

# FY2017 2<sup>nd</sup> Quarter Management Report



2017. 11. 13 CREDIT SAISON CO., LTD.



## Saison American Express® Card



PLATINUM



GOLD



BLUE



PEARL

### ◆ FY2017 First Half Business Highlights

I. FY2017 First Half Financial Report

II. FY2017 Management Strategies

III. ESG - related

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 First Half of 2017 Fiscal year

## working-style reform

- Introduced a “new human resource” system to transform ourselves to a growing company, while sticking to the management philosophy of “Leading-Edge Service Company”

未来を創る、夢中力  
-“Life-Work-Business”に新しいスタイルを-

## Payment: Card Business

- Covering regional currencies with “Eikyufumetsu point”  
Participation in the point exchange program for promotion of local economy by utilizing My Key Platform implemented by the Ministry of Internal Affairs and Communications



- Implementation of automatic answering chat service utilizing AI

PKSHA Technology

## Solution: Solution Business

- Started to issue “Nitori UC Corporate Cards” for facilitation of cashless settlement in the corporate markets
- Expansion in corporate cards transaction volume to approx. 15% with suitable solutions to meet corporate’s needs and size



## Global: Business in Asia

- Continued increase in contribution margins after consolidation adjustment of HD SAISON Finance Company in Vietnam to 330 million yen (+30% from the previous term end)



## Enhancement of Saison’s Brand Image

- Formation of “Higashi Ikebukuro 52,” a group consisting of employees, in order to enhance image of the Saison brand further by increasing familiarity for customers mainly in the younger generation



## Finance: Finance Business

- “Saison Housing Loan Package”  
- Further increase in balance of Flat 35 to 507.1 billion yen (+13% from the previous term end)
- Increase in balance of asset formation loans to 259.7 billion yen (+20% from the previous term end)



## Internet: Content Business

- Strengthening operation of the owned media that provide new values to consumers
- Development of “Saison DMP,” an infrastructure for big data processing, and full-scale operation of data business



## Investment: Asset Management Business

- Increase in the balance of the assets managed by Saison Asset Management to more than 200 billion yen
- Increase in the managed assets of “Point Investment Service”, which enables simulation of long-term investments with Eikyufumetsu points, to more than 500 million yen





# **I . FY2017 First Half Financial Report**

- 1. Financial Results**
- 2. Results by Business Segment**
- 3. Contributions by Consolidated Companies**
- 4. Main Indices (Non-Consolidated)**
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- 6. Interest repayment claim**
- 7. Financial Indices**

# 1. Financial Results

(¥ billion)

		FY2016 2 <sup>nd</sup> Quarter	YoY (%)	FY2017 2 <sup>nd</sup> Quarter	YoY (%)	FY2017 (Estimate)	YoY(%)
Consolidated	Operating Revenues	137.2	101.7	145.4	106.0	292.0	104.7
	Ordinary Income	31.0	90.6	36.2	116.9	57.0	107.4
	Quarter Net Income	28.2	122.7	32.0	113.3	40.0	94.7
	Earnings per Share (¥)	172.93	138.0	195.98	113.3	244.90	94.7

Non-consolidated	Operating Revenues	117.1	105.0	123.7	105.6	251.8	105.5
	Ordinary income	23.9	108.9	24.1	100.9	41.0	145.3
	Quarter Net Income	21.0	165.5	22.6	107.9	26.5	125.9

## ■ Operating Revenue

- Credit Service Business and Finance Business drove the overall business performance.

## ■ Ordinary Income

- Increase in investment profits by around 4.5 billion yen resulted from sales of investment securities by the UC Card, a company accounted for using the equity-method

## ■ Net Income

- Reporting of gain on sales of investment securities owned by the Company of approx. 8.5 billion yen as extraordinary income

## 2. Results by Business Segment

(¥ billion)

	Operating Revenues			Operating Income		
	FY2016 2 <sup>nd</sup> Quarter	FY2017 2 <sup>nd</sup> Quarter	YoY (%)	FY2016 2 <sup>nd</sup> Quarter	FY2017 2 <sup>nd</sup> Quarter	YoY (%)
Credit Service	103.9	109.1	105.0	11.0	11.3	102.0
Lease	6.7	6.4	96.0	2.6	2.1	82.5
Finance	15.1	17.2	114.3	8.1	7.9	97.0
Real Estate-related	7.0	8.2	117.8	2.8	4.0	141.0
Entertainment	4.9	4.7	97.3	0.6	0.6	99.0
Total	137.7	145.9	106.0	25.3	26.0	102.7
Inter-segment Transactions	(0.5)	(0.5)	-	0	0	-
Consolidated	137.2	145.4	106.0	25.4	26.0	102.7

### ■ Credit Service Business

- Both shopping transaction volume and balance of revolving payment increased, thanks to customer base expansion by acquisition of new contracts for issuance of credit cards under the brand names of business partners, such as "Mitsui Shopping Park Card <Saison>" and "Saison American Express® Card," as well as facilitation of cashless settlement in the "personal customer segment" and "corporate customer segment."

### ■ Finance Business

- Despite increased revenues resulted from establishment of new and close relationship with local financial institutes such as local banks and Shinkin bank in the Credit Guarantee Business, and from strengthening of relationship with prominent business partners for an increase in the Asset Formation Loan, the overall profits were decreased due to transfer of provision for loss on guarantees, etc.

### ■ Real Estate Business

- Sales of real estates increased, mainly because of stable demand for ones in urban areas.



### 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>	¥24.1 billion	¥36.2 billion	¥12.1 billion

Major consolidated subsidiaries	Contribution to ordinary income	Major equity-method affiliates	Contribution to ordinary income
<b>Atrium Group</b> (liquidation of real estate) (servicing business)	¥2.96 billion	<b>UC CARD Co., Ltd.</b> (credit card business)	¥4.33 billion
<b>Saison Fundex</b> (loans) (real estate)	¥1.69 billion	<b>Saison Information Systems Co., Ltd.</b> (information processing)	¥1.01 billion
<b>Concerto Inc.</b> (entertainment business) (real estate rental business)	¥1.18 billion	<b>Idemitsu Credit Co., Ltd.</b> (credit card business)	¥0.79 billion
<b>SAISON PERSONAL PLUS COMPANY LIMITED</b> (temporary staff) (servicing business)	¥0.25 billion	<b>Takashimaya Credit Co., Ltd.</b> (credit card business)	¥0.45 billion

## 4. Main Indices (Non-Consolidated)

	FY2016		FY2017		FY2017(Estimate)	
	2 <sup>nd</sup> Quarter	YoY(%)	2 <sup>nd</sup> Quarter	YoY(%)		YoY(%)
New Applications (millions)	1.62	99.5	1.50	92.6	3.18	99.8
New Card Issued (millions)	1.28	99.7	1.26	98.3	2.60	99.8
Total Cardholders (millions)	26.01 (+0.40)	102.9	26.84 (+0.37)	103.2	27.14 (+0.67)	102.5
Active Cardholders (millions)	14.72 (△0.05)	99.3	14.92 (+0.14)	101.4	15.12 (+0.33)	102.2
Transaction Volume (¥ billion)	2,309.4	103.6	2,428.8	105.2	5,045.0	106.6
Card Shopping	2,179.9	104.2	2,304.9	105.7	4,790.0	107.0
Cash Advances	129.4	94.5	123.8	95.7	255.0	100.5
Operating assets outstanding (¥ billion)	576.3	107.1	609.8	105.8	638.0	107.3
Card Shopping	360.2	113.0	395.1	109.7	420.0	110.3
Cash Advances	216.1	98.6	214.7	99.4	218.0	101.8

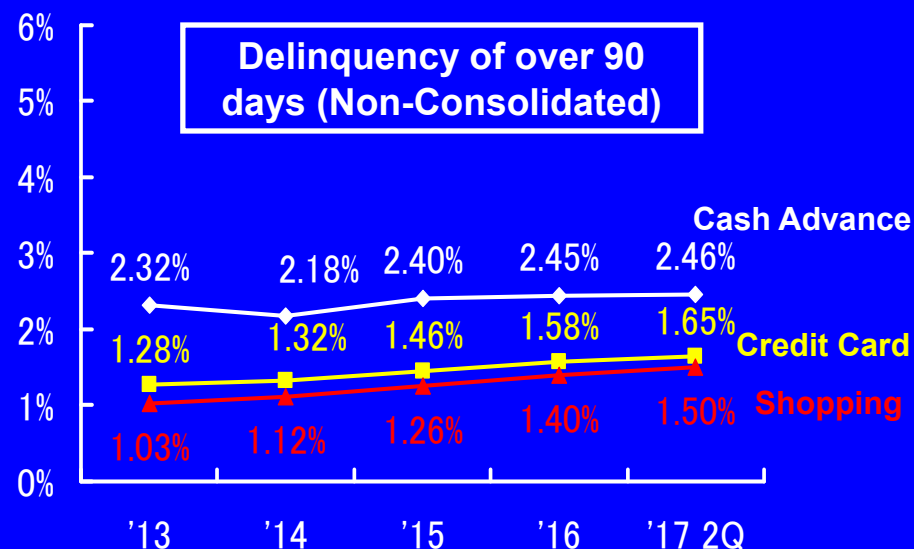
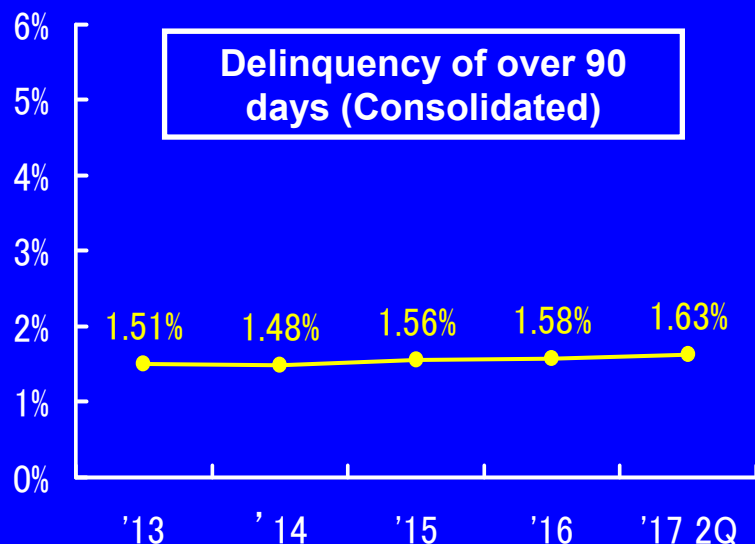
(Unit: million cards, million people, ¥ billion)

Figures in parentheses are changes from the previous year



## 5. Credit Risk / Credit Cost

### ■ Trends in Credit Risk



### ■ Credit Cost Results / Estimate

#### [Consolidated]

(Unit: billion yen)

2Q Results		
		YoY difference
<b>Credit Cost</b>	<b>15.6</b>	<b>+3.9</b>
General	15.6	+3.9
Interest Repayment	0	0

#### [Non-Consolidated]

(Unit: billion yen)

2Q Results		
		YoY difference
<b>Credit Cost</b>	<b>14.9</b>	<b>+3.7</b>
General	14.9	+3.7
Interest Repayment	0	0

- Although delinquency ratio rose for the reason of a top-line increase resulting from a growth in balance of revolving payment, but the delinquency ratio still maintained at a relatively low level, thanks to the efforts to strengthen the activities toward early collection of initial credit obligations and to offer various counselling options.

## 6. Interest Repayment Claims

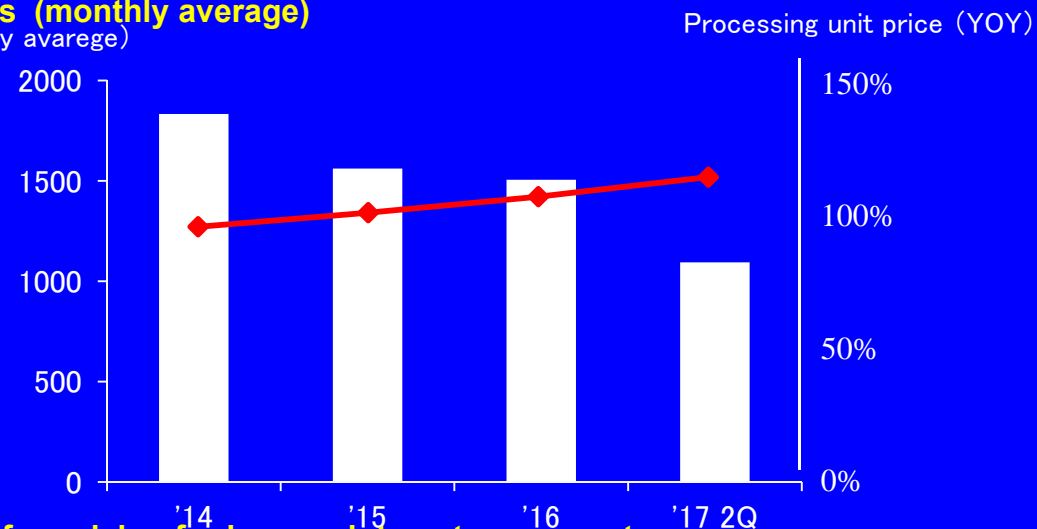
Increase in provision for loss on interest repayment by 15.9 billion yen as of the end of the previous term

No. of new interest repayment claims handled by lawyers or judicial scrivener is decreasing.

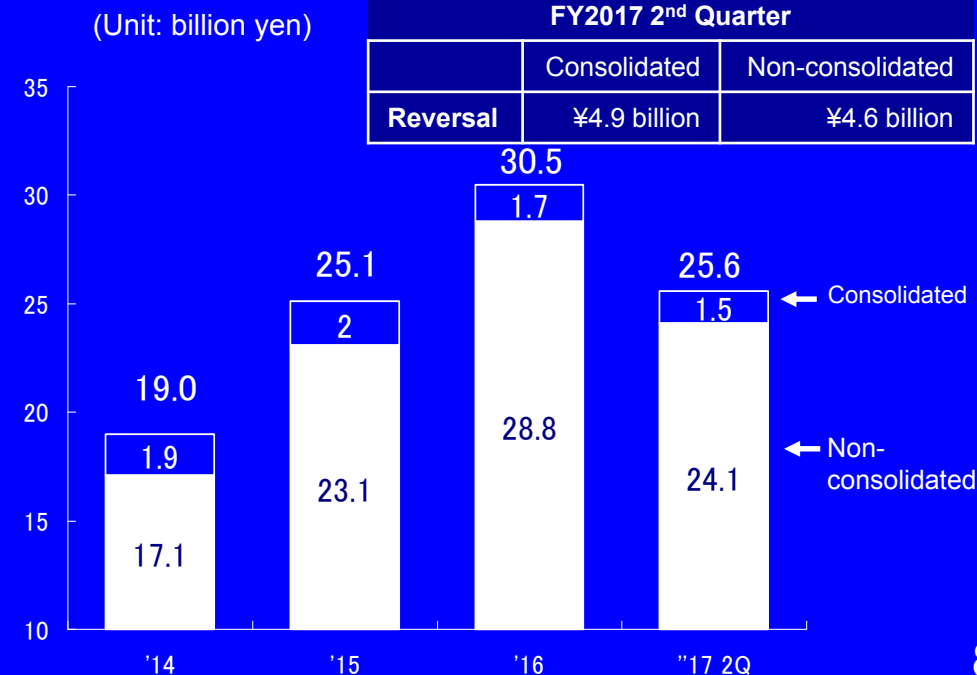
Provision is currently at a level where no addition or subtraction is required.

No additional provision is planned.  
The future trend is to be monitored.

■ Trend in new Interest Repayment claims handled by lawyers (monthly average)  
(monthly average)



■ Trend of provision for loss on interest repayment



## 7. Financial Indices

### ■ Shareholder's Equity · Total Assets · Shareholder's Equity Ratio

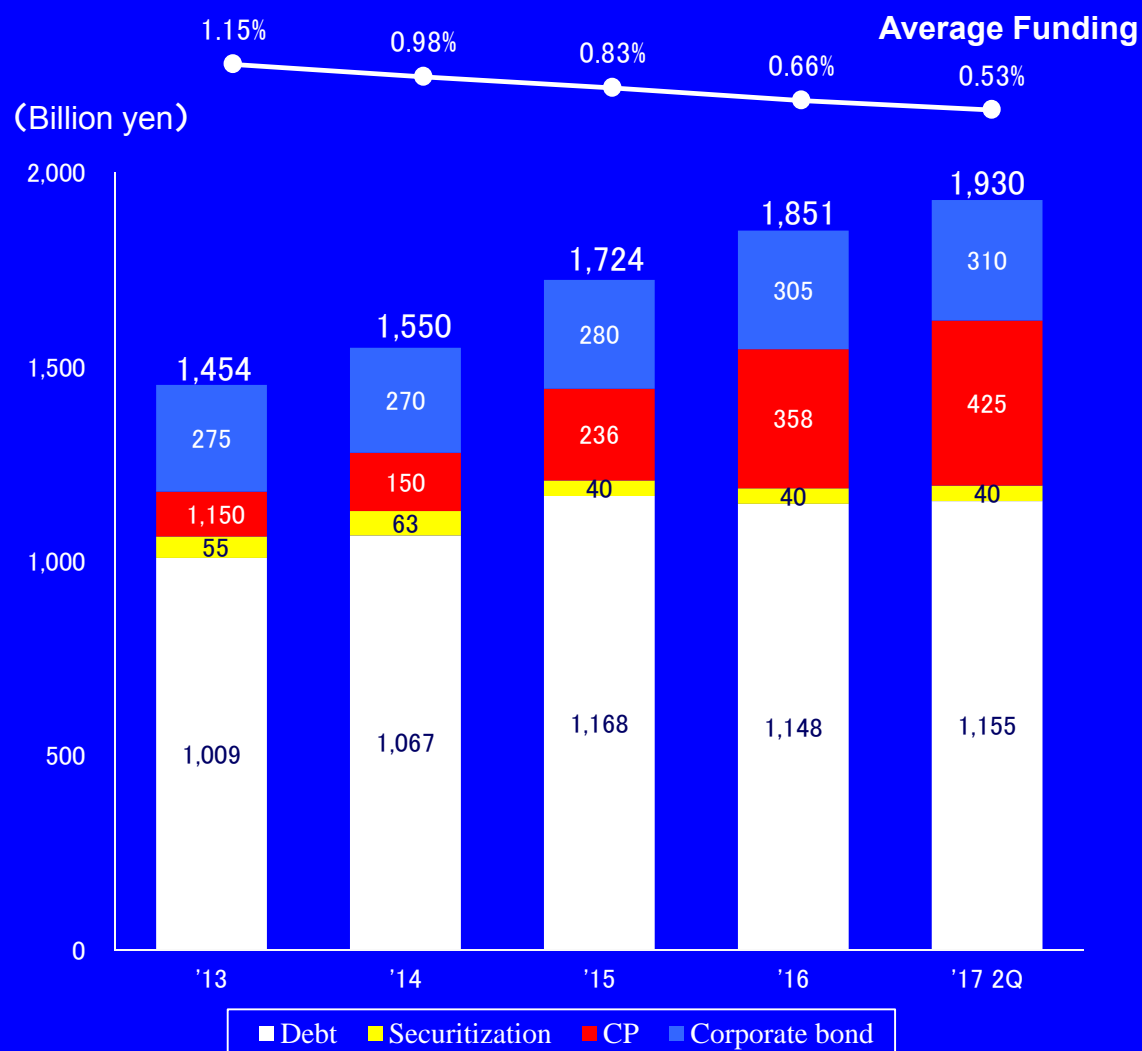
	Consolidated		Non-Consolidated	
		change from end of FY2016		change from end of FY2016
Shareholders' Equity	¥468.5 billion	+23.4 billion	¥393.0 billion	+18.6 billion
Total Assets	¥2,849.7 billion	+129.7 billion	¥2,750.0 billion	+126.3 billion
Shareholders' Equity Ratio	16.4%	+0.0%	14.3%	+0.0%

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

[ Rating ]  
R&I A+

Long-term Ratio : 66%  
Fixed Ratio : 62%

Card company's first  
super long-term bond  
with a term of 20 years



## FY2017 bond issue

**May : Issuance volume of 25 billion yen**

\* For individuals

Period: 5 years

Interest rate: 0.16%

**Issuance volume of 10 billion yen**

Period: 5 years

Interest rate: 0.16%

**June : Issuance volume of 10 billion yen**

Period: 20 years

Interest rate: 1.00%

**July : Issuance volume of 10 billion yen**

Period: 10 years

Interest rate: 0.38%





# (Reference) Progress Status of Associated Core System Development

Migration to the new system on Nov. 26 (Sun), 2017

## Acceleration of top-line growth by utilizing the new system

Expansion of service portfolio



New service development for business partners



Credit cards issued by business partners



Wallet settlement



Prepaid card

Expansion of processing business



### Benefits to be brought by the new system

#### [Expansion of service portfolio]

- Operation for 24 hours / 365 day
  - Customer data inquiry on a real-time basis by providing 24hours 365days online processing
  - There will be no period when web services become partially unavailable.  
(For example: display of bills, point exchange, etc.)
- Service enhancement by aggregating Eikyufumetsu points gained by both Saison and UC brand credit cards

#### [Growth of top line]

- Development of new services for business partners  
(Issuance of new credit cards, issued under the brand names of business partners, service expansion of credit cards issued by business partners, etc.)

- Expansion of the processing business by enhancing usability

#### [Enhancement in productivity]

- Enhancement in business efficiency by centrally managing customer information of both the Saison and UC brand credit cards
- Aiming at efficiency in developing additional systems with improved flexibility
- Enhancement in speed for development of new services for ourselves and our business partners, as well as reduction in development and running cost

## 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.**”

	FY2016 Results	FY2017 Target	FY2018 Target
Consolidated ordinary income	53.0 billion yen	57.0 billion yen	60.0 billion yen

# FY2017 Management Vision

Medium-Term Management Vision **Neo Finance Company in Asia**

FY2014~

Change of business model

FY2016

**FY2017**

FY2018

2025 ~ The next 10 years ~

Thorough pursuit of customers' needs and convenience

CREDIT  
SAISON

The most suitable solutions for individuals and corporations



Pursuit customer needs and contribute to (execute) problem solving



# Transformation to Innovative Company

## Creation of "services and settlement system" only Saison can provide

- Implementation of the scheme for cardless settlement
- Apple Pay
- Development of original promotion



- Creation of Eikyufumetsu points economic system



## Creation of new "SAISON Brand"

- Implementation working-style reform by adopting the human resource system that is equal to all employees



- Formation of "Higashi Ikebukuro 52," a group consisting of company's employees
- New branding strategy through combining the customer support content with digital technologies -

## Diversifying business operation through development of new business

- Development of new business through strategic capital and business alliances



- Development of "Saison DMP", an infrastructure for big data processing, and full-scale operation of data business

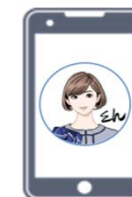


- Expansion of total housing financial services by entering the rent guarantee business



## Utilization of AI (Artificial Intelligence) and robots

- Implementation of one-to-one marketing by the conversation engine AI
- Implementation of automatic answering chat service utilizing AI



- Creation of new service and settlement system as the "Leading-Edge Service Company"
- Evolution to individuals and company that always tackle challenges



# Expansion of New Business Domain (1) - Settlement Business -

Implementation of a variety of **new settlement functions** such as smart-phone / app settlement and biometrics authentication in various ways by utilizing **cutting-edge technologies of Fintech**  
Departure from dependence on the credit card business, and expansion of **settlement platform**

[Present] Cash vs. cards

[Future] Creation of new settlement services



Wallet settlement



Virtual prepaid card



Mobile Payment



Virtual currency



Account

Central  
information  
management



On-line settlement  
service



Settlement with biometrics  
authentication



Overseas remittance



Household  
account book  
app



+

Research for  
cutting-edge technologies



+

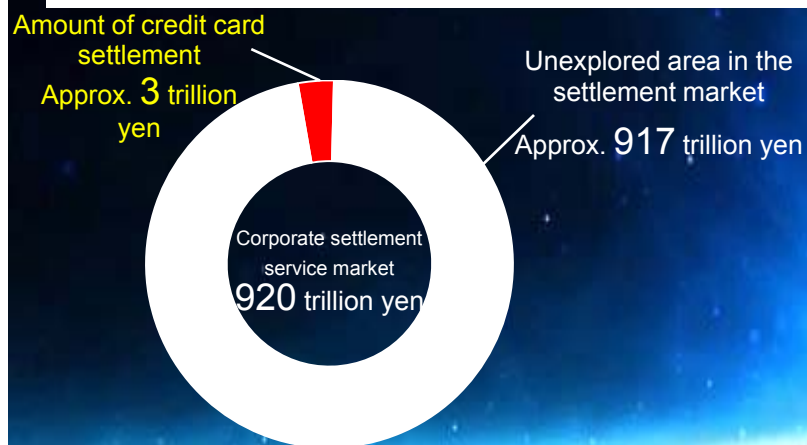
Expansion of FinTech venture  
network



## Expansion of New Business Domain (2) – Business for Corporate Customers -

We will facilitate cashless settlement in the corporate settlement area through collaboration with settlement platformers, in order to meet needs from various companies.

### Japanese corporate settlement service market



Source: Aggregated by Saison from “Japanese corporate settlement service market and Visa’s strategy” (VISA World Wide)

### Transition in transaction volume of Credit Saison’s corporate cards



## Development of solutions to meet needs from various companies

### Facilitation of cashless settlement of business expenses and sales



Corporate card  
Purchasing card  
Corporate customer card

Web utilization for preparation and sending of bills

MFクラウド請求書

セゾンの家賃保証  
Rent Quick

Reduction in burdens in various businesses including the house rent collection business

### Needs for funding and capital investment

Leasing / installment payment for business purpose

Credit guarantee (loan for corporate customers)

Nonrecourse loan for real estate

ビジネスファンディング

Future credit purchase service

### Rationalizing and streamlining business operations



Streamlining of cost settlement operation



Reduction in bank transfer fees

Providing platforms for BtoB settlement

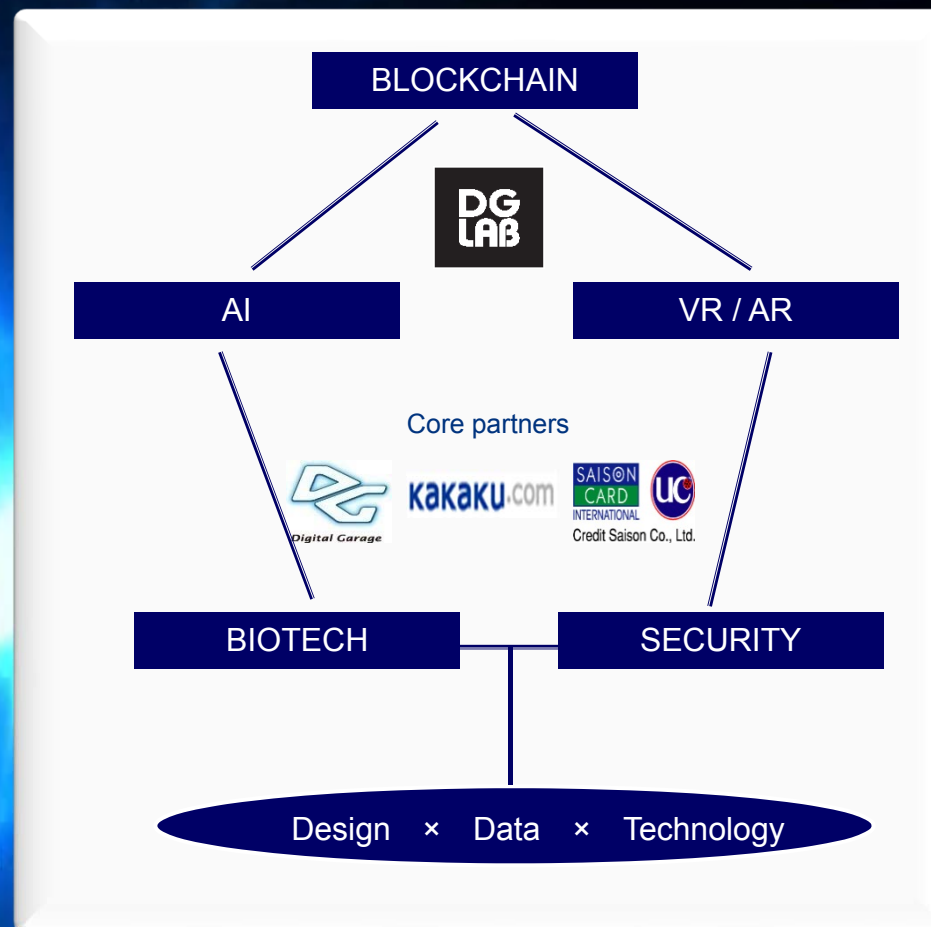
# (Reference) Establishment of “DG Lab”

“DG Lab,” an open-innovation type research & development organization

We have developed “**DG Lab DVEP (Digital Value Exchange Platform)**,” a multi-purpose framework enabling to issue original virtual currencies on the block chain of Bitcoin.



In collaboration with iRidge,  
a demonstration test was completed with  
“Sarubobo Coin” issued by Hida  
Shinyokumiai.



▼  
Toward 2020,

we will develop the **next-generation businesses** in the fields of  
**the block chain, artificial intelligence (AI), VR/AR, etc.**

# (Reference) Open Innovation Strategy

Investment in venture funds



Capital / Business alliance

× Introduction of each partners, as well as companies that the funds invest



Subsidiary

SAISON Ventures

× Investment in companies at seed / early stages



Event



Event participation

× Review of alliance with the participant companies



Association



× Involved from the time of establishment



[Examples of Introduced Alliance and Business Partners]

Japan



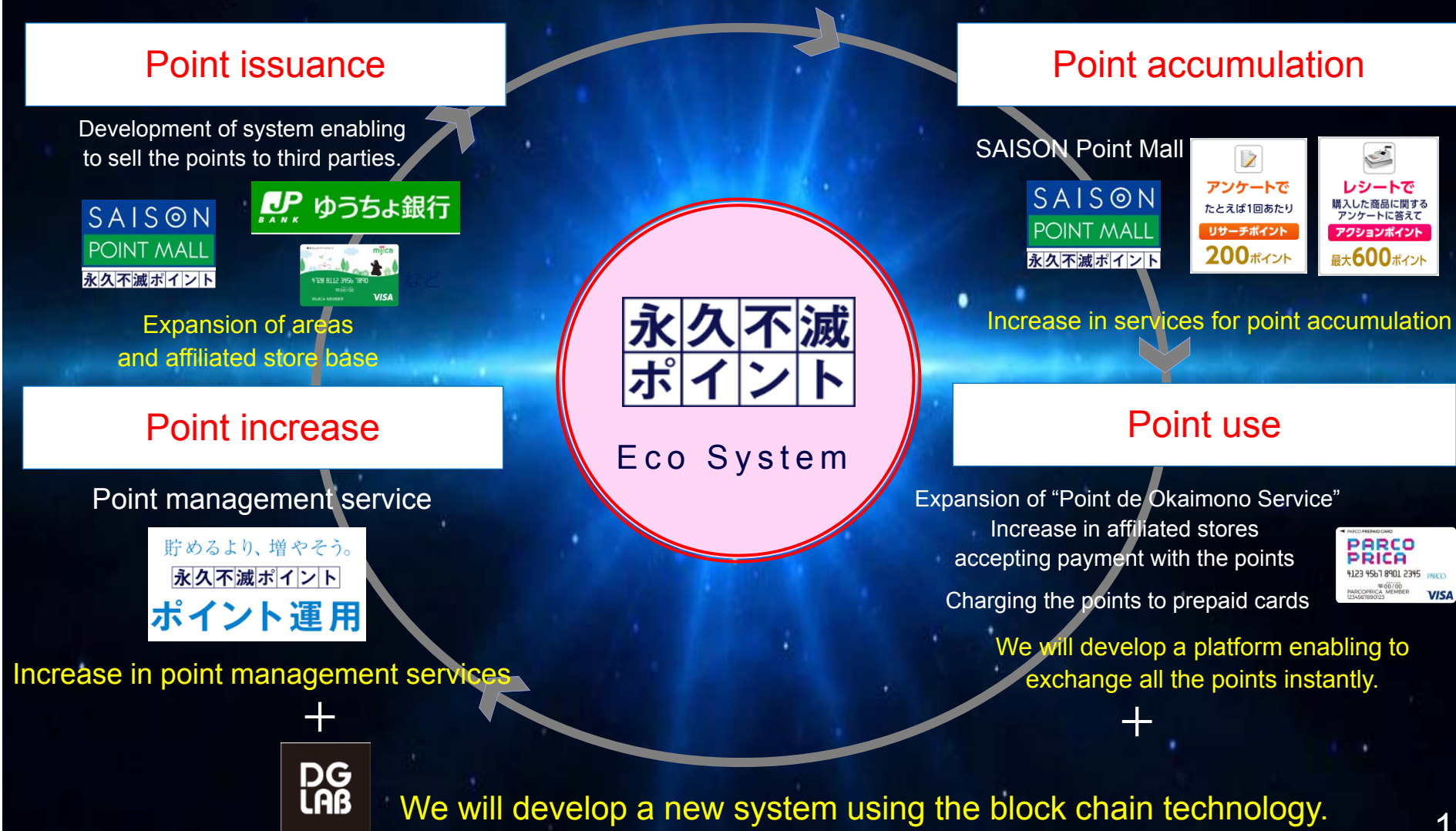
Overseas





## Expansion of New Business Domain (3) – Eikyufumetsu Point Eco System –

We will create the strongest “point-focused Eco System” by making the Eikyufumetsu point system a general-purpose point system allowing customers to “accumulate,” “use (exchange)” and “manage” the points.

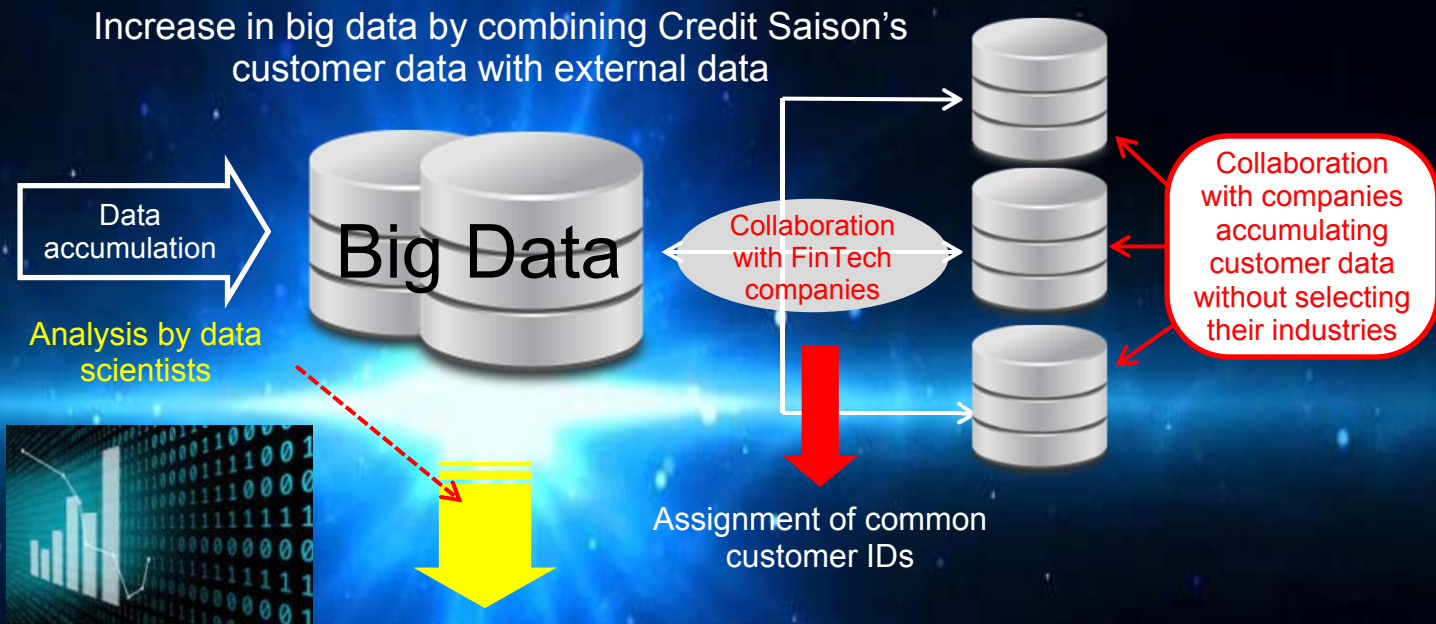
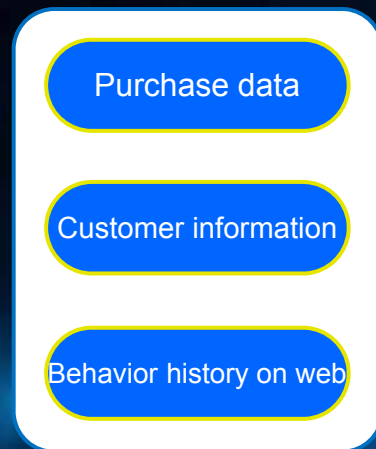


## Expansion of New Business Domain (4) – Big Data Business –

Increase in business opportunities after development of the legal system for usage of big data and personal information

Achievement of “expansion of business domains” and “entry to new market”

<Saison's customer data>



Business creation by customer base x big data



# Expansion of New Business Domain (5) – Development of Platform to Meet QOL demand –

New quantitative and qualitative monetary easing measures

Declining birthrate and an aging population

Slow growth

As an increase in social welfare spending (particularly, health care cost) and worsened social security and national finance have become a social issue,

sustainability of the social security system has become uncertain.

## Challenges in pension scheme

### Difficulty to maintain pension fund

- ✓ Difficulty to manage funds due to historic low interest rates
- ✓ Passing the burden onto future generations due to unbalance between burden and benefits resulted from Declining birthrate and an aging population

## Severe situation surrounding health insurance societies

### Rapid financial deterioration of insurance societies

- ✓ An increase in health care cost due to population ageing has become a social issue.
- ✓ In FY 2016, 901 (64.4%) of 1,399 social insurance societies reported losses, and their total losses reached 138.4 billion yen.

Need to form and manage own assets at one's responsibility to provide for the future  
(Increased needs for asset management)

Need to understand and control own health appropriately at one's own responsibility to live healthy  
(Increased needs for health control)

Self-responsibility is essential

Education for investment is insufficient in Japan, and the literacy for investment is low.

There is a lack of systems and platforms for health control and medical care.

- The ratio of the assets held by aged households has increased year by year.

(53% in 2002 ⇒ Approx. 70% in 2016)

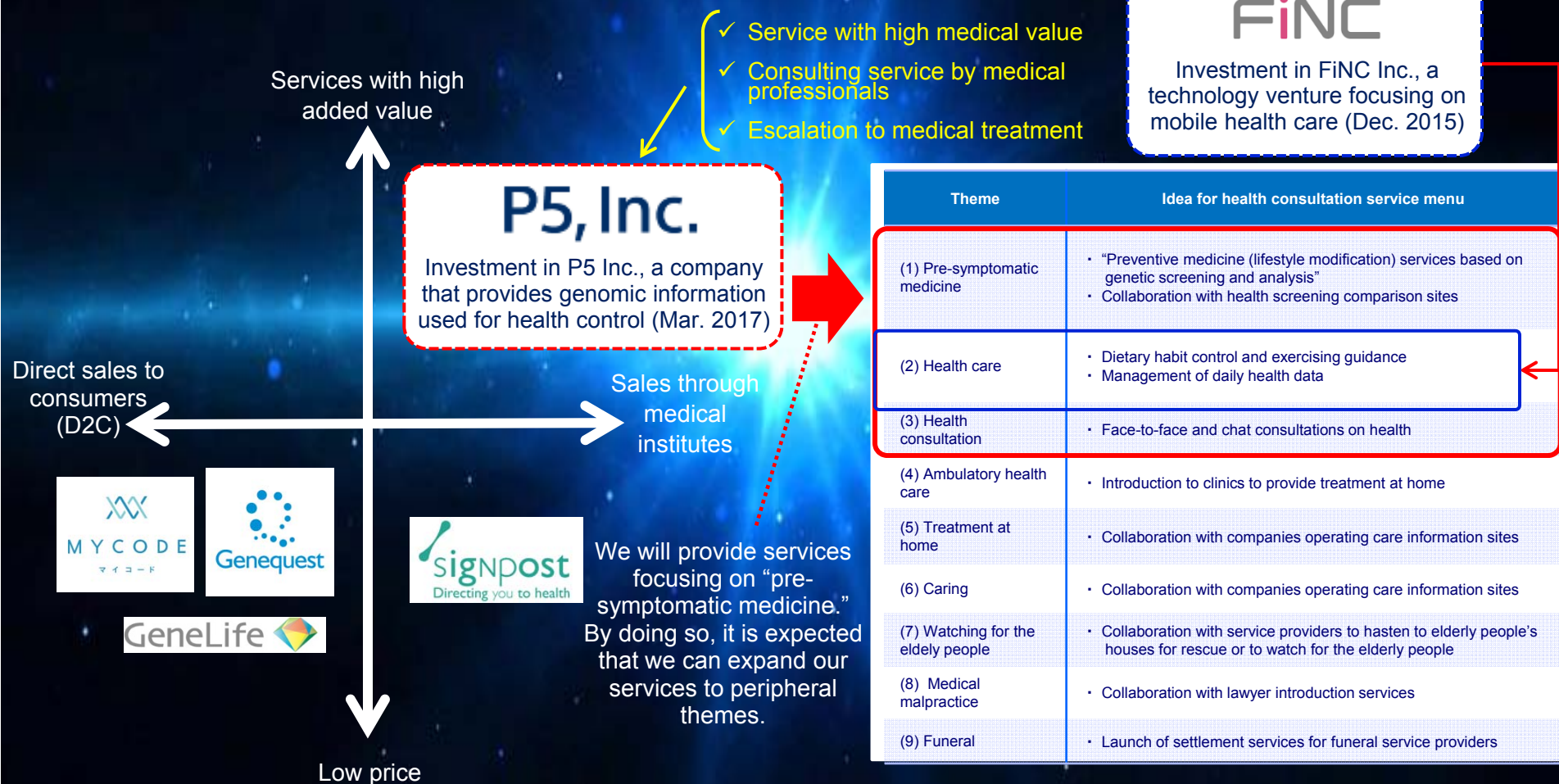




## Expansion of New Business Domain (5)-1 – Health Platform –

Responding to demand especially from senior generation for “improvement in personal life (quality of life)” and life design for them will provide opportunities to acquire new customers and promote consumption in the field of the business for personal customers.

<Positioning of health control service using genomes>





## Expansion of New Business Domain (5)-2 – Finance Platform –

In order to allow customers to treat money in a more diversified and affluent manner, we will provide **asset management services that customers can use easily and conveniently.**

Supporting customers' asset management with professional **long-term asset management and development funds**



セゾン投信

Established in 2006

- ◆ Establishment of capital and business alliance among three companies: Japan Post Co., Ltd., Saison and Credit Saison Asset Management Co., Ltd (Sep. 2014)
- ◆ The funds became available through “Yucho Direct”, the Net Banking Service by Japan Post Bank (Jan. 2017)
- ◆ Certified as the investment trust to be included in “Tusmitate NISA”



「つみたてNISA」をはじめるならセゾン投信



Balance of managed assets:  
**More than 200 billion yen**

Launch of the **wrap account management service** to utilize cutting-edge IT technology and world-class financial knowledge

- ◆ Cofounded by the Vanguard Group, world's largest asset management company, Monex Group, and Credit Saison



Established in 2015



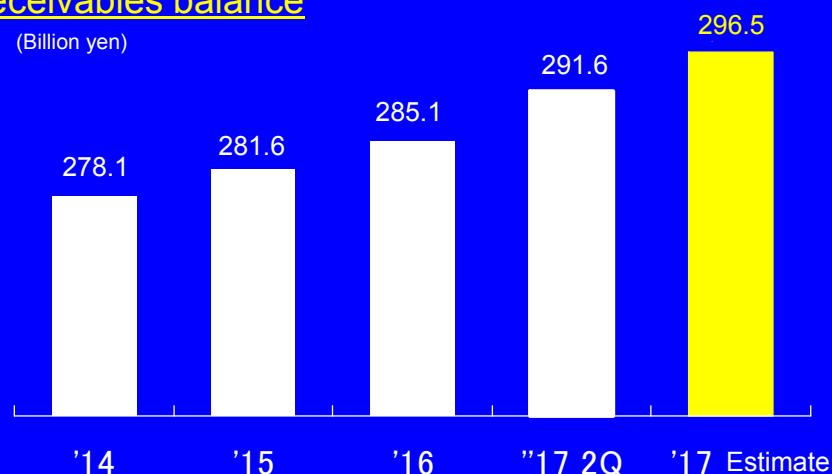
# Further Growth Strategies in Finance Business (1)

## Lease & Rental

- ◆ Enhancement of comprehensive sales activities targeting important dealers utilizing the business power of the national base networks
- ◆ Aggressive entry to new lease markets
- ◆ Enhancement in customer convenience through the web scheme

### Receivables balance

(Billion yen)



## Credit Guarantee

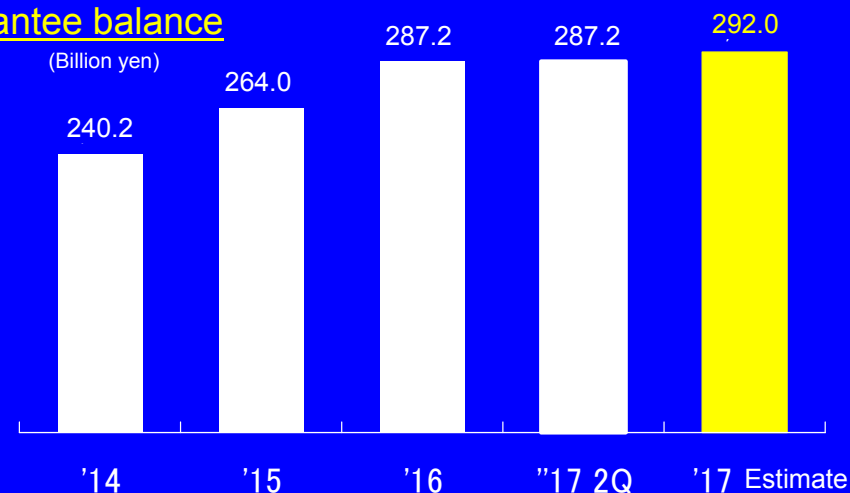
- ◆ Strengthening efforts for risk control to address changes in market conditions and for sales promotion
- ◆ Informing a wide variety of customers about the strong point of the service that can be used for borrowing of business funds
- ◆ Enhancement in customer convenience through the scheme to complete all the procedures on the web (no face-to-face communication and paperless contracts)

\* No. of business partners: 394

(Credit unions: 219, city and local banks: 73, and credit associations, agricultural cooperatives and others: 102)

### Guarantee balance

(Billion yen)



	1st Half Result	FY2017 Estimate
Receivables balance	291.6 billion yen (YoY comparison + 3%)	296.5 billion yen (YoY comparison + 4%)
Operating revenue	6.4 billion yen (YoY comparison - 4%)	13.1 billion yen (YoY comparison - 1%)

	1st Half Result	FY2017 Estimate
Guarantee balance	287.2 billion yen (YoY comparison + 4%)	292.0 billion yen (YoY comparison + 2%)
Operating revenue	8.6 billion yen (YoY comparison + 6%)	17.4 billion yen (YoY comparison + 5%)

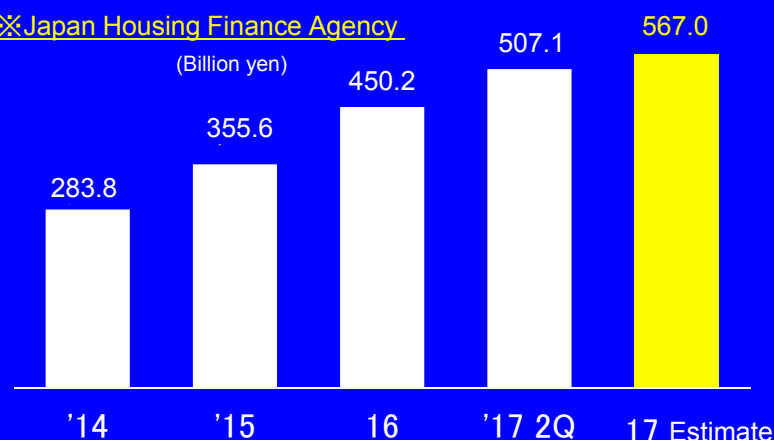
# Further Growth Strategies in Finance Business (2)

## Flat 35

- ◆ Support for enhancement of collaboration with main agencies as well as operation of new agencies in a full scale
- ◆ Acquisition of contracts mainly with real estate brokers and focusing on used real estate
- ◆ Aggressive deployment of outbound sales to customers toward accommodating needs for refinancing

### Flat 35 Loan Balance after Transfer of Receivables to JHF※

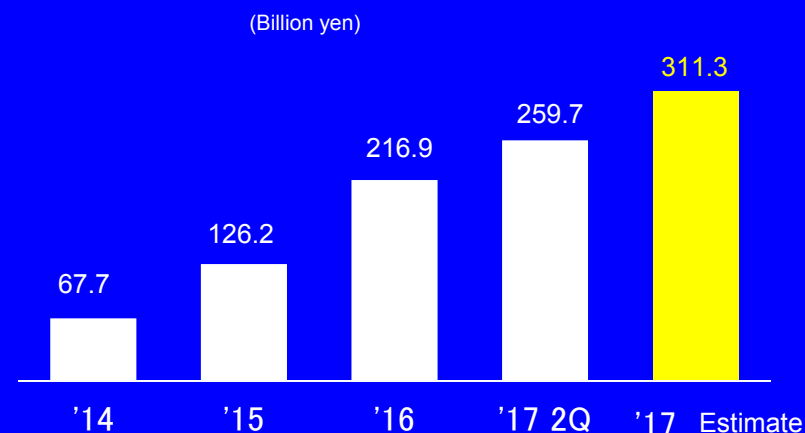
※Japan Housing Finance Agency



## Asset Formation Loan

- ◆ Maintaining the business model to conduct business only with reliable business partners
- ◆ Maintaining and enhancing the relationship with partners that can perform all the processes ranging from purchase of lands to development and sale of the lands, and managements of buildings and rent collection in a consistent manner
- ◆ Promotion of products to partners through study sessions as well as strengthening of the support system

### Balance of asset formation loan



	1st Half Result	FY2017 Estimate
Loan balance	507.1 billion yen (YoY comparison + 29%)	567.0 billion yen (YoY comparison + 26%)
Operating revenue	1.7 billion yen (YoY comparison + 46%)	3.8 billion yen (YoY comparison + 48%)

	1st Half Result	FY2017 Estimate
Loan balance	259.7 billion yen (YoY comparison + 54%)	311.3 billion yen (YoY comparison + 44%)
Operating revenue	2.6 billion yen (YoY comparison + 47%)	5.8 billion yen (YoY comparison + 45%)

# Acceleration of Prior Investments in Asia Business ①

## Deployed overseas bases



**China (shanghai)**  
(2005~)



**Vietnam**  
(Hanoi/Ho Chi Minh)  
(2013~)



**Singapore**  
(2014~)



**Indonesia (Jakarta)**  
(2015~)



**Cambodia**  
(2015~)

Projects in  
progress



**Philippines**



**Malaysia**



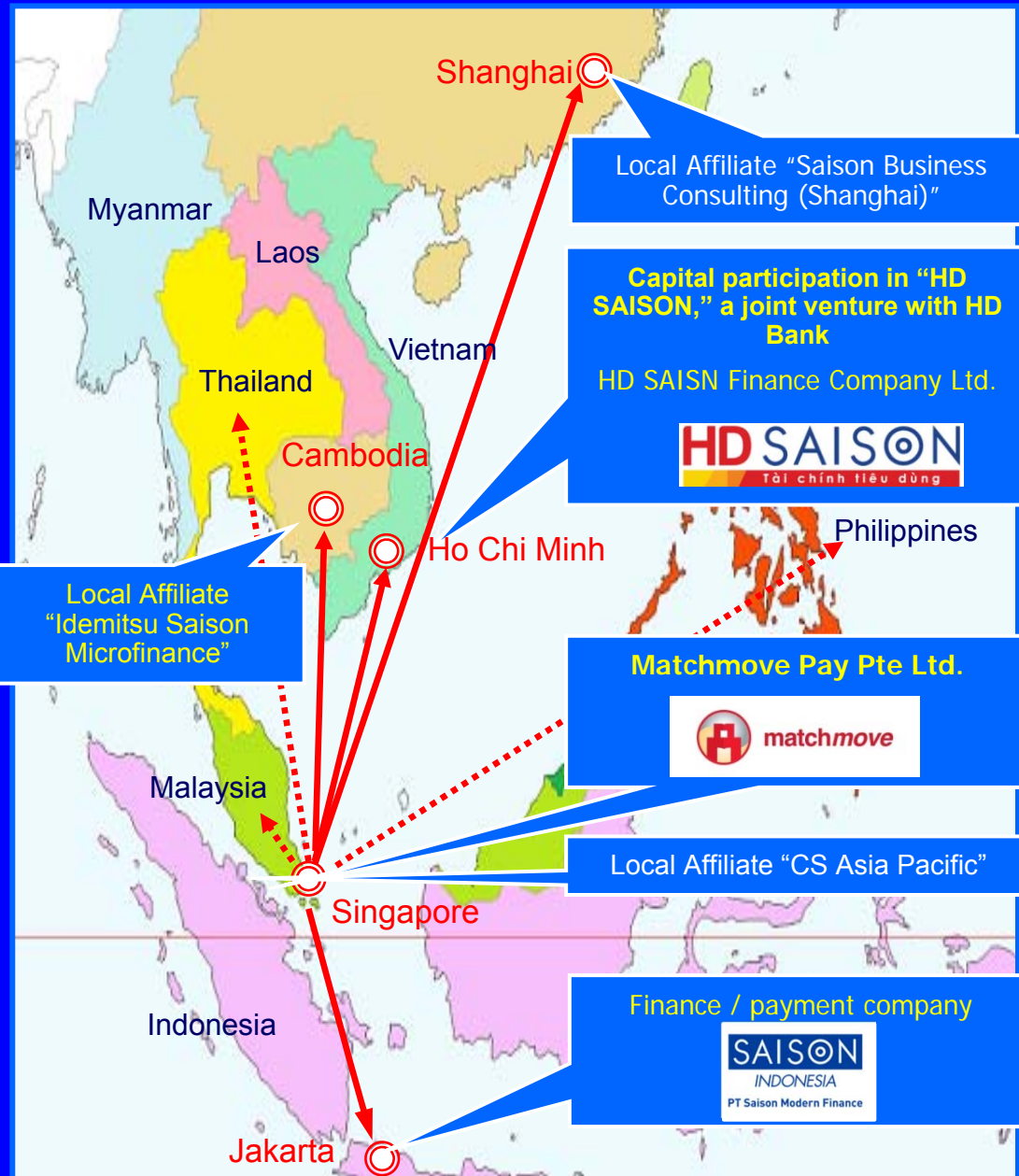
**Myanmar**



**Thailand**



**India**



## Acceleration of Prior Investments in Asia Business (2)

Vietnam



**HD SAISON**  
Finance

Joint venture business with HD Bank

“HD SAISON Finance Company Ltd.”

Established in May 2015 / Credit Saison’s stake: 49%

- Individual installment business for motor cycles, consumer electronics and smartphones, and cash advance business
- Service base: about 10,000 sites across Vietnam
- No. of employees: about 7,900



Contribution margins after consolidation adjustment increased to 330 million yen (YoY comparison +30%)

Singapore



**matchmove**

Capital and business tie-up

“Matchmove Pay Pte Ltd.”

Established in Nov. 2014 /  
Credit Saison’s stake: 15%

- Operation of virtual prepaid card business under international brands mainly in Asia.
- Business bases: Singapore (head office), Indonesia, India, Vietnam, Thailand, Philippines, USA

Indonesia



**SAISON**  
INDONESIA  
PT Saison Modern Finance

Finance and payment business company

“PT. Saison Modern Finance”

Established in Nov. 2015 /  
Credit Saison’s stake: 70%

- Operation of lease and payment business
- Leasing of store facilities and providing of services with in-franchise prepaid cards and point cards mainly for retailers and restaurants

Cambodia



Investment by Idemitsu Credit Co., Ltd.\*

\*A company that Saison owns 50% share  
“Idemitsu Saison Microfinance (Cambodia) Plc.”

Established in Aug. 2015  
(Operation started in Jan. 2016) /  
Wholly owned by Idemitsu Credit

- Launched business funds loan business, equipment and installment payment business in the agricultural sector

# Views on ESG for Sustainable Growth

We will facilitate “**ESG Management**,” in order to achieve social contribution that only Credit Saison can do.



We will aim for sustainable enhancement in our corporate value by contributing to problem solving of society through our business operations.



# Environment (Activities for environmental preservation)

We promote environmental preservation activities through operation of Akagi Nature Park and efforts to realize paperless business operations.

## ■ Operation of Akagi Nature Park



Handkerchief tree



Bellflower



Chestnut tiger butterfly

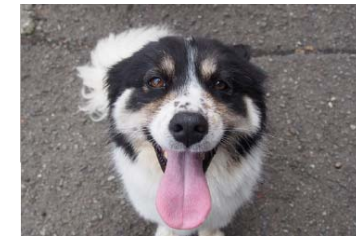


Colored leaves in fall



No. of visitors in FY2017:  
**63 thousand**  
(YoY comparison: +7,000)

## ■ Funds for Construction of Kanagawa Animal Protection Center



Bucchy, PR ambassador of Kanagawa Animal Protection Center



A cat protected in the Protection Center

## ■ Promotion of Paperless Operations

- Achievement of paperless in-company meetings and credit card application processing
- Reduction of paper consumption and CO2 by digitalizing utilization bills (web) (500g less CO2 per mail)



# Social (Efforts for social contribution activities: Corporate Social Responsibility, society)

## Promotion of social contribution activities that only Credit Saison can do

- Achievement of cashless society that provides assurance, safety and convenience



- Implementation of the social infrastructure that provides “assurance,” “safety” and “convenience” to daily life
- Promotion of cashless settlement through expansion of settlement platforms
- Support to sport and cultural activities



Credit Saison is a supporter of Japanese national soccer teams.



- Promotion of contribution by Eikyufumetsu points exchange and card settlement
- Promotion for contribution through the Eikyufumetsu points exchange was conducted for the sufferers in the “2016 Kumamoto Earthquakes” and “2017 North Kyushu Heavy Rain.”



- “Partnership Agreement on Promotion Activities for Disaster Prevention and Reduction of the Effects of Natural Disasters” with the city of Yokohama

From Yokohama to every part of Japan

防災寄付  
BOSAI KIFU

永久不滅ポイント

～自分を守り、大切な人を救うために～



# Social (Efforts for social contribution activities: Working-Style Reform)

We introduced a “new human resource” system to transform ourselves to a growing company in September 2017, while sticking to the management philosophy of “Leading-Edge Service Company”

■ Employment of all the workers except part-time workers as permanent employees

Placing 4 work types of “general job,” “special job,” “part-time engagement” and “mates” on the same wage table

Indefinite-term employment

Bonus

Defined contribution pension plan

“Same wage for the same work”

■ Implementation of the system allowing employees work in a more flexible manner

Paid leave taken by hour

Telework

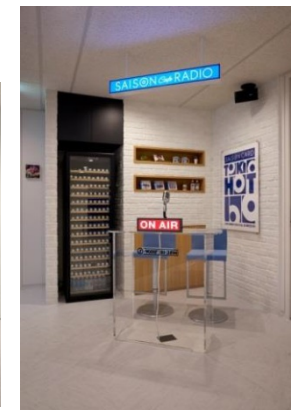
Flextime system

Development of the base to let each employee work eagerness and demonstrate his or her potential to the full

■ With the concept of “office leading to the future,” the head office in Sunshine 60 was remodeled.

<Complete renovation of the reception floor>

- Introduction of our products by displaying the faces of Company's past and present credit cards on the panel.
- Placement of a large-scale digital signage and DJ radio booth to show Company's CMs and promotion activities



<Remodeling of working space>

- Placement of various work spaces with a variety of furnishings such as many types of sofas as well as desks respectively for single person who wish to concentrate
- In the working space, desks for the managers are placed on the same area with other employees' desks.



# Social (Efforts for social contribution activities: Working-Style Reform)

Though pursuit for “Saison Style” by all employees, we will develop the “environment where diverse human resources can demonstrate their potential” and “corporate culture where all employees take challenging for granted.”

## Saison Style

5 styles that Saison employees should pursue

### Challenge

Question common knowledge

Do any work completely

Improve team dynamics

Improve yourself

### ■ Respect for diversity

Gender

Age

Nationality

Value

Side job

etc.

- Aiming to become an organization where each employee can demonstrates his or her potential, we will develop the environment where female employees can continually work in an active manner even after their life events.

### [Training for selected female employees] [Saison Work Design Department]

Trainings on leadership design are provided to the selected female employees who are expected to work actively as leaders in the future.

The team members including ones who are in childbirth or child-rearing leave were gathered across the departments to engage in planning, operation and editing activities.



### [Ratio of managers by sex]

General job	Male 46%: Female 54%
All managers	Male 54%: Female 46%



### New human resource system

- Any employee who demonstrated his or her potential to the full and produced a result should be treated appropriately in accordance with what he or she has done.
- Opportunities to tackle difficult duties should be equally given to each employee.

SAISON  
CHIENOWA



# Governance (Activities for governance enhancement)

In order to acquire understanding and agreement from shareholders who perform stewardship responsibility, we will enhance our corporate governance by ensuring transparency in management and strengthening management supervisory capability, and will share our values and recognition with shareholders through constructive engagement.

- Enhancement of effectiveness and strengthening of supervisory capability

Appointment  
of  
nonexecutive  
directors

Criteria to  
ensure  
independence  
of outside  
directors

Evaluation for  
effectiveness of  
board meeting  
(annually)

- Development of environment allowing the company to take risk in an appropriate manner

Ensuring diversity  
by promoting  
women's  
participation in  
society

Training for  
director

Board of corporate auditors  
(3 members)

Including  
3 outside corporate auditors  
(3 independent corporate  
auditors)

\*Experts in accounting and  
financial affairs, and  
administration and judicial  
affairs, and business  
administrators

Supervision

Board of directors

Executive director

Advice and  
supervision

Outside directors  
(3 members)

(Including two independent directors)

\*Highly experience Corporate executive

Interaction with  
shareholders and  
appropriate information  
disclosure

Medium- and  
long-term  
enhancement in  
the corporate  
value

# Evaluation from Third Parties and Activities

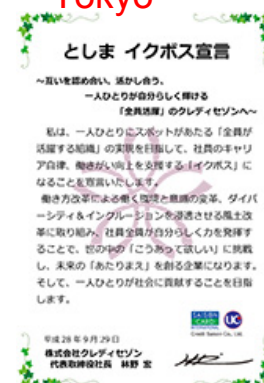
## Support for women's participation in society and diversity

- Selected as the share included in MSCI Japan Empowering Women Index (WIN)



Saison share was included in MSCI Japan Empowering Women Index that is managed by MSCI, USA and was selected by Government Pension Investment Fund (GPIF) for its ESG investment.

- IkuBoss declaration program in Toshima-ku, Tokyo



Participation in "Toshima IkuBoss Declaration," one of the programs for change in work style implemented by Toshima-ku.

- Certified as a supporter for women's participation in society by Kanagawa prefecture



Having agreed to the "Kanagawa Declaration for Support for Women's Participation in Society," we will further promote activities allowing female employees to work actively.

## Health and productivity

- Selected as a Healthy and Productive Corporate 2017



Selected as a "Healthy and Productive Corporate 2017 (White 500)," a joint initiative by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange

- Recognized as an "Excellent Company" by Tokyo prefecture for support to employees who are trying to balance cancer treatment and their works (2014)

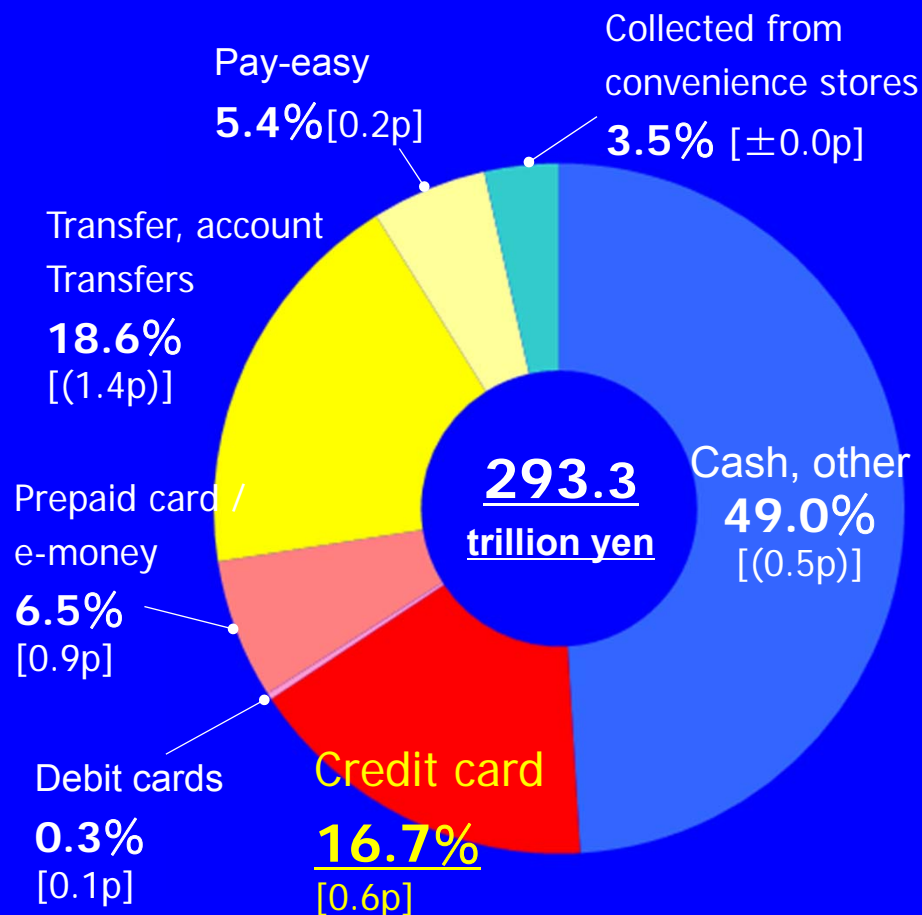


We were recognized as a company offering warm supports to employees who are trying to balance cancer treatment and their works.

# Comparison of Share for Payment Methods in Consumer Spending in Japan and the U.S.

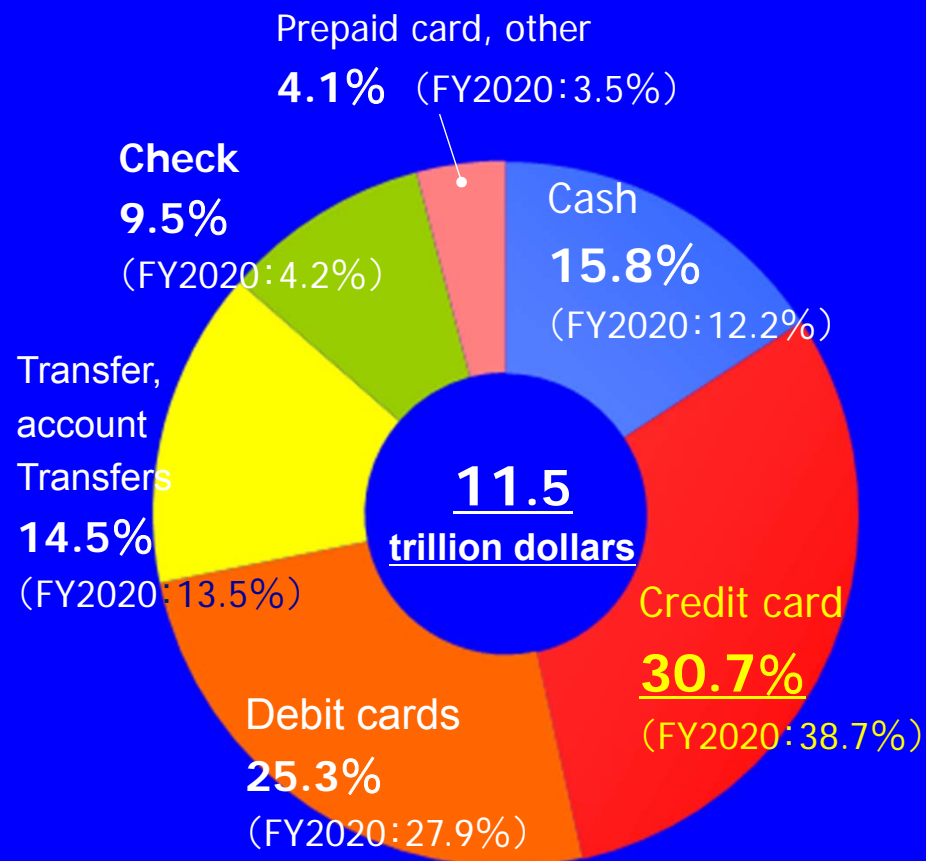
## Japan (FY2016)

※【YoY】



## U.S.A. (FY2015 → FY2020 forecast)

※【 Share forecast of FY2020 】

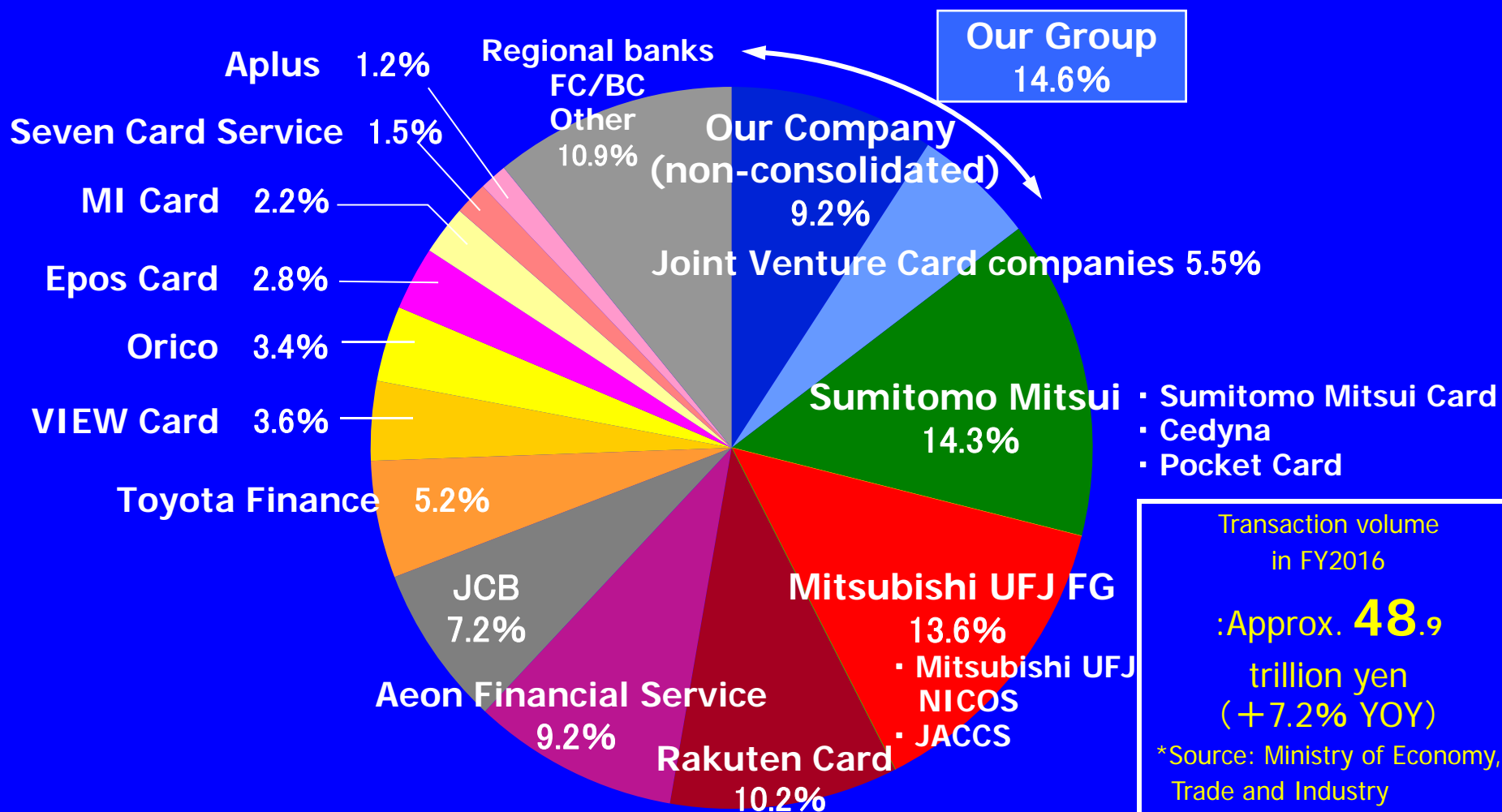


\* Japan: Calculated by our company based on sources such as the Ministry of Economy, Trade and Industry, New Payment Report, Mitsubishi UFJ Research and Consulting, and official documents from various companies.

\* U.S.A: Calculated by our company based on the "2015 Results and 2020 Forecast" listed in the NILSON REPORT.

## (Reference) Domestic Market Share (Shopping Transaction Volume)

### ■ Card shopping transaction volume (issuer base) 【2016 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. 107) 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



# [Recommended Product] Saison American Express® Card



## PLATINUM

Annual membership fee  
<excluding tax>:  
20,000 yen

Eikyufumetsu point (1,000 yen = 1 point / indefinite period): **X 2 for overseas use / X 1.5 for domestic use**  
**Concierge service:** 24hours / 365days  
 Priority pass: No registration fee (annual membership fee: US\$399)  
**Free baggage delivery service:** available for both ways  
**Premium golf service:** annual membership fee: 10,000 yen  
**Complimentary:** premium hotel privilege / Entrée / Connect  
**Online protection:** compensation for damages /  
 overseas travel accident insurance: **up to 100 million yen**



## GOLD

Annual membership fee  
<excluding tax>:  
10,000 yen

Eikyufumetsu point (1,000 yen = 1 point / indefinite period): **X 2 for overseas use / X 1.5 for domestic use**  
**Priority path:** registration required (membership fee is charged separately)  
**Free baggage delivery service:** available only for return trip  
**Complimentary:** Connect  
**Online protection:** compensation for damages /  
 overseas travel accident insurance: **up to 50 million yen**



## BLUE

Annual membership fee  
<excluding tax>:  
3,000 yen

Eikyufumetsu point (1,000 yen = 1 point / indefinite period): **X 2 for overseas use**  
**Free baggage delivery service:** available only for return trip  
**Complimentary:** Connect  
**Online protection:** compensation for damages /  
 overseas travel accident insurance: **up to 30 million yen**



## PEARL

Annual membership fee  
<excluding tax>:  
1,000 yen  
 \* Free in the initial year  
 After the second year, no membership  
 fee may be charged depending on the  
 condition

Annual membership fee: If the card is used one or more times in the year, the annual membership fee for the next year is not charged.  
 Eikyufumetsu point (1,000 yen = 1 point / indefinite period): **X 2 for overseas use**  
**Complimentary:** Connect  
**Online protection:** compensation for damages



**memo**