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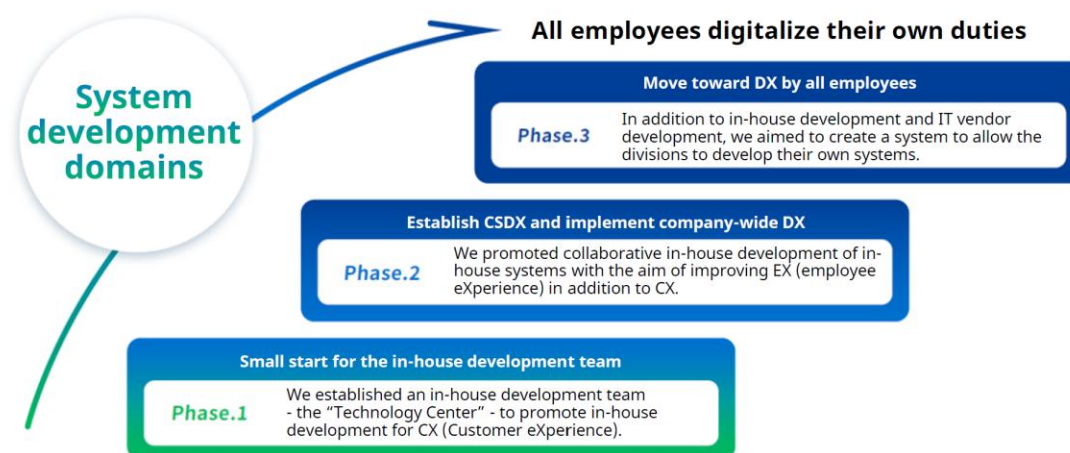
Credit Saison Co., Ltd.

CSAX (Credit Saison AI Transformation) Strategy Briefing

September 19, 2025

[Speaker]

Kazutoshi Ono Director, Senior Managing Executive Officer and CDO, CTO



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Ono: Hello, everyone. My name is Ono, and I am the CDO and CTO at Credit Saison. Thank you.

Today, I would like to talk about CSAX, the AI transformation of Credit Saison, which I have announced this time. It has been a while since the term "DX" has been used often. DX stands for digital transformation and means changing various things digitally. I would like to talk about the transformation of AI at Credit Saison, which we position as Phase IV of the digital transformation.

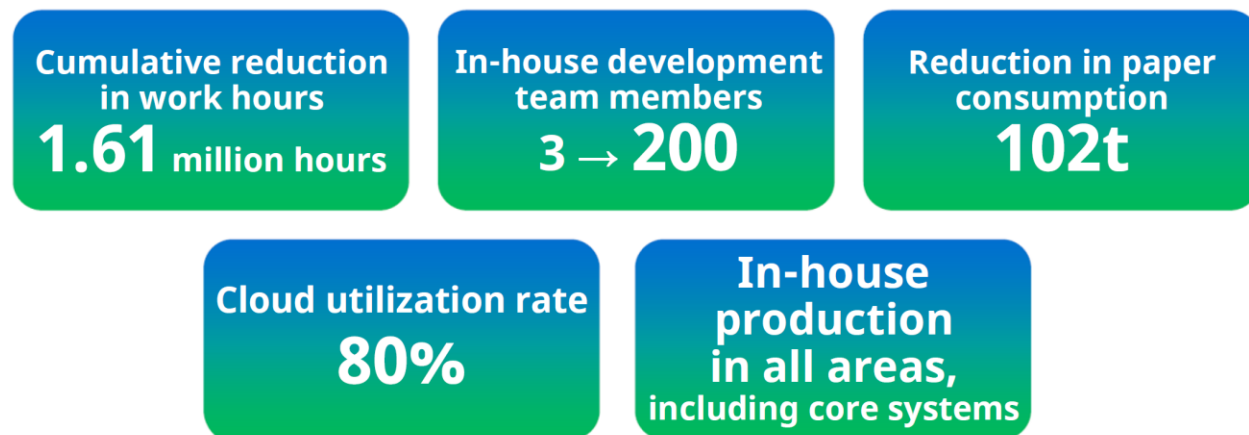
First, I would like to take a moment to reflect on the various DX initiatives we have undertaken over the past six and a half years, starting in March 2019.

In Phase I, we started an in-house development team from scratch, and on the first day of reform, I was the only programmer, so we literally started from scratch. We began by setting up this in-house development team in the form of a small start.

We have gotten a good response that in-house development is likely to be a hit, even for a financial business company like ours with a long history and customer base. Based on that, the information systems department and the newly created in-house production department worked together under a single business unit and started in-house production of core systems, accounting systems, and other large-scale systems, and promoted company-wide DX for two years from 2021.

Furthermore, Phase III has been done with the goal of developing citizen developers for the next two years, 2023 and 2024, so that each employee will become digitally strong and digitally empowered.

Looking back, we have proceeded through three phases in six years, in such a way that two years is one phase.



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As a result, for example, compared to 2019, how much of the work that was previously done manually has been automated? The work reduction time is 1.61 million hours as shown on the upper left. Since annual working hours of an employee are about 2,000 hours including overtime, this is roughly the equivalent of automating the work of about 800 people.

This type of figures is often regarded doubtfully, as if the number of employees has not actually changed and thus the workload was simply reduced. However, we have taken two new projects with the scale of several hundreds of people and the number of employees is decreasing. I'm not looking at this as theoretical or just figures on the table, but as a reality. I believe this has been effective to the level that will impact P&L.

As shown in the middle of the upper row, the in-house development team started with three people, which is one programmer, me; a mid-career employee; and a secretary, but has now grown to 200 members. As shown on the right side of the upper row, copy paper usage was also reduced by 102 tons compared to 2019. This is about three Skytrees less paper in a stack. We have reduced paper considerably.

In terms of cloud utilization, the cloud utilization rate for major systems is 80%. When we talk about in-house production, there are cases where only the front office is being done, or only smartphone applications are being done. However, as you can see down on the right, we have achieved in-house production without sanctuary, including core systems.

Selected as a "DX Stock"
in 2023, 2024, and 2025



Winner of "Excellence Award" in the
Business Transformation (BX) Category
of the "Japan DX Awards 2024"



Forbes CIO Award 2021
Runner-up



Nikkei XTECH CIO/CDO of the Year 2024
Special award



These efforts have been highly evaluated, and we have been selected as a DX brand for three consecutive years and received an award of excellence in the business transformation category of the Japan DX Awards. I have also received external recognition, including a Forbes CIO Award and the Nikkei Crosstech CIO/CDO of the Year Award, although this is personal to me.



New CSAX Strategy Launched in September 2025

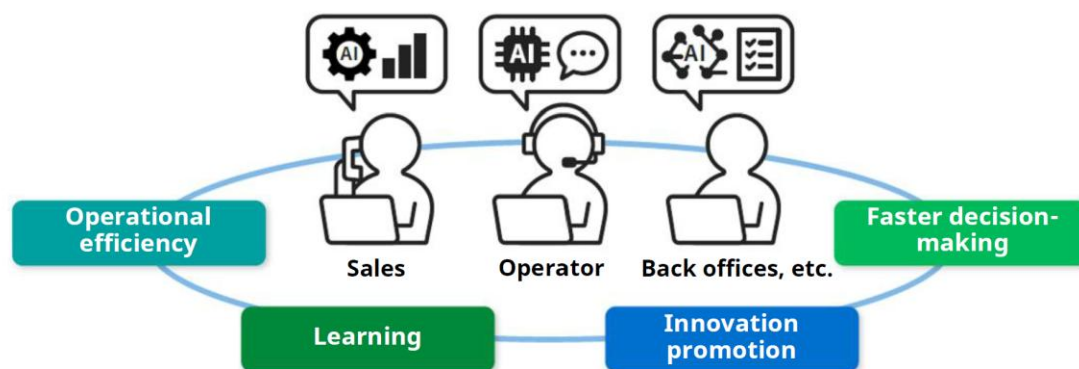
In this context, I would like to explain today that, while we have made some progress in DX up to now, we are confident that the AI Transformation project we announced this time will have an effect that will probably greatly exceed our efforts over the past six and a half years.

We have given it a new name, CSAX, AI Transformation.

There are four pillars, which I would like to explain in order.

AI workers

Employees who make skilled use of AI to improve their daily work



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The first is to convert all employees into AI workers.

AI worker is a term we coined, and the definition is, as you can see here, an employee who naturally uses AI to improve his/her daily work.

The work varies from department to department and from employee to employee, depending on their skills. The most obvious examples are business efficiency and learning with AI.

Also, as often referred to as “sound boarding,” I think it could be used to promote innovation. For example, when planning new businesses or considering partnerships, we ask AI what it thinks or what could happen if we work with this company, asking it to think boldly.

In order to speed up decision-making, we are now preparing an environment in which management can safely handle and input highly confidential information within our company to some extent. We would also input a certain amount of internal company data into AI, of course apart from personal information, including publicly available information and information we have that can be used on the internet, such as the current progress of business, and consult AI what would happen if we work with a certain company.

In this way, we aim to convert all employees to AI workers with the goal that all employees can use AI naturally in every layer and every industry and change the way they work.



CSAX#1 June to August 2025 Pilot Introduction of ChatGPT Enterprise

However, that said, I, for example, am originally a programmer by background, and I am from the digital side, so those of us who are on the digital side can naturally work well with generative AI. Many of you may have the impression that programmers can increase productivity dramatically through AI as you see in the news.

In our company, the majority of our employees are in career-track positions, so I wonder if AI will really change the work in a company like ours, where most employees are in career-track positions. I thought I needed to check this out and we should not start the project based on the assumption that we can do it without checking.

We spent a little more than a month from the end of June to the beginning of August 2025 testing OpenAI's ChatGPT Enterprise, the most advanced and best model for companies, to see how much it would change the work of employees.

We conducted a pilot introduction of ChatGPT Enterprise for managers and some executives and voluntary participants.

Requests for participation exceeded expectations, and the project started with **315 participants**, exceeding the original plan of 250.

CSAX#1 Participants

		Number of participants	
Open application	Voluntary project participants	Offered without age or role requirements	271
Available through recommendation	Directors and executive officers	Licenses distributed to the President and all other officers	18
	Heads of management departments, etc.	Licenses distributed to some heads of department	17
	Secretariat	Setting up the CSAX CoE	9

315 in total

We had initially planned to recruit 250 people, but when we started recruiting, many of our employees were using ChatGPT on a daily basis in their private lives, and I think they already had an intuition that AI would change their work.

We only had five business days to enter the project, and we asked employees to enter in a group of three people. This is because it is possible that one person may enter alone and end up not using AI as he/she was a little too busy. To avoid this, the entry sheet must be filled with a group of three people. Employees also had to write an entry sheet about the purpose of entering the project, such as testing how this kind of work will change through the use of AI.

Despite this tight time frame, and the fact that they had to put together a team and write an entry sheet, it turned on the Monday after the week that we had 315 people entered, meaning that well over 250 people raised their hands.

Of course, there are some tasks that the office requested them to include as we can expect the changes can be made by AI. However, given the enthusiasm of the employees, we decided to give it a try and expanded the scope of the project to 315 employees for a little more than a month.

Benefits of Introducing ChatGPT Enterprise



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The result was that 1.61 million hours were saved in total, including each sales department and administrative department. As I mentioned earlier, each employee worked approximately 2,000 hours per year.

The results of the trial showed that we can probably save 170 hours on average for 315 employees over a month from 2,000 hours. Of course, there is some variation, depending on the nature of the work.

In the upper left, sales, 26.7 hours were saved per month, so if we multiply this by 12 months, it is a little more than the 170 hours we just mentioned.

As shown in the middle of the top row, the administrative department could also reduce about 20 hours per person. I think it is easy to imagine that the administrative department could reduce the number of hours, but it would be more than the 170 hours mentioned earlier.

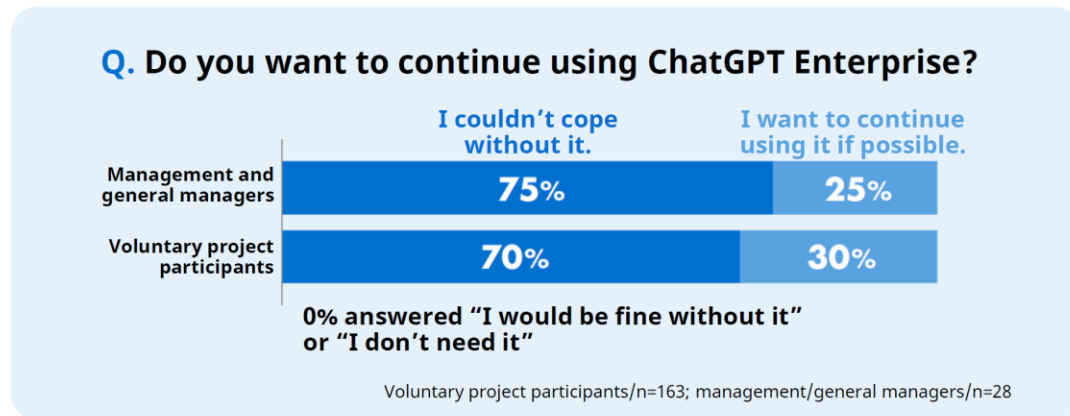
On the other hand, the operations department in the upper-right corner was not expected to be that effective. Although it was less than 170 hours, as expected, it could still be reduced by about 4.5%, or 4% to 5%, as a percentage of the annual total. The results were such that even where not much effect was expected, a certain degree of effect was seen.

You will see the qualitative side, the lower section of the document. For example, in the legal department, 100% of employees responded yes to the question of whether they were able to improve their ability to complete new tasks and activities.

In the planning and marketing department, 95% responded yes to the question of whether they were able to perform the tasks more creatively.

In IT/systems, 88% responded yes to the question of whether job satisfaction improved. So, from a qualitative point of view, I think the survey results were quite favorable.

Staff to whom licenses were distributed have already reached the point where they feel generative AI is **essential**.



In addition, we have prepared a questionnaire with four choices regarding how much they would like to use the system in the future after using it for a little more than a month. The first choice is that they can't do without it anymore. The next choice is that they would use it if they could. The third choice is that they can do without it. The fourth choice is that it is not necessary. We have prepared these four options.

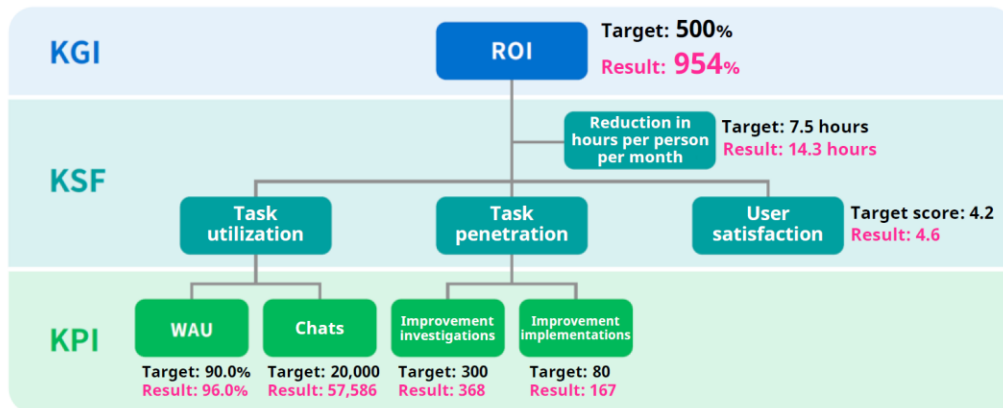
The result is that, for management and department heads, 75% cannot do without it. The remaining 25% would like to use it if they could, and 0% would have no problem if without it.

On the other hand, for those in the field who participated in the project, the result was quite close to the one of management, with 70% who cannot do without it, and 30% who would like to use it if they could.

I think the result is that we can already say that those who have used AI once cannot let go of it and that it is indispensable.

We set a target ROI of at least 500% and a goal to reduce work hours at least 7.5 hours per month, and carried out weekly monitoring.

After approximately one month, we had achieved our targets for all indicators. We achieved an **ROI of 954%**, far exceeding our goal.



On the other hand, it is also an expensive endeavor, so I think it is natural to be concerned about the ROI.

We also have several other KPIs, such as WAU (weekly active users), or the number of people who use the system in a week. Or, as we often call prompts, the number of conversations about how much you have discussed. Or, we had prepared other KPIs such as the number of tasks that were considered for improvement and a number of implementations, and so on. In all KPIs, the numbers exceeded what we had initially expected.

Of particular note is the KGI at the top of the page, ROI, or the cost of the investment. Originally, the office had set a target of 500% as generative AI is said to be very convenient and used by many individuals. The result was 954%, which means that a return of nearly 10 times the investment can be expected.



CSAX#1 Project Outcomes

Expand ChatGPT Enterprise to All Employees to Accelerate their Transformation into “AI Workers”

As a result, we were convinced that even for a company like ours, which focuses on career-track employees, we have gotten a good response that work can be significantly changed by utilizing AI such as ChatGPT Enterprise. Based on this, we decided to deploy ChatGPT Enterprise to all employees to convert the entire company into an AI work-based company. This is the first pillar.

The second pillar of the project is the redesign of business operations and AI-driven business reform.

I think this is true for myself and I suspect it is true for many of you as well, but I wonder when the current work was designed. The year 2022 is the year that saw the development of generative AI as we know it today. The drawing AI innovation called Stable Diffusion happened in the summer of 2022, and then ChatGPT came out in November of the same year, so 2022 was a year of revolution in generative AI.

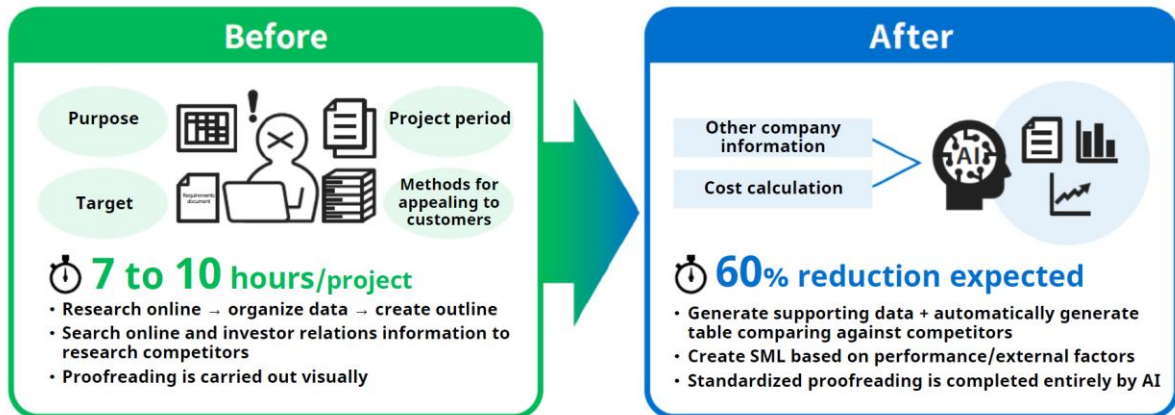
Operations designed after this time should be extremely limited. Other than that, almost all operations are designed before generative AI and are not predicated on AI. In this present, we work with AI. We believe that when all employees are assumed to be AI workers, almost all their work should be redesigned, which should result in significant labor savings.



AI-driven Work Reforms (1) - Support the Creation of Plans and Proposals -



Support the creation of plans and proposals



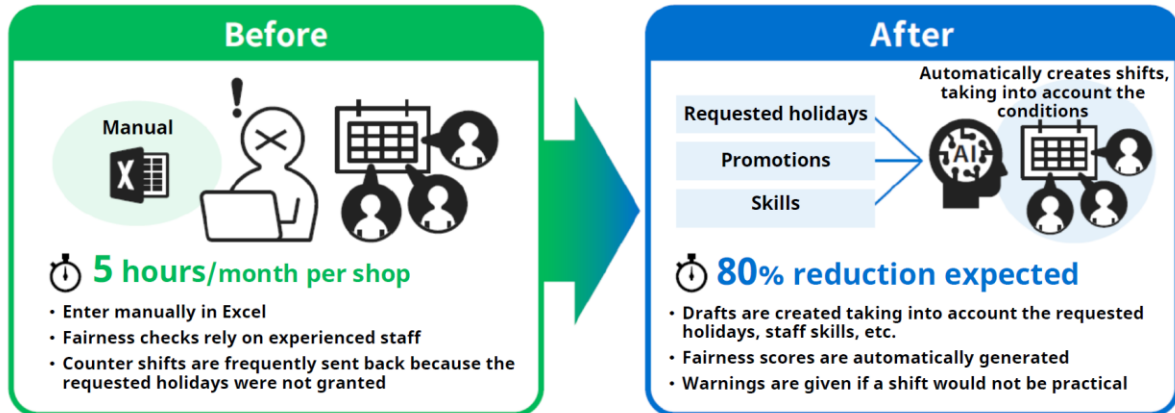
Here are some examples. First, I would like to give three bottom-up examples.

The first is the preparation of plans, proposals, and other materials for approval.

For example, when we planned a new project, a new campaign, or a new product, in the past, we would do research on what our competitors in the same industry are doing about this kind of work and what was the result or its reaction on social networking sites. Naturally, to obtain approval, there are various tasks to be performed, such as making sure that the “te-ni-o-ha” (letters) are clean and neat, and creating graphs by running simulations.

The members who were actually involved in this kind of work compared the amount of change in the work for each project, which used to take, for example, 7 to 10 hours, between the conventional case without AI and the case using ChatGPT Enterprise and the generated AI. The results showed that 60% of the work could be reduced by using ChatGPT Enterprise.

Creating counter shifts



Or, in the credit card business, there are sales counters called card counters. Card counters do the marketing saying, "How about Saison Card? Free parking. You can get so-and-so percentage of points starting today." We do business like this, but we need to create a shift for this counter.

I used to spend about five hours a month for one store, using Excel. Naturally, there are things to consider when making a shift, such as a requested holiday for the day that has an important errand, skills of and suitability to the work of employees, and fairness. We have found that 80% of the work we had been doing in Excel can now be automated.

Five hours may seem very small, but we can see the effect of saving on an annual basis when multiplying it by the number of stores and the number of months. We believe we can expect that much effect.

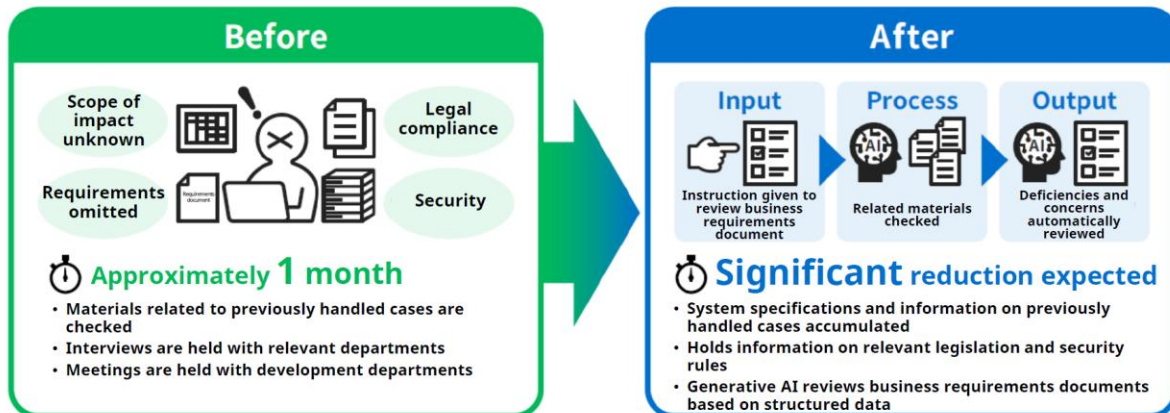


AI-driven Work Reforms (3)

- Supporting the Preparation of Business Requirement Documents



Supporting the preparation of business requirement documents



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In recent years, news about cyber security has been appearing in newspapers and other media almost every day. It is not enough for the system department only to consider security, et cetera. Of course, the business side must also determine business requirements, taking such factors into consideration.

When trying to do this, it is not uncommon for people on the business side to not understand security-related terminology or how to think about it. In such cases, we want to avoid as much as possible bringing the matter to the systems department and being told that it has to be redone as there are number of things that were not considered.

At that time, we would have generative AI by our side as a strong supporter that has learned information including various news of various media in various languages. We can ask AI the security conditions to consider for the project that is being planned. Or, things to consider when dealing with personal information. Or, things that the business side needs to be careful about when this key word is given by the system department.

By consulting these things with AI in the course of work, we can expect significant reductions in work hours in all projects.

I understand that the work of each individual will change, but will the call center operations of nearly 2,000 call center operators change?

I think that is what some people may think, although they understand AI will change career-oriented operations in the head office and administrative division.

I would like to show you a little demonstration here of the kind of things that actually came out of this initiative in call center-type operations.

Mr. Tanaka, please go ahead.

Tanaka: I am Tanaka from the Concierge Group. Using ChatGPT, we have created a training program for role play with AI. We will give a demonstration now.

Please begin the general role play.

AI: I understand. Let's begin with Scenario 1.

So, from the point where you have already verified the identity. Thank you very much for your identification, user. Please say, "How can we help you today?" From there, I would proceed in the role of the customer.

Tanaka: Thank you for your identification. How can we help you today?

AI: Thank you. Actually, I will be going on an overseas business trip next month, and I am a little worried about my current credit limit. I called to ask if I can increase the limit little more.

Tanaka: Thank you for contacting us. It is an increase in the limit, correct? Your current limit is JPY500,000. How much of an increase would you like?

AI: That's right. Frankly, with JPY500,000, I'm not sure if it will be enough for my business trip next month. Actually, my hope is to make it to about JPY1.5 million, but I am a little worried if that will be enough.

Tanaka: Understood. We understand that you may be concerned about the credit limit when using your credit card overseas. We accept your request for JPY1.5 million. Also, regarding the total amount, which would you prefer, continuous or temporary?

AI: In fact, I have several plans to go abroad in the future, so I'm considering an ongoing increase. Also, I heard that it takes about a week to 10 days to be notified of the results of the increase, but I'm actually scheduled to leave already on the 12th. So, I would appreciate it if you could hurry up a little if possible.

Tanaka: Certainly. Then we will proceed with an ongoing increase. We also understand that your departure is in a short period. Now, regarding the results, we will be able to inform you by short message in about two days. How about that?

AI: That would be really helpful. I was a little anxious, but if you contact me early like that, I can rest assured.

Tanaka: Thank you very much. Then we will make arrangements for you to be notified by short message. The official results will be sent in writing to your home within one week to 10 days. We understand that you will be confirming this after you return to your home country, but we would appreciate it if you could also confirm it again.

AI: I understand. Then I am relieved to hear that you will let me know by message. In that way, it will make it to 10th, by the time I leave. Thank you very much. This makes me feel a little better.

Tanaka: Thank you very much too. Have a safe trip.

AI: Thank you for your time.

Tanaka: So, Scenario 1 ends here. Now we will move on to the evaluation. To be honest, the overall reception was not bad, but I would list a few areas for improvement.

For example, I think that putting in a few more words to address the customer's concerns would make them feel even more at ease. The evaluation this time is about a 5 out of 10. There is still room for improvement, so keep up the good work.

AI: Thank you very much.

Tanaka: You're welcome. You can practice again anytime, so please feel free to contact me. Let's continue to improve little by little.

That concludes the demonstration. We hope to continue to make use of this AI as we move forward.

Ono: Thank you for the demonstration, Mr. Tanaka. I will now continue with my presentation.

What did you all think of Tanaka's demonstration just now? The speech was quite natural, and there were also a lot of fillers, such as pauses and "ahs" and "ehs," which I think many people felt were very realistic.

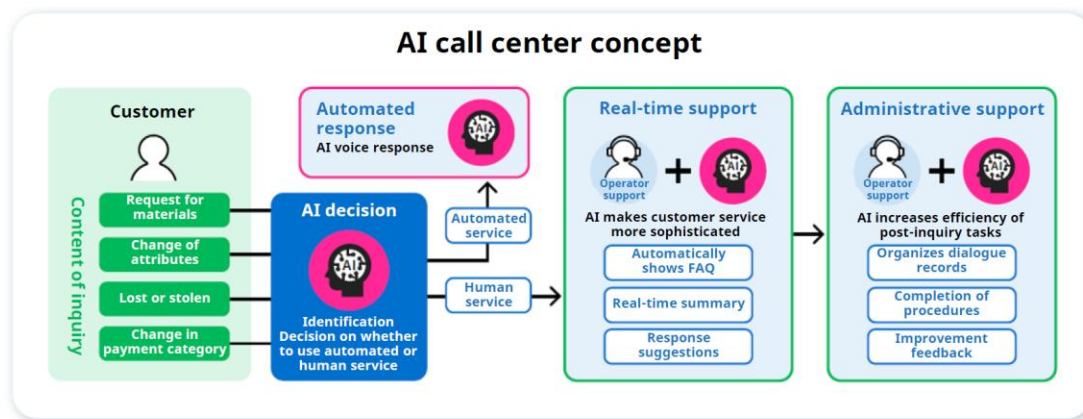
What is very interesting about this demonstration is that, of course, it is not that we prepared the text from scratch and read out the script; nor did we, the system side, program it to meet the needs of the audience.

The AI incorporates the actual requests of customers in the field. For example, when one is on an overseas business trip, one is told that there are temporary increases and ongoing requests, and the prompts are based on what customers often say. The AI incorporates knowledge and experience of the field gained so far, and instead of acting as an intermediary, it is directly connected to the employee, creating a demonstration and role-playing like the one in place today.

I mentioned earlier that AI would make it easier to create proposals, but I think that the demo you have just seen is the most informative and easy to visualize, so I have prepared this demo for you today.

For example, as you have just seen, we are actually preparing to use this system for training operators and for practice in handling complaints. In addition, I believe that we can make a significant change not only by increasing the productivity of each individual and making it easier to practice, but also from the top down.

AI supports operators to provide more accurate and reliable telephone assistance. We also use an AI-powered auto-response system to respond to customer inquiries quickly and accurately.



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One such example is an AI call center.

For example, I just gave a demonstration on how call center operations can be changed. In August, I had the opportunity to meet with people in the department who are actually doing the operator work to exchange ideas. One of the opinions that came up at that time was this one:

“Mr. Ono, responding to complaints is really, really hard. For example, some customers are very argumentative or emotional, and sometimes I am at a loss for words as to how to answer them. When I get stuck for words, the customer's emotions escalate even more, saying, ‘why are you being silent?’ Once that happens, I lose track of what the customer is looking for, or even why he/she contacted us in the first place.” There was such an opinion.

For example, when the AI call center we are developing is completed, I would like to introduce a few examples of what we think it will be possible to do to meet the needs that the operators have just mentioned.

For example, a customer may first contact us by phone, or recently by app, chat, email, or various other channels. For inquiries that come through any channels, AI judges whether they can be answered automatically as shown in the middle lower left. For those that can be answered automatically, the AI can respond automatically as shown in the upper center of the page. As you have just heard, AI can even speak very naturally and some cases can be completed by its response.

Or, when it is urgent such as lost and stolen, or when the customer is afraid of their card being not usable, AI will judge that human response is necessary to conduct identification clearance. Then you go to the right side of the middle.

As shown on the right side of the center of the page, in the real-time support section, for example, when the operator mentioned earlier about how difficult it is to respond to complaints, the customer's voice is converted into text in real time, and the operator can see the proposed response in text and respond to the customer's request in a very calm and relaxed manner.

There is also the administrative work after the call, often referred to as after-call work, after the actual conversation for explanation with the customer is over. Here, too, the AI first organizes the dialogue record to create a tapping point. It also helps the follow-up work for the completion of the procedure and the process behind it, such as the actual change of address when change in address is requested.

AI call centers are often perceived as inorganic, automated, and lacking in human presence and warmth. However, in this way, it is not only in that aspect, but can also provide multilayered and multifaceted support in various areas, including such things as helping operators regain their composure when they become impatient, as mentioned earlier. This is our vision of an AI call center.

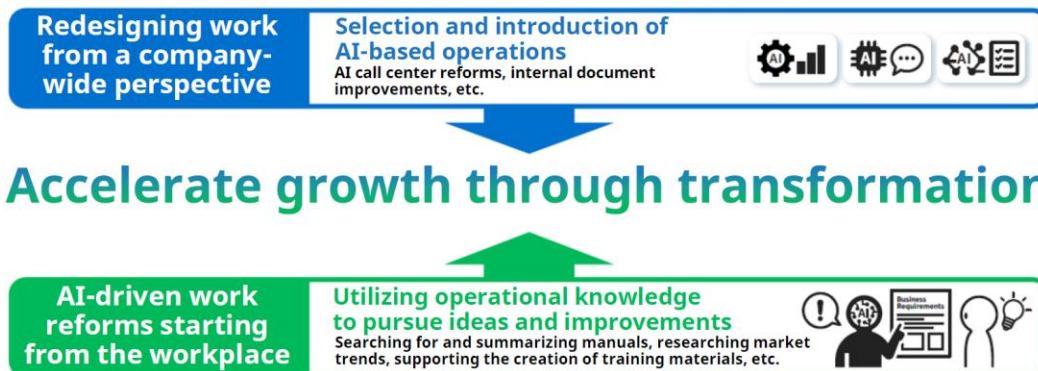


Dual Approach to Accelerating Growth - Redesigning work and Implementing Workplace Reforms



We will accelerate transformation through both approaches - redesigning work on the assumption of using AI, and pursuing AI-driven work reforms starting from the workplace.

We will accelerate change from top-down and bottom-up perspectives.



I think this kind of thing is more of a top-down element, more like a management or investment decision, rather than the ingenuity and wisdom of each individual.

These are the kind of bottom-up and top-down reforms that I mentioned at the beginning of this article. We believe that the true reform of AI lies in the multiplication of this top-down and bottom-up approach, and we would like to redesign all our operations. That is the second pillar.

List of Recommended Rules for Creating and Updating Documents



We will create documents in a format that is easy for AI to process, and organize them in a way that is easy to understand by standardizing the structure and terminology.

We will work to standardize the location of notes, symbols, and diagrams, and promote consistency throughout documents.

1. File format

- 1-1. Choose a format for the document being created that is easy for AI and other systems to process.**

2. Text structure

- 2-1. Place notes and supplementary explanations close to the term in question.**
- 2-2. When information is spread across multiple pages, display the number of divisions and segments.**
- 2-3. Give clear explanations of technical terms and annotated items.**
- 2-4. Use uniform terminology throughout and maintain consistency.**

3. Description method (text)

- 3-1. Where symbols are used, give supplementary explanations if necessary.**
- 3-2. Ensure that diagrams and objects are laid out to avoid overlapping other elements.**

The third is AI-friendly information and system design.

First, we refer to information as a generic term that includes various internal documents and regulations. For example, we often use PowerPoint, Word, and Excel to create documents in our company, but until now, most of these documents were created with the assumption that they would be read by human beings.

Of course, there will be no change that humans will continue to read them in the future. However, it is important to consider not only human readability but also AI readability. That is the first half of the third point.

Rule examples

When adding notes, always include the words being explained in the notes and specify them in the form "XX is...?"

✗ Poor example

The note uses phrases such as "this is~" and does not contain the target word.

1. Introduction

SAISON ASSIST (see Note 1) is one of the generative AI services introduced by our company. It performs various tasks ...

Note 1: This is a generative AI service developed in-house by our company.

Generative AI can interpret the relationship with the [Note] and [*], but if the note itself does not contain the actual words being explained, the relationship with the text tends to become ambiguous and Generative AI may not interpret it correctly.

○ Good example

The words being explained are stated in the note.

1. Introduction

SAISON ASSIST (see Note 1) is one of the generative AI services introduced by our company. It performs various tasks ...

Note 1: **SAISON ASSIST** is a generative AI service developed in-house by our company.

Clearly specifying the words being explained in the note, the relationship with the text becomes clearer, leading to more accurate interpretation by the AI and improved searchability.

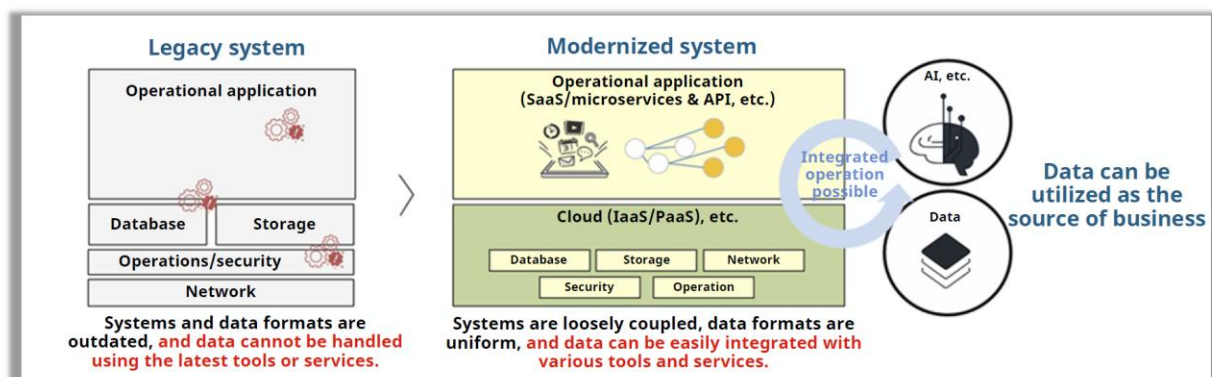
This is the extraction of the current guidelines. To give you some idea, let me give you a little example.

For example, in the text on the left side of the document, there is SAISON ASSIST, our internal tool. SAISON ASSIST is our internal terminology, so people usually don't understand it. When I read "SAISON ASSIST," it says "Note 1," and the actual contents of the Note 1 are at the bottom of the page, far away from the page. Or, in the explanation about SAISON ASSIST, it doesn't say "SAISON ASSIST is," but only the contents, or something like this is common.

If the Note is far away from the body text, the AI will do its best to read the data, but the probability of making mistakes will gradually increase, although it may read the data accurately. Just by adding the word "SAISON ASSIST is," the possibility of misinterpretation can be reduced considerably.

By presenting these guidelines and making them easy for AI to read when creating or publishing documents and materials, or when reviewing regulations, we can increase the probability that AI will be able to respond accurately based on the contents of our internal regulations and materials. This is what we will work on.

When a new system is built or updated, we will implement the API on the assumption of coordination with AI and other systems.
The business departments and systems departments will work together to achieve a format that is “easy to use for AI and other systems.”



Taken from p.8 of the Ministry of Economy, Trade and Industry's "Comprehensive Report Compiled by the Legacy Systems Modernization Committee to Eliminate Legacy Systems."

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In addition, for instance, for the system for call center operators, the UI/UX for human beings is naturally considered as what kind of system will be easier to use for the operators.

From now on, in addition to that, it is important to consider whether it is easy to call from AI or not, whether it can be called from other systems, or whether API is provided in terms of keyword. There are technical terms like MCP server, but that's beside the point.

It is important to define requirements in such a way that the system is not only friendly to people, but also friendly to AI. That is the third point.

The fourth point, of course, is governance.

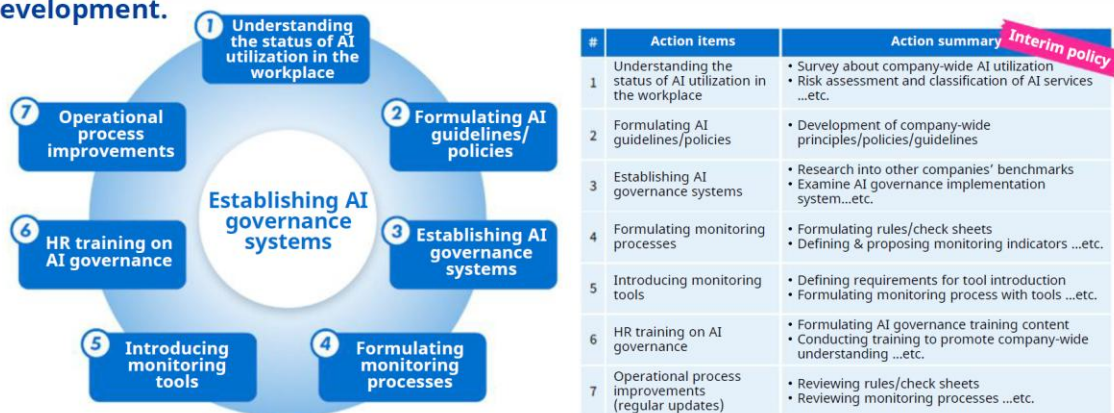
At the end of 2022 or the beginning of 2023, when ChatGPT had just been released, there was a news story that a ChatGPT was answering questions about internal documents, which were supposed to be confidential information.

This happened because the employee, without realizing it, asked AI questions about something that should not be learned by AI. As it was convenient. In fact, an information leak has occurred. Such things happened one after another in the early days of the ChatGPT and other generative AIs. There are many ways to do that nowadays, including one that guarantees that the model will not be learned.

Efforts to Establish AI Governance

In order to respond to the anticipated risks posed by developing and using AI, we will promote the establishment of AI governance.

We will continue to develop highly transparent AI governance based on understanding of the current situation, risk assessments, and human resource development.



However, we live in an industry and a world where tools are appearing and disappearing at an extremely rapid pace, and functions are being added on a daily basis. Thus, we have seven initiatives as shown here, including understanding the current use of AI such as how it is used and when it was not used; policies, governance structure, and monitoring tools. As we need to do these things in a multi-layered manner, we set governance as the fourth pillar.

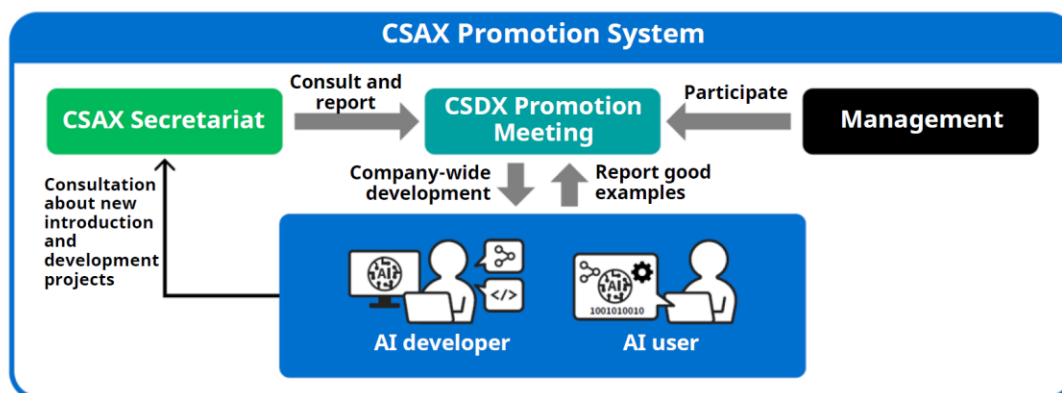


Reporting and Assessment Process when Introducing AI tools



We will assess security and the return on investment when introducing AI tools, and consult and report to management.

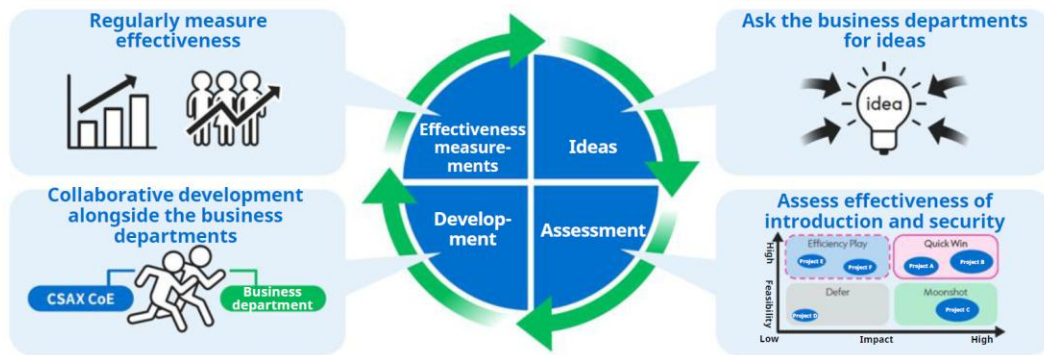
At the CSDX Promotion Meeting, AI developers and users will share good examples of post-introduction use with the management and the entire company.



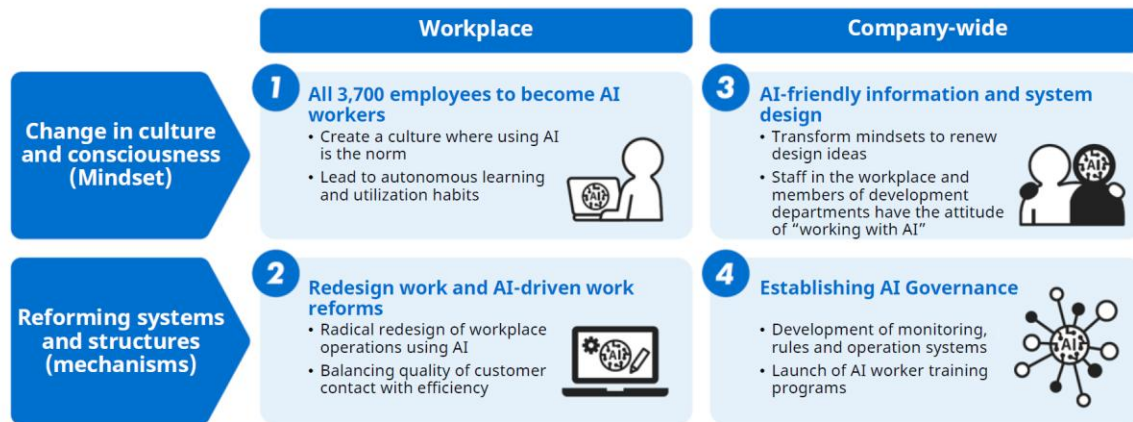
The management team is also committed to the project, and through the promotion meeting attended by all management under the president, business reporting will be made from the office and field, and best practice will be shared company-wide.

AI Utilization Assessment and Improvement Cycle

Using ideas from the business departments as a starting point, we will assess the effectiveness of introduction and collaborate with them in AI utilization. After introducing a system, we will carry out regular measurement of its effectiveness and use good examples to create new ideas.



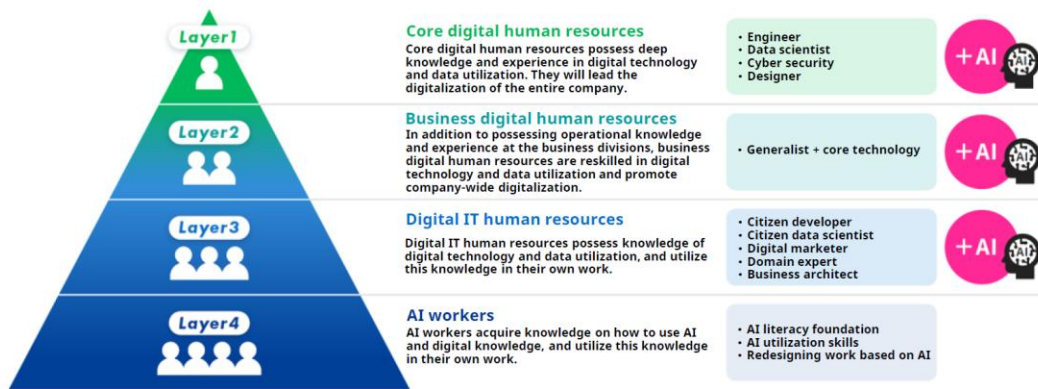
Also, a PDCA-like area. In the world of AI, it is easy to say, "Let's just give it a try," but if something is not effective, it should be stopped. We are also planning to properly track the resources that are directed to different areas, and we will properly implement the PDCA cycle.



If we summarize the four pillars, the horizontal axis is from the perspective of the field or the Company as a whole, and the vertical axis is mindset or mechanism.

Our employees will learn digital and AI skills and put them into practice according to their experience and roles.

By instilling AI skills at all layers, we will create an environment in which employees can grow as “AI workers” and play active roles.



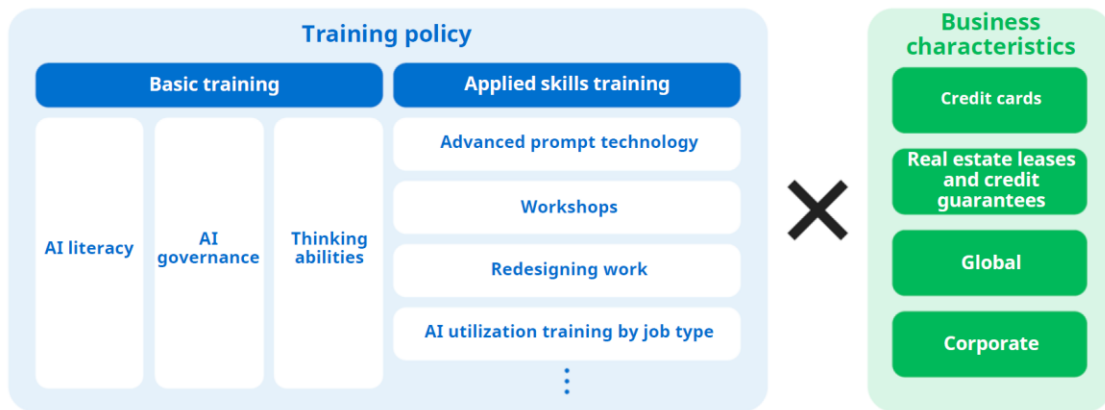
Finally, human resources.

So far, we have had digital talent, professionals like programmers and data scientists who come from the outside. Then the reskilling group that raised their hands and came from the public. Then we have citizen developers who know how to use no-code and low-code. We divided employees into these three layers. These people will use AI to further increase their productivity, and furthermore, since we set the goal of making all employees AI workers, they will consist of layer four. This is the pyramid of digital human resources.

Cultivating AI literacy

We will establish systems through which all employees can acquire AI literacy and thinking abilities and produce results in their daily work.

Our aim is to improve operational efficiency and create new growth opportunities by incorporating AI to match the needs of our businesses.



In addition, since the use of AI will be different depending on the business characteristics and appropriateness of the work, we will support the usage of AI appropriate for each business domain, while ensuring the common requirements such as literacy, governance, and thinking skills through basic and advanced training.

"CSAX leaders" will be appointed at all departments to promote the use of generative AI within their department.

At the same time, a **"CSAX CoE"** will be established to support collaboration for implementing human resources training and pursuing operational efficiencies across the company.



CoE is often referred to when we have a new initiative, and we have this center of excellence, a team that takes the central command post and provides leadership.

In addition, each division and all departments have a CSAX leader, an AI transformation leader who represents the department. Both will work together to promote the AI transformation.



As for what we are aiming for as a whole, we have set CSAX Target 2027, in which we aim to reduce 3 million hours including 1.61 million hours we saved so far, compared to 2019, equivalent to the work of 1,500 employees.

We believe we will be able to reduce at a faster pace than in the past and we would like to achieve this goal.



Purpose of CSAX

Redesign work for all business divisions and employees based on AI.

Finally, a summary.

In short, CSAX's goal is to review all past businesses and operations that were not designed for AI, and to redesign the operations of all employees based on the premise of AI. Our goal with CSAX is to have all employees become AI workers.

That concludes my presentation. Thank you for your attention.

Main Questions and Answers

Q1.

With the introduction of AI reducing required work hours, how will the freed-up time and personnel be utilized?

A1.

We see two points.

First, over the past six years we have reduced required working hours by 1.61 million hours. As to what happened to the people whose time was freed up: we have taken on two new outsourcing projects on the scale of several hundred personnel, and at the same time our total number of employees is decreasing. In other words, we are redeploying freed-up personnel to areas that generate new earnings or to roles that must be performed by people.

Second, our business portfolio has become more diversified. In the past, Credit Saison was synonymous with Saison Card, but we now operate various businesses, including new ones.

Recruitment for these is not always proceeding exactly as planned. In such cases, for the freed-up time and personnel, we are considering measures such as secondments from headquarters and personnel exchanges. Not only new outsourcing projects but, from the perspective of group management, we will allocate freed-up resources to various group companies. We will assign people to roles that must be performed by people. That is how we are thinking about it.

Q2.

Regarding Credit Saison's competitive advantages: Other companies also have access to generative AI such as ChatGPT, and, if your AI utilization becomes a success case, then I imagine others will quickly imitate it. While I believe CDO/CTO Ono's leadership on the digital front provides a personal edge, please tell us if there are any other unique advantages your company has.

A2.

As you point out, simply introducing, for example, ChatGPT Enterprise is something any company can do by contracting with OpenAI. There is absolutely no competitive advantage in that. So, what is our competitive advantage? I think it is extremely simple.

As I mentioned at the outset, we have a group of in-house development engineers, around 200 employees, who form a tech organization. I myself have long been in the engineering world, and we are gathering top-tier talent in their respective fields in Japan.

What does that yield as a strength? Take the AI call center as an example. We have an in-house development project directly connected to the AI call center that is scheduled to switch over next September, namely, an operations system for call center agents. Many companies that say they do in-house development only build light landing pages, or just a front-end smartphone app, or only handle

project management. We, however, do in-house development even for our core systems, including the very heart of our business.

Accordingly, we are developing the call center agent-facing operations system in-house, and our in-house team is also deeply involved in, and fully leveraging, the PBX voice platform, with a switch over next September. By fully internalizing this in-house development and building the systems used in call center operations, we are also able to fully leverage and connect the AI-related building blocks usable in an AI call center.

Whether one can do this or not makes a world of difference, both in whether an AI call center can be quickly realized and in whether, even if it takes shape, it truly delivers high effectiveness. We believe that this kind of serious in-house development, including core systems, translates into an extremely simple and readily understandable competitive advantage.

Q3.

I got the impression that there is considerable potential on the cost-reduction side going forward. On the other hand, please tell us whether there is also potential to use AI to grow the top line, that is, to win new business.

A3.

Today's explanation highlighted cost reductions, such as the 3 million hours of work-time reduction, but we do not regard cost cutting as the largest effect. Rather, we believe that the true effects lie in qualitative outcomes and areas that are harder to measure, such as things that lead to the top line or that confer competitive advantage for new products.

That said, since our current ROI is close to 10x, well above 5x, everything else is, so to speak, optional; the benefits accrue over and above what already "pays" on cost reduction alone. For that reason, we have a tendency to put cost reductions front and center.

However, the core, and what will change the most, is not cost reductions. As for your point on how the top line will grow, while this may not be a direct answer, let me share a few initiatives that may be informative.

For example, there is the concept of marketing automation. To give a credit card example: after an application and the first use of the credit card, sending a thank-you email a certain number of days later tends to lead to continued usage. We have made marketing automation scripts that automatically send such emails.

Up to now this was done on a mass basis, that is, the same message text was uniformly sent to all customers. But there is the idea of "personas," imaginary individuals and characters who all have their own age, gender, place of residence, interests, whether they lean more towards the humanities or sciences, and so on. In reality, the message text, timing, and frequency should probably differ by persona.

For example, based on our database, we can automatically generate 1,000 personas, something that in the past would have been impossible to do manually. Because there will naturally be hits and misses by persona, we start with limited trials. For a given persona, we hypothesize that a certain style of message text, such as the tone and manner, may work better, and then we A/B test it. If B performs

better, then we strengthen B; and if A performs better, then we strengthen A. We are rapidly iterating hypothesis and verification. If the frequency of these messages is too high then they become spam, so we control it while watching open rates.

In short, we can run this PDCA cycle at a level humans could never achieve.

This also ties into what is often called customer success: the contract is not the end but the beginning of the customer journey. We use AI to refine that customer experience. Over time, this links to retention, and similar effects can be expected across various products.

It is difficult to quantify exactly how much this produces and how it impacts the P&L; however, with the base and bottom line secured, ROI already fully explained by cost reductions alone, these effects can also be anticipated. That is the first point.

As for the second point: when planning new products, biases from the person in charge inevitably creep in. In this round, staff actually doing product planning used ChatGPT Enterprise as a sounding board, and we received a lot of feedback comments.

Precisely because ChatGPT surveys diverse sources, it can raise a variety of perspectives, such as "What about this angle?" or "What about that angle?" and it can even anticipate possible Q&A at the press release. This expansion of viewpoints undoubtedly exists.

It may, in some cases, lengthen the time spent on planning, but such broadened perspectives ultimately contribute to product success. We believe these qualitative effects like these, among others, are the true value of AI utilization.

To summarize: first, we secure the base and bottom line, with ROI being achieved just at those levels. On top of that, with the cost effectiveness already being proven, the true value lies in those qualitative effects. Outcomes will vary, but we will proceed on that basis.

Q4.

Please tell us what level of impact you mean by an effect sufficient to move the P&L.

A4.

What I wanted to say at the outset is this: over the past six and a half years under CSDX, for example, by reducing working required hours by 1.61 million hours and also winning new outsourcing on the scale of several hundred personnel, the personnel cost portion naturally had an effect that directly hit the P&L. My point was that our sense is that this AI transformation may exceed that.

Thus, while we earlier mentioned an ROI of 954%, this is still based on usage by 315 people; we do not yet have proof of what it will be when rolled out to 3,700 people, i.e., all of our employees. However, our sense is that we may achieve something that, in a sense, surpasses our past CSDX, which is what I meant.

As for our CSDX initiatives to date, we have not disclosed or calculated a standalone figure for CSDX. This is because IT enhancements are not undertaken in isolation; they are a behind-the-scenes support that strengthens existing businesses.

Accordingly, the manifestations appear in the P&L of our existing businesses, such as the 1.61 million hours of manual work eliminated and reduced paper usage.

Of course, the P&L of existing businesses is not due solely to DX; it is the comprehensive result of various factors such as product revisions and changes in terms and conditions, so it is not possible to compute a direct contribution for DX alone. That being said, given that our various business figures are improving, I do not think it would be evaluated as having no effect at all.

Q5.

For example, in areas like credit underwriting or collections and the communications that accompany them, what kinds of results have you achieved? Please tell us how the use of AI can further streamline these situations.

A5.

These are areas that require a bit of care.

You mentioned credit underwriting and collections, and the communications that go along with them. When it comes to generative AI, there are areas where it is and isn't a good fit. I myself come from the engineering world, but I actually think that generative AI is not particularly well suited to credit underwriting or collections. Rather, I believe that traditional AI is better suited to underwriting and collections.

On the other hand, in credit underwriting and collections, generative AI is strong when it comes to drafting language delivered to customers, what wording is best for which customers, how long of a message, what tone and manner, and so on. Using the right tool for the right task is the first point.

As for impact, we have not disclosed the details yet, so I cannot go into too much into the specifics, but take the example of credit card account debits: there are customers whose accounts fall into an unpaid status because there are insufficient funds at the time of the debit.

Until now, we sent multiple rounds of what we call internally "S-mail," which are physically sealed postcards. However, rather than modern AI, this is closer to traditional statistics and data analysis, a classic domain. Based on a variety of historical data, we have found that we do not need to send so many of these sealed postcards. For a trial, where we had uniformly sent a first postcard every time, we tried not sending the first one. Looking at a two-month range, in fact there was little change.

That suggests the effort was wasteful, and I believe there is a great deal of room to improve collections through DX and AI. These kinds of small changes add up: even just reducing the number of sealed postcards we send out can cut costs by hundreds of millions of yen.

As such, we believe there is still ample room for improvement in such initiatives and plenty of appropriate use cases for AI.