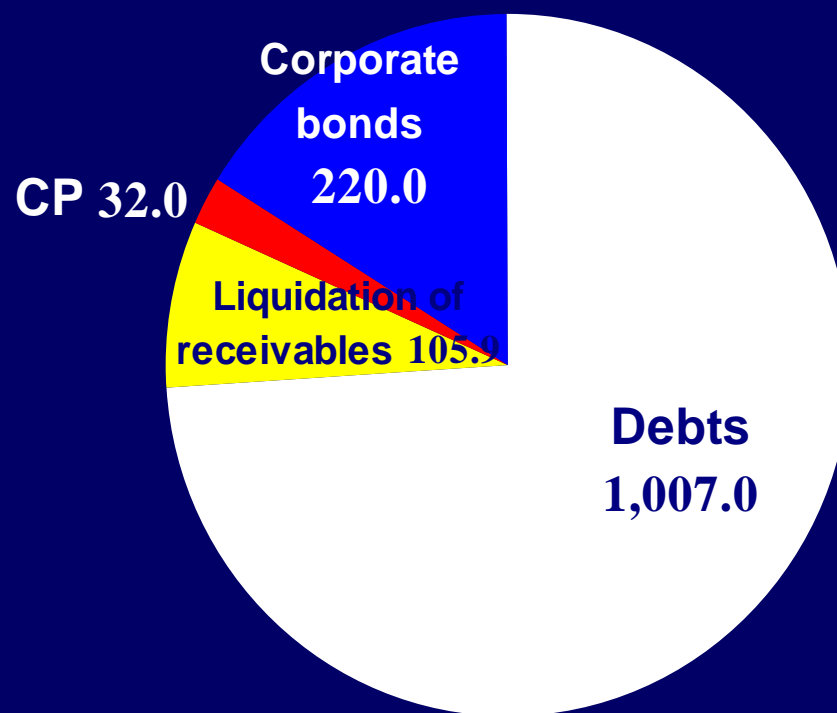


Long Term Ratio : 81%

【Rating】  
R&I A+

## 【Non-Consolidated】

Total Balance: 1,364.9



Long Term Ratio : 81% Fixed Ratio : 71%



# Management Strategies

- I . Overview of card market**
- II . Medium-term management concept**
- III . Management Strategies in fiscal 2012**
- IV . Corporate Social Responsibility**

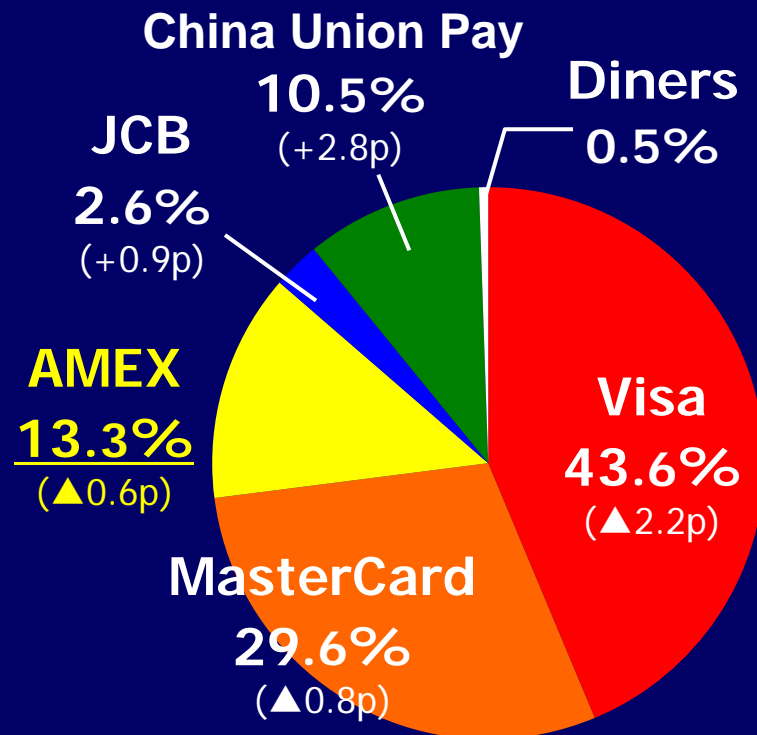
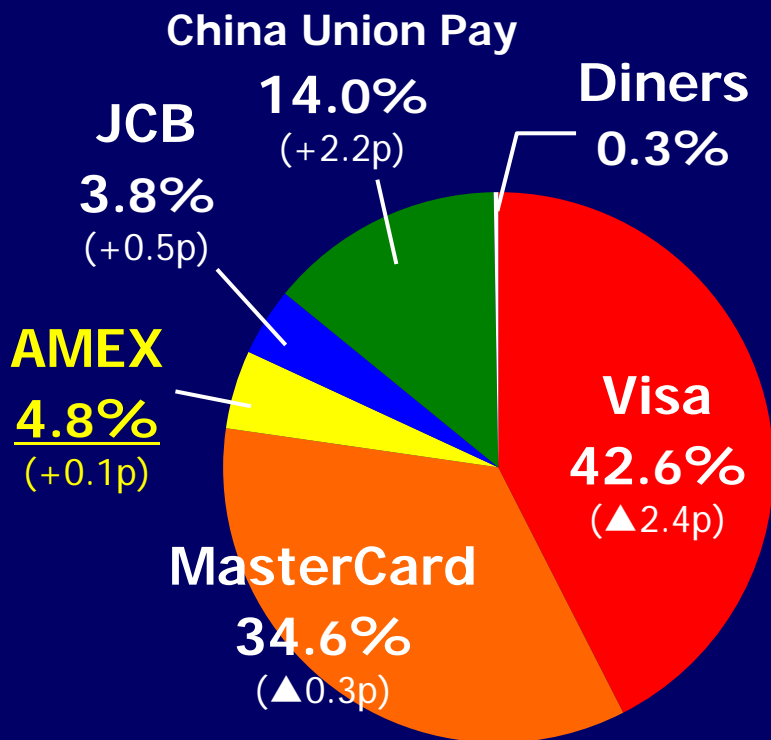
# I . Overview of card market

## 1. Brand share in global market

[ FY2011 ]

Card members

Card shopping transaction volume

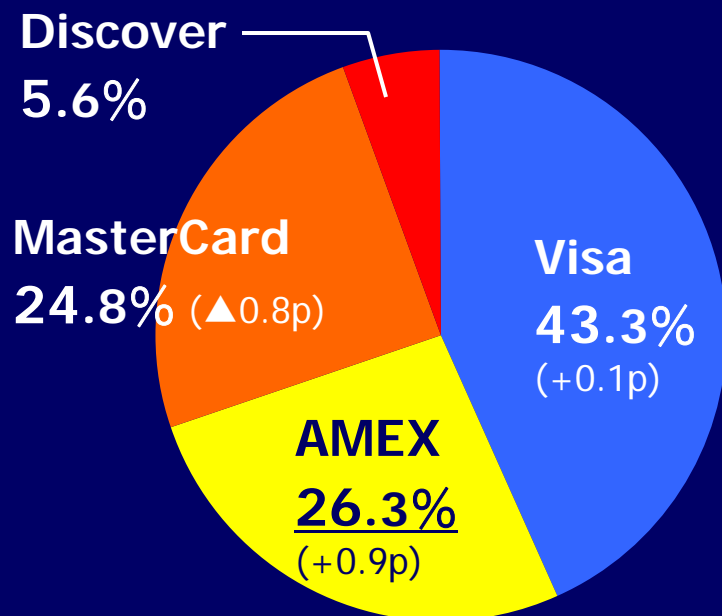


(Unit: Dollars)	Visa	Master	AMEX	Union Pay	JCB	Diners	Average
Usage amount per member	3,052	2,557	8,299	2,234	2,091	4,676	2,986

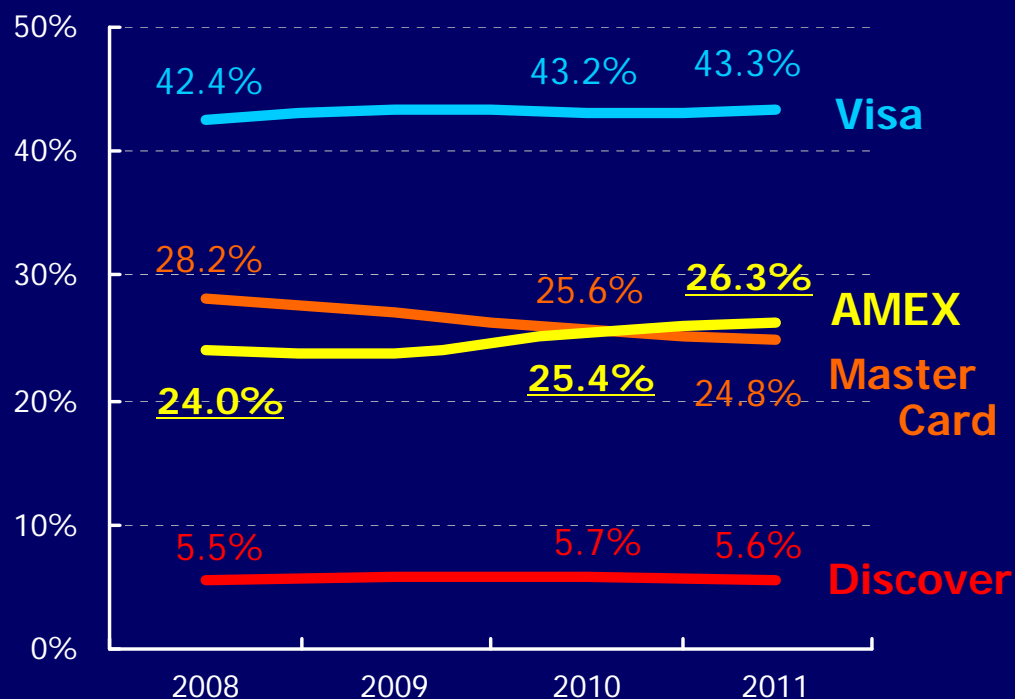
※Source: NILSON REPORT (Credit card only)

# 2. Changes in market share by brand in the U.S.

Share of Shopping Transaction Volume (FY2011)



Changes in transaction volume



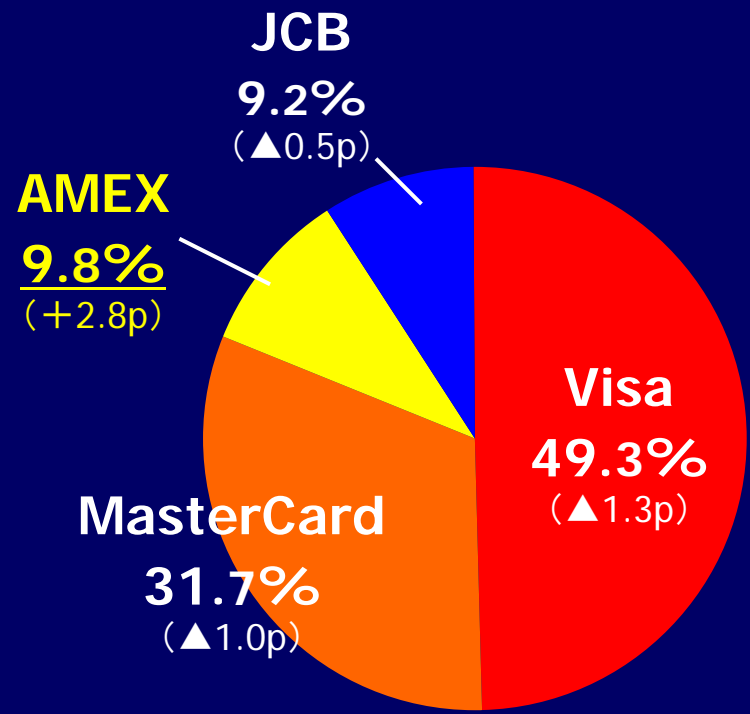
Main counting(FY2011)	Visa	AMEX	MasterCard	Discover
Card members (Number of base)	234.10 million	<b>50.60 million</b>	175.70 million	58.70million
Card shopping transaction volume	888.0 billion\$	<b>540.1billion\$</b>	508.0billion\$	114.1billion\$
Active ratio (Based on the number of account)	57.2%	<b>65.4%</b>	51.2%	42.3%
Shopping transaction volume per member ( Number of base )	3,793\$	<b>10,674\$</b>	2,891\$	1,944\$

※Source: NILSON REPORT (Credit card only)

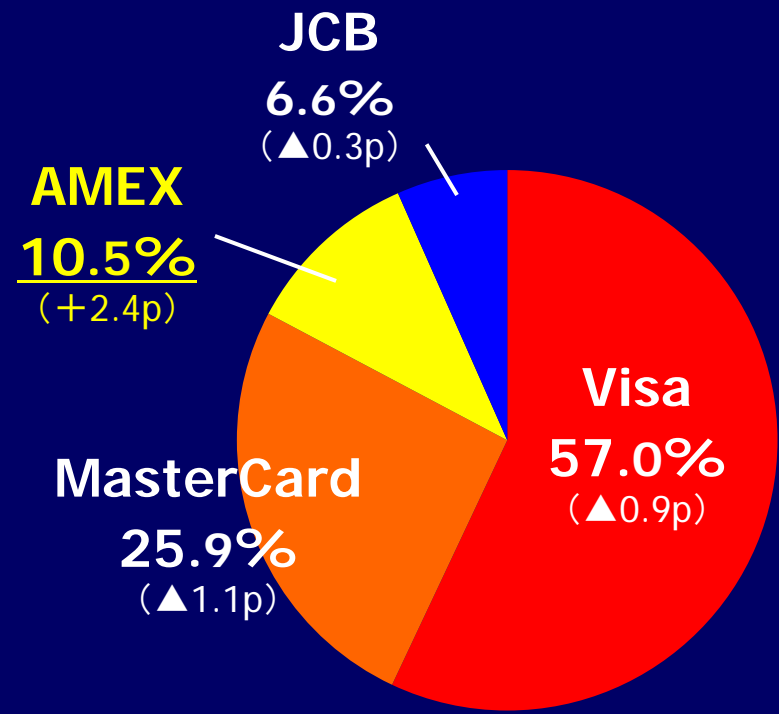
# 3. Overview of Credit Saison

## Brand share of Credit Saison [April 2011 ~ January 2012]

Card members



Card shopping transaction volume



	Visa	Master	AMEX	JCB
Card issuing share(FY2011)	27.4%	18.4%	<b>49.6 %</b>	4.6 %





# Saison American Express® Card Expansion of Service Partners



## PLATINUM

Annual fee:  
21,000 yen



## GOLD

Annual fee:  
10,500 yen

### \* Main privileges of the Platinum card/Gold card

- Priority pass : free registration (usual annual fee is 399 U.S. \$) (Platinum), registration system (separate expenses to be paid) (Gold)
- Free baggage delivery service: offered for both ways (Platinum), offered for return only (Gold)
- Premium golf service: (Platinum) : Annual fee 10,500 yen
- “Businessworld” business lounge service developed by Regus (Domestic 8 cities/25 locations, 500 cities across the world/1,100 locations) ⇒ 1 year free
- Hotel/tour reservations with the world's largest online travel site "Expedia" ⇒ 8% discount for hotels etc.
- Use of a hair salon Ash Group ⇒ When visit first 50%OFF、Second and subsequent 30%OFF



## BLUE

Annual fee:  
3,150 yen



## PEARL

Annual fee:

First year is free of charge  
(In the second year or later, the annual fee is also free of charge when the card is used)

### \* Privileges of the Blue card/Pearl card

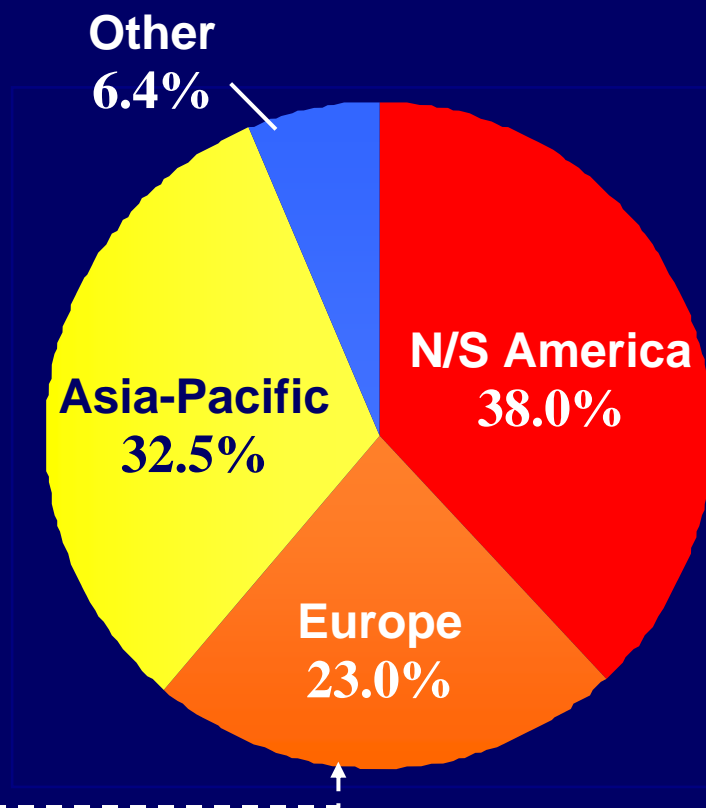
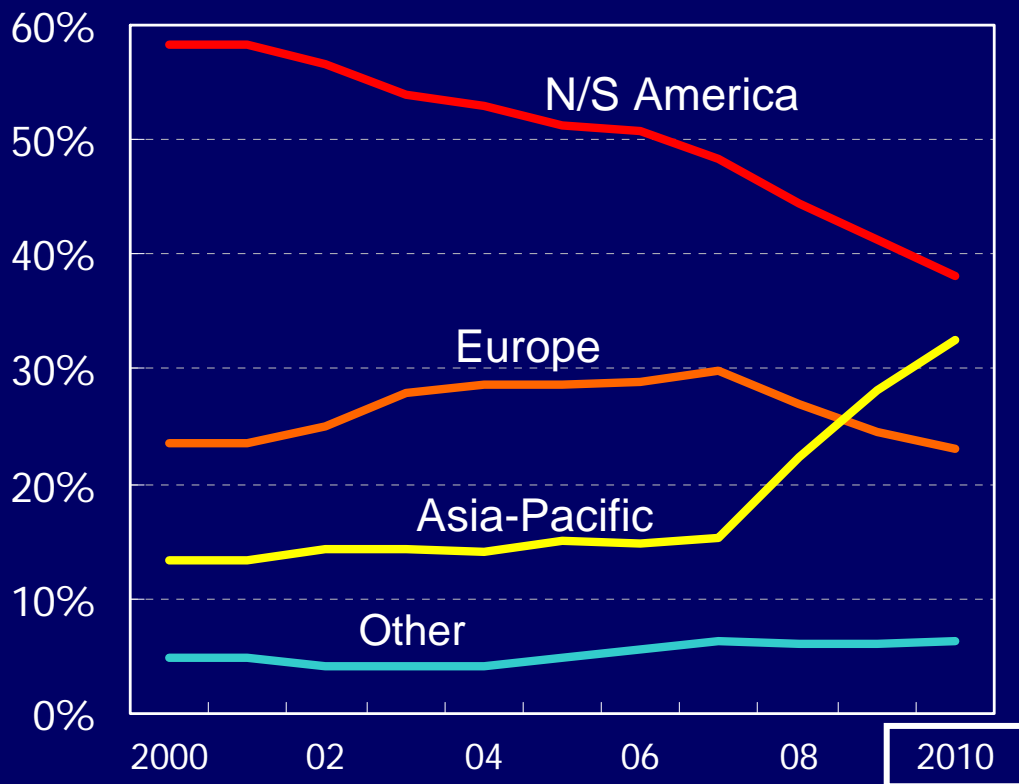
- Free baggage delivery service: (Blue): offered for return only
- On-line protection : reimbursement provided
- Hotel/tour reservations with the world's largest online travel site “Expedia” ⇒ 5% discount for hotels etc.
- Use of a hair salon Ash Group ⇒ Visit first when 50%OFF、Second and subsequent 30%OFF

# 4. Changes in transaction volume by area

## Clarification of the market shift to the Asia Pacific Ocean area

Changes in transaction volume by area

FY2010 transaction volume by area



(From FY2008 China Union Pay has been added to Asia-Pacific.)

※ NILSON REPORT

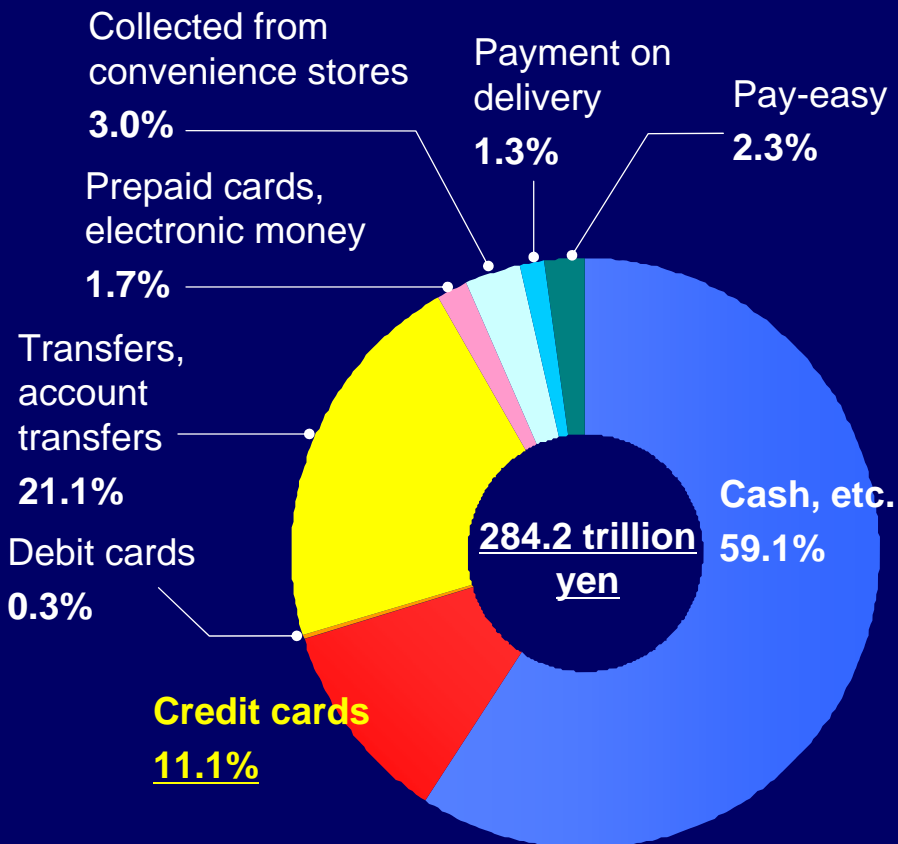
※ 主要ブランド (Visa、MasterCard、AMEX、China Union Pay、JCB、Diners) での「クレジット・Debit・プリペイド」の合計値

# 5. Comparison of share by payment methods between Japan and the U.S.

(1) Percentage of **cash** in the final private spending of 284 trillion yen is **59.1%**.

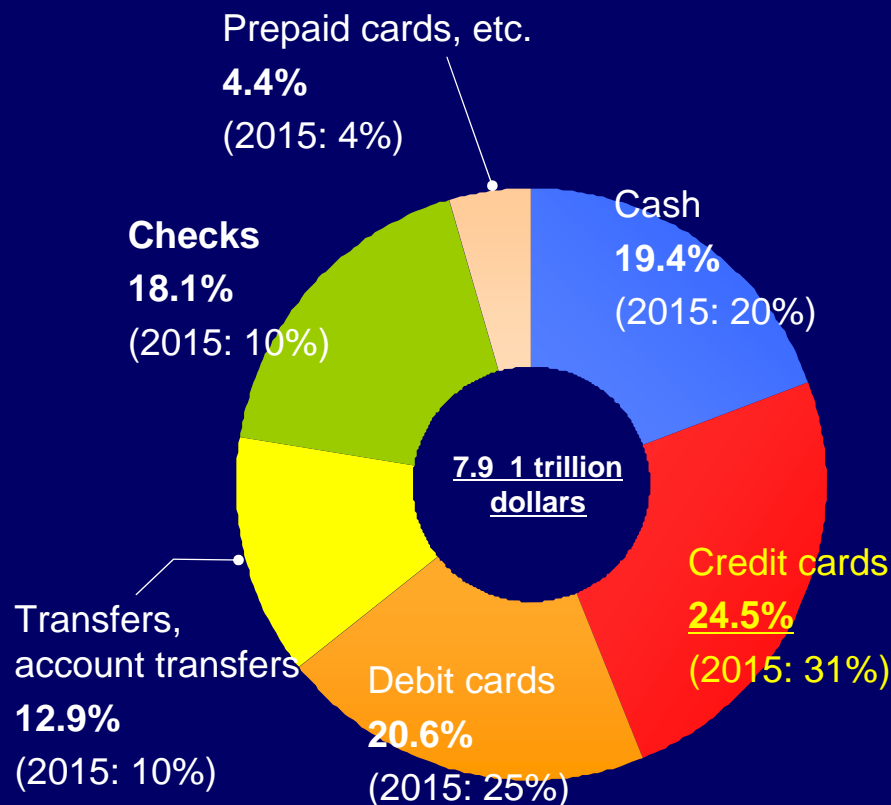
(2) Credit cards account for approx. 32 trillion yen, which is **only 11.1%**.\* U.S.: 24.5%, South Korea: 57.0%

**Japan (FY 2010)**



**U.S.A.**

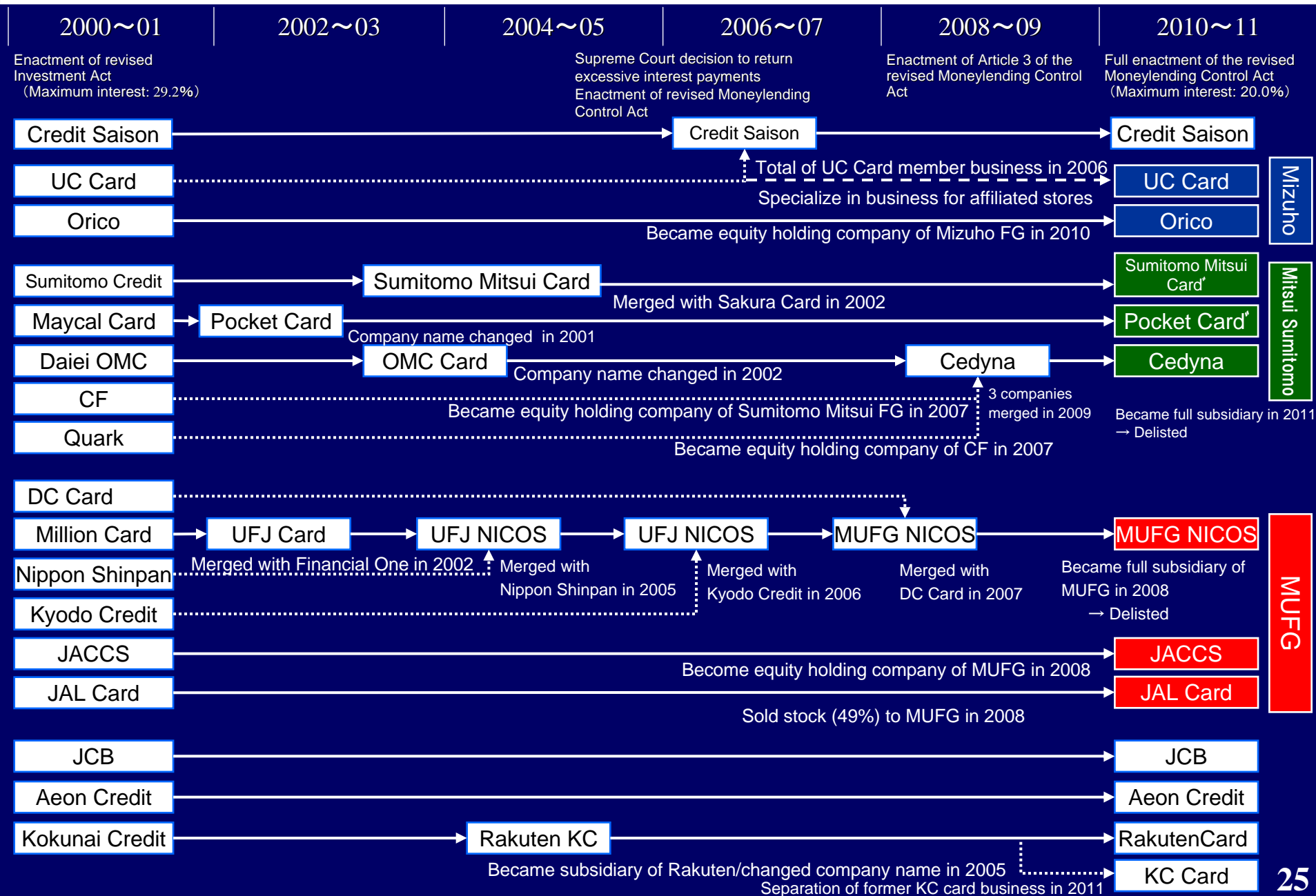
(actual figures for FY 2010 and forecast for FY 2015)



\* Japan: Estimates made by the Company on the basis of data of the Ministry of Economy, Trade and Industry, New Payment Report 2010, ABeam Consulting Ltd., Fuji Chimera Research Institute, etc.

\* U.S.: NILSON REPORT

# 6. Changes in domestic credit card industry



# 7. Reorganization of the Domestic Credit Card Industry

### Mizuho FG



Orico  
Orico



Aeon  
Credit

WAON

### Credit Saison











### Resona HD



RESONA  
Resona  
Card



Seven Card  
Service

nanaco



JP  
BANK  
ゆうちょ銀行  
Japan Post Bank



JCB  
JCB

### Sumitomo Mitsui FG



三井住友カード  
Sumitomo Mitsui  
Card



Cedyna  
OMC QUOP Cedyna



ポケットカード  
Pocket  
Card



Famima  
Credit  
Famima  
Credit




Promise




ORIX  
ORIX Credit

### NTT DoCoMo



DCMx  
NTT DoCoMo



iD

### Rakuten



楽天 R天  
Rakuten  
Card



楽天 R天  
Edy

### JR Group



view  
View  
Card



Suica  
ICOCA Kitaca  
TOICA SUGOCA



VISA TOUCH



QUICPay



PASMO

### Mitsubishi UFJ FG



三菱UFJニコス  
Mitsubishi UFJ Nicos



JA CARD



JACCS  
Jaccs



JAL  
JAL Card



アコム  
Acom



mobit  
mobit

### Others



TOYOTA  
FINANCIAL SERVICES  
Toyota F



Aplus



citi  
City Card



Life  
CARD  
Life



MICARD  
MI Card



新生銀行  
Lake  
Shinsei Bank  
Lake



Diners Club



アイフル  
Aiful



EPOS  
CARD  
Epos Card



SHINKI  
Shinki



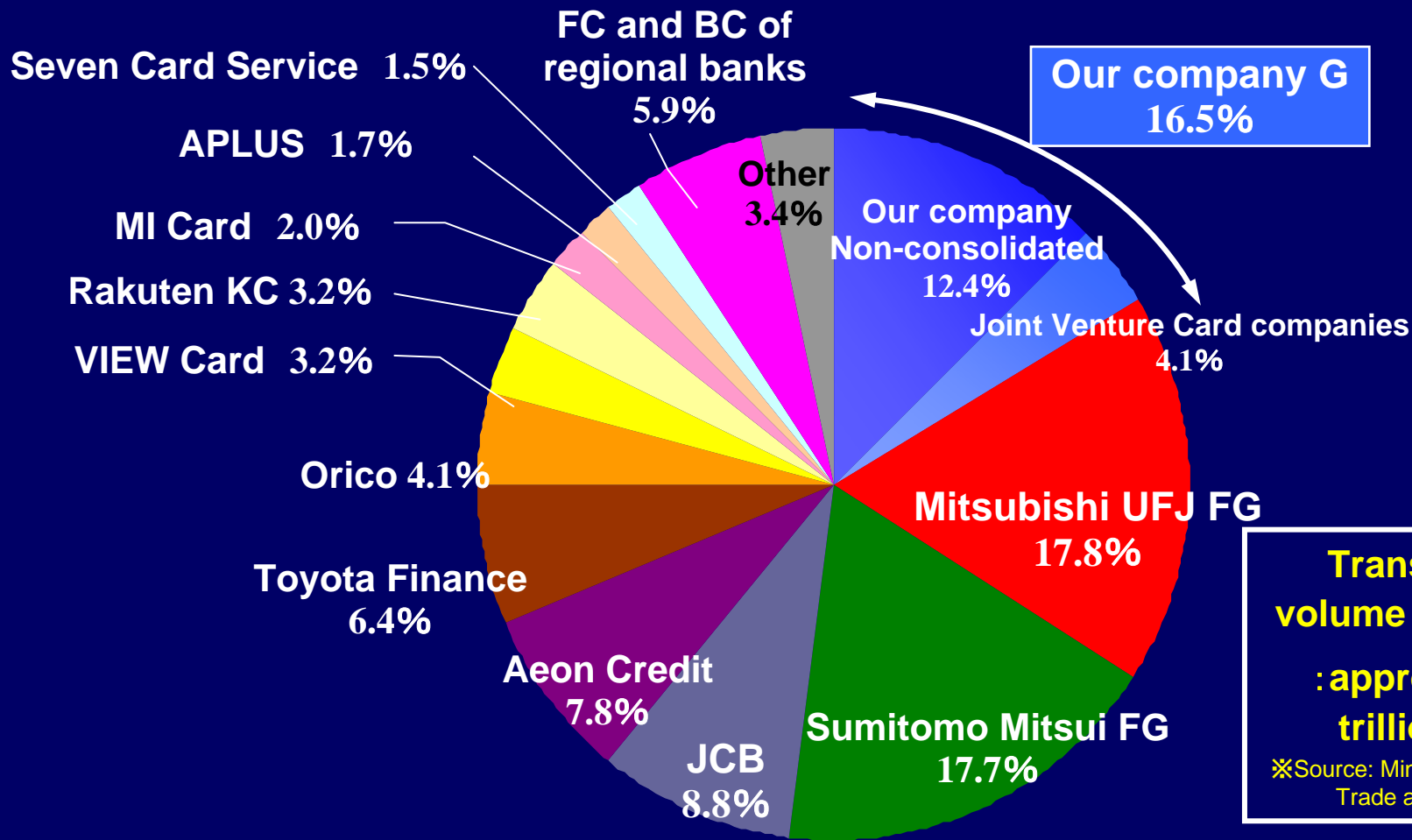
ディック  
Dick



武富士  
LOPRO

# 8. Domestic market share (shopping transaction volume)

■ Card shopping transaction volume (issuer base) [2010 fiscal year]



**Transaction volume in FY2010**  
**: approx. 31.9 trillion yen**  
 ※Source: Ministry of Economy, Trade and Industry

※Calculated by our company's independent estimation methods on the basis of each company's officially announced calculations, etc.  
 ※As a rule numbers are given for each company on non-consolidated basis (excluding overseas card members); both FC and BC of all brand companies (more than 120) are calculated as "FC and BC of regional banks"  
 ※Investment destinations of our company: Idemitsu Credit, Resona Card (a part of the Saison brand), Takashimaya Credit, Shizuoka Bank Saison Card, Daiwa House Group



# 9. Company's Innovations in the Card Industry (1)

- 1982 Issued of "Seibu Card", launch of national development of business bases for issuing cards (Saison counters)
  - ⇒ Created model for acquisition of new card members at shops with cards with no annual fees that offered instant credit/instant issue
- 1982 Launched establishment of unmanned cash dispenser machines for cash advances
  - ⇒ While increasing convenience, eradicated the sense of guilt when customers use cash advances
- 1988 Entered into an alliance with VISA/MasterCard
  - ⇒ Issued international cards with no annual fees
- 1990 Started first transactions in Japan not requiring signatures on the Seiyu food floors
  - ⇒ Greatly improved convenience for the customers by reducing the time needed for the everyday payments
- 1992 Started issuing Saison Postal Savings cards
  - ⇒ By creating a nationwide operating system of satellite offices, the Company acquired a truly overwhelming share
- 1997 Entered into an alliance with American Express
  - ⇒ Started provision of American Express cards with the annual fee of 3,000 yen, established the first in the industry card-issue system incorporating four major international brands
- 1999 Under joint management with SONY established Entertainment Plus Co., Ltd., a company developing "e+"
  - ⇒ Launched ticket sales and informational service for card holders
- 2002 Established a business model providing capital, personnel, and know-how under joint venture system (ex. Idemitsu Kosan, Resona Holdings, Takashimaya, Yamada Denki, Shizuoka Bank, Daiwa House Industry, Yamaguchi Financial Group)
- 2002 Launched a new points program "Saison eikyufumetsu points"
  - ⇒ Abolished the term of validity with the ability to "store points forever and exchange them for the products of your dreams" as the underlying concept
- 2004 Concluded a comprehensive alliance with Mizuho Financial Group
  - ⇒ By uniting with an operational company that is a member of UC, became one of the largest credit card companies in the industry
- 2006 Launched services of Thoroughbred Club Saison
  - ⇒ Offered the card holders a service enabling them to jointly own racehorses
- 2006 Launched operations of "eikyufumetsu.com", an on-line shopping mall
  - ⇒ Developed a number of fee businesses in such areas as "mobile", "content", "research", and "auction"

# Company's Innovations in the Card Industry (2)

- 2007 Established SAISON ASSET MANAGEMENT CO., LTD. and launched wealth accumulation services
  - ⇒ Entered into an alliance with a U.S. company Vanguard, achieving no-load investment fund with trust fees on the lowest terms in the industry
  - (January, 2008, receives Nikkei Superiority Award for Excellent Products and Services from the Nikkei)
- 2007 Established Qubitous, the first all-round processing service company in the industry
  - ⇒ Achieved grouping of all of the card processing work related to the SAISON and UC brands
- 2008 Launched rental business in alliance with Yamada Denki
- 2009 Launched Credit Saison flat 35 service (Long-term Fixed Rate Housing Loans)
- 2010 Undertook management of Akagi Nature Park (Gumma Prefecture) as one of CSR activities
  - ⇒ The park offered a place people can get close to the beauty of the Nature, experience its splendor
- 2010 Concluded an agreement with American Express on issue of cards with a new design featuring drawing of centurion
  - ⇒ Issue of status cards with a totally new concept (PLATINUM, GOLD, BLUE, PEARL)
- 2010 Issued Wal-Mart Card SAISON (American Express brand)
  - ⇒ Equipped with "1% discount: everyday and any time" function to be used in Seiyu shops
- 2010 Concluded a comprehensive business partnership agreement with Seven & i financial group
  - ⇒ Launched operations by a joint venture "Seven CS Card Service" in April, 2011
- 2011 Established "Judge Committee"
  - ⇒ The Committee promotes development of such new businesses as insurance products of LIFENET INSURANCE COMPANY, "Automobile Insurance for grownups" of the SAISON AUTOMOBILE&FIRE INSURANCE, etc.
- 2011 Entered into an alliance with China UnionPay for affiliated store operations in Japan.
  - ⇒ Formed an alliance with UC card with a goal of 50,000 affiliated stores conducting transactions with China Union Pay
- 2011 Made possible to use eikyufumetsu points for net shopping
  - ⇒ Was the first in the industry to launch a service with the points' balance of 68 billion yen that can be used for net payments
- 2012 Established a representative office in Hanoi, Vietnam
  - ⇒ Made inroads into the Asian markets on the foundation of the Company's know-how in the retail/nonbank spheres



## II. Managerial concept for the medium term

Operate based on Collaborative Management utilizing SAISON-AMEX Cards and other strategic weapons

Multiple business spheres  
with credit cards as the axis

Overwhelming customer  
channels/  
alliance partners

Originality of products and  
services,  
extensive customer base



[The Company's strategic  
weapons]

Alliance  
partners:  
neutral  
alliance  
strategy

Eikyufumetsu  
points:  
points  
balance:  
70 billion  
yen

Eikyufumetsu.  
com:  
7 million  
Net  
members

Diversified  
payment  
system:  
prepaid  
cards/Union  
Pay,  
payment by  
points

Offering a wide array  
of nonbank products:  
supplying fine-tuned  
other companies  
do not offer

**AMEX  
SAISON-  
UC**  
Increasing  
appeal of  
cards



[Three primary policies of the Company]

Construction of a payment platform  
with credit cards serving as  
the axis destroying cash market

Conversion into multi-core profit  
source foundations by promotion of  
nonbanking services, such as lease,  
credit guarantee, flat rate loans,  
financing, etc.

Expansion of fee revenues by  
creation of businesses  
using customer data centering on  
NET members

Being a nonbank with multiple profit sources

# III. Business strategy for the FY 2012

By developing our credit business on the firm basis of specialization and alliances between all of the companies within the scope of consolidation, becoming No. 1 in the industry in terms of ability to acquire new members and transaction volume, at the same time expanding our share further

## (1) Creating a system making our Company Group No.1 in the business in terms of functionality of the cards on consolidated base

By each company of the Group reinforcing its strategic weapons, strive to become No.1 in ability to acquire new members, transaction volume, creditability checks, credit, collection, information, and affiliated shop business, seizing the market share from the competitors

## (2) Striving to make Net business our core

Greatly expanding transaction volume of eikyufumetsu.com, at the same time conducting full-scale development of the Company's advertising/research/social media businesses.

## (3) Promoting nonbank services (lease & rental, credit guarantee, Flat 35 and nonrecourse loans)

Reinforcing finance business in character with the Company's nonbank status, and ensuring multiple profit sources

## (4) Concretization of business entry into Asia

Actualizing overseas business strategy as a preliminary move ensuring sustainable growth in the future  
Anticipatory investment into customer-data businesses, etc.

# 1. Strengthen development of NO.1 card industry ①

To take market share to make your card number on a consolidated basis pioneer No.1

Credit Saison (Including capital tie-up card)	2011			
	New card issued (million)	Total cardholders (million card holders)	transaction volume (Trillion yen)	Ordinary Income (billion yen)
Credit Saison	1.96	24.75	3.66	41.0
Idemitsu Credit	0.23	3.07	0.71	4.3
Seven CS Card Service	0.24	3.12	0.64	2.6
Takashimaya Credit	0.10	1.37	0.59	3.3
Resona Card	0.09	2.36	0.36	4.4
Shizugin Saison Card	0.02	0.18	0.03	0.01
Daiwa House Financial	0.01	0.32	0.02	△0.03
<b>Total</b>	<b>2.65</b>	<b>35.17</b>	<b>6.03</b>	<b>55.6</b>

※Transaction volume is the sum of shopping and caching

※Ordinary income is a number of companies, different interests and contributing to our consolidated.



# 1. Strengthening of Industry No.1 new card member acquisition ability

## Striving to enlarge the market share by expansion of our customer base

### ■ Maximization of the number of new members acquired with the existing channels

- Strengthening of measures to acquire new active cardholders in the growing industries (shopping centers, communication, etc.) in order to win over card users of other companies

### ■ Promotion of the Company's cards in the Internet industry

- Promoting our services in the homepages of our partners, among Internet members/subscribers to mail magazines
- Collaboration with net companies, mutual cooperation to utilize their member organizations and customers  
(Acquisition of new members utilizing points' exchange with Yahoo, DeNA, Gree, etc.)

### ■ Development of new customers acquisition channels for Centurion AMEX

- Developing new bases for expansion (commercial facilities, WEB channels, etc.)
- Developing approaches to the corporate market (credit cooperatives, credit banks, etc.)

## 【Targets for FY 2012】

**Number of new cards issued (consolidated) 2,880,000 (+ 9% YOY)**  
**(non-consolidated) 2,200,000 (+12% YOY)**

## 2. Enhancing the appeal of proper cards (AMEX/SAISON/UC) (1)

Striving to enlarge the Company's market share by improving the basic functions, marketability, and services of our cards

### ■ Victorious companies in the card industry are essentially those companies that issue store cards

Winning the competition of differentiation by assigning the house card functions to our own cards

### ■ It is necessary to quickly create weapon armoring cards with superiority and differentiation in addition to eikyufumetsu points

- (1) Launching alliances on discounts with multiple companies starting with companies we are already collaborating with
- (2) Holding of regular discount sales during local festivals or in local shops
- (3) Institution of days when eikyufumetsu points are doubled, tripled, etc.
- (4) Developing preferential treatment, etc. by industry/area using the differentiation available with the AMEX brand
- (5) Contributing to ability to attract customers/increase in sales by provision of information to customers

### ■ Expanding the number of ID partners centering on online companies

Yahoo! Points Club/ Yahoo! LOCO/Google/Facebook, etc.

### ■ Undertaking payment services for smartphones/tablets

Collaboration with payment service providers

## 2. Enhancing the appeal of proper cards (AMEX/SAISON/UC) (2)

Development and marketing of products and services aiming at acquiring customers of other companies and taking in the cash market

### ■ Issue of sub-credit cards linked to credit cards proper

- Taking in the small sum transactions currently increasing for example in drugstores and the cash market

### ■ Increasing the use of affiliated credit cards, ALL Saison, and UC members at shops of existing partners

- Strengthening of appeal of services for all Saison members, such as the exclusive 5% off at PARCO, 5% off at Seiyu, etc.

### ■ Expansion of the areas for prepaid/credit payments

- Entry into the online electronic money market; virtual prepaid services
- New issue of Visa prepaid/Union Pay prepaid cards; promotion of Neo Money

### ■ Capital of 70 billion yen, utilization of eikyufumetsu points and value of service

- Promotion of eikyufumetsu points through exchange of points with partners
- Net payments: expansion of payment services through use and exchange of eikyufumetsu wallet/points

### ■ Participation in validation experiment of the NFC service

- Examining use environment of a non-contact IC payment services on smartphones running Android™ using the network of American Express

### 3. Expanding our presence in the net business

Rapidly expanding the transaction volume of eikyufumetsu.com, cultivating the Company's marketing/advertising business

#### ■ Rapidly expanding transaction volume of eikyufumetsu.com

- <Increasing number of customers> Increasing the number of internet card holders by raising the proportion of new supplementary cards issued
- <Recognition> Increasing the presence of the Company in both the owned media and mass media
- <Understanding> Engaging in target marketing
- <Ease of use> Improving the convenience of our website
- <Feeling of getting good worth for the money> Special promotion by affiliation with products

#### ■ Cultivation of marketing/advertising business

- Making the presence of the Company's marketing business felt in wider circles by accumulating a larger number of successful joint ventures with EC and various manufacturers
- Entering into alliances with the leading Net companies in the drastically changing smartphone ad network market

#### 【Targets for the FY 2012】

Number of net members: 8,540,000 (+23% YOY)

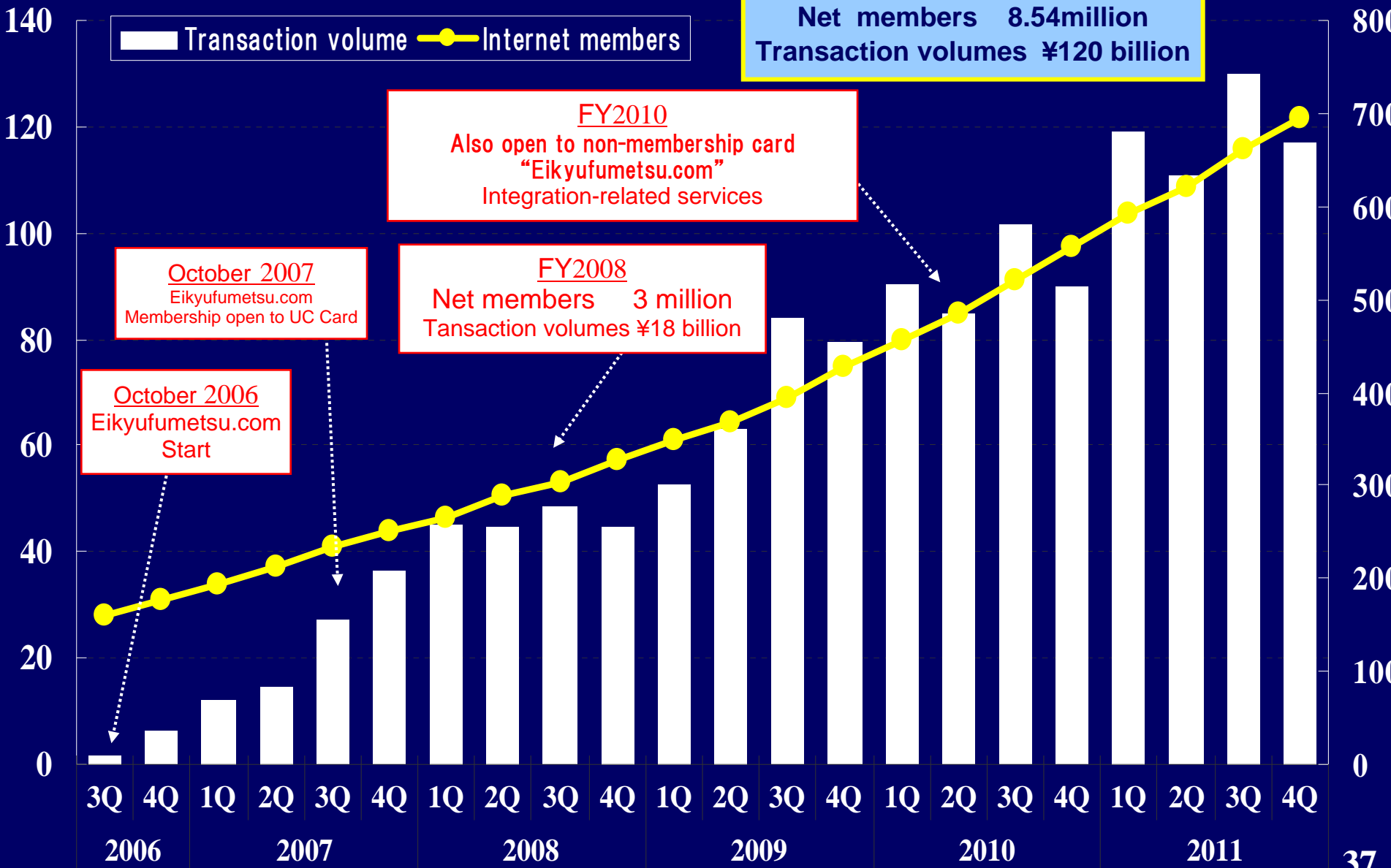
Transaction volume of eikyufumetsu.com: 120 billion yen (+150% YOY)

Contribution margin: 5.3 billion yen (+77% YOY)

# Eikyufumetsu.com transaction volume / Internet members Transition

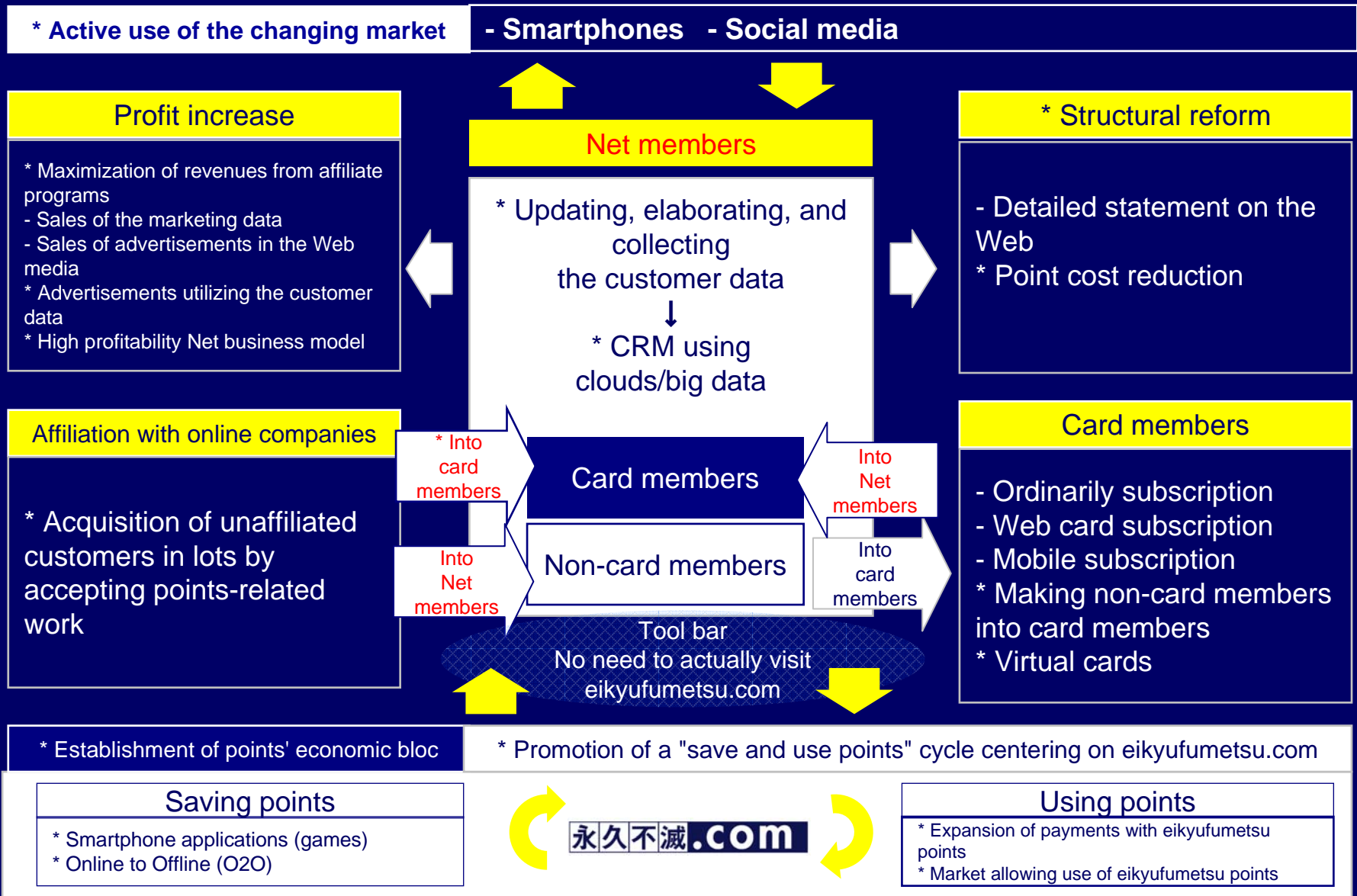
(¥ one hundred million)

(ten thousand people)





# Schematic view of the Net business



**\* New measures**





## 4. Reinforcement of Finance Business: Lease and Rental Business

### Acquisition of an overwhelming market share and expansion of product areas

- **Reinforcing marketing activities among dealers run by major manufacturers**
  - Conducting marketing activities putting particular emphasis on the dealers run by manufacturers with the largest market share in the OA equipment market
- **Reinforcement of alliances with existing clients**
  - Making the Company's ties to existing clients and their trust for us even stronger to increase business results
- **Development of products matching the needs of the market**
  - Scale up rental services for LED lighting keeping pace with the expanding demand in the ECO-related products
  - Making inroads into medical equipment and industrial machinery, developing new product areas
- **Further reinforcement of mobility of operating bases**
  - Reinforcement of staff organization in the national operating bases and cultivation of a marketing force capable of winning against the rival companies

### **[Targets for the FY 2012]**

**Lease and rental Transaction volume: 105 billion yen (+9% YOY)**

**Operating revenues: 15 billion yen (+2% YOY)**



## 5. Reinforcement of Finance Business: Credit Guarantee Business

Reinforcement of measures to enable steady accumulation of "good-quality guarantees balance"

### ■ Entering into new alliances

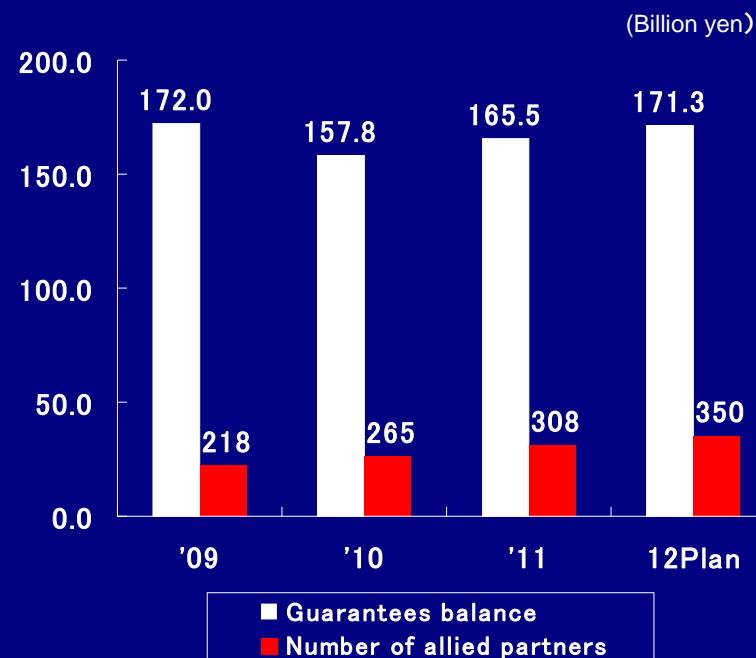
- Reinforcement of activities approaching the "credit banks" business category
  - ⇒ Aiming at entering into comprehensive alliances with 271 companies in Japan

### ■ Measures to improve the transaction volume with existing partners

- Promotion of consumption-type loans matching the business potential
- Product renewal using triple creditability checking

### ■ Improvement in the accuracy of checking

- Increase of accuracy of "risk pricing creditability check"
  - ⇒ Active utilization of information on transactions with the partners



### 【Targets for FY 2012】

New alliances: 45 (adding up to a total of 350)

Guarantees balance: 171.3 billion yen (+4% YOY)

Operating revenues: 10.3 billion yen (+5% YOY)

## 6. Reinforcement of Finance Business: Flat 35 (Long-term Fixed Rate Housing Loans)

Enriching the services available under "Saison Housing Loan Package": aiming at becoming the No.1 in the industry

◎ Aim at market domination with the sense of reliability/security attached to the Saison brand.

### ■ Features of "Saison Housing Loan Package"

- (1) Use of preliminary check ⇒ In accordance with credit information, the answer is given within two business days as a rule.
- (2) Loan can be made on any business day ⇒ Any day available from the 1st to the end of the month (with the 13th of each month excluded).
- (3) Receipt of capital by proxy ⇒ Availability to receive money directly to the account of the dealer/contractor
- (4) Borrower can select the date and place of contract conclusion ⇒ Flexibly matching the requests including also Saturdays, Sundays, and holidays
- (5) Full amount is lent under flat 35 PLUS ⇒ Covering the 10% left after the amendment of loan system by the Japan Housing Finance Agency that set the upper limit for loans at 90% of the construction cost/purchase price  
Bridging loans for the total amount are also available

Total amount paid for the housing available for a loan

Flat 35 loan of Credit Saison (90%)

Flat 35 Plus (10%)

9割

1割

### 【Targets for the FY 2012】

Yearly number of transactions: 2,000

Transaction volume: 53 billion yen (+7% YOY)

Operating revenues: 1.6 billion yen (+4% YOY)

# 7. Concrete Steps of Expansion in the Asian Market

## Entry into new areas utilizing the Company's know-how in the retail/nonbank spheres

### ■ Singapore

- Examination of approach based on creating affiliated companies overseas that has the merits in terms of geographical superiority

### ■ China

- From June, 2011: the Company has been engaged in the work on installment payments for individual goods in Tianjin
- ⇒ Submitted application for incorporation-procedures/permits with a view to achieve the goal of creating small sum lending business using own credits

### ■ Vietnam

- First half of 2012: Established a representative office in Hanoi
- Entered retail/nonbank business
- ⇒ Examine the possibilities of further advancement through alliances with financial institutions/operational companies, etc.
- Areas to make inroads into: credit card business, installment payments for individual goods business, IT/social network business

### ■ Other Asian areas

- Will attempt new entries and expansion of the business bases following the advancement into Asia by close allied partners





# IV. CSR/Mecenat 1. Japan National Football Team

From 2001: the Company has been renewing a supporting company contract with Japan Football Association  
(National Team A, Team U-23, Team U-20, Team U-17, Nadeshiko Japan, FUTSAL Team, Beach Soccer Team)

## (1) JAPAN Card Saison

- Donations to Football Association  
(0.1% of the amount paid with the credit card, and 500 yen for every card issued)



## (2) Goods of the National Team and Nadeshiko Japan available via points' exchange and sales

- Sold to card members under collaboration with Adidas Japan
- Exchange of eikyufumetsu points with an original National Team calendar (limited time offer)  
(100 points (500 yen) out of every 400 points are donated to the Football Association as sponsorship funds)

## (3) Nadeshiko Japan World Cup Commemoration

- Put up "Congratulations to Nadeshiko Japan!" posters at Saison counters on the day after the victory
- Presented GOLD-AMEX lifelong annual fee-free cards to the team members and coach Norio Sasaki (was taken up by TV, general newspapers, sports newspapers, and the WEB ensuring large publicity on the day of the victory and the day after that)

## (4) Ceremony of presentation of the sponsorship funds

- Total amount of donation during 2011: 8,300,000 yen  
(JAPAN Card: 3,300,000 yen; donation with eikyufumetsu points: approx. 5 million yen)





## 2. Akagi Nature Park

O Number of days open: FY 2011: 156 days → FY 2012: 166 days (ten days more than the last year)

O Number of visitors FY 2011: 27,334 → FY 2012: 32,000 (117% of the last year)

By raising the level of the Nature programs offered at the park and recognizability of the park itself, striving to invite more organizational participation from the local community circles and health insurance societies

### FY 2012 Open days

Spring

April 7 (Sat.) - June 10 (Sun.)

Summer

July 13 (Fri.) - August 26 (Sun.)

Early autumn

September 14 (Fri.) - October 8 (Mon. and holiday)

Late autumn

October 19 (Fri.) - November 18 (Sun.)



### Main work-study programs

#### ◇ Photography events held in the garden

Akagi Nature Park Photo Contest  
Photo tour with Photographer Yukito Arai

#### ◇ Night hike

Strolls through the woods enjoying night sky and voices of the insects

#### ◇ Handicraft studio/Charcoal sacks workshop

Handicraft workshop using nuts and branches/creating charcoal sacks at a charcoal burner's lodge

#### ◇ October 28 (Sun.) "Gumma Residents' Day"

Free child admission (usually children from elementary school to high school are charged 300 yen)

#### ◇ RHSJ Child work-study program

Work-study program for elementary school students teaching "wisdom of the plants"

\* Held in spring, summer, early autumn and late autumn

### Supporting companies in FY 2012 (listed in the order of the Japanese syllabary )

