

Management Report FY2015



Davidia involucrate



Chinese peony



Rhododendron



Glaucidium palmatum



Credit Saison CO.,LTD
operates a Akagi
Nature Park.

2016. 5. 16
CREDIT SAISON CO., LTD.

AGENDA

Saison AMEX Lineup



◆ FY2015 Highlights

I . FY2015 Financial Report

II . Medium-term management plan

III . Social Contribution Activities

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 2015 Fiscal Year

I. Payment

Card Business

- Increase in Saison American Express® Card members to more than 6.5 million
- Expansion of prepaid card portfolio to total 13 cards with launch of the following new 8 cards, in order to supersede the cash market:
“Neo MONEY China Union Pay Card and other new 3 cards”, “Osaifu Ponta”, “EPICA”, “Azalea Card” and “Point & Prepaid Picoca Card”

II. Solution

Solution Business

- Acceleration of solution sales to meet specific needs of each business, promoting cashless payments in the corporate market
- Issuance of new products for corporations +31%(YoY), transaction volume +15%(YoY) resulting in an increase in results

III. Internet

Internet Business

- Information distribution to create demand from card members by utilizing big data
- Establishment of “Saison Ventures Co., Ltd.,” a corporate venture capital, for the purpose of investment in strategic ventures including the Fintech domain

IV. Finance

Finance Business

- Increase in balance of asset formation loans to more than 100 billion yen (increase by 86% from the end of the previous term to 126.2 billion yen)
- Launch of “Saison’s Home Assist Loan” to provide funds required when consumers purchase houses

V. Global

Overseas Business

- Formation of a capital and business alliance with HD Bank in Vietnam and operation commencement of “HD SAISON Finance Company”
- Establishment of “Pt.Saison Modern Finance” in Indonesia to enter prepaid card business and lease business

VI. Group

Group administration

- Establishment of “Monex-Saison-Vanguard Investment Partners, Inc.,” a discretionary investment management company
- Collaboration with atre co., ltd. and Atrium Co., Ltd. for the project to construct “atre Ebisu Nishikan,” which celebrated its grand opening at the west exit of Ebisu Station on April 15, 2016



I . FY2015 Financial Report

- 1. Financial Results**
- 2. Results by Business Segment**
- 3. Contributions by Consolidated Companies**
- 4. Main Indices (Non-Consolidated)**
- 5. Trends in the credit business**
- 6. Credit risk / Credit cost**
- 7. Interest repayment claim**
- 8. Financial Indices / Dividends**

1. Financial Results

(¥Billion)

		FY2014	YoY(%)	FY2015	YoY(%)	FY2016 (Estimate)	YoY(%)
Consolidated	Operating Revenues	259.0	104.6	269.9	104.2	278.0	103.0
	Ordinary Income	43.6	98.4	43.8	100.3	50.0	114.1
	Quarter Net Income	12.6	49.4	26.1	207.2	38.5	147.2
	Earnings per Share (¥)	68.77	49.4	147.37	214.3	235.72	160.0

Non-consolidated	Operating Revenues	219.3	106.5	228.7	104.3	239.6	104.8
	Ordinary income	38.4	110.3	32.6	84.8	40.0	122.6
	Quarter Net Income	11.3	60.7	25.5	226.0	28.5	111.5

2. Results by Business Segment

(¥Billion)

	Operating revenues			Operating income		
	FY2014	FY2015	YoY(%)	FY2014	FY2015	YoY(%)
Credit Service	199.2	204.2	102.5	15.3	8.2	53.9
Lease	13.9	13.5	97.1	5.9	5.1	86.3
Finance	22.8	27.3	119.8	13.2	15.8	118.9
Real Estate-related	13.0	15.4	118.2	4.5	6.4	142.4
Entertainment	10.9	10.3	94.6	1.0	0.9	89.7
Total	260.0	270.9	104.2	40.1	36.5	91.1
Inter-segment Transactions	△1.0	△1.0	0	0	0	0
Consolidated	259.0	269.9	104.2	40.1	36.5	91.1

3. Contribution by Consolidated Companies

Ordinary income: Difference between consolidated and non-consolidated figures

Contribution to consolidated results

	Non-consolidated	Consolidated	Difference
Ordinary income	¥32.6 billion	¥43.8 billion	11.1 billion

Major consolidated subsidiaries	Contribution to ordinary income	Major equity-method affiliates	Contribution to ordinary income
Atrium Group (liquidation of real estate) (servicing business)	¥7.24 billion	Idemitsu Credit Co., Ltd. (credit card business)	¥1.47 billion
Concerto Inc. (entertainment business)	¥1.80 billion	Takashimaya Credit Co., Ltd. (credit card business)	¥0.90 billion
Saison Fundex Corporation (loans) (real estate)	¥0.80 billion	Seven CS Card Service Co., Ltd. (credit card business)	¥0.76 billion
SAISON PERSONAL PLUS COMPANY LIMITED (temporary staff) (servicing business) <small>* JPN Holdings Co., Ltd. and Human Plus Co., Ltd. were consolidated in one company in January 2016, and the new company was named as Saison Personal Plus Company Ltd.</small>	¥0.18 billion		

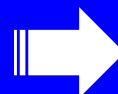
(Reference) Progress of the Real Estate Business (Atrium Group)

Restructuring of the company was completed in the end of 2015.

The company now aims to contribute to the profit generation of the Group in a stable manner.

FY2016

- Purchasing of small and medium size real estate and offering it for sale with added value in a short time
- Retaining small profitable housing to ensure rent income
- Purchasing of debt from financial institutes, and management and collection of such debt



[FY2016 Plan]

Ordinary income:
1.8 billion yen

■ Grand opening of “atre Ebisu Nishikan” (April 15, 2016)

Joint project with atre co., ltd. and Atrium Co., Ltd.



Garden Terrace on the Roof



Tape Cutting at the Opening Ceremony



Exterior Appearance of the Facility

4. Main Indices (Non-Consolidated)

	FY2014		FY2015		FY2016(Estimate)	
		YoY(%)		YoY(%)		YoY(%)
New Applications (millions)	3.00	90.6	3.30	109.8	3.40	103.0
New Card Issued (millions)	2.37	93.6	2.62	110.5	2.70	103.0
Total Cardholders (millions)	24.97 (+0.22)	100.9	25.61 (+0.64)	102.6	26.92 (+1.31)	105.1
Active Cardholders (millions)	14.58 (+0.38)	102.7	14.77 (+0.19)	101.3	15.72 (+0.95)	106.4
Transaction Volume (¥ billion)	4,366.4	106.1	4,526.0	103.7	4,844.0	107.0
Card Shopping	4,089.3	106.1	4,258.2	104.1	4,573.0	107.4
Cash Advances	277.0	104.9	267.7	96.6	271.0	101.2

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

Figures in parentheses are changes from the previous year

5-(1) Trends in Credit Business — Shopping —

[Transition in Members]

Thanks to strengthening of sales activities to acquire new customers at the time of new shop opening of our business partners, **numbers of both card holders and active members increased.**

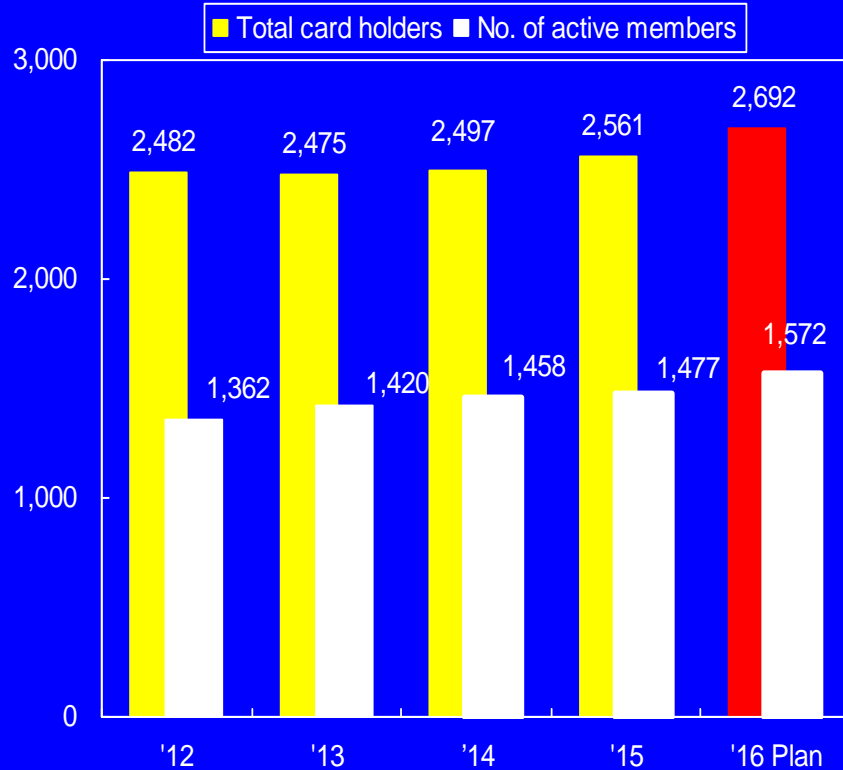


[Transition in Transaction Volume]

As total numbers of card holders and active members increased, we target transaction volume of **4,573 billion yen (+7% in YoY comparison).**



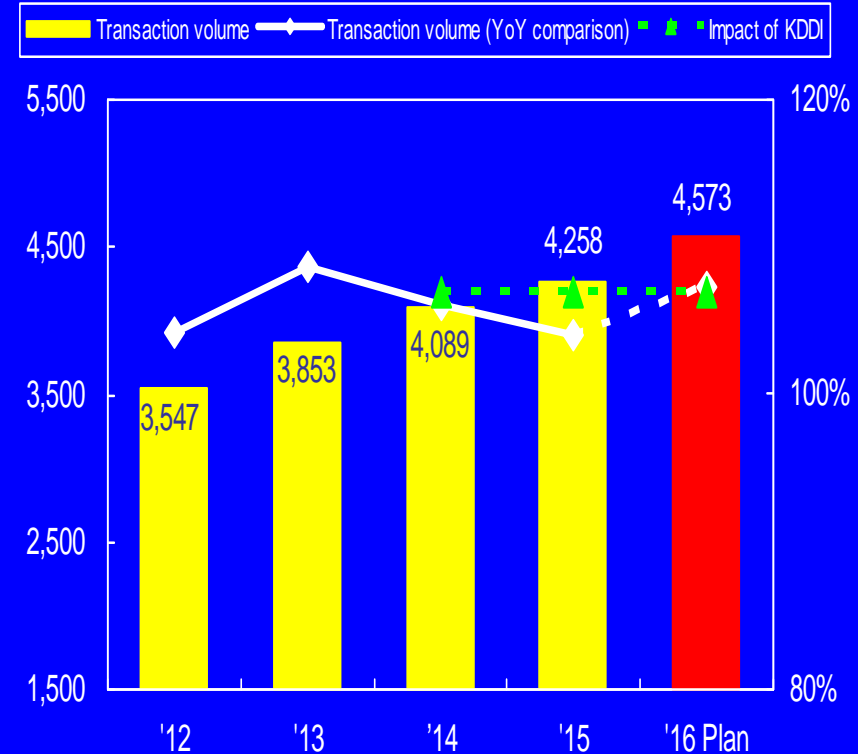
(Ten thousand people)



Transaction volume

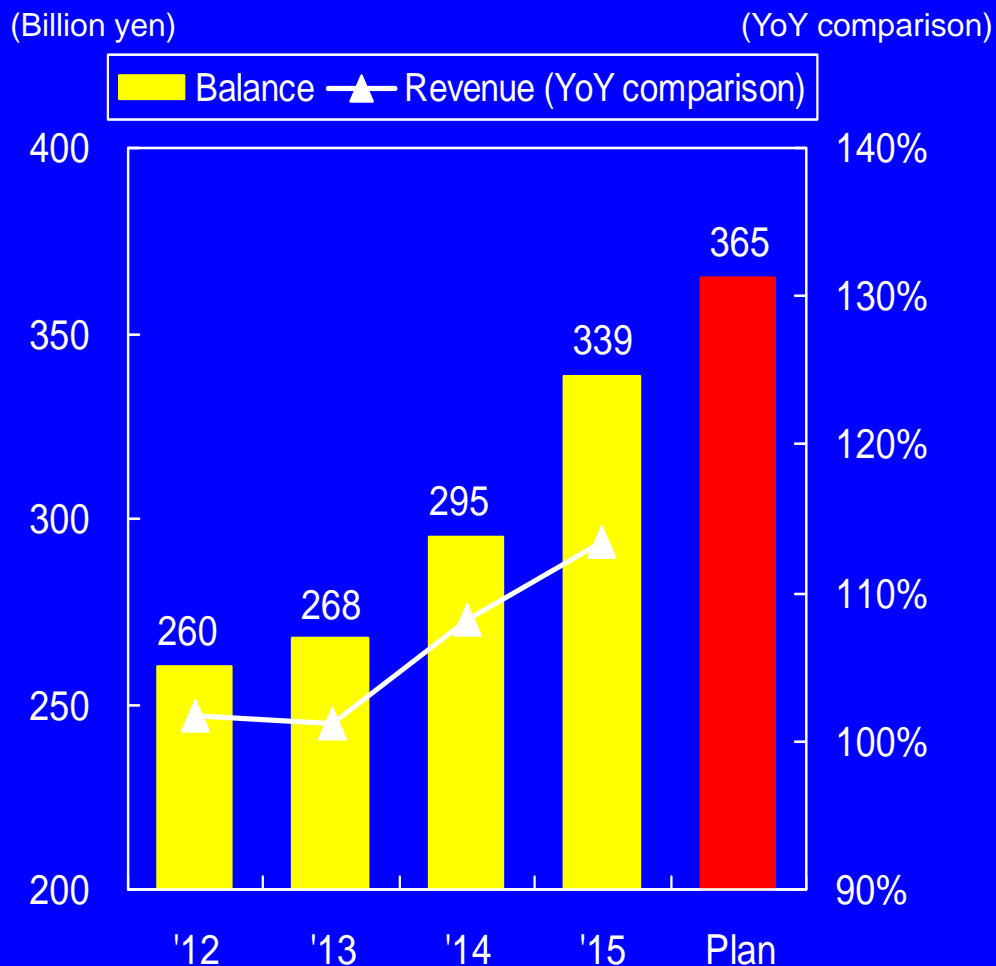
(YoY comparison)

(Billion yen)



5-(2) Trends in Credit Business – Shopping Revolving–

Transition in Balance



Scheme to Recommend “Revolving Payment”

Product Lineup

“Change to Revolving Payment” after Shopping
 “Revolving Payment Declaration” to switch all the
 payments to revolving payment

Customer contact channels

Integration of real and virtual worlds by
 combining the **Saison Counters** placed in more
 than 100 locations across Japan and
 smartphone application such as “**Saison Portal**”



Saison Portal



Saison Counters

5-(3) Trends in Credit Business – Cash Advances (Separate Account of Saison)

Increase in customers using the cash advance service

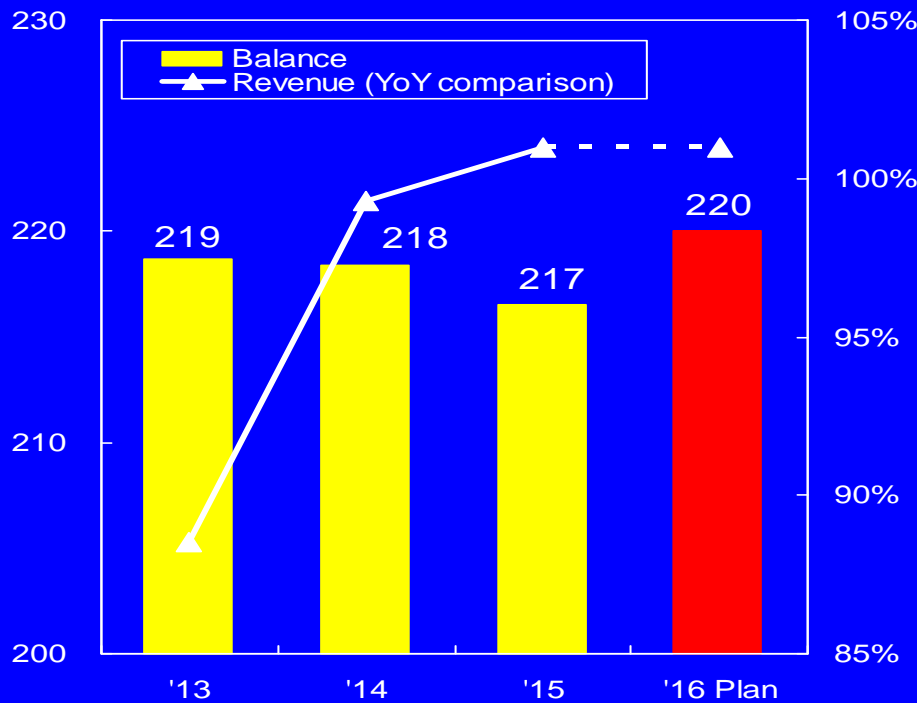
- ◆ Increase in customers who wish to have the **credit line of 300,000 yen or more on the cash advance**
 - * Ratio of members who can use the cash advance service: more than 90%
 - Ratio of members with the credit line of 300,000 yen or more on the cash advance : more than 60%
- ◆ Increase in the cards that allow members to **have higher credit line**

Increase in card loan customers

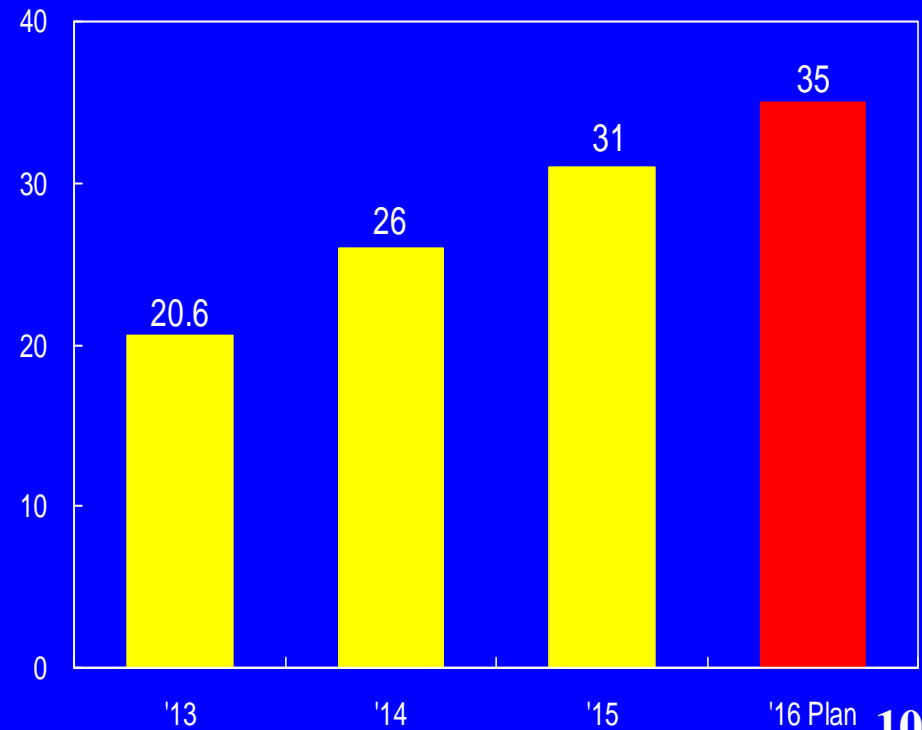
- ◆ Service for the customers who need **high amounts of credit line** for purchase of houses and other properties
- ◆ **Combined sales** of the loan cards with the cards for sole proprietors



(Billion yen) ■ **Balance and Revenue** (YoY comparison) (Billion yen)



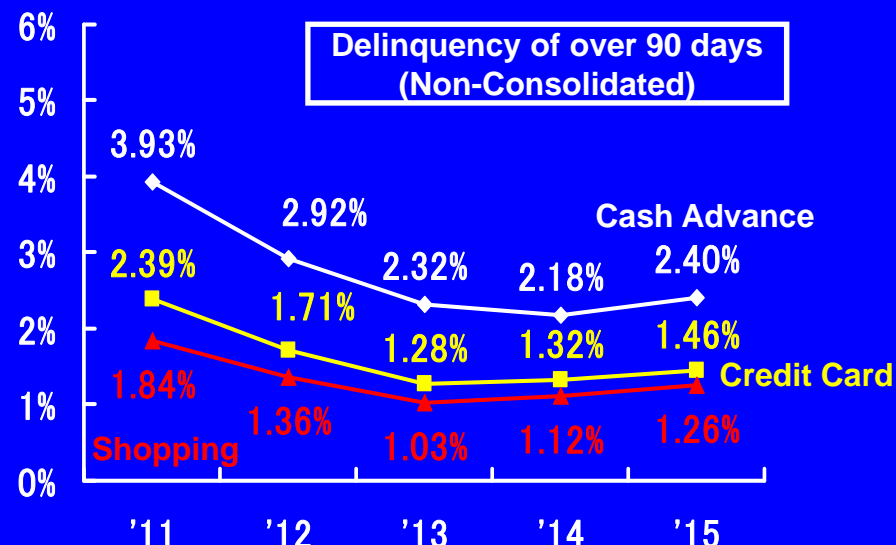
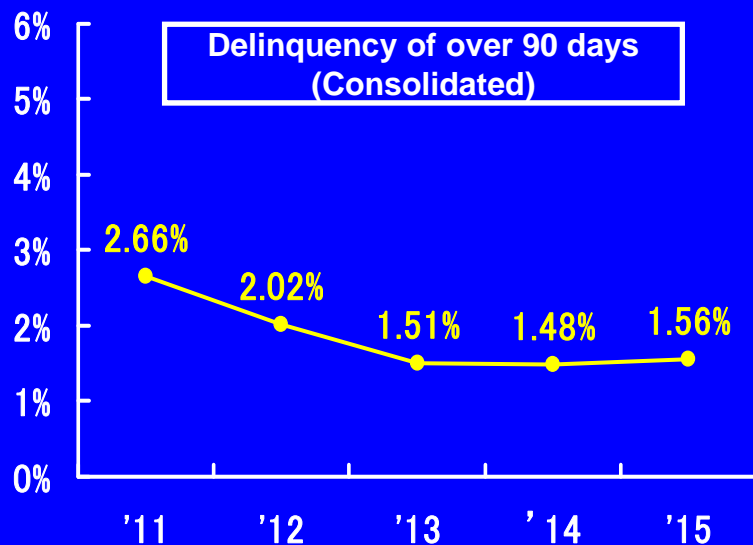
■ **Balance of Loan Products**



6. Credit Risk / Credit Cost

Balancing between risk and profits to meet aggressive sales activity for expansion of the assets including balances of revolving payment and cash advances

Trends in Credit Risk



Credit Cost Results / Estimate (Unit: billion yen)

[Consolidated]

	FY2015		FY2016 (Estimate)	
	Value	YoY difference	Value	YoY difference
Credit Cost	37.7	9.9	25.7	(12)
General	21.9	4.1	25.7	3.8
Interest Repayment	15.8	5.8	0	(15.8)

[Non-Consolidated]

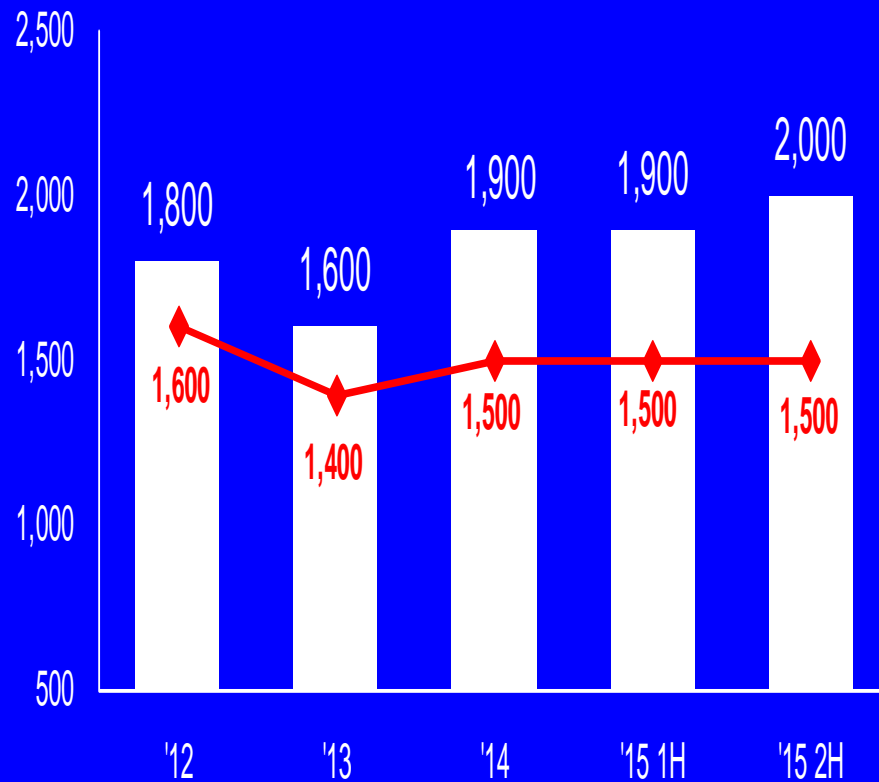
	FY2015		FY2016 (Estimate)	
	Value	YoY difference	Value	YoY difference
Credit Cost	35.2	10	21.6	(13.6)
General	20.2	3.8	21.6	1.4
Interest Repayment	15	6.2	0	(15)

7. Interest Repayment Claims

In order to respond to the situation where the number of new claims handled by lawyers and other proxies still hovers at a high level, 15 billion yen was allocated as provision for loss on interest repayment.

■ Trends in new claims handled by lawyers and other proxies (monthly average)

Monthly average (Unit: number of cases handled)



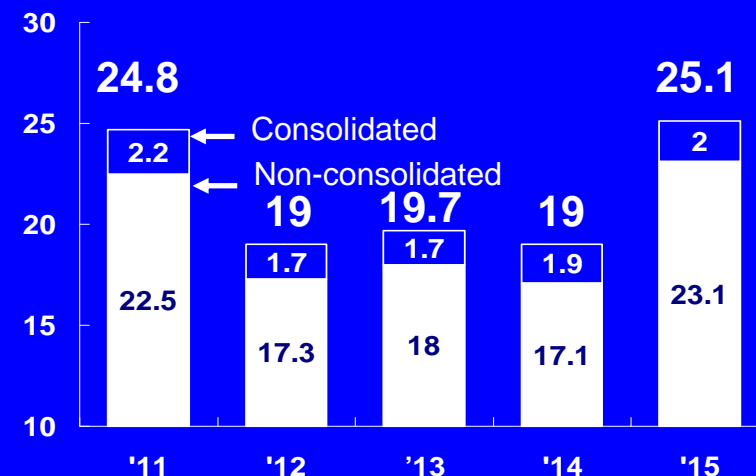
■ Trends in new claims handled by lawyers and other proxies
◆ Settlements of interest repayment claims

■ Trend of provision for loss on interest repayment

(Unit: billion yen)

Results	Consolidated	Non-consolidated
Reversal	9.7	9
Provision	15.8	15
Balance change	6.1	6

(Unit: billion yen)



8. Financial Indices

	Consolidated		Non-Consolidated	
		Difference		Difference
Shareholders' Equity	¥418.7 billion	△26.4	¥359.4 billion	△29.0
Total Assets	¥2,550.9 billion	+177.6	¥2,468.7 billion	+180.8
Shareholders' Equity Ratio	16.4%	△2.4%	14.6%	△2.4%
ROE	6.1%	+3.2%	6.8%	+3.2%
ROA	1.8%	△0.1%	1.4%	△0.3%

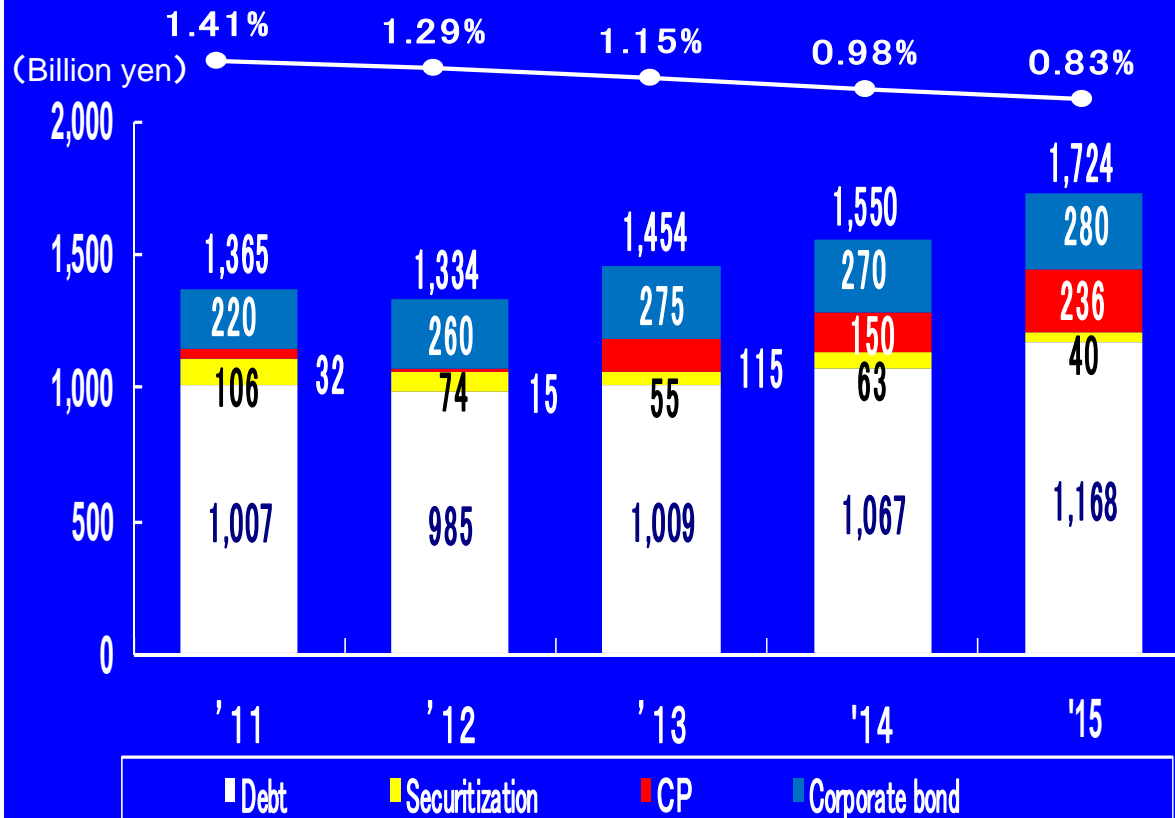
Dividends	FY2015	FY2016 (Plan)
Dividend per share	¥35	¥35
Total cash dividend	¥5.7 billion	¥5.7 billion
Payout ratio (Consolidated)	23.7%	14.8%
Payout ratio (Non-Consolidated)	24.3%	20.1%

(Reference) Fund Structure Changes in Interest-bearing Debt (Non-Consolidated)

[Rating]
R&I A⁺

Long-term Ratio : 74%
Fixed Ratio : 64%

Average Funding



FY2015 bond issue

total: 75 billion yen

July: Issuance volume of 10 billion yen
Period: 3 years
Interest rate: 0.180%

July: Issuance volume of 30 billion yen
* For individuals
Period: 4 years
Interest rate: 0.256%

September: Issuance volume of 20 billion yen
* For individuals
Period: 7 years
Interest rate: 0.538%

January: Issuance volume of 15 billion yen
* For individuals
Period: 5 years
Interest rate: 0.420%

FY2016 bond issue

April: Issuance volume of 15 billion yen
* For individuals
Period: 5 years
Interest rate: 0.300%

(Reference) Progress Status of Associated Core System Development

Preparation for the system to be released in the second half of 2016 advanced from the development phase to the test phase.

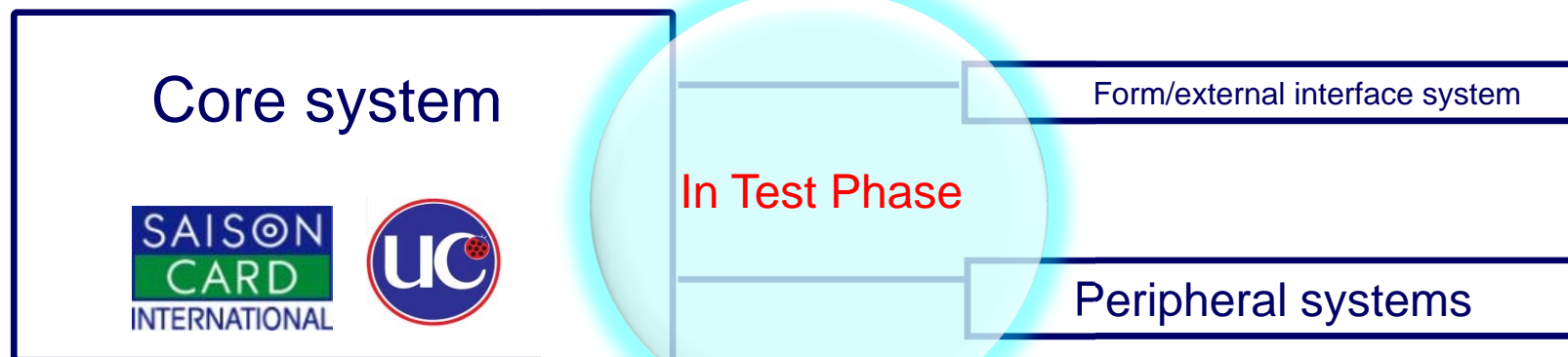
[Purposes of development]

- Providing 24hours 365days online processing
- Consolidating customer management
 - Central management of Saison/UC brand customer information
- Aiming at efficiency in developing additional systems with improved flexibility
 - Reduction of expenses required when developing new services or joint businesses
 - Expanding processing business through increased versatility

[Future plans]

- System Release: 2nd half of 2016 or later
- Gross investment: approximately 200 billion yen (consolidated)

[Progress status]



II. Medium-Term Management Plan

- ◆ Basic Policy of Medium-Term Management Plan
- ◆ Medium-Term Management Target
- ◆ Strategies for Achievement of Medium-Term Management Vision

1. Basic Policy of Medium-Term Management Plan

Vision to 2018

Neo Finance Company in Asia

- Achievement of Innovation and Change of Business Model -

As a “**leading-edge service company**” , we will **continue to offer solutions that best fit customers’ needs** and will transform to a company that will be able to grow sustainably.

Having a sense of crisis and achieving the innovation that draws a line to the past, we will **change our existing business model** to ensure our competitiveness and will tackle the task of “**becoming a new and unique finance company in Asia.**”

2. Medium-Term Management Vision

Neo Finance Company in Asia

- Achievement of Innovation and Change of Business Model -

Leading-Edge Service Company



I Payment
Card Business

AMEX Cards, Prepaid Cards, Eikyufumetsu Points, Saison Counter (Sales Capability), smartphone settlement, Biometrics Authentication



III Internet
Internet Business



IV Finance
Finance Business

Leasing and Rental, Credit Guarantee, Flat 35, Home Assist Loans, Asset Formation Loans, Real Estate Mortgage Loan and Nonrecourse Loans

Work Process Reform in Each Business Domain by Utilizing IT, AI and Big Data

II Solution
Solution Business

Corporate Cards, Concur, Sansan, Cloud Billing, B2B Settlement, Processing, Eikyufumetsu.com, CLO, Support for Advertising and Marketing, Funding for Affiliated Stores

V Investment
Asset Management Business

“Sodan” Site for Consultation with FP, Saison Asset Management and Monex-Saison-Vanguard Investment Partners

VI Global
Asia Business

Offering solution to all individuals and corporates in various business domains by utilization of various strategic tools

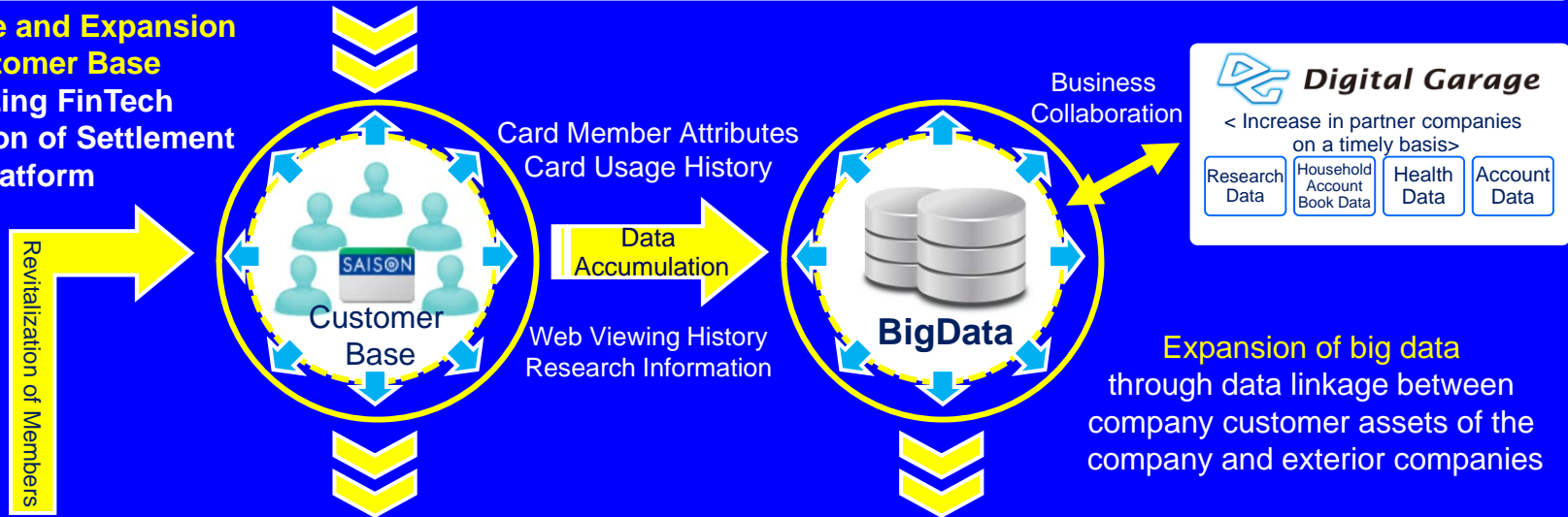
Asia's 1st retail finance to utilize know-hows accumulated in Japan

3. Task of Achieving New Business Model

“Expansion of Settlement Services” to Pursue Customers’ Convenience



Maintenance and Expansion of Customer Base by Utilizing FinTech for Expansion of Settlement Platform



Customer Base × Big Data: “Creation of Fee Business”

- | | | |
|---|--|--|
| Advertising and Marketing Support Business | Funding for Affiliated Stores (Purchase of Credit Receivables) | Asset Management Consulting (FP) Business |
| Presymptomatic Disease / Healthcare Data Utilization Business | Content Billing Business | Sales Representation Business for Sales of Tools for Corporate Customers |
| Loyalty Program Business | Business for OEM of Eikyufumetsu.com | Development of Company’s Original Media and Applications |

Achieving both “Expansion of Business Domains” and “New Market Entry”

4. Development of Stock Business and Fee Business

Creation of Fee Business and New Market Entry

Big Data Business

- Ad Media Business
- Marketing Support Business
- Original Media Business

Internet Business

- Eikyufumetsu.com
- "eMark Lite+" site analysis
- Application
- Settlement with acquired points on EC malls

Settlement Platform

- Prepaid card
- Debit card
- Settlement with Eikyufumetsu points
- B2B Settlement
- Settlement with Social Security and Tax Number

Business Processing

Credit Card

Increase in Fee Revenues

Billing Business

- Content Media
- Customer Loyalty Program Business

FinTech

- Mobile settlement
- Settlement with biometrics authentication
- Virtual card
- Cloud funding

Lease & Rental

Services for Growing Markets

- Presymptomatic disease / health care related service
- Medical settlement using electronic receipt
- Settlement service for beauty care and nursing

Tool Sales for Corporations

- "Concur," expense settlement tool
- "Sansan," business card management tool
- Money Forward "Cloud Bill"
- Funding for Affiliated Stores

Credit Guarantee

Accumulation of Stock

Flat 35

- Flat 35
- Flat 35 Plus
- Flat 35 Bridge Loan
- Home Assist Loan

Operation in Asia

Vietnam, Indonesia, China
Singapore, Cambodia,
Thailand, India, Malaysia...

Asset Management Service

- Saison Asset Management
- Monex-Saison-Vanguard Investment Partners
- "Sodan" Site for Consultation with FP

Financing for Real Estate Purchase

- Real estate mortgage loan
- Nonrecourse loan
- Investment in real estate funds
- Operational asset

Asset Formation Loans

Expansion of Customer Base by Diversifying Stock Business

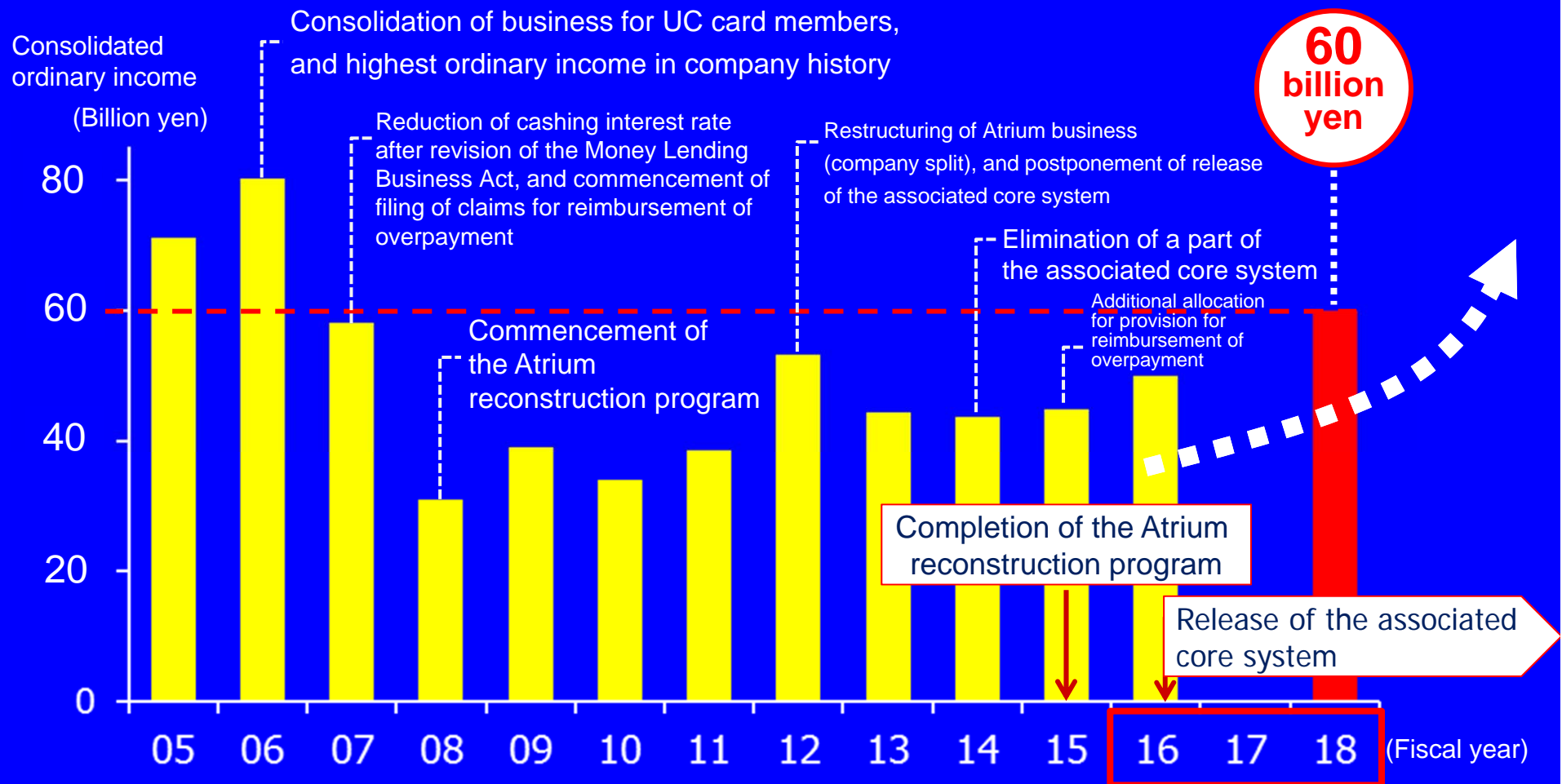
5. Medium-Term Management Target

By “Achievement of Innovation and Change of Business Model”
in our Medium-Term Management Vision,
we will achieve the goal of
“**Consolidated ordinary income: 60 billion yen**”
in FY2018.

	FY2015 Result	FY2018 Target
Consolidated ordinary income	43.8 billion yen	60 billion yen

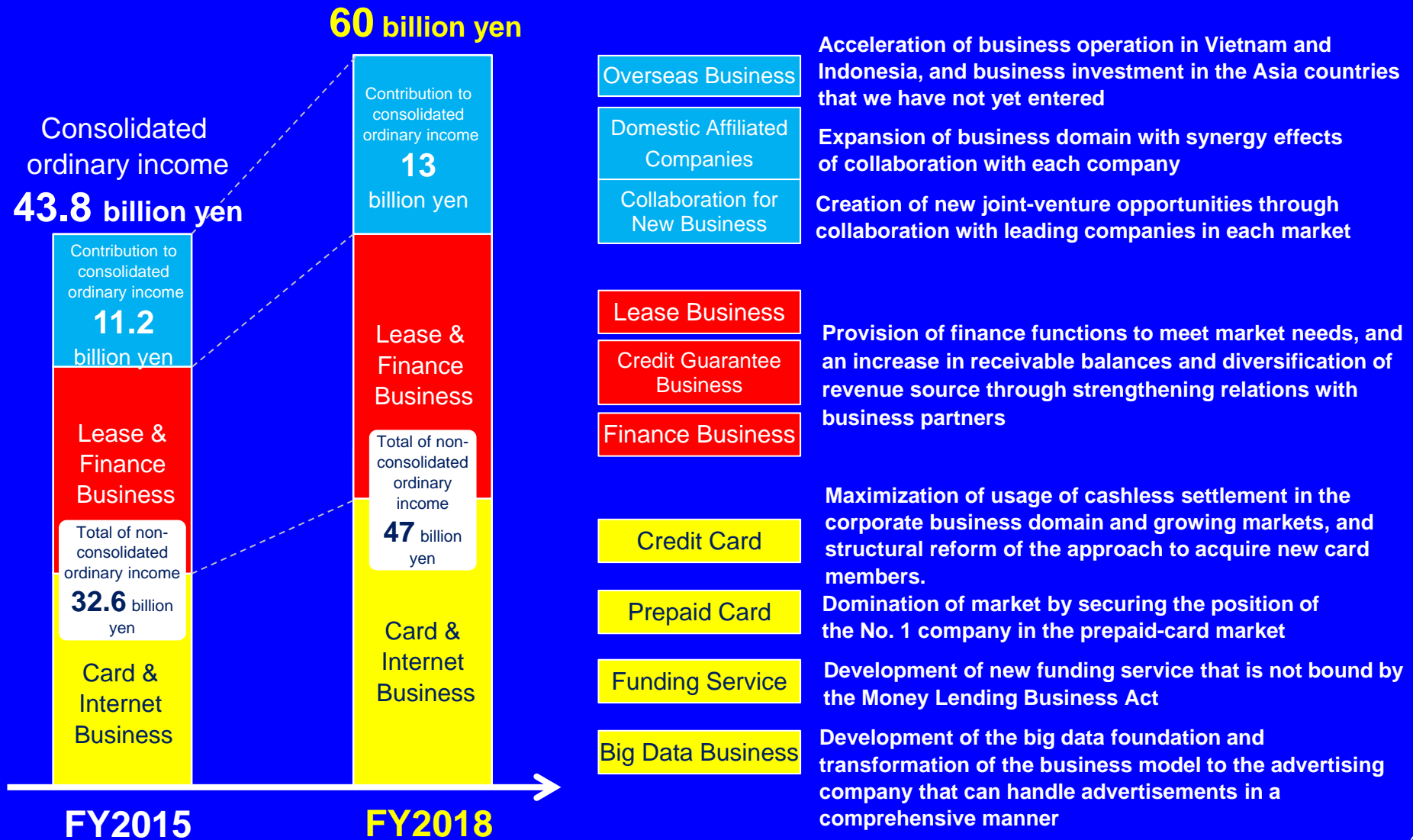
6. Transition in Consolidated Ordinary Income

By overcoming all the ongoing business tasks and returning to the growth trend, we will achieve the goal of “Consolidated ordinary income: 60 billion yen” for the first time since 2006.



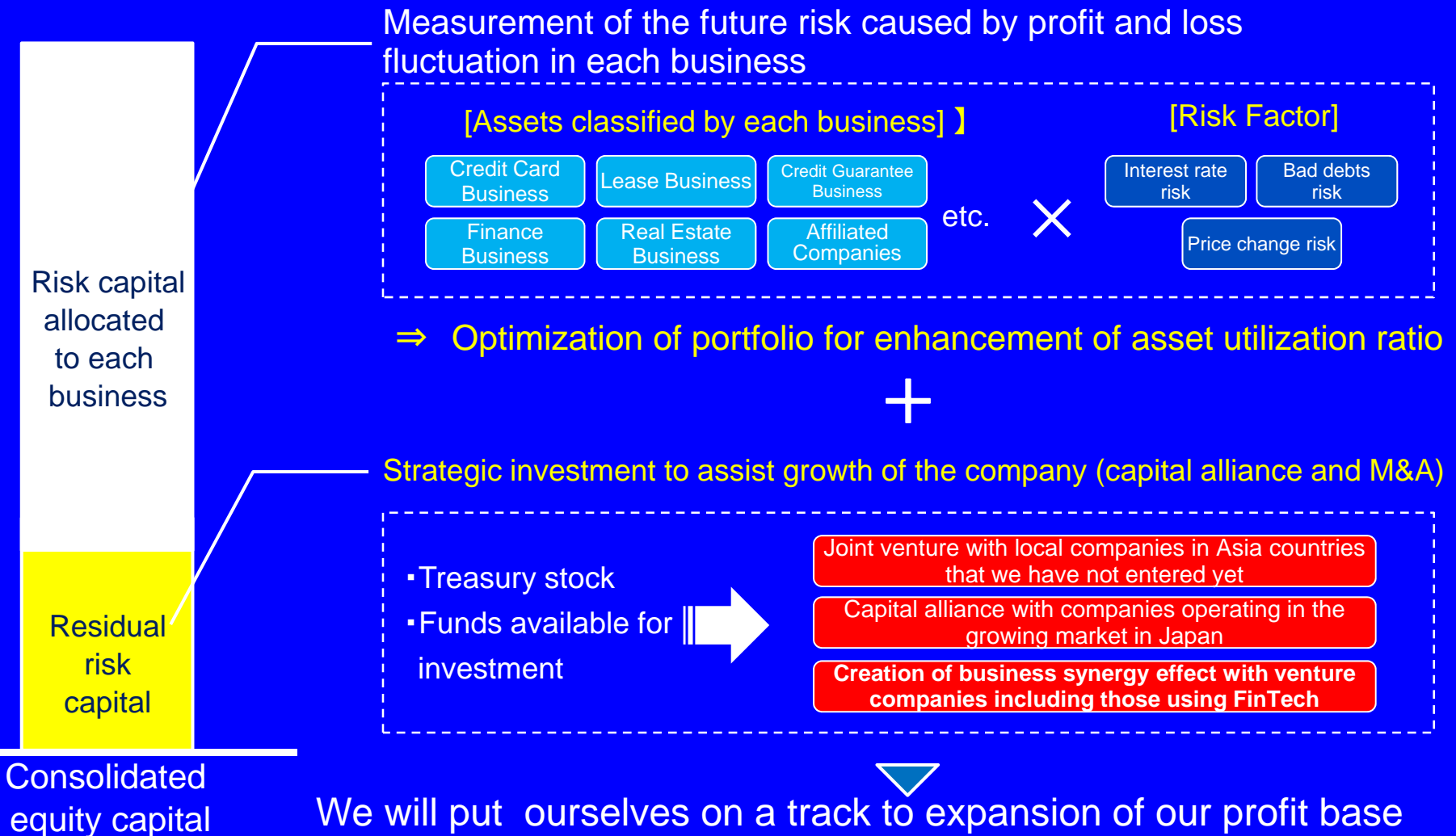
7. Transition in Ordinary Income by Category

By expanding our core business and creating new business, we will eliminate the factors for income decreases and maintain growth.



8. Capital Policy

We will enhance ROE by achieving sustainable growth resulted from strategic investment in Japan and overseas countries, expanding highly efficient business and compressing inefficient assets.



We will put ourselves on a track to expansion of our profit base and will provide adequate return to shareholders.

9. CREDIT SAISON Strategic Advantages

By providing solutions to meet needs of various companies, we will achieve “systematization of business processes,” “streamlining of expense settlement,” “enhancement of employee turnover rate” and “strengthening of sales force.”

1. Support for enhanced business process efficiency

(1) “Sansan” for cloud business card management



Utilize corporate and personal connection for Business.
By sharing business card information within the organization, every business card can be used as valuable assets for sales activity.

(2) Saison smart transfer service



To reduce bank transfer fee
No initial cost
No monthly cost
Flat rate ¥260 per transfer

(3) Money Forward “Cloud Bill”



Prepare and manage bills in a speedy manner.
Card settlement causes no debt collection risk.
Lower commission fee is offered to holders of SBS-AMEX cards.

(4) “Concur,” expense settlement tool



Streamline expense management in combination with the corporate card.
Adopted by more than 32,000 companies in the world.

2. Assistance to business owners

(5) Business Platinum AMEX



Streamline business expense processing with higher credit limit and the account under the company name.
Loyalty points can be automatically switched to JAL frequent-flyer miles.

(6) Credit guarantee (guarantee for loans)

Credit guarantee service for individuals who need loan from financial institutes.
Guarantee can be provided even for the loans for business purpose.

Guarantee balance: 262.4 billion yen
No. of financial institute partners: 386

(7) Asset management service



Support employees' asset formation with installment investment funds with 0% sales fee.
マネックス・セゾン・バンガード投資顧問
Wrap account management service utilizing IT technology and world-class financial knowledge

(8) Asset formation loan (condominium for investment)



Easy-to-use low interest rate
Loan balance: 126,2 billion yen

3. Settlement and funding

(9) Branded prepaid card



Prepaid-type settlement tool that supports your customer strategy.

(10) Prepaid card for overseas business trip



You can draw local currency across the world.
In addition, remaining charged amount can be used even in Japan.
Monetary charge limit per year: 15 million yen

(11) Funding for business of affiliated stores

New funding service to purchase future credit receivables to be accounted through credit cards

Purchase price: 100,000 yen to 3,000,000 yen
(No security and guarantor required)

(12) Saison's home loan package

[Flat 35]
Flat 35 Plus
Flat 35 Bridge Loans

Loan Balance of Flat 35 (in finance corporation):
355.6 billion yen

4. Business operation support

(13) Navigation of members by utilization of wide customer base



35 million members in the group
Combined shopping transaction: 6,700 billion yen

(14) Navigation of viewers to EC sites



No. of Internet cardholders: 12.5 million
Eikyufumetsu.com,
a customer loyalty program
Annual Sales: 55 billion yen

(15) Smartphone settlement “Coiney”



Combination of smartphones and card readers allows you to adopt card settlement in an easy and inexpensive manner.
Commission charge for settlement: 3.24%

(16) Lease and Rental

Receivable balances: 281.6 billion yen
No. of contracting parties: 340,000
Based on business owner's facility investment plan, we provide services of finance leasing, installment plan and operating lease.

10. CREDIT SAISON Alliance Network



11. Strategies for Achievement of Medium-Term Management Vision

New Market Entry

STRATEGY II

Alliance strategy with open innovation



- ✓ Creation of synergy effects through collaboration with FinTech companies
- ✓ Provision of new funding service beyond the scope of money lending
- ✓ Positioning asset management business as the core business
- ✓ Full operation of big data business

Expansion of strategic strength

STRATEGY I

Change of the business model in card business

- ✓ Achievement of the goal of structural reform of the approach to acquire new card members
- ✓ Facilitation of cashless settlement of business expenses and B2B transaction

Expansion of Business domain

STRATEGY IV

Diversified business operation in broad ranges of Asia



STRATEGY V

Reform of group management

Expansion of business domains of affiliated companies

STRATEGY III

Multidirectional alliance derived from finance business

- ✓ Adoption of new products in the lease and rental business
- ✓ Securing of "business feasibility" of credit guarantee services and network expansion of the services
- ✓ Increase in sales agents, as well as a share in the Flat 35 market by utilization of the "Home Assist Loan."
- ✓ Increase in partners of asset formation loan and real estate mortgage loan business

Diversification of Revenue Source

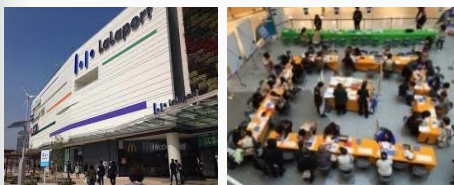
< STRATEGY I > Change of the Business Model in Card Business (1)

We will achieve **structural reform of the approach to acquire new card members**, while maintaining activities to acquire new cars members, which is our strong point.

Strength in real world (before)

Activities in real channel (systematization) + activities in virtual channel

Top-of-the-industry capability to acquire new card members



Maximization of new members by campaigns at partner channels



Activity to make Centurion Amex customer's main card

Systemization of membership application



Systematic and paperless application through iPad

Ratio of iPad application
Target: 95%

Increase in application channels through collaboration with Internet companies

(strengthening of new member acquisition activities by utilizing Web sites and smartphones)



mercari
Flea market application



ORIGAMI
Social shopping application

Collaboration with venture companies to increase website channels for new member acquisition

Systematic and paperless application of card membership through face-to-face new customer acquisition activity at real shops of our partner retailers

+

Development of new card membership application channels on websites through collaboration with internet companies that have large customer bases

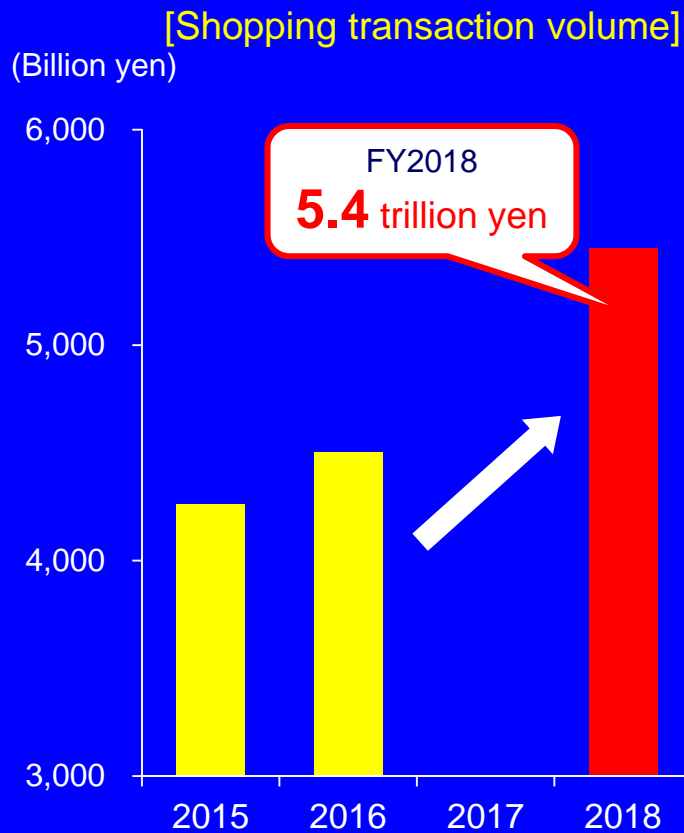
We will facilitate "systematization in the real domain" and "acquisition of new card members who are virtual domain users" in a parallel way, in order to expand our customer base.

New Card Issuance Target in FY2018: 3 million cards (115% up from FY2015)

< STRATEGY I > Change of the Business Model in Card Business (2)

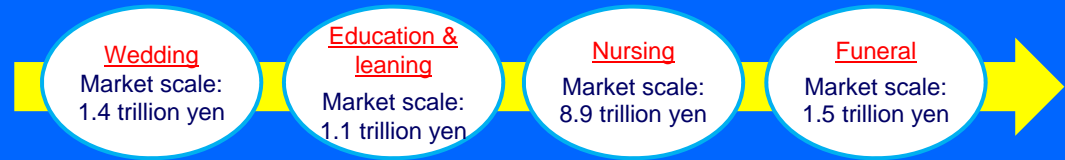
We will increase shopping transaction volume of credit cards by **facilitation of cashless settlement** and **pioneering of new settlement scheme**.

Facilitation of **cashless settlement of personal consumption** by an increase in settlement methods and enhancement of the settlement platform to utilize FinTech



Increase in shopping transaction volume of credit cards by expanding the domains where cashless settlement is available

Capturing settlement needs in the **life event** market



Facilitation of card settlement in growing market

Action for resymptomatic disease and medical, active seniors, sharing economy and C2C trading

Improvement of settlement environment for **2020 Olympic Games in Tokyo**

Pioneering new settlement scheme

Smartphone settlement

Online settlement service

Adoption of virtual currency

Settlement with Security and Tax Number

Liquid Pay Settlement with biometrics authentication

Shopping Transaction Volume Target in FY2018: 5.45 trillion yen (128% up from FY2015)

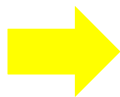
< STRATEGY I > Change of the Business Model in Card Business (3)

We will secure the position as a **prepaid card service provider** by diversifying the products relating to prepaid cards

FY2015

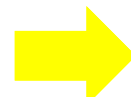
Total issued cards:
30 million

Transaction volume:
200 billion yen



FY2018

Total issued cards:
50 million ~ 70 million



Utilizing the position and know-hows as the **No.1 prepaid card service provider** to offer our settlement services in Asia countries

Increase in transaction volume of existing prepaid cards

Cards issued by Saison	Cards issued by our business partners

Finding new business partners (Food supermarkets, shopping malls, etc.)

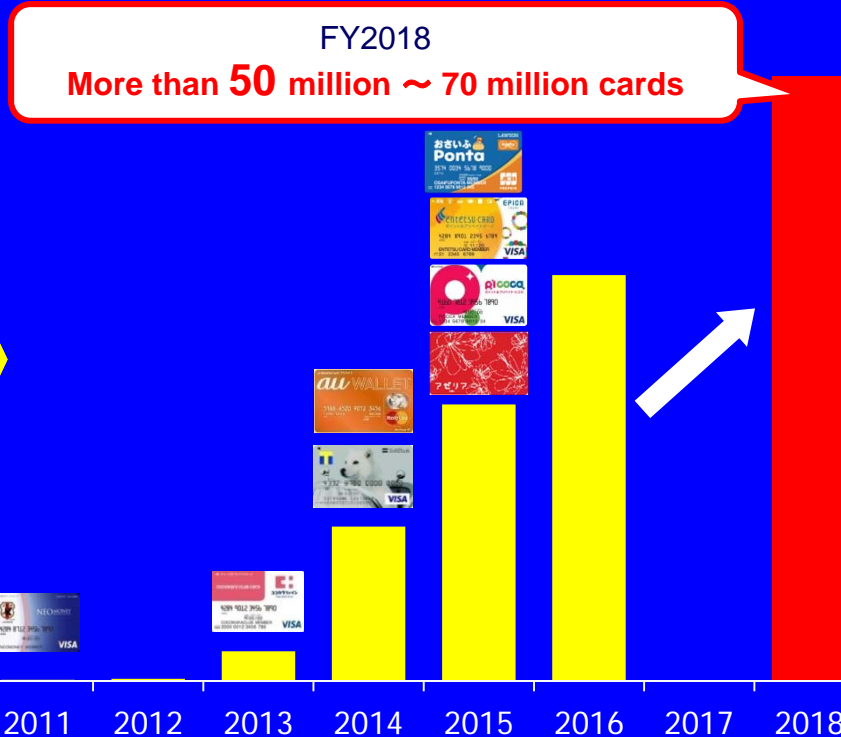
Creation of new business using prepaid cards

Establishment of monetary charge points at the site of prepaid card issuers

Application to B2B settlement

Payroll-type prepaid cards

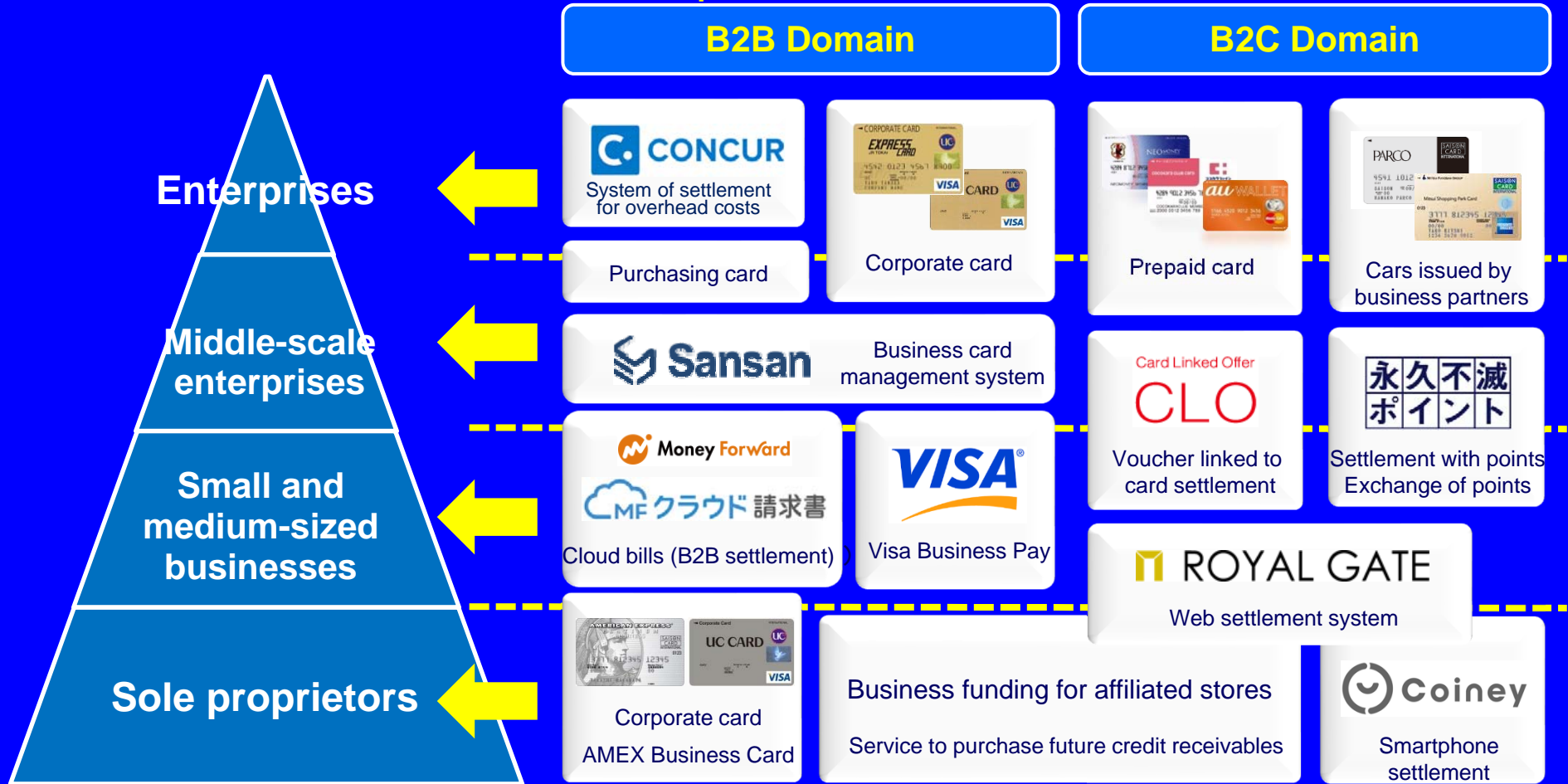
[Total Prepaid Card Issuance]



< STRATEGY I > Change of the Business Model in Card Business (4)

We will promote **cashless settlement of business expenses and B2B transaction** and will conduct **multifaceted sales activities** by strengthening our corporate sales structure.

Expansion of solution portfolio for corporate customers through collaboration with FinTech companies, in order to increase **cooperate settlement and fee revenues**



Shopping Transaction Volume Target of Corporate Cards in FY2018: 700 billion yen (200% up from FY2015)

< STRATEGY II > Alliance Strategy with Open Innovation (1)

In addition to the cash advance service and loan products we have so far promoted, we will seek for **new funding services** such as a service to purchase future credit receivables (domain beyond the scope of money lending)

Domains we have promoted so far

Diversification of channels for cash advance and loan services



Online cash advance

CREDIT SAISON ATM

Saison's ATM



ATM in convenience stores



Development and release of the products that meet customers' objectives



Cash advance by credit cards



MONEY CARD (Card loan)



Members loan (loan on certification)

⇒ Handling of business-purpose funds and function addition to prepaid cards are to be reviewed.

Domains we will additionally promote (services beyond the scope of money lending)

Full-scale launch of the "funding service for affiliated stores"

A service to purchase future credit receivables for small and medium-sized businesses, card affiliated stores.

加盟店
ビジネスファンディング
— 将来債権買取サービス —

- ✓ Funding needs for purchasing cost or business expanding (the shortest 3 possible payment in the business day).
- ✓ For flexible coping with customer needs in case of busy and slow season.

Purchase price: 100,000 yen to 3,000,000 yen (No security and guarantor required)

< STRATEGY II > Alliance Strategy with Open Innovation (2)

Investment in venture funds



Capital / business alliance
 X Introduction of each partner, as well as companies that the funds invest

Subsidiary



X Investment in companies at seed / early stages

Event



Event participation
 X Review of alliance with the participant companies

Association



X Involved from the time of establishment

[Examples of Introduced Alliance and Business Partners]

Japan



Overseas



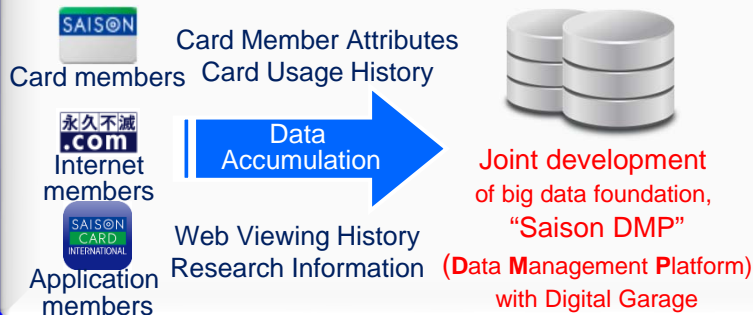
< STRATEGY II > Alliance Strategy with Open Innovation (3)

Creation of new synergy effects through **integration of financing and technology**

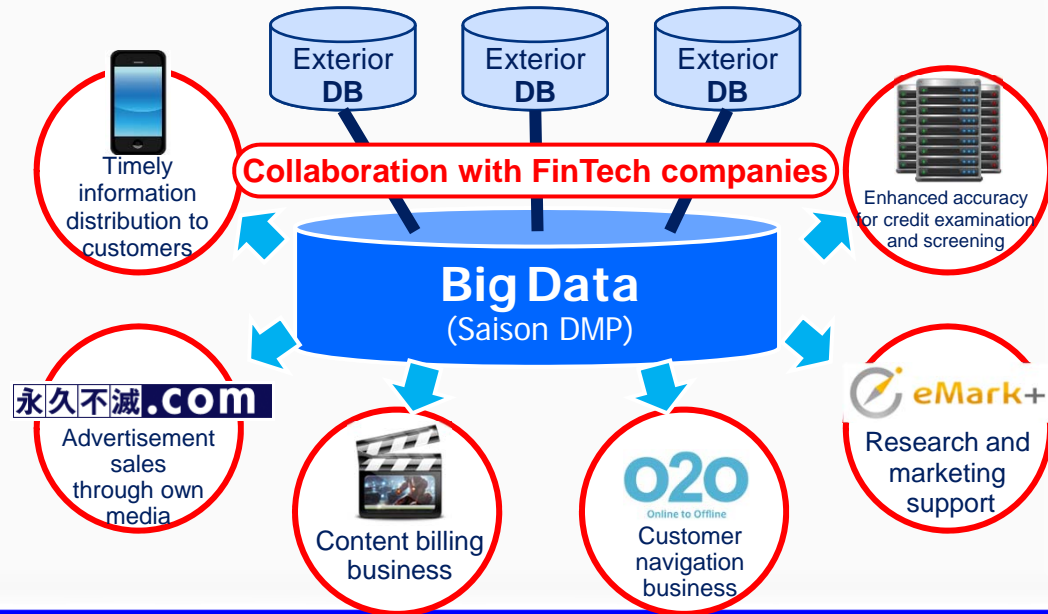
Development of Big Data Foundation and Operation of Bid Data Business

Transformation of accumulated big data to the business that provides added value through utilization open innovation

Development of data base foundation by accumulation of customer data

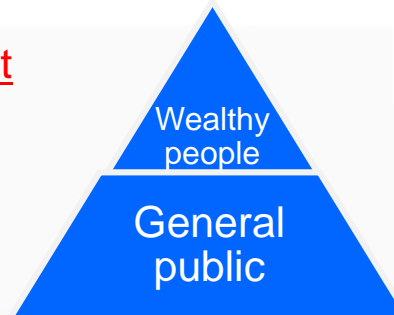


Release of business that provides added value by utilization of bid data (from FY2016)



Making asset management our core business

Provision of best fitted asset management advises by organizing a lot of financial information



マネックス・セゾン・バンガード投資顧問

Wrap account management service utilizing IT technology and world-class financial knowledge

SAISON ASSET MANAGEMENT セゾン投信

Provision of long-term and small-lot sales asset formation funds mainly for youth

< STRATEGY III > Multidirectional Alliance Derived from Finance Business (1)

Promotion of finance services that overwhelm competitors (capturing of various needs for funding)

Task of developing new and diversified products

- Measures to respond to the business trend in the POS cash register market and its fringe markets for preparation of the consumption tax increase
- Creation of new revenue (hairdressing market, crime prevention and air conditioners)



Lease & Rental

Expansion of financial institute partner network

- Active capturing of needs for “business operation” through collaboration with local financial institutes
- Increase in business partner by utilizing our credit guarantee capability, versatility and marketing capability



Credit Guarantee

Expansion of our revenue base by expansion of product lineup and strengthening of business partner network that meet needs in the market

Asset Formation Loan



Flat 35



- Strengthening alliance with existing partners and promotion of new alliance with condominium developers

Increase in business partners and launch of new relevant products

- Strengthening of on-site sales activities at so-called condominium showrooms and housing exhibitions, and as well as sales activities to real estate brokers
- Thorough sales activities to emphasize loan conversion to take advantage of lowering interest rates of the housing loans

Expansion of the Flat 35 share by increasing sales agents and utilizing “Home Assist Loans.”

< STRATEGY III > Multidirectional Alliance Derived from Finance Business (2)

[FY2016 Plan]

[Asset Balance of Finance Business]

Lease & Rental

Transaction volume: 120 billion yen (+14% YoY) (Billion yen)
 Claim balance: 294.4 billion yen (+5% YoY)
 Operating revenue: 13.7 billion yen (+2% YoY)

Credit Guarantee
 (Including off-balance sheet transaction)

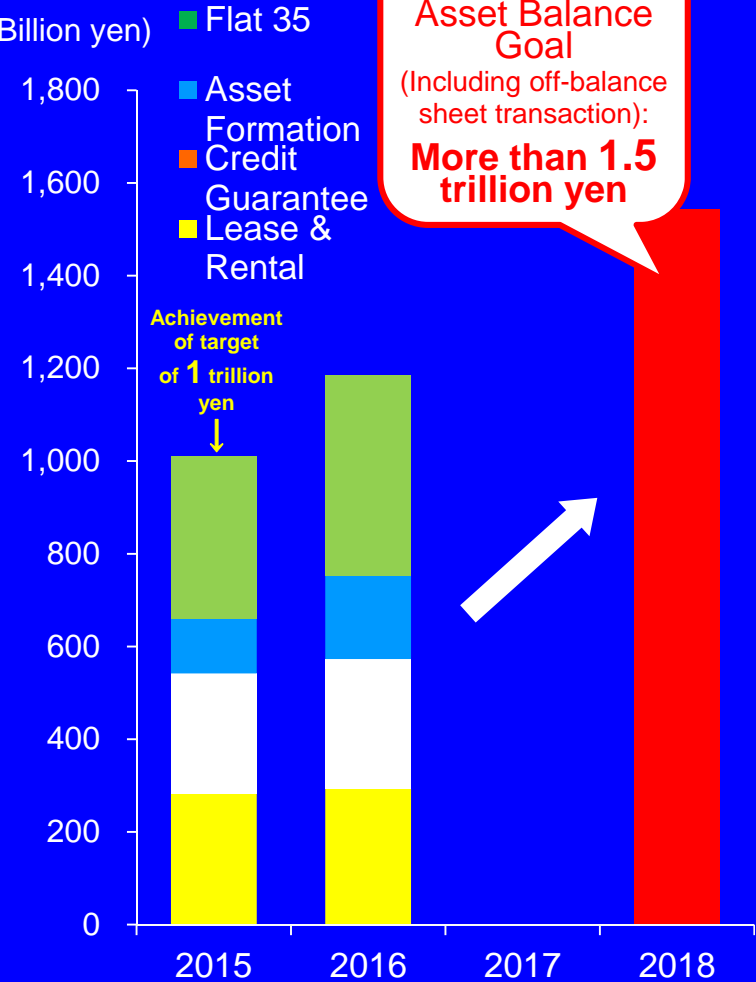
Transaction volume: 156.4 billion yen (+4% YoY)
 Claim balance: 279 billion yen (+6% YoY)
 Operating revenue: 16.4 billion yen (+8% YoY)

Flat 35
 (Including off-balance sheet transaction)

Transaction volume: 111.2 billion yen (+14% YoY)
 Claim balance: 436.7 billion yen (+23% YoY)
 Operating revenue: 2 billion yen (+34% YoY)

Asset Formation Loan

Transaction volume: 66.5 billion yen (+8% YoY)
 Claim balance: 182.3 billion yen (+44% YoY)
 Operating revenue: 3.7 billion yen (+59% YoY)



Asset balance of our finance business (including off-balance sheet transaction) will reach **1.5 billion yen** in FY2018.

< STRATEGY IV > Diversified Business Operation in Broad Ranges of Asia (1)

Overseas bases



China
(shanghai)



Vietnam
(Hanoi/Ho Chi Minh)



Indonesia
(Jakarta)



Singapore



Cambodia

Projects in progress



Philippines



Malaysia



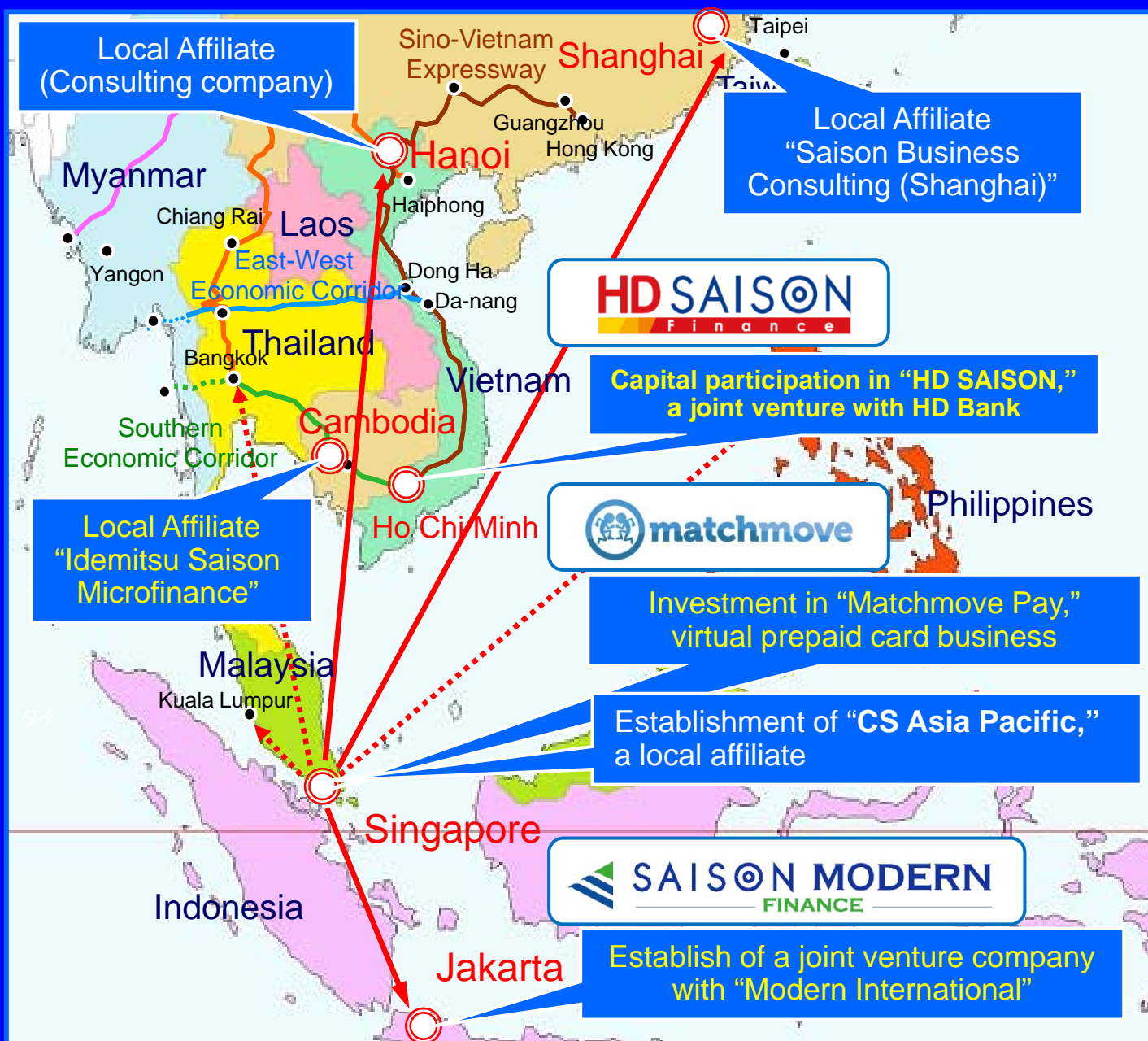
Thailand



Myanmar



India



< STRATEGY IV > Diversified Business Operation in Broad Ranges of Asia (2)

Vietnam



Established in May 2015 / Saison's stake: 49%

HD SAISON
Finance

Joint venture business with HD Bank

"HD SAISON Finance Company"

- Handling of individual article installment of two wheelers, smartphones and consumer electronics
- Service bases: more than 5,400 bases across Vietnam
- No. of employees: around 5,200
- Receivable balances: more than 27 billion yen



Singapore



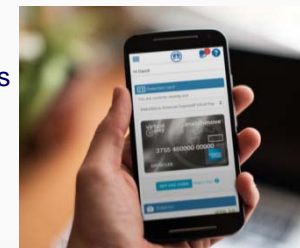
Invested in Nov. 2014 / Saison's stake: 15%

matchmove

Capital and business tie-up with

"Matchmove Pay Pte Ltd."

- Business operation relating to virtual prepaid cards manufactured under international brands in Southeast Asia
- Location of group companies and bases: Singapore (Head Office), Indonesia, India, Chengdu, China, Ho Chi Minh City, Thailand and Malaysia



Indonesia



Operation commencement in Nov. 2015 / Saison's stake: 70%

SAISON MODERN
FINANCE

Joint venture business with Pt. Modern Internasional Tbk.

"PT. Saison Modern Finance"

- Operation of prepaid card, loyalty program and lease business
- As "Seven-Eleven Indonesia" deploys its franchises across the country, the company sells the prepaid cards that can be used only in Seven-Eleven stores to customers and leases facilities required to open the convenience stores to the store owners.

Cambodia



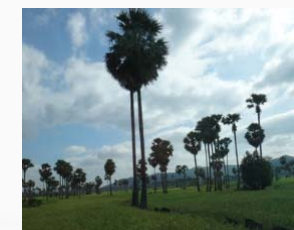
Established in Aug. 2015 (operation commencement in Jan. 2016)

Wholly owned by Idemitsu Credit

Established by Idemitsu Credit (a company that Saison owned 50% stake)

"Idemitsu Saison Microfinance (Cambodia)"

- The company operates loan and individual article installment (payment in installments) business in the agriculture field that has been modernized to expand production capacity of crops, particularly rice.



< STRATEGY IV > Diversified Business Operation in Broad Ranges of Asia (3)

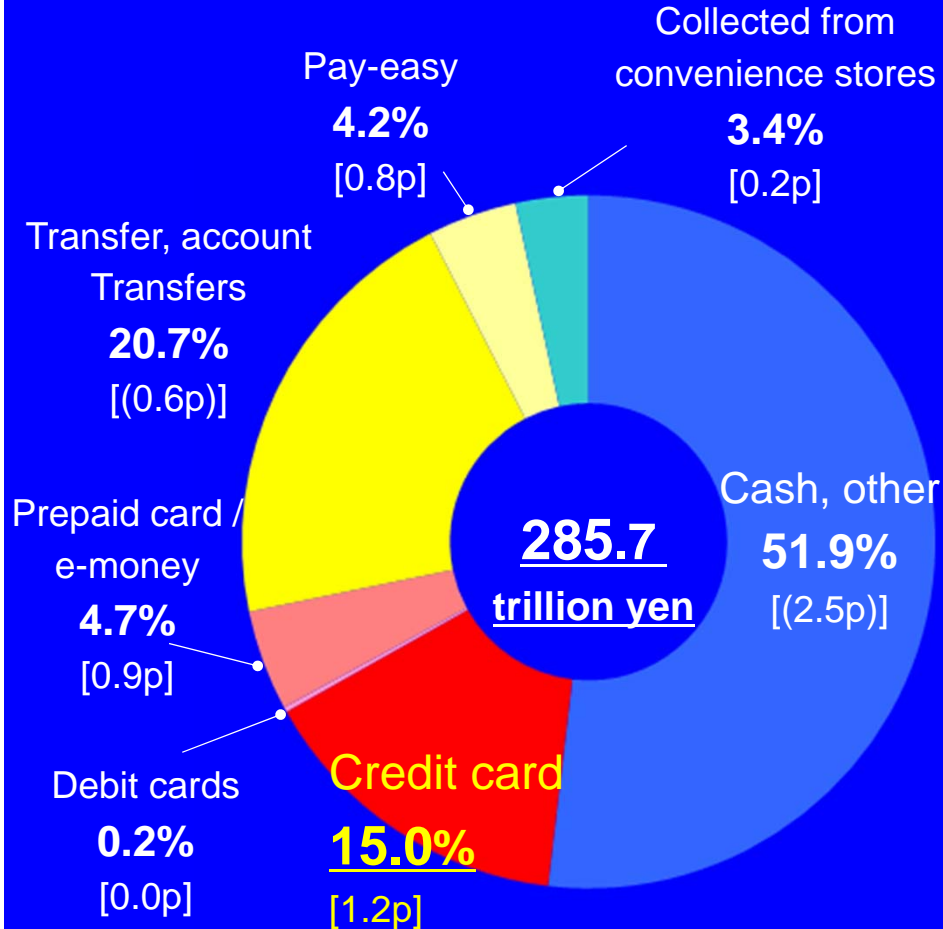
We will promote activities for **establishment of the Credit Saison's Economy Zone** in the Asia area.



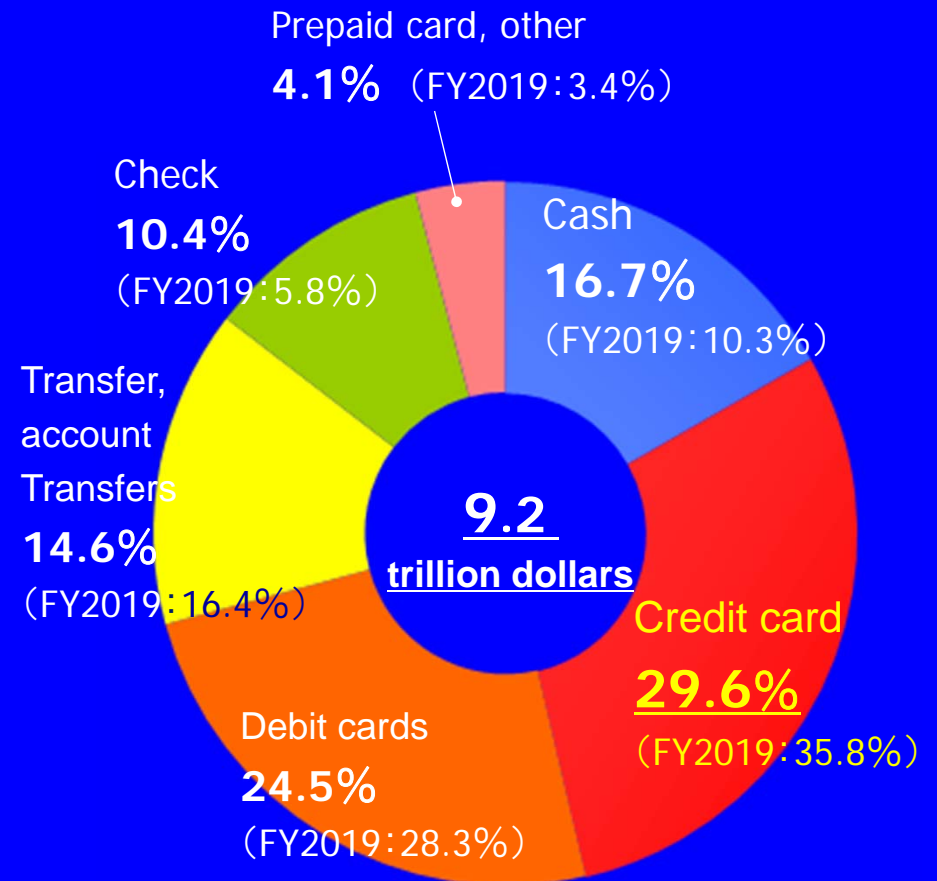
(Reference) Comparison of Share for Payment Service Methods in Consumer Spending in Japan and the U.S.

Japan (FY2014)

※[YoY]



U.S.A. (FY2014 → FY2019 forecast)

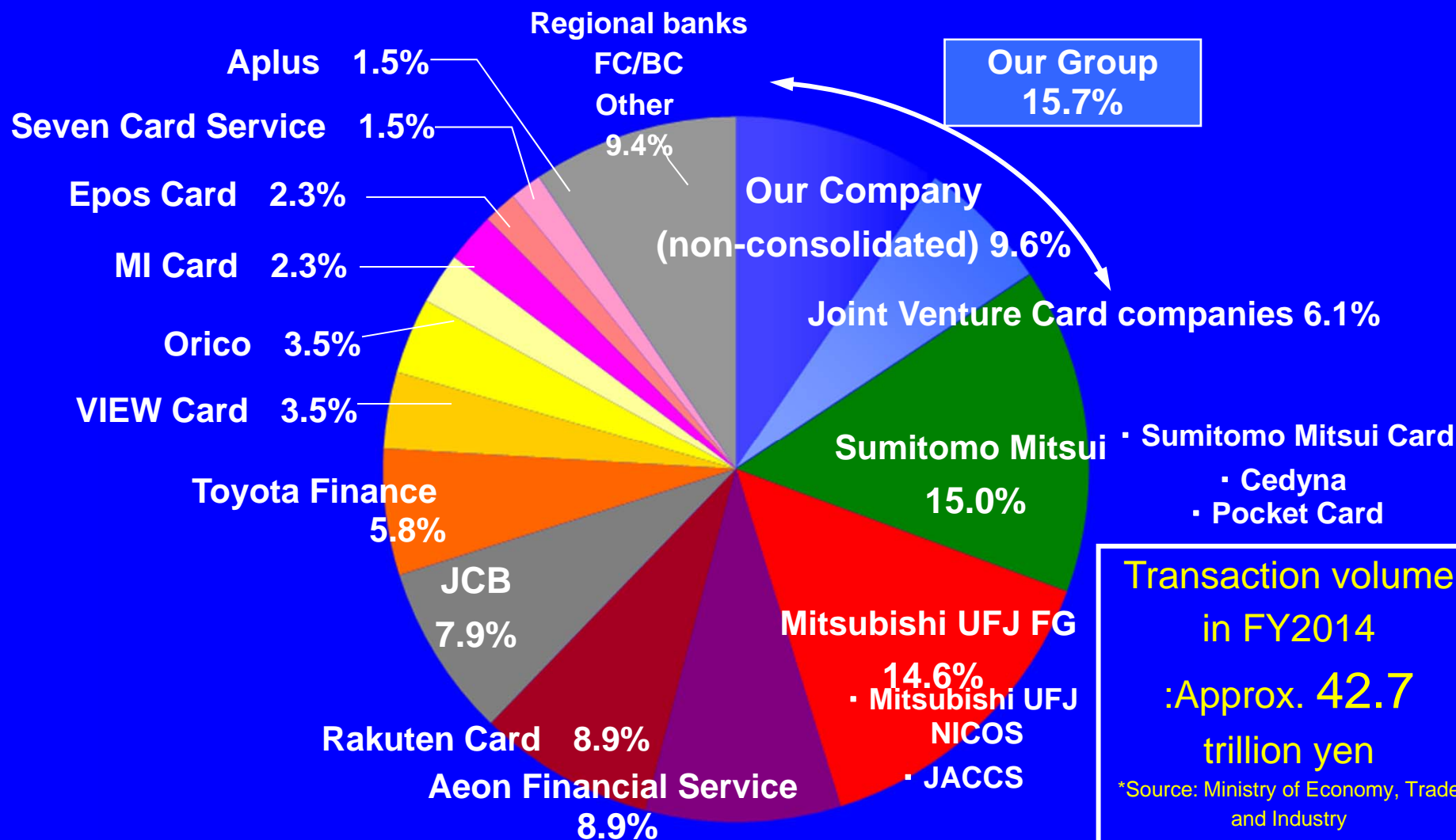


• Japan: Calculated by our company based on sources such as the Ministry of Economy, Trade and Industry, New Payment Report, Mitsubishi UFJ Research and Consulting, and official documents from various companies.

* U.S.A: Calculated by our company based on the "2013 Results and 2018 Forecast" listed in the NILSON REPORT.

(Reference) Domestic Market Share (Shopping Transaction Volume)

Card shopping transaction volume (issuer base) [2014 fiscal year]



※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 (approx. 110) are calculated as "FC and BC of regional banks"

※Investment destinations of our company: Idemitsu Credit, Seven CS Card, Takashimaya Credit, Resona Card, Shizuoka Bank Saison Card, Daiwa House Group

III. Contribution to society (1)

Japan's National Soccer Teams

Supporting company agreement with the Japan Football Association to sponsor Japan's national soccer team

<Nadeshiko JAPAN>

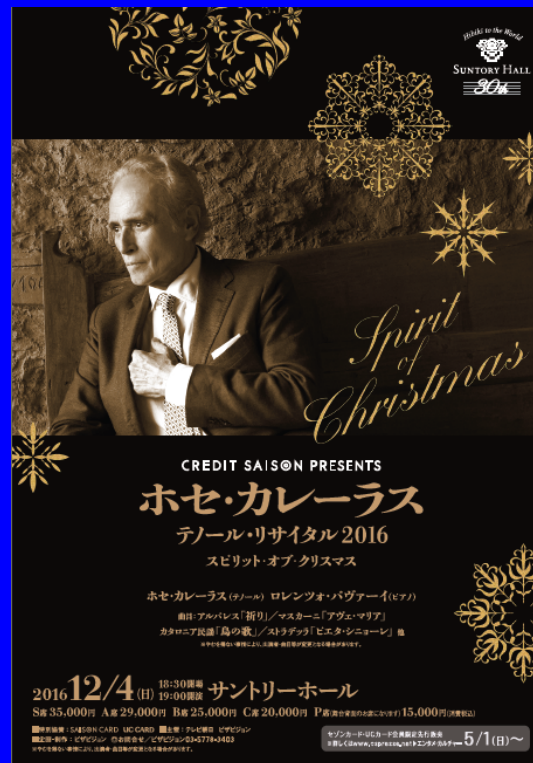


<SAMURAI BLUE>



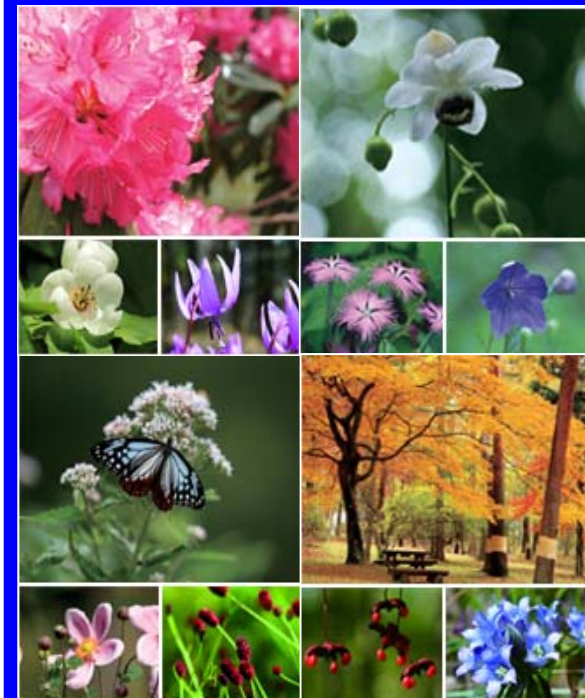
Jose Carreras

Holding in Japan a performance by Mr. Jose Carreras, the only one of the Three Tenors famed across the world, who is still performing



Akagi Nature Park

Managing a forest that brings people into contact with nature with its successive beauties of the year extending across the west slopes of Mt. Akagisan in Shibukawa City, Gunma prefecture



III. Contribution to society (2)

Support of Center for iPS Cell Research and Application run by Professor Yamanaka

Contribution to Center of iPS Cell Research and Application, Kyoto University where Dr. Shinya Yamanaka takes the office of the Director.



Contribution by point exchange and card use

Total contribution:
14.10 million yen
(as of Mar. 2016)

* The contribution activity has continued from Nov. 17, 2014.

Contribution to victims of the Great East Japan Earthquake

Contribution by point exchange and card use

Total contribution:
637.5 million yen

* From Mar. 2011 to Mar. 31, 2012

Collaboration with Kanagawa Prefecture

To assist the animal protection action by Kanagawa Prefecture, the Company started contribution to the "Funds for Construction of Animal Protection Center" by the method of point exchange in March 2016.



SAISON CHIENOWA

The Company released "SAISON CHIENOWA," curation media created with concept "new work style and new life style" for the purpose to support both work and child rearing of working women.



<Sample of original articles>



Female employees talk about "a work-life balance best-fitted for me."



"Japanese child rearing should be changed by dads."



memo