

## Our Basic View on Corporate Governance

To realize our basic management policy of obtaining the understanding and consent of our shareholders by continuously improving corporate value over time and creating innovative services, the Credit Saison Group is implementing a variety of initiatives to

improve and strengthen our corporate governance in recognition of the enormous importance of bolstering management supervisory functions to attain business objectives and enhance management transparency.

## Basis for Corporate Governance System Selection

Credit Saison (the Company) has adopted the Audit & Supervisory Board (ASB) model, with ASB members, for its corporate governance system. To ensure we retain the confidence of our shareholders and other investors, we strive to improve and strengthen corporate governance by nominating outside directors and outside ASB members. The Board of Directors and Nomination & Remuneration Committee receive advice and recommendations from outside directors to ensure the appropriateness of business decision-making. This enables directors, who are well versed in business matters, to maintain and improve management efficiency. In addition, the ASB is strengthening its management oversight function by coordinating with directors, executive officers and others from the Internal Audit Office and the unit responsible for supervision of internal controls.

### 1. Board of Directors

The Board of Directors consists of 15 directors, including three outside directors, three of whom qualify as “independent directors.”\* Along with deciding operational execution with regards to important matters concerning management, the Board oversees the performance of duties by directors. The Board discusses various proposals, monitors the status of business execution, and engages in active exchanges of opinions, including with outside directors, in order to ensure the effectiveness of decision-making and oversight. Outside directors provide useful advice to management from objective and neutral perspectives.

In the year under review, the Board of Directors met 18 times. In order to build a flexible management system that responds to changes in the business environment and earns the confidence of shareholders in the Company’s management, the term of office for directors is set at one year.

### 2. Audit & Supervisory Board

The ASB consists of four ASB members, three of whom are outside ASB members who qualify as “independent directors.”\* It determines audit policy and matters concerning the execution of other duties by ASB members as well as compiling audit reports. ASB members exchange opinions and discuss and verify a wide range of matters pertaining to business legality and compliance, and give advice and recommendations to management as appropriate. In addition to attending important meetings, such as those of the Board of Directors and Management Conference they also audit and provide advice on overall risk management and compliance. In these ways, ASB members strictly monitor execution of

duties by each director.

In the fiscal year under review, the ASB met 13 times. The term of office for ASB members is set at four years. The Company has also appointed a substitute ASB member to ensure that there is no shortfall in the number of members stipulated by law.

### 3. Nomination & Remuneration Committee

As an advisory body to the Board of Directors, the Nomination & Remuneration Committee has five members, the majority of whom are outside directors. The Committee is chaired by the Company’s Chairman and CEO, and its members are appointed by resolution of the Board of Directors.

The Committee consults with the Board of Directors about matters related to the appointment and dismissal of directors and the formulation of remuneration policies for directors, deliberates them and submits reports about such matters to the Board of Directors.

\*As of June 20, 2019

The members of our corporate governance body are as follows.

	Member	Board of Directors	ASB	Nomination & Remuneration Committee
Chairman and CEO	Hiroshi Rinno	●		●
President and COO	Masahiro Yamashita	●		●
Representative, Executive Vice President	Naoki Takahashi	●		
Managing Director	Katsumi Mizuno	●		
Managing Director	Tatsunari Okamoto	●		
Managing Director	Yoshiaki Miura	●		
Director	Akihiro Matsuda	●		
Director	Shingo Baba	●		
Director	Yasuyuki Isobe	●		
Director	Shunji Ashikaga	●		
Director	Kazutoshi Ono	●		
Director	Kazue Yasumori	●		
Outside director	Kaoru Hayashi	●		●
Outside director	Naoki Togashi	●		●
Outside director	Nana Otsuki	●		●
Audit & Supervisory Board Members (Full-time)	Haruhisa Kaneko		●	
Outside audit & Supervisory Board Member (Full-time)	Munehiro Harada		●	
Outside audit & Supervisory Board Member (Full-time)	Hiroaki Igawa		●	
Outside audit & Supervisory Board Member	Chie Kasahara		●	

## Status of Internal Control Systems

### 1. Systems to Ensure Directors Perform Duties in Accordance with Laws and Articles

(Companies Act, Article 362, paragraph (4), item (vi))

To ensure operational execution at the Company as a whole is proper and sound, the Board of Directors shall work to establish compliance systems that ensure overall adherence to relevant laws, regulations and the Company's articles of incorporation (heretofore, articles) by our corporate Group and build effective internal control systems from the standpoint of further strengthening corporate governance. The ASB shall monitor the functioning and effectiveness of these internal control systems in an effort to identify problems early and improve our precision in addressing them.

### 2. Systems for Managing and Storing Information on Performance of Duties by Directors

(Regulation for Enforcement of the Companies Act, Article 100, paragraph (1), item (i))

- (1) Information on the performance of duties by directors (minutes for Board of Directors meetings, documents circulated to directors to obtain their approval, written approvals, etc.) shall be recorded in writing and shall be stored and managed based on "information management rules" and other internal rules.
- (2) A system enabling prompt responses has been established for cases where directors or ASB members request to view the aforementioned information.

### 3. Systems for Rules on Loss Risk Management and Other Matters

(Regulation for Enforcement of the Companies Act, Article 100, paragraph (1), item (ii))

- (1) Concerning risk management, we have stipulated "risk management rules" and "rules concerning loss risk management," and the Company shall manage risk in a comprehensive manner, centering on the Risk Management Committee and the Corporate Risk Management Department, working to restrain risks from materializing and minimize the effects on the Company when risks materialize. In the event risks requiring responsive measures materialize or concerns that risks will manifest become evident, the aforementioned committee and department shall work to respond quickly and swiftly restore the Company's functions to working order based on "crisis management rules."
- (2) To the aforementioned end, the Company shall conduct regular internal education and training for those involved based on our "risk management rules," "rules concerning loss risk management" and "crisis management rules." The Board of Directors shall regularly review such initiatives and instruct relevant parties on how to correct or improve them in an effort to maintain risk management systems.

- (3) In preparation for the emergence of emergency situations such as a large-scale natural disaster, the Company shall strive to ensure the safety of our management foundation in emergencies by adopting countermeasures to reduce to the extent possible business continuity risks and business interruption risks for key operations.

### 4. Systems to Ensure Directors Efficiently Perform Duties

(Regulation for Enforcement of the Companies Act, Article 100, paragraph (1), item (iii))

- (1) Meetings of the Board of Directors shall be administered based on the "Board of Director's rules" so directors can properly discharge their duties.
- (2) Directors shall properly manage and supervise based on "rules on the authorities of specific job functions" and "rules for demarcation of operations and organizations" to ensure efficient operational execution at the departments and divisions for which they are responsible or in charge.

### 5. Systems to Ensure Employees Perform Duties in Accordance with Laws and Articles

(Regulation for Enforcement of the Companies Act, Article 100, paragraph (1), item (iv))

- (1) To ensure execution of duties are in compliance with laws, regulations, our articles and internal rules such our compliance rules, etc., the Company shall promote employee awareness about the compliance system and various rules employees are to observe through periodic internal education, led by the Compliance Committee and the Corporate Risk Management Department.
- (2) The compliance consultation desk accepts reports and calls as a contact channel in cases where potential violation of laws, regulations, our articles and internal company rules, etc. have been discovered. The Compliance Committee shall inform the Board of Directors and the ASB without delay about reports of such incidents to promote early-stage resolution of alleged violations.
- (3) To protect against harm from anti-social forces that threaten social order and safety, the Company specifies in its standards of conduct its resolve to stand for justice and face undaunted anti-social forces and strives to inform all its employees of its stance so they will all comply with its standards of conduct. With the General Affairs Department at the fore, the Company shall respond with resolve to inappropriate demands from anti-social forces through our membership in Tokubouren (the special violence prevention association for the Tokyo metro area) and our close cooperation with law enforcement, police and other related public institutions.

## 6. Systems to Ensure Operational Appropriateness for the Group from Parent to Subsidiaries

(Regulation for Enforcement of the Companies Act, Article 100, paragraph (1), item (v))

### a. Systems for Reporting to the Parent on Matters Concerning Execution of Duties by Directors at Subsidiaries

Based on the “written agreement on Group management” concluded with subsidiaries and “rules for affiliates” the parent has prescribed, the Company, centering on the Group Strategy Office of the Corporate Planning Department, shall receive reports without delay on attendance at Board of Directors meetings of subsidiaries and minutes of those meetings and related materials, and other important matters from a management perspective.

### b. Systems on Rules Concerning Loss Risk Management at Subsidiaries and Other Matters

Concerning risk management at subsidiaries, the Group Strategy Office of the Corporate Planning Department is responsible for maintaining an environment for loss avoidance and optimization involving subsidiaries based on “rules concerning loss risk management” and “risk management rules.” The Corporate Risk Management Department shall work closely with subsidiaries to coordinate a risk management posture in an effort to restrain risks from materializing and to minimize the effects on the Company when risks materialize.

### c. Systems to Ensure Directors at Subsidiaries Efficiently Perform Duties

While we pay heed to business development at subsidiaries that reflects their independent operational initiative, the Company has prescribed in advance matters for discussion in the “written agreement on Group management” and “rules for affiliates” with regards to important matters relating to management of subsidiaries, and it conducts decision-making when necessary based on “rules on the authorities of specific job functions” and other rules. Also, the Group Strategy Office of the Corporate Planning Department shall also oversee and share information on the business execution status of subsidiaries in an effort to ensure efficiency in operational execution at subsidiaries.

### d. Systems to Ensure Directors and Employees at Subsidiaries Perform Duties in Accordance with Laws and Articles

The Internal Audit Office shall cooperate with the audit department of subsidiaries and implements audits when necessary while monitoring the appropriateness of operational execution. Established to accept reports and calls in cases where potential violations of laws, regulations, our articles and/or internal company rules have been discovered, the internal Group hotline shall strive as a contact channel to be useful to the swift resolution of reported violations and to ensure operational appropriateness at subsidiaries.

## 7. Matters on Assistants to ASB Members Requiring Support in Performing Duties

(Regulation for Enforcement of the Companies Act, Article 100, paragraph (3), item (i))

- (1) Persons who support ASB members (heretofore, assistants) shall assist them in performing their duties.
- (2) The specific number of persons serving as the aforementioned assistants and the content of their duties shall be determined based on discussions with the ASB.

## 8. Matters Concerning Independence of Said Assistants from Directors, and Matters on Ensuring Effectiveness of ASB Member Instructions to Said Assistants

(Regulation for Enforcement of the Companies Act, Article 100, paragraph (3), items (ii) and (iii))

- (1) Personnel decisions concerning assistants (reassignment, evaluations, etc.) shall require the consent of the ASB.
- (2) The aforementioned assistants shall not be assigned to concurrent roles involving operational execution at the Company beyond the scope of internal audit functions. Also, the authority of ASB members to offer instructions and issue orders to assistants shall not be unfairly restricted by the Company.

## 9. Systems for Reporting to Parent ASB Members

(Regulation for Enforcement of the Companies Act, Article 100, paragraph (3), item (iv))

### a. Systems for Directors and Employees to Report to ASB Members

- (1) Directors and employees must promptly report to the ASB material violations of the law, our articles or illegal conduct relating to the performance of their duties as well as when they discover facts that could cause serious harm to the Company.
- (2) Directors and employees shall report without delay through the relevant reporting line to the ASB decisions and the occurrence of events, accidents, and/or operational troubles that could materially affect business operations and organizations as well as the results of internal audits implemented.

### b. Systems for Subsidiary Directors, ASB Members, Employees, or Persons They Debriefed to Report to Parent ASB Members

- (1) The Group Strategy Office of the Corporate Planning Department shall report the minutes for meetings of the Board of Directors and related materials and other important matters from a management perspective it receives from subsidiaries to ASB members. Also, directors, executive officers and employees of subsidiaries can when necessary report to the Company's ASB members.
- (2) Directors, executive officers and employees of subsidiaries can report to the internal Group hotline or the Group Strategy Office of the Corporate Planning Department material violations of the law, our articles or illegal conduct relating to the performance of duties as well as when they discover facts that could cause serious harm to the Company. The Corporate Risk

Management Department and/or the Group Strategy Office of the Corporate Planning Department shall report the information they receive to ASB members while accurately processing it in the Compliance Committee.

### 10. Systems for Ensuring Whistleblowers Are Not Treated Unfairly for Reporting the Aforementioned Matters

(Regulation for Enforcement of the Companies Act, Article 100, paragraph (3), item (v))

The Company prohibits unfair treatment of whistleblowers who report to ASB members on the basis of their reporting such matters, as stated in the previous clause. Our “compliance rules” stipulate that those providing information to the aforementioned contact channel will not be disadvantaged in any way, and we strive to promote awareness about this protection among our employees through “our compliance” messages.

### 11. Matters on Policy for Processing Liabilities and Expenses Arising from Operational Execution

### by ASB Members, and Systems for Ensuring Effective Audits by Parent ASB Members (Regulation for Enforcement of the Companies Act, Article 100, paragraph (3), items (vi) and (vii))

- (1) ASB members shall attend important meetings so they may ascertain important decision-making processes and the status of operational execution, and they can request investigations and briefings, as necessary.
- (2) The ASB exchanges opinions with the president and representative director as necessary, and shall meet regularly with the public company accounting (PCA) auditor to exchange opinions.
- (3) To ensure an ongoing exchange of information with the ASB, the Corporate Planning Department, the Corporate Risk Management Department and the Internal Audit Office shall cooperate closely with each other.
- (4) Regarding cases where ASB members request pre-payment of expenses for performance of duties, such expenses shall be processed swiftly after deliberation and assessment on their validity, primarily by the Corporate Planning Department, which is the budget management division.

## Status of Audits

### 1. Audits by ASB Members

The Company has an Audit & Supervisory Board (ASB) with four members (including three outside ASB members and three people appointed by independent directors).

In accordance with audit policies and plans established by the ASB, each ASB member attends important meetings, such as those of the Board of Directors. At such meetings, they listen to reports from directors about execution of duties, browse important resolution documents, and examine the status of business, financial assets, and the like, in order to ensure meticulous audits.

### 2. Internal Audits

The Internal Audit Office\*, which performs an internal audit function, implements audits of internal controls, risk management, compliance etc. at the Company, including Group companies, and provides assessments and recommendations.

Regarding cooperation with public company accounting auditors, ASB members strive to strengthen cooperation through suitable exchanges of opinions such as receiving reports from PCA auditors on their audit results and audit policy.

Regarding cooperation with the Internal Audit Office, whenever the Internal Audit Office carries out an internal audit, ASB members are briefed on its audit policy and results. ASB members also direct investigations, providing instructions to the Internal Audit Office, which also when necessary serves as the secretariat for ASB members.

Regarding the maintenance of internal control systems, ASB members work to increase the effectiveness of audits, requesting briefings whenever necessary from the Corporate Planning Department, the unit responsible for supervision of internal controls.

The Internal Audit Office briefs the public company accounting auditor on its audit results, internal audit policies and other such matters in an effort to cooperate with the PCA auditor at all times.

Regarding the maintenance and operation of internal controls involving financial reporting, based on internal audit results, the Corporate Risk Management Department strives to cooperate with the PCA auditor by briefing it on related matters and conducting investigations and exchanging opinions as necessary.

\*As of June 20, 2019, Internal Audit Office comprised of 20 persons.

### 3. Accounting Audits

The status of the PCA auditor is as follows.

#### a. The Names of the Certified Public Accountants Executing Operations, Corporate Name of the PCA Audit Firm to which They Belong, and the Number of Consecutive Years the PCA Audit Firm Has Performed Audits for the Company

The names of the Certified Public Accountants executing operations		Corporate name of the PCA audit firm to which they belong
Designated limited liability partners	Hayato Yoshida	Deloitte Touche Tohmatsu LLC
	Emiko Minowa	
Engagement partners	Takeshi Ishizaka	

Note: Regarding the number of continuous audit years of designated partners, we omit listing names because all partners have been appointed to audit the Company for less than seven years.

#### b. Composition of Audit Operations Support Staff

Certified Public Accountants 15, Junior accountants 5, Other staff 28

## Personal Relationships between Outside Directors, Outside Audit Board Members and the Company

The Company has three outside directors and three outside ASB members.

To ensure the appropriateness of management decision-making, our directors receive advice and recommendations from the three independent outside directors\* who do not have any conflict of interest with general shareholders. This enables our directors, who are well versed in business matters, to maintain and improve management efficiency. We have also appointed three outside ASB members\*, who are independent officers, to strengthen the management oversight function.

\* Six outside directors and outside ASB members who meet the criteria for being an independent officer are designated as an "independent director" or an "independent ASB member."

### <Material Relationship Disclosures of Outside Directors and Outside ASB Members>

Outside Director Kaoru Hayashi is the CEO and representative director of Digital Garage, Inc., an Internet service company. The Company has a business relationship with Digital Garage in the fields of incubation business and marketing business. However, annual transactions from this relationship amount to less than 1.0% of the consolidated transaction value in each company. For this reason, we believe that his independence is sufficiently secured. Mr. Hayashi also serves as the representative chairman of Kakaku.com, Inc. and director, president and chairman of econ-text Asia Limited. As a founder of Digital Garage, Mr. Hayashi has a wide range of knowledge and experience involving IT, marketing, and FinTech, and based on our judgment that he provides our management team with beneficial advice from an objective and neutral point of view, he was named to our Board as an outside director. Mr. Hayashi meets the criteria established by the Tokyo Stock Exchange for an "independent director," and we have notified the TSE that he satisfies such criteria.

Outside Director Naoki Togashi is a partner and representative director of the Japan Office of the Oliver Wyman Group. The Company had no business relationship with Oliver Wyman in the year under review. Mr. Togashi is also an outside director of Nikko Asset Management Co., Ltd. and Nagahori Corporation. As a management consultant, Mr. Togashi has wide-ranging knowledge and a wealth of experience relating to corporate management such as his strategic consulting work in an array of financial fields in Japan and overseas, and based on our judgment that he provides our management team with beneficial advice from an objective and neutral point of view, he was named to our Board as an outside director. Mr. Togashi meets the criteria established by the Tokyo Stock Exchange for an "independent director" and we provided notification to the TSE that he satisfies its criteria.

Outside Director Nana Otsuki is an executive officer at Monex, Inc. The Company has a business relationship with Monex involving our affiliate card issuance business. Also, the Monex Group Inc., the parent company of Monex, and the Company are both equity investors in Monex-Saison-Vanguard Investment Partners,

Inc. However, annual transactions from these relationships amount to less than 0.2% of the consolidated transaction value of each company. Ms. Otsuki is also a professor at Graduate School of Management, Nagoya University of Commerce & Business, and a visiting professor at the Faculty of International Politics and Economics, Nishogakusha University. Since there is no business relationship between the two universities and the Company, however, we have determined that she is sufficiently independent. She has many years of experience as an analyst at domestic and foreign financial institutions and has wide-ranging knowledge and a wealth of experience in analyzing domestic and overseas financial markets, and based on our judgment that she provides our management team with beneficial advice from an objective and neutral point of view, she was named to our Board as an outside director. Ms. Otsuki meets the criteria established by the Tokyo Stock Exchange for an "independent director" and we provided notification to the TSE that she satisfies its criteria.

Outside ASB member Munehiro Harada has worked in the National Police Agency for many years and has held executive positions, including chief of police headquarters. In these roles, he has been involved in work related to organizational management and crisis management. Although he has no direct experience in corporate management, the Company has appointed Mr. Harada as an outside ASB member, having determined that he is fully capable of conducting objective and neutral audits from the perspective of legality of business execution and the like. He also meets the criteria established by the Tokyo Stock Exchange for an "independent director," and we have notified the TSE that he satisfies such criteria.

Outside ASB Member Hiroaki Igawa has worked in the Ministry of Finance and the National Tax Agency for many years. As Director-General of the Local Finance Bureau and superintendent of Japan Customs, he has extensive experience and wide-ranging knowledge about accounting and finance. Although he has no direct experience in corporate management, the Company has appointed Mr. Igawa as an outside ASB member, having determined that he is fully capable of conducting objective and neutral audits. He also meets the criteria established by the Tokyo Stock Exchange for an "independent director," and we have notified the TSE that he satisfies such criteria.

Outside ASB Member Chie Kasahara is a lawyer (senior partner) at Atsumi & Sakai's (law form) foreign law joint venture, which receives some compensation from the Company. However, the amount of such compensation is less than 0.1% of total annual billings of Atsumi & Sakai and the Company's annual consolidated transaction value. Accordingly, we have determined that she is sufficiently independent. Ms. Kasahara has many years of experience and wide-ranging insights as a lawyer and has played an important role in the Company in auditing the legality of execution of duties by directors and corporate governance. Although she has no direct experience in corporate management, the Company has

appointed Ms. Kasahara as an outside ASB member, having determined that she is fully capable of conducting objective and neutral audits. Ms. Kasahara meets the criteria established by the Tokyo Stock Exchange for an “independent director” and we provided notification to the TSE that she satisfies its criteria.

Note: Regarding the “listing of a summary of transactions” in material relationship disclosures of outside directors and outside ASB members, we omitted from the summary those transactions we think would have no impact on assessments by shareholders and investors in light of the nature of those relationships, namely transactions related to member merchant contracts (excludes cases such as affiliate card issuance, work consignments we accepted or allocated, and other business relationships) involving credit card shopping sales (agency services for transactions handled on behalf of other companies’ cards), and card use decisions at member merchants and attendant transaction sums that are left to the discretion of credit card members.

### <Selection Criteria for Outside Directors>

For the selection of outside directors, the Company has adopted selection criteria in order to ensure valid and appropriate

decisionmaking through management supervisory functions. Accordingly, the selection criteria for outside directors require candidates to possess either practical experience as a corporate manager, or a record of achievement and expansive knowledge in a specific specialized field. Furthermore, for the selection of outside ASB members, the Company has adopted selection criteria to ensure sound and transparent management through audits carried out from an impartial and objective perspective. Accordingly, the selection criteria for outside ASB members require candidates to possess abundant knowledge and experience in a variety of fields.

To ensure objective assessment of the independence of outside directors and outside ASB members, we have established “standards for independence of outside directors” based on the criteria regarding independence for “independent directors” established by the Tokyo Stock Exchange.

### Summary of the Company’s Standards for Independence for Outside Directors and Outside ASB Members

1. A person who is or was an employee of the Company or its consolidated subsidiaries (heretofore referred to as “the Group”)
2. A major shareholder in the Group
3. A major supplier, or executive person thereof, to the Group
4. A major business partner, or executive person thereof, of the Group
5. A major lender, or executive person thereof, of the Group
6. An executive person of a company, etc. with shareholdings of 10% or more of the voting rights in the Group
7. A certified public accountant belonging to the independent accounting audit firm hired as the Group’s accounting auditor
8. A professional such a consultant, accountant, certified tax accountant, lawyer, judicial scrivener, or patent attorney who has been paid a large sum of money or other assets by the Group
9. A person or organization who has received a large sum of money as a donation
10. An executive person of another Company, who is part of cross directorship arrangement with the Group
11. A close relative to someone (limited to persons in positions of importance) who matches any of the criteria in items 1 through 10 above
12. A person who matches any of the criteria in items 2 to 11 in the past three years
13. Notwithstanding the above, a person who is deemed to have other special circumstances that could give rise to conflicts of interest with the Group

The aforementioned is a summary of our standards for establishing independence for outside directors and outside ASB members. The entirety of our standards can be viewed at our website (in Japanese).

<https://corporate.saisoncard.co.jp/company/governance/>

Outside directors are also briefed on the results of audits performed by ASB members and accounting audits performed by the public company accounting audit firm at meetings of the Board of Directors. Outside directors cooperate with the Internal Audit Office, which performs an internal audit function, and the Corporate Planning Department, which performs an internal

control function, by receiving briefings on the status of business execution from each of them, and other means.

Outside ASB members strive to strengthen cooperation with the public company accounting audit firm and the Internal Audit Office, while working to enhance the effectiveness of audits by seeking briefings from the internal control divisions as necessary.

## Initiatives to Enhance Corporate Governance

In order to keep improving our corporate value, we identify the enhancement of corporate governance as a key management initiative. To this end, we are improving our internal control systems, strengthening our risk management framework, and fully adhering to compliance requirements.

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

Regarding risk management, the Risk Management Committee and Corporate Risk Management Department lead the way in preventing risks from materializing and work to minimize the effects on the Company when they do arise. Accordingly, we strive to maintain our risk management framework by holding regular internal training sessions for employees in accordance with “risk management rules,” “rules concerning loss risk management,” and “crisis management rules.” With respect to various issues within the Group and matters of control that pose serious risks,

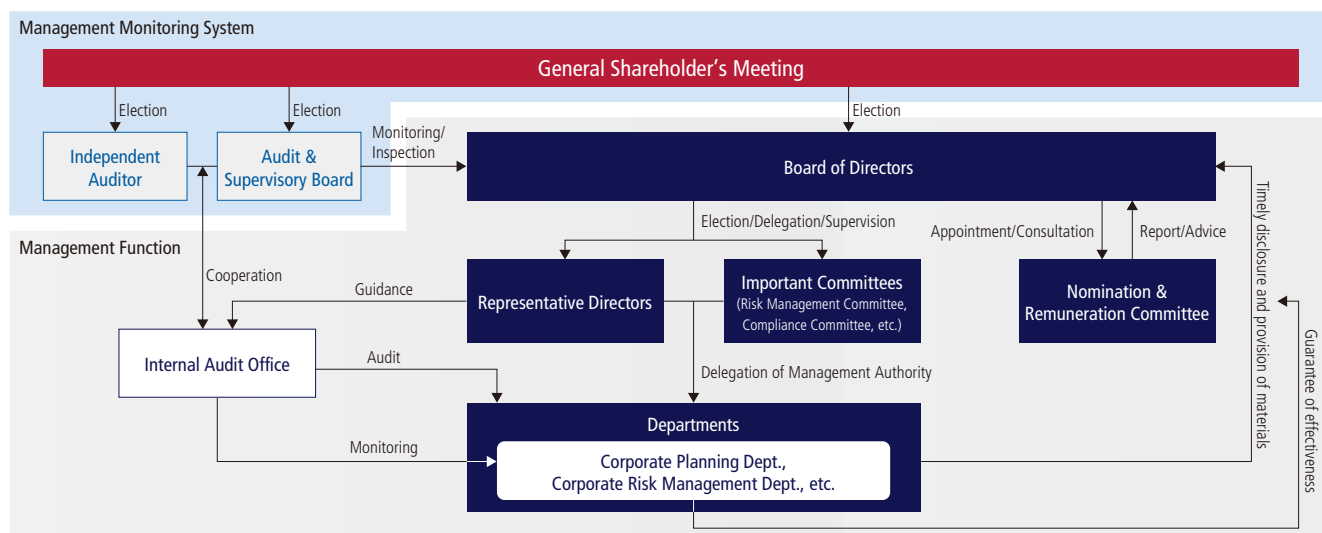
the Group Strategy Office of the Corporate Planning Department leads the way in monitoring business execution at Group companies and sharing information with management departments of Group companies.

As for our compliance system, our Compliance Committee and Corporate Risk Management Department have been established to ensure legal compliance, fairness, and ethical standards in our corporate activities. In addition to assigning compliance responsibilities to employees in each department, we issued a declaration on how the Company should conduct its activities and are strengthening our compliance system by making sure employees know about our compliance help desk, holding compliance training sessions, and distributing a pamphlet outlining rigorous adherence to the Company’s standards of conduct, which sets out how directors, executive officers, and employees should conduct themselves.

We will continue to study approaches to management that best suit the Credit Saison Group in light of global trends in corporate governance and our basic policies for ensuring the proper functioning of internal controls.

Our corporate governance structure is shown below.

### Corporate Governance Structure



## Matters Concerning Composition of Governing Bodies and Organization Management

Governance system	Company with a statutory Audit & Supervisory Board
Number of directors stipulated by the Articles	25
Term of office for directors stipulated by the Articles	One year
Chairman of the Board of Directors	President
Number of directors	15
Outside directors on Board	Appointed
Number of outside directors	Three
Of outside directors, the number who are "independent directors"	Three
Is there an Audit & Supervisory Board?	Yes
The number of Audit & Supervisory Board members stipulated by the Articles	Five
The number of Audit & Supervisory Board members	Four
Appointment status of outside Audit & Supervisory Board members	Appointed
Number of outside Audit & Supervisory Board members	Three
Of outside Audit & Supervisory Board members, the number who are "independent directors"	Three

## Remuneration for Directors and Audit & Supervisory Board Members

The total amount of remuneration in fiscal 2018 for different classifications of directors and ASB members, along with sub-totals for different types of remuneration, are shown below.

Classification	Total remuneration (¥ millions)	Total amount of remuneration by type (¥ millions)		Number of persons Basic
		Basic remuneration	Bonuses	
Directors (Excluding outside directors)	497	384	113	15
ASB members (Excluding outside ASB members)	4	4	—	1
Outside directors	24	24	—	3
Outside ASB members	26	26	—	3

- Notes: 1. The total amount of remuneration paid to directors does not include employee salaries in the case of employees who serve concurrently as executive directors.  
 2. As of March 31, 2019, the Company had 15 directors and three ASB members.  
 3. Basic remuneration includes amounts used to purchase the Company's shares (contribution to shareholders' association made up of directors).

### 1. Name, classification, total remuneration (consolidated) and total amount of remuneration (consolidated) by type of each director, outside director and ASB member

We omitted listing individuals as there were no directors, outside directors or ASB members whose total remuneration exceeded ¥100 million.

### 2. The amount of remuneration for directors, outside directors and ASB members, the content of policy for deciding the calculation method

For the total amount of the calculation method-based remuneration for directors, outside directors and ASB members, resolutions were approved at the 57th ordinary general meeting of shareholders held on June 23, 2007 to cap annual remuneration for directors at ¥750 million (annual remuneration for outside directors capped at ¥750 million) and cap annual remuneration for ASB members at ¥150 million (salaries paid to executive directors for their work as employees are not included in the remuneration caps). The remuneration amounts for each director are determined by the Board of Directors based on the results of evaluation by all directors, including each recipient director, regarding the degree of contribution each director makes to the Company's performance.



## Timely Disclosure System

The status of internal systems related to the timely disclosure of Company information is described below.

### 1. Basic approach to timely disclosure of Company information

As a publicly listed entity, the Company is obligated to disclose corporate information in a timely and appropriate manner in accordance with laws and regulations related to financial products and securities listing regulations prescribed by the Tokyo Stock Exchange, Inc. We also believe that timely and appropriate disclosure of corporate information forms the basis of a sound financial product market.

In order to fulfill these obligations, the Company has established "Information Disclosure Rules" and intends to disclose corporate information promptly, accurately, and fairly from the perspective of investors.

### 2. Internal systems for timely disclosure of Company information

To ensure the completeness, appropriateness, and timeliness of information collection and disclosure, we set up an Information Disclosure Committee, which collects information on the Company and its affiliates (hereinafter, "Group Companies"), determines the necessity of information disclosure, and discusses various relevant documents based on the aforementioned Information

Disclosure Rules.

The Information Disclosure Committee is chaired by a person appointed by the Board of Directors and consists of officers and employees from the Public Relations Office, Corporate Planning Department, Treasury and Accounting Department, Corporate Risk Management Department, and the like. In addition, the Corporate Planning Department and the Treasury and Accounting Department have jointly established an Information Disclosure Committee Secretariat, into which Company information collected by each Committee member is channeled.

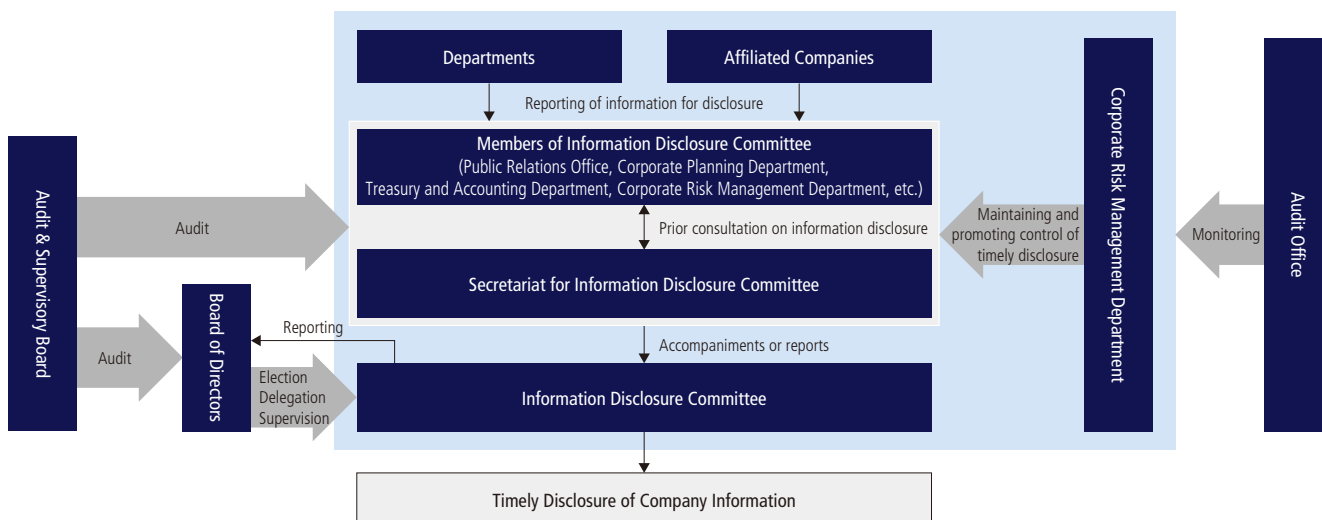
In principle, disclosure of information on Group Companies collected by Committee members is first discussed with the Information Disclosure Committee Secretariat, which decides whether or not to make proposals or reports to the Committee.

The Information Disclosure Committee discusses whether or not to make timely disclosures of information submitted to it, and also discusses materials to be disclosed and makes resolutions on disclosure, following which disclosure is made promptly according to established protocols.

Information that requires urgent disclosure is first deliberated and resolved at a meeting of the Emergency Information Disclosure Committee, held at the discretion of the chairman of the Information Disclosure Committee, then disclosed.

The Corporate Risk Management Department maintains and promotes disclosure controls, which are monitored by the Audit Office.

### Timely Disclosure System



## Principles Regarding Antisocial Forces

1. The Company will not have any relationship with antisocial forces.
2. The Company will cooperate with external expert organizations and persons, including police, the Tokubouren (the special violence prevention association for the Tokyo metro area) and lawyers, and will deal with antisocial forces in an appropriate and systematic manner in order to prevent damage that may be inflicted by such forces.
3. The Company will not accept any unreasonable demand from antisocial forces, and will firmly deal with such forces and take legal actions.
4. The Company will not provide funds to or do back-door deals with antisocial forces.
5. The Company will ensure the safety of officers and employees who deal with unreasonable demands from antisocial forces.