

## Responses to Risks/Opportunities

The Credit Saison Group's businesses carry with them several risks, including risks related to the external environment as well as financial and business aspects. In this context, in addition to continuing to strengthen our response to the risks common to the industry that we have been dealing with so far, there remains the necessity to evaluate any risks that have emerged due to changes in the external environment from a medium- to long-term perspective and to take countermeasures. Some of the risks that could significantly influence investor decisions are listed below.

### Risks common to the industry

Risks	Details	Responses <span>▶ P30 Financial Capital Strategy</span>
Economic Conditions	<ul style="list-style-type: none"> <li>• Decrease in transaction volumes of credit cards, loans, credit guarantees, and real estate mortgage loans provided by the Group, and decline in the loan collection rate due to deterioration of the domestic and overseas economic environment (employment environment, household disposable income, personal consumption, etc., due to recession)</li> <li>• Decrease in capital investment by SMEs, which are the main customers of the Lease Business, and deterioration in corporate earnings</li> <li>• Recorded loss on valuation of real estate for sale, etc., due to falling real estate prices in the Real Estate-related Business</li> </ul>	<ul style="list-style-type: none"> <li>• Calculation by risk capital management (RCM) of the risk capital required by our business to maintain ratings and maximize returns within the scope of the risk capital surplus</li> </ul>
Fund Procurement	<ul style="list-style-type: none"> <li>• Among fund procurement methods, such as borrowing from financial institutions and the issuing of corporate bonds and CP, liquidity risk due to the considerable amount of funding with a procurement period of less than one year</li> </ul>	<ul style="list-style-type: none"> <li>• In fund procurement, maintaining a certain percentage of long-term and fixed financing; the setting of liquidity enhancement limits, such as commitment lines; and the reduction of liquidity risk by promoting diversification by executing direct procurement, such as corporate bonds and the liquidation of receivables</li> </ul>
Market Risk	<ul style="list-style-type: none"> <li>• Risk of falling prices of investment assets, such as stocks of listed and unlisted companies, venture investment funds, bonds, real estate, and real estate funds</li> <li>• Rise in funding interest rates when interest rates rise</li> </ul>	<ul style="list-style-type: none"> <li>• Appropriate management of market risk by introduction and utilization of RCM and ALM</li> </ul>
Impairment of Financial Instruments (Allowance for Doubtful Accounts)	<ul style="list-style-type: none"> <li>• Risk of non-repayment of receivables by large numbers of customers due to changes in the domestic and overseas economic environment (employment environment, household disposable income, personal consumption, etc., due to recession)</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing soundness of claims and appropriate allowance for doubtful accounts by strengthening credit management systems, such as establishment and operation of credit management systems relating to credit limits, credit information management, and internal ratings, as well as monitoring of credit status</li> </ul>
Provision for Loss on Interest Payment	<ul style="list-style-type: none"> <li>• Risk of increase in the amount of reimbursement claims from customers regarding the portion of interest that was higher than the interest rate ceiling set by the Interest Rate Restriction Act, interest that within the Group in Japan was repaid before the revision of the Act</li> </ul>	<ul style="list-style-type: none"> <li>• The amount of allowance required at the present time is recorded in consideration of the past reimbursement record and trends in interest reimbursement claims</li> </ul>
Various Regulatory and Legal System Changes	<ul style="list-style-type: none"> <li>• Revisions, changes in interpretation, and increasing strictness of general laws and regulations pertaining to company management, and adoption of new legal regulations</li> <li>• Risk of having to cease certain services due to regulatory changes, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Internal systems, rules, and operations are reviewed, maintained, etc., in accordance with the changes</li> <li>• While complying with laws and regulations, prompt responses to service developments in accordance with new regulations</li> </ul>

## Risks and opportunities that need to be addressed over the medium to long term

Risks	Details		Responses
Occurrences of Large-Scale Disasters	Risks	<ul style="list-style-type: none"> <li>Physical damage to owned assets and human damage to employees due to large-scale natural disasters (e.g., earthquakes) in various regions in Japan and overseas</li> </ul>	<ul style="list-style-type: none"> <li>Formulating a BCP plan and regularly confirming its effectiveness; implementing BCP education and training</li> <li>Improving the credit card usage environment by decentralizing authorization systems to the Kanto and Kansai regions</li> </ul> <p>► P43 Response to Climate Change</p>
	Opportunities	<ul style="list-style-type: none"> <li>Securing human resources through BCP formulation and education, building trust with other corporations, and improving corporate value</li> <li>Continuously developing services as social infrastructure by preparing for unexpected circumstances</li> </ul>	
Impact of the COVID-19 Pandemic	Risks	<ul style="list-style-type: none"> <li>Economic downturn, corporate bankruptcies, and prolonged decline in personal consumption due to continued uncertain future restrictions on behavior and pandemic trends</li> <li>Decreasing acquisition of new members due to intensifying competition caused by factors such as diversification of payment methods through promotion of cashless payment and entry from companies in other industries</li> </ul>	<ul style="list-style-type: none"> <li>Response to changes in the business environment by transforming the business portfolio from management based on the Payment Business to a comprehensive life services group</li> <li>Expand services targeting new customer segments by building new remote-type member capture models using SAISON Card Digital</li> <li>Thoroughly implement employee health management and infection countermeasures</li> </ul>
	Opportunities	<ul style="list-style-type: none"> <li>Improving customer satisfaction through Group-wide efforts to appropriately and quickly resolve all kinds of problems that arise in a mature society</li> <li>Initiated business structure transformation based on changes in customer psychology and behavior caused by the COVID-19 pandemic</li> </ul>	
Impact of Climate Change	Risks	<ul style="list-style-type: none"> <li>Decreasing transaction volume and increasing financing cost associated with deterioration of Group creditworthiness and brand due to factors such as a delay in responding to climate change and serious impact on the global environment and economy resulting from factors such as intensification of natural disasters and changes in ecosystems associated with climate change</li> <li>Increasing bad debt costs due to deterioration of customers' household finances and business performance caused by abnormal weather such as typhoons and heavy rains</li> </ul>	<ul style="list-style-type: none"> <li>In August 2021, we established the Sustainability Promotion Committee (chaired by the Representative, Executive President and COO) to strengthen initiatives for sustainable business operations</li> <li>Express support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and promote information disclosure on governance, strategy, risk management, and indicators/targets related to responding to climate change</li> <li>Promote CO<sub>2</sub> reduction by reducing paper consumption by changing to online statements and application, reducing the issuance of plastic cards through SAISON CARD Digital, and use of recyclable materials in the envelope windows of statements</li> </ul> <p>Online statements: As of August 2021, 44% reduction compared to total members / Reduction of 500 grams of CO<sub>2</sub> per envelope</p> <p>Online applications: 95% of face-to-face card applications are accepted on tablet devices</p> <p>► P43 Response to Climate Change</p>
	Opportunities	<ul style="list-style-type: none"> <li>Improving corporate value through recognition of climate change countermeasures and CO<sub>2</sub> reduction activities</li> <li>Securing human resources by improving corporate value and name recognition, improving employee motivation, and gaining the trust of various stakeholders by increasing recognition from investors who have a high interest in ESG</li> </ul>	
Competitive Environment	Risks	<ul style="list-style-type: none"> <li>Intensifying competition due to new entrants from other industries into the payment industry as the result of deregulation and technological advancement</li> <li>Presenting favorable transaction conditions and services to customers without regard to profitability by competitors in the real estate finance market</li> </ul>	<ul style="list-style-type: none"> <li>In addition to issuing credit cards, prepaid cards, and other plastic cards, working to provide a wide variety of payment platforms aimed at improving customer convenience in a bid to realize a cashless society, including smartphone payments, QR code payments linked to partner apps, and SAISON Opportunities CARD Digital</li> <li>Increasing screening speed for the purpose of improving customer convenience, strengthening relationships with real estate-related companies, and achieving differentiation by providing products and services unavailable from other companies</li> </ul> <p>► P34 CSDX Strategy</p>
	Opportunities	<ul style="list-style-type: none"> <li>Developing new business domains and new products/services through collaboration with other industries</li> <li>Expanding market share by improving convenience and strengthening relationships with affiliated companies</li> </ul>	
Relationships with Major Partners	Risks	<ul style="list-style-type: none"> <li>Deterioration of business performance of business alliances that form important strategies and business partners with whom we have a capital relationship, changes of business alliance conditions, and cancellation of alliances with partners</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening relationships with existing partners</li> <li>Building a business model that does not depend on a specific partner by promoting new alliances with partners in diverse industries and sectors</li> </ul> <p>► P19 Growth Strategy (1): Establish the Saison Partner Economic Zone and Reinforce Business Coordination within the Group</p>
	Opportunities	<ul style="list-style-type: none"> <li>Business development utilizing the acquisition of memberships through alliances with partner companies and organizations, expansion and diversification of services, product sales channels, and customer bases of both parties</li> </ul>	
Overseas Business Development	Risks	<ul style="list-style-type: none"> <li>Market trends in the countries in which the Company develops its business, the presence of competitors, politics, the economy, law, culture, religion, customs, foreign exchange rates, and various other country risks</li> </ul>	<ul style="list-style-type: none"> <li>Dispersing country risks by expanding into multiple countries/regions; reducing risks through regular risk analysis of the countries where we are located; establishment of a detailed monitoring system for local affiliates</li> </ul> <p>► P25 Growth Strategy (4): Acceleration of Global Business Expansion ► P28 Global Strategy</p>
	Opportunities	<ul style="list-style-type: none"> <li>Development of existing and new services in countries/regions where there are many people who do not possess a bank account and are unable to receive financial services</li> </ul>	
System Risk and Cyberattack Risk	Risks	<ul style="list-style-type: none"> <li>System failures due to malfunction of computer systems, communication line disruptions, etc.</li> <li>Decreasing reliability due to the emergence of risks and leakage/unauthorized use of personal information (member information) or confidential information due to cyberattacks, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Development of contingency plans, such as ensuring the backup of important systems</li> <li>Improving employee awareness of information security and developing countermeasures against cyberattacks, such as minimizing damage through the introduction of systems capable of detecting advanced cyberattacks</li> <li>Appropriate protection measures and system development of personal information, as stipulated Opportunities under the Personal Information Protection Law, acquisition of Privacy Mark</li> </ul> <p>► P54 Information/Cybersecurity</p>
	Opportunities	<ul style="list-style-type: none"> <li>External sales of core systems in which the Company has been accumulating know-how for many years</li> <li>In collaboration with external partners, external sales of secure payment systems in which use is made of fraud prevention technology</li> </ul>	
Actualization of Administrative Risks	Risks	<ul style="list-style-type: none"> <li>Risk of negligence and inappropriate handling of administrative tasks due to a large amount of manual paperwork</li> </ul>	<ul style="list-style-type: none"> <li>Creating an administrative work manual, regular inspection of administrative work status, prevention of employee errors and fraud, development and operation of a whistleblowing system for early detection of any illegal activity</li> <li>Promoting automation of administrative work by the systematization and introduction of robotic process automation (RPA)</li> </ul>
	Opportunities	<ul style="list-style-type: none"> <li>Expanding demand for administrative process agencies at affiliated cards and partners</li> </ul>	
Securing and Developing Human Resources	Risks	<ul style="list-style-type: none"> <li>Risk of being unable to secure diverse, talented human resources to provide high-level services to customers and develop advanced products and services; risk of human resources leaving the Company</li> </ul>	<ul style="list-style-type: none"> <li>Providing equal opportunities by developing work systems and common employment patterns that meet employees' needs, the securing of excellent human resources by adopting personnel systems that can utilize the abilities and characteristics of employees, such as the executive officer and specialist/expert systems</li> <li>Introducing support systems such as a new business proposal system, a voluntary selective training program, and career development seminars by age group; creating a culture of taking on challenges through the development of an environment that allows for long-term/multifaceted training and career development, for example, personnel allocation based on employee requests centered on open recruitment</li> </ul> <p>► P48 Human Resource Strategy</p>
	Opportunities	<ul style="list-style-type: none"> <li>New service/product development by securing talent with expertise in digital technology</li> </ul>	

# Sustainability of the Credit Saison Group

## Basic Approach

Based on our “leading-edge service company” management philosophy, we contribute through the everyday operation of our businesses to resolve problems and move society forward in ways only Credit Saison can by leveraging our unique know-how, management resources, and the experiences of each of our employees. We will create a sustainable society that is even more convenient and prosperous than today’s.

## Value co-creation with stakeholders

To remain as a company on which society depends, it is important to understand what stakeholders demand and to reflect these demands in business activities. We will always seriously consider the opinions of our stakeholders and use those opinions to improve our corporate value and achieve sustainable growth.

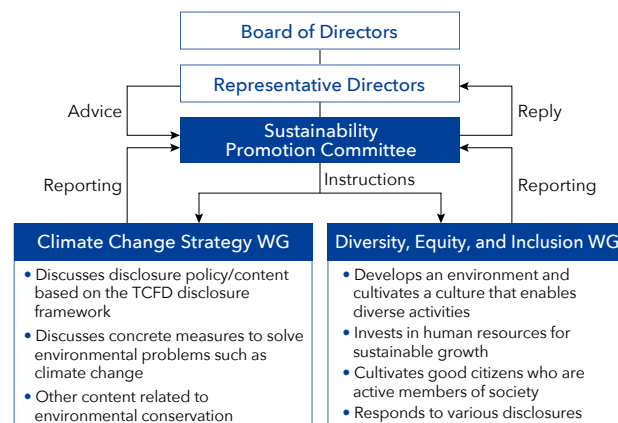
## Sustainability promotion system

In August 2021, we established the Sustainability Promotion Committee as an advisory body to the Representative Director regarding sustainability activities. To realize a sustainable society, our entire Group is strengthening its efforts to solve social and environmental issues through our business.

With the Representative, Executive President and COO serving as its chair, the Committee comprises globally minded male and female members who hail from within and outside the Company and are thus able to promote the exchange of various opinions.

The Committee met seven times in FY2021, presenting its findings regularly to the Representative Director regarding Group-wide sustainability strategy and measures. On the basis of such findings, the Committee submits reports to the Board of Directors as necessary (it did so in December 2021 and June 2022).

### Structure of the Sustainability Promotion Committee



## Rules for members of the Sustainability Promotion Committee

- The chairperson of the committee must be the Representative, Executive President and COO
- Executive officer or higher in charge of various departments, including the Corporate Planning Dept., Corporate Risk Management Dept., Treasury & Accounting Dept., Strategic Human Resources Dept., Sales Development Division, and Global Business Division
- The ratio of men to women should be approximately 50:50
- Outside directors should also be Committee members so that they can receive opinions from an objective and neutral standpoint
- Engage third-party institutions to provide advice and recommendations in their areas of expertise

Members of the Sustainability Promotion Committee	
Chairperson	Representative, Executive President and COO Katsumi Mizuno
Vice-chair	Managing Executive Officer and CFO Shingo Baba
Members	Director and Senior Managing Executive Officer Kosuke Mori
	Senior Managing Executive Officer Kazue Yasumori
	Executive Officer Kaori Shimada
	Outside Director Nana Otsuki

## A sustainable society that is even more convenient and prosperous than today's

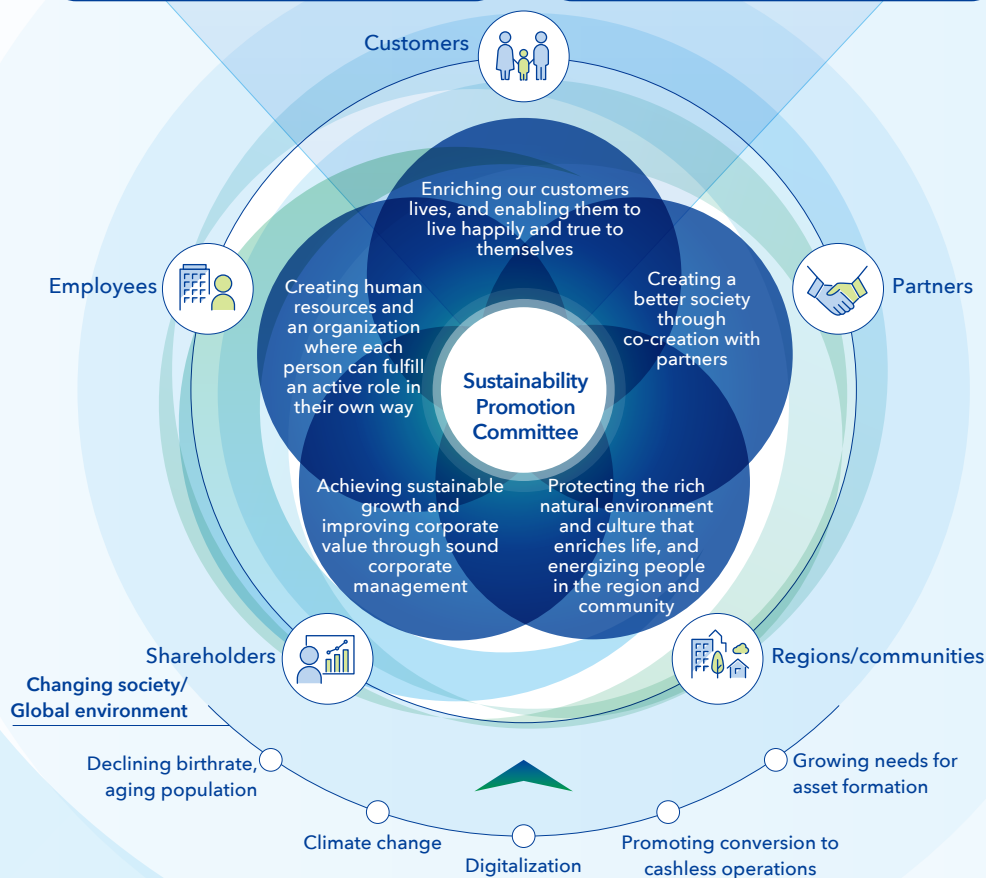
Contribution to achieving the SDGs

**SUSTAINABLE  
DEVELOPMENT  
GOALS**



Expectations and needs of stakeholders

Efforts to address important issues



### Materialities for sustainability and initiatives

Materialities	Contents	Related Pages
Enriching our customers lives, and enabling them to live happily and true to themselves	<ul style="list-style-type: none"> <li>Creating a safe, secure, and convenient society</li> <li>Resolving problems for individuals and corporations with financial services at the core</li> </ul>	Contributing to a Safe, Secure, and Convenient Cashless Society ▶ P53 Information/Cybersecurity ▶ P54
Creating a better society through co-creation with partners	<ul style="list-style-type: none"> <li>Providing new value with business partners, collaborating partners, etc.</li> <li>Realizing financial inclusion including Asia</li> </ul>	Acceleration of Global Business Expansion ▶ P25 Coexistence with Local Communities ▶ P55
Creating human resources and an organization where each person can fulfill an active role in their own way	<ul style="list-style-type: none"> <li>Developing an environment and fostering a culture that enables diverse activities, and investing in human resources</li> <li>Cultivating good citizens who are active members of society</li> </ul>	Human Resource Strategy ▶ P48 Human Resources ▶ P50
Protecting the rich natural environment and culture that enriches life, and energizing people in the region and community	<ul style="list-style-type: none"> <li>Showing consideration for the global environment, supporting cultural and sports activities</li> <li>Engaging in co-creation with governments, regional societies, and communities</li> </ul>	Response to Climate Change (Information Disclosure Based on the TCFD Recommendations) ▶ P43 Environment ▶ P45 Human Rights ▶ P47 Coexistence with Local Communities ▶ P55
Achieving sustainable growth and improving corporate value through sound corporate management	<ul style="list-style-type: none"> <li>Strengthening corporate governance</li> <li>Strengthening the integration of Group growth strategy and sustainability activities</li> </ul>	Corporate Governance ▶ P59



# Response to Climate Change

(Information Disclosure Based on the TCFD Recommendations)



◀ Related Stakeholders

## Disclosure in line with the TCFD Recommendations

The Company expressed its support for the Task Force on Climate-related Financial Disclosures (TCFD) recommendations in 2022 and is involved in the TCFD consortium, a discussion forum for the companies and financial institutes supporting the recommendations.

Based on the TCFD recommendations, we will continue to disclose information about governance, strategies, risk management, metrics, and targets regarding our actions to address climate change in pursuit of a sustainable society.



## Governance

We recognize response to climate change and other global environmental issues as important management themes that reduce risk and lead to earnings opportunities.

▶ Please refer to page 41 for the structure of the Sustainability Promotion Committee. The Committee debates the direction of activities related to sustainability strategy and answers to the Representative Directors.

## Strategy

We predicted changes in the external environment and analyzed the impact of climate change on our operations in the future, in accordance with the TCFD framework and using a scenario analysis method.

It is important for us to pursue sustainable growth by mitigating climate change and adapting to it through our business activities. Based on this understanding, we believe that actions to address climate change are important in the management of our business. We identify and assess its impact on us by forecasting changes in the external environment and our operating environment accompanying the manifestation of climate-related risks and by identifying risk events. In the scenario analysis, we referenced multiple existing scenarios published by organizations such as the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC).

▶ Details of the strategy (scenario analysis) can be viewed at the following URL:  
<https://corporate.saisoncard.co.jp/en/sustainability/environment/tcfdf/>

Types of risks and opportunities		Risks and opportunities	Business impacts	Indicators of impact on business operations	Financial impact	Extent of impact	Time span
Risks	Transition risks	Policies and legal restrictions	Increased anti-global warming taxes, etc.	Impact on SG&A expenses	Approx. ¥0.07 billion	Low	Short term to long term
		Market	Rising energy prices	Impact on SG&A expenses	Approx. ¥0.3 billion	Low	Short term to long term
	Physical risks	Acute physical risks	Damage to buildings due to the intensification of wind and flood damage	Impact on head office, sales divisions, data centers, etc.	Approx. ¥0.1 billion	Low	Short term to long term
		Chronic physical risks	Worsening of the macro economy due to the impact of rising temperatures on agriculture, water resources, health, etc.	Impact on doubtful account costs	Approx. ¥4.3 billion	Low	Short term to long term
			Frequent occurrence of heatstroke due to a rise in the average temperature and an increase in electric power costs due to the use of air conditioners	Impact on SG&A expenses	Approx. ¥0.03 billion	Low	Short term to long term
	Energy sources	Zero GHG emissions	Exemption from a carbon tax through the achievement of zero GHG emissions	Impact on SG&A expenses	Approx. ¥0.07 billion	Low	Short term to long term
Opportunities		Market	In pursuit of Japan's 2050 carbon neutrality target and the achievement of a decarbonized society through co-creation with enterprises and individuals, we started issuing Saison Card for becoz, a credit card with a carbon neutrality perspective, the first of its kind in Japan. The CO <sub>2</sub> emissions of the cardholder are visualized by category using the cardholder's card payment data within becoz (which means "be CO <sub>2</sub> zero"), a DATAFLUCT inc. application platform. This motivates the subscriber to change behavior to achieve decarbonization. The issuance of the credit card encourages sustainability-conscious future generations to connect with the credit card's initiatives for the decarbonization of society, increases the number of cardholders using our credit card, and changes their behaviors. This is expected to increase the reduction of CO <sub>2</sub> emissions and contribute to our revenue long term through credit card use. The calculation of the impact on our business operations depends on the outcome of the initiative (customer attributes and trend of credit card use). No profit assessment is performed at this point.			Low	Short term Issuance began in June 2022

## Risk management

The Risk Management Committee and the Corporate Risk Management Dept. are leading the efforts to mitigate risk and minimize the impact of risks should they occur. To this end, our employees regularly receive in-house training and endeavor to maintain our risk management system in accordance with the Risk Management Regulations, Regulations on Management of Risks of Losses, and Crisis Management Regulations. Regarding the issues underlying the Credit Saison Group or governance-related matters accompanied by serious risks, the Group Strategic Management Office, Corporate Planning Dept., leads the supervision of the companies of the Credit Saison Group's execution of business and shares information with the supervisory divisions of the Credit Saison Group companies.

For climate change risks, the Sustainability Promotion Committee leads the formulation of policies and strategies for minimizing risks and seizing opportunities and structurally monitors related efforts.

The Corporate Planning Office of the Corporate Planning Dept., the Public Relations Office, and the Corporate Risk Management Dept., which collectively are the administrative body supporting the Sustainability Promotion Committee, lead the regular review of risks and opportunities relating to climate change.

The Climate Change Strategy WG met more than 10 times to deepen its discussions in FY2021 while in September the Sustainability Promotion Committee began to meet once a month to advance the discussion of climate change (a report was submitted to the Board of Directors in December 2021 and June 2022).

## Metrics and targets

The consolidated companies of the Credit Saison Group are within the scope of measurement.

The impact of the **six** companies that are collectively responsible for more than **95%** of net revenue in FY2020 is measured.



(Tons of CO <sub>2</sub> )		Result	Target	
		FY2020	FY2030	
Scope 1	Direct greenhouse gas emissions from the business operator itself	1,023	593	Compared with FY2020 42% reduction
Scope 2 (market standard)	Indirect greenhouse gas emissions from the use of electricity, heat, and steam, which are supplied from other companies	17,540	10,173	
Scope 2 (location standard)		17,856	10,356	
Scope 1 + 2 (market standard) subtotal		18,563	10,767	
Scope 1 + 2 (location standard) subtotal		18,879	10,950	
Category 1	Purchased products and services	81,712	61,284	Compared with FY2020 25% reduction
Category 2	Capital goods	323,542	242,657	
Category 3	Fuel and energy-related activities that do not fall under Scope 1 and 2	3,071	2,303	
Category 4	Transportation and distribution (upstream)	-	-	
Category 5	Waste generated by operations	132	99	
Category 6	Business travel	781	586	
Category 7	Employee commute	1,587	1,190	
Category 8	Leased assets (upstream)	-	-	
Category 9	Transportation and distribution (downstream)	-	-	
Category 10	Fabrication of sold products	-	-	
Category 11	Use of sold products	47,510	35,633	
Category 12	End-of-life treatment of sold products	9,355	7,016	
Category 13	Leased assets (downstream)	262,955	197,216	
Category 14	Franchises	-	-	
Category 15	Investment	-	-	
Scope 3	Indirect greenhouse gas emissions that do not fall under Scope 1 and 2 (emissions from other companies associated with the activities of the reporting company)	730,645	547,984	

### Notes:

1. C4: Relevant activities have been included in other categories
2. C8: Relevant activities have been included in Scope 1 and 2
3. C9, 10, 14: No relevant activity
4. C15: We will consider calculating it in the future
5. Targets set by referring to SBT (Science Based Targets)
6. The initiatives based on the calculation of Scope 1, 2, and 3 emissions and the TCFD disclosure framework have gained the cooperation of WasteBox Co., Ltd.

Regions/  
communities

Customers



Partners

◀ Related Stakeholders

### Basic Approach

Corporations around the world are responsible for taking action to solve environmental problems. We will strive to reduce the environmental impact of our business and actively work to reduce the environmental impact of society through means such as financial products. We also promote environmental conservation activities through the management of Akagi Nature Park.

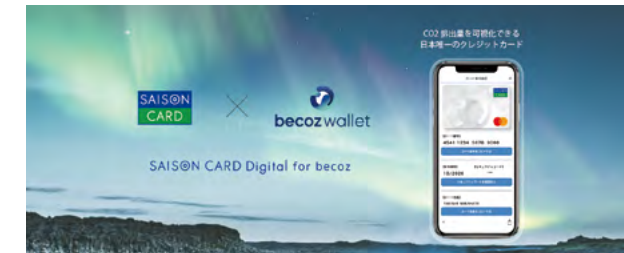
### Issuance of SAISON CARD Digital for becoz, which visualizes CO<sub>2</sub> emissions

We have partnered with Datafluct, Inc., which uses data science to solve corporate and social issues, to launch SAISON CARD Digital for becoz (hereinafter, "becoz card") from June 2022. This is the first credit card in Japan\* that can visualize CO<sub>2</sub> emissions based on payment data.

The becoz card is equipped with a function that automatically links credit card payment data with the becoz wallet, which is a service that enables visualization and offsetting of CO<sub>2</sub> emissions by individuals. The becoz card uses an algorithm that calculates consumer CO<sub>2</sub> emissions from financial transactions. The algorithm was developed by Doconomy, a Swedish company working to address climate change. becoz card members can see a numerical value representing CO<sub>2</sub> emissions based on their daily credit card usage history. Users can also compare their CO<sub>2</sub> emissions with the previous month and can check the categories that account for most of their emissions, the difference from the previous month, and the emissions for each statement item.

Based on the vision that "a day will surely come when every one of us will have to be aware of CO<sub>2</sub> emissions," we provide support so that people can understand environmental issues from the perspective of their daily lives and take the initiative in solving social issues. For example, we enable people to understand how CO<sub>2</sub> emissions will change by replacing the payment of public utility bills with clean energy.

\*According to research by Credit Saison



### Fintertech provides KASSAI with charity crowdfunding for the 50th anniversary of WWF Japan

Upon the challenge of crowdfunding conducted by the World Wide Fund for Nature Japan (hereinafter, "WWF Japan"), Fintertech Co., Ltd., which promotes the creation of next-generation financial services using cutting-edge technology, provided WWF Japan with KASSAI, a service that enables anyone to easily create and publish charity websites. Credit Saison provided its own advertising space for this project.

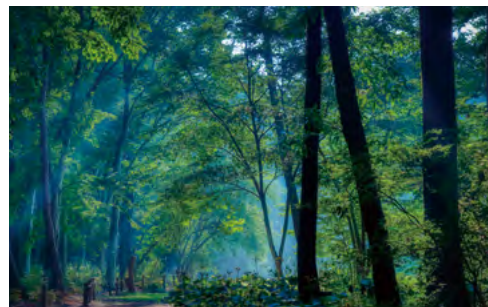




## Management of Akagi Nature Park based on the philosophy of “Preserving a Lush Forest for the Children of the Future”



Akagi Nature Park in spring when the flowers are in full bloom



Forest de Retreat—refreshes visitors through the power of the forest



Development and management of Zone D, which was previously an unmanaged forest



Children touching insects

We operate Akagi Nature Park with the cooperation of official sponsors and cooperating organizations. As a forest that possesses the beauty of the four seasons, which are the origin of the human spirit and our culture, we offer special experiences that will remain in the memories of park visitors.

Akagi Nature Park is a vast forest of 120 hectares (of which 60 hectares are open to the public) at an altitude of approximately 600–700 meters at the foot of Mount Akagi. Approximately 500 species of seasonal mountain grasses and flowers grow in the park. Visitors can enjoy more than 1,800 species of insects and more than 70 species of birds that inhabit the northern Kanto region in a habitat closely resembling true nature.

The forest of Akagi Nature Park has been certified as a “forest therapy site” with a scientifically verified healing effect. We are developing various programs that take advantage of this geographical advantage. For example, in FY2022, as the impact of COVID-19 drew attention to the importance of immunity, we leveraged the benefits of outdoor facilities and the effects of forest therapy to hold a variety of initiatives such as health promotion programs, environmental learning for experiencing nature, and art programs. “Forest de Retreat” is a program in which a

forest therapy guide instructs participants on how to use their five senses to fully enjoy the healing power of the forest. “Forest Therapy Bus Tour with Physicians” allows participants to experience forest therapy under the guidance of a physician. The “Insect Observation in the Children’s Forest” is held for elementary school students. The “Transplanting Experience” allows visitors to learn about the forest life cycle, and to dig up young trees grown from seedlings and plant them in suitable locations. Through this diverse lineup of programs, we convey the appeal of the forest to visitors.

Furthermore, Zone D, which had been left unmanaged, was regenerated as the “Experience Forest.” In addition to transforming the zone into a base for activities to conserve biodiversity, we are improving the carbon dioxide fixation function by thinning trees that cannot fixate carbon for a long time and replacing them with long-lived tree species.

Furthermore, in August 2022, the “Summer Vacation Rhinoceros Beetle and Stag Beetle Exhibition” was held at the Akagi Nature Park exhibition building. To nurture children’s sensibilities and creativity, we actively provide them with various opportunities to experience nature and stimulate their curiosity.

Under the theme of “enriching life for visitors,” Akagi Nature Park provides opportunities to experience nature. We have built a system in which the park is supported by many corporations and individuals. The park also functions as a locally rooted operating model for maintaining sustainable forests. In December 2021, the operation model of Akagi Nature Park won the Excellence Award in the Business Case Division of the Gunma Forest Business Contest, which is sponsored by Gunma Prefecture.



Award Certificate, Gunma Forest Business Contest





employees



Customers



Partners

◀ Related Stakeholders

## Basic Approach

To embody our management philosophy of being a leading-edge service company, together with our stakeholders, we will create a sustainable society that respects human rights through our “Action Declaration” and “Behavioral Standards,” which are the values and conduct policy that we expect all officers and employees to share.

## Human rights policy

We respect basic human rights by complying with various relevant laws and regulations related to human rights in each one of the countries where we operate, and by understanding and supporting international norms such as the Universal Declaration of Human Rights, the International Bill of Human Rights, and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work. Furthermore, we conduct our business activities based on the UN Guiding Principles on Business and Human Rights.

## Respect for human rights in business activities

We respect basic human rights by understanding and supporting various international norms related to human rights in each of the countries where we operate. We strive to respect human rights by establishing policies such as prohibition of discrimination, respect for freedom of association and collective bargaining rights, prohibition of harassment, prohibition of child labor and forced labor, and payment of wages.

▶ Human rights: Policy/main initiatives  
[https://corporate.saisoncard.co.jp/en/sustainability/esg2/esg\\_policy.html#esg2-01](https://corporate.saisoncard.co.jp/en/sustainability/esg2/esg_policy.html#esg2-01)

## Initiatives for respecting human rights

### ■ Prohibition of harassment

We have defined harassment items (subject to disciplinary action) in our rules of employment. We also conduct harassment education through compliance training via management classes for executive employees (including heads of departments and offices) and new managers. We also appoint compliance officers in each department and implement department-led education programs.

### ■ Universal Manners Test/LGBT Manners Training

We encourage employees to take the Universal Manners Test to learn the ways of thinking and behaviors that enable them to act from the perspective of someone different from themselves, such as the elderly and people with disabilities. Our employees also participate in LGBT Manners Training to learn how to interact with diverse people.

▶ Universal Manners Test/LGBT Manners Training  
<https://corporate.saisoncard.co.jp/en/sustainability/csr/>

### ■ Initiatives on children's rights

In addition to eliminating child labor in Japan and other countries, we take initiatives to address problems faced by children in the aspects of education, the environment, and others. To create a prosperous future for the next generation, we respect and support children's rights through initiatives such as the “School Visit: SAISON TEACHER” financial education program and nature education through hands-on classes for parents and children at Akagi Nature Park (certified for forest therapy).

▶ School Visit: SAISON TEACHER  
<https://corporate.saisoncard.co.jp/sustainability/csr/teacher/> (Japanese only)  
 ▶ Akagi Nature Park  
<https://corporate.saisoncard.co.jp/en/sustainability/environment/>

### ■ Initiatives for correction and remedy (establishment of internal reporting system)

At the Credit Saison Group, we have set up an internal reporting system that can be used by all Group employees, in accordance with the Whistleblower Protection Act. Organized by our department responsible for compliance, this system permits employees to blow the whistle to an internal reporting desk by e-mail, mail, or other means. In December 2020, we set up an overseas hotline, which enables internal reporting from Group companies located outside Japan. The hotline accepts consultations about misconduct against laws, internal rules, general social norms, or corporate ethics, harassment including sexual harassment and abuse of power, and issues in the workplace environment, among other matters. Feedback from customers and other parties outside the Company is received at customer support desks such as the Information Center and Saison Counter, where we aggregate and analyze requests, suggestions, and compliments.

We share customer feedback and needs throughout the Company through means such as important in-house meetings and the intranet. We then respond in ways that include making internal adjustments, developing new products, improving services, supporting a more user-friendly Internet environment, and improving the quality of customer service.

▶ Internal reporting system (for employees)  
[https://corporate.saisoncard.co.jp/en/sustainability/esg2/esg\\_policy.html#esg2-10](https://corporate.saisoncard.co.jp/en/sustainability/esg2/esg_policy.html#esg2-10)  
 ▶ Customer support (for supply chain)  
<https://www.saisoncard.co.jp/customer-support/> (Japanese only)  
 ▶ Customer feedback: Main improvement examples  
<https://www.saisoncard.co.jp/topic/list/voice/> (Japanese only)

## Human Resource Strategy | Interview with the Executive Officer in Charge

**We will increase our pool of human resources who can contribute to corporate value creation as members of a “comprehensive life services group.”**



**Kazue Yasumori**

Managing Executive Officer  
Head of Strategic Human  
Resources Dept.,  
Processing Business Division,  
General Manager, Processing  
Business Division

**Q Please tell us about the specific details of the human resource strategy in the new Medium-term Management Plan, which is aimed at achieving the goal of “transforming into a comprehensive life services group.”**

While realizing the revision of our HR system to increase our pool of professional human resources, we are focusing on the establishment of internal recruitment for autonomous career development and the reskilling of existing employees and on the external recruitment of personnel with specialized skills. Until now, we have not paid much attention to the intentions of individuals joining the Company in a general position capacity. Regardless of their plans, they were simply placed in various departments including sales, operations, and planning. To encourage the development of professional human resources, I now believe that it is necessary to create a system so that people possess an awareness of themselves as professional human resources and to have forums at which to listen to their aptitudes and intentions.

First, regarding internal recruitment, we will prioritize recruitment for departments and businesses that are positioned as priority management strategies under the Medium-term Management Plan. In the past, targeted departments have recruited in writing, but from this year the heads of the relevant departments will be recruiting by making videos of their thoughts and information. The number of applicants was about 100, the same as last year, but their application forms described in detail the content of and thoughts on what their experience could contribute, and their presentations at interviews for the second screening were also impassioned. As they had applied voluntarily, I feel that they are highly motivated to learn a variety of things to achieve results, even when transferred to a different department.

Also, regarding the recruitment of personnel with specialized skills, as Credit Saison falls into the financial category, we do not have a strong presence when it comes to acquiring people such as data scientists and web marketers in the general human resource market. Therefore, Director of the Technology Center and Director, Senior Managing Executive Officer, CTO, and CIO Ono gave a series of lectures on the scope of human resource activities after joining the Company at IT-related industry seminars and other venues, as a result of which we reached the stage of being able to see an increasing number of people searching our website and applying. Regardless of whether they are new graduates or mid-career hires, to avoid having newly joined employees from having “It wasn’t supposed to be like this” thoughts, we do not adhere to the concept that recruitment equals human resources and have the personnel departments and the departments in charge work in concert to recruit and train personnel.

**Q Please tell us about the background to and the reasons for this revision of the HR system.**

To create a new HR system, in FY2021 we collected a wide range of information from inside and outside the Company, including interviews with employees from all bases and job levels, and conducted a series of studies to establish a system that would lend itself well to Credit Saison. A few years ago, the Company had made the decision to make all its personnel full-time employees and at the same time delegated the authority for rises in rank or promotions to a higher status to the frontline. However, the standards and judgments varied from workplace to workplace, and there were some issues regarding the understanding and fairness of promotion decisions.

After a series of management-level discussions, we concluded that we would introduce a uniform promotion standard and a standardized assessment program for this revision of the HR system. Based on the premise of fairness of opportunity and clarification of promotion criteria, we are aiming to create job content and role definitions suitable for each job grade within a department in a visual form. Rather than

providing justification for a higher job grade, this is intended to give individuals freedom of choice in how they work.

Most important is to set hurdles suitable for the job grade with the superior and the person seeking promotion; for that person to learn, think, and act daily to overcome those hurdles through OJT; for the results to lead to personal growth; and to know whether they were able to contribute to the growth of the Company. OFF-JT is sometimes necessary on the path from human resource to human asset, but I believe that the main axis is the continuous solving of questions with no correct answer, and promotion criteria that emphasize learning and action in OJT, success and failure. I would like to discuss human resource development using this HR system with managers, correct any necessary points, and for it to permeate throughout the Company. I would also like to pay particular attention to whether people receive feedback on the evaluation of their results, and whether that feedback was appropriate and acceptable.

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**Q Please tell us about some points and specific details for strengthening the new HR system.**

The first point is that, alongside the lowest managerial position, manager, we have created the position of dedicated manager, who as a professional in a specialized field takes direct responsibility and directs decisions. In recent years, both hiring and evaluation have been shifting toward becoming more job based, and an increasing number of people want to dig deep into their own strengths and aptitudes to build their careers. Recognizing the need for ways of working that contribute

to the Company by giving them the right to speak and take responsibility so that they can fully demonstrate their specialized knowledge, we will see if they can demonstrate their abilities as professional human resources.

Second, we have incorporated an assessment program for both managers and dedicated managers to get to the position of manager. With the assistance of external institutions, we will look at individual abilities from all aspects, especially problem-finding and interpersonal collaboration. For example, it is a multifaceted measure of whether a person excels in the ability to lead subordinates as a manager, or whether they excel in the ability to pursue their own area of specialization and promote business. Although the content is different, the assessment program is used not only for promotion to manager but also for promotion to job grades equivalent to the position of section manager. I am sending messages that can be taken as an opportunity for both to ask themselves questions about their own careers. We have also added social issues and understanding of our company to our assessment program. In these days of high uncertainty, I believe that it is necessary to at least have an interest in domestic and international finance and the environment.

In addition, we are continuing to actively engage in personnel exchanges outside the Company. Compared with 2019, before the spread of COVID-19 infections, the number of assigned employees and bases has increased by 20%. Many employees say that by encountering new perspectives outside the Company, they have broadened their horizons and raised their perspectives. Depending on where they have been assigned, some employees might have to handle multiple tasks such as planning, sales, and clerical work on their own, but there are also employees who enjoy creating their own work. It is necessary to reskill the necessary skills in anticipation of the assignment period, but as the method has not yet been established, we will consider the realization of this while talking with those who have experience of being on assignment. In addition, from the perspective of personnel exchanges with companies within the Group, we started advertising positions from FY2022. By having our employees experience being assigned outside the Company, where they will come up against

increasingly sophisticated and complex business issues while gaining an overview of the entire Credit Saison Group, I believe will lead to the creation of corporate value as a “comprehensive life services group.”

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**Q Amid the emphasis that is being placed on investment in human capital, please tell us about your human resource strategy initiatives.**

The most important thing is to ensure that employees continue to work in good mental and physical condition. Instead of being busy with work every day, I want them to be able to take an interest in all sorts of things, put their energy into their work with a positive attitude, and feel that their work is rewarding. To that end, we aim to improve the specific health guidance consultation rate and cancer screening consultation rate on the physical side combined with announcements for all employees and individual announcements, and the holding of Femtech seminars on women’s health issues. On the mental side, we hold communication training using case studies and a return-to-work program that includes career support. We are also focusing on building a foundation that allows us to work positively. We will then hurry to realize the fostering of a culture in which employees are motivated to reskill, such as “learning from Credit Saison” practical educational training sessions among employees and selective training at external companies, and the building up of learning, such as financial knowledge and data analysis that is not limited to occupations.

Finally, in an era in which living to 100 years of age is becoming commonplace, there are various stages in a long life. I would like to raise the willingness of employees to take on challenges while improving the environment so that they can spend fulfilling days without anxiety doing not just “either” but “both” work and childcare, work and nursing care, work and learning, and work and play. Toward the fostering of a corporate culture in which all Credit Saison employees hope to continue working at the Company and do not hesitate to take a step toward challenges in their particular circumstances, I would like to continue dialogue with organizations and individuals to instill the idea of “life, work, and fulfillment.”







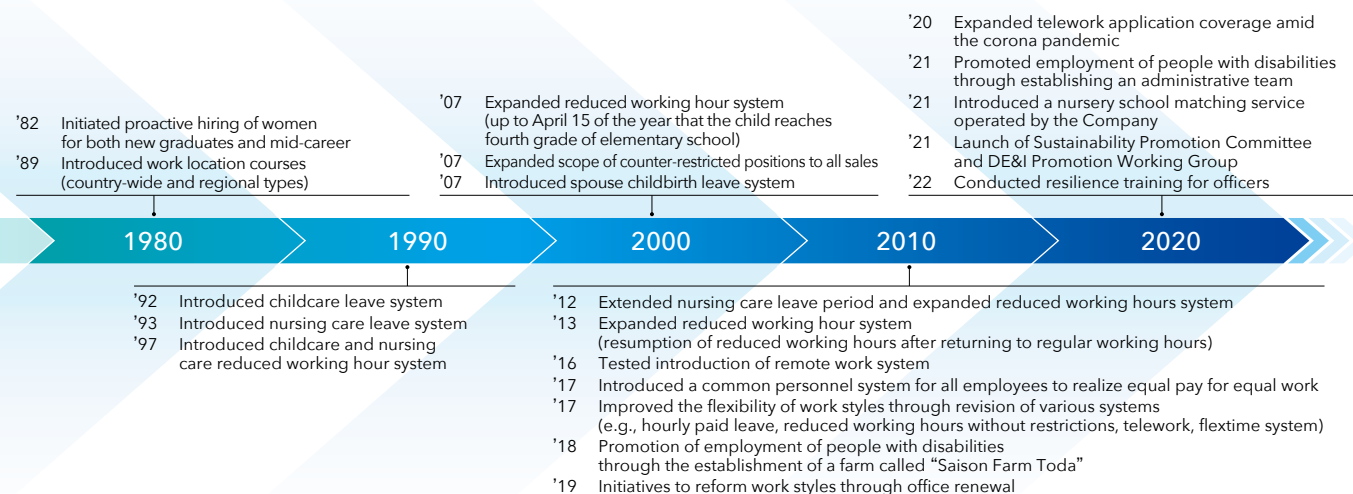
## Basic Approach

As one of the management bases that support the realization of the Medium-term Management Plan, to form a group of professional human resources, we aim to create systems that allow diverse human resources to fully demonstrate their abilities and aptitude, and to foster an organizational culture.

## History of support for diverse human resources

We have developed systems that allow diverse employees with different genders, educational backgrounds, nationalities, backgrounds, etc., to independently form their careers while leveraging their individuality, and have worked to accelerate reforms with innovative human resources.

Since the 1980s, we have actively recruited women, ensured the performance by women in various occupations and positions, and expanded various systems so that female employees do not have to quit their jobs or abandon their careers due to life events. Most recently, in 2017 and in September 2022, we partially renewed our human resources systems. Through these efforts, we seek to become a corporation where all employees can work comfortably and feel fulfillment.



Note: Credit Saison non-consolidated (as of March 31, 2022)

\*1 Includes leave taken for childbirth and childcare

### Themes of our human resource strategy that are management bases for achieving the Medium-term Management Plan

**We aim to be a group of professional human resources who continue to create new value by taking on challenges without fear of failure, thereby solving problems and worries in the world.**

#### ► Three points of focus

- Creation of mechanisms that enable diverse human resources to engage in diverse performance (career development) by leveraging their individual characteristics and strengths
- Fostering of an organizational climate that enables anyone to take on challenges without fear of failure and allows failure
- Educational support and investment in human resources who act autonomously and learn/grow independently

### Transformation into a comprehensive life services group



### Respect for diverse values

In an era where customer needs are rapidly diversifying and changing, it is necessary to break down the homogeneity of employees and transform diversity into a force for achieving organizational change. Based on this sense of values, we aim to create an environment in which everyone can work energetically regardless of gender, age, or disability.

Furthermore, to revitalize our initiatives, we are promoting diversity logos created from employee ideas through internal recruitment.



#### Measures for DE&I and achieving a balance with work (FY2021)

Support for balancing long-term care and work

Universal/LGBT Manners

Health issues unique to women

Childcare seminars for fathers

#### ■ Promotion of hiring people with disabilities and creating a comfortable working environment

We are promoting the creation of an environment in which every employee with disabilities can fully utilize their abilities and aptitude, and where they can work with peace of mind. We also conduct interviews to support their retention.

In addition, we hold study sessions for employees who work with people with disabilities to learn about daily interaction while exchanging opinions.



Study sessions held by human resources staff

#### ■ Promoting the advancement of women

While achieving diverse career development, we aim to foster a corporate culture in which female employees, who account for about 70% of our employees, contribute to the organization and company through a role in which they have a powerful voice. We have set a KPI for achieving a female manager ratio of 25% by the end of FY2025. As one measure, we are selecting female employees who are around 30 years old and who are expected to become next-generation managers, and holding seminars to foster a leadership mindset.

Furthermore, in parallel with the development of Femtech, a product and service that uses technology to solve women's health issues and that was proposed and adopted by female employees as a new business, we conduct internal awareness-raising activities such as seminars based on the concept of "aiming to create a workplace where female employees of Credit Saison can work in a healthy manner both mentally and physically."

#### ■ Promotion of career development

To achieve the Medium-term Management Plan, we are promoting the strategic allocation of human resources by actively recruiting highly specialized human resources from outside our Company for key posts such as specialized positions. We will also be hiring engineering students in FY2023.

Description	Unit	FY2019	FY2020	FY2021
Hiring ratio for people with disabilities	%	2.16	2.33	2.31
Ratio of female managers (General managers and managers)	%	21.0	24.3	24.5
Ratio of mid-career hiring among all hires	%	28.0	59.3	62.1

## Support for autonomous career development

When expanding into new business fields, simply increasing expertise is not enough. Instead, we must also cultivate diverse experiences and perspectives beyond the boundaries of the current affiliation and company. We encourage employees to engage in learning to acquire the necessary abilities and skills for their own careers, and support employees in taking the next step while leveraging their own strengths.

### ■ Providing opportunities for autonomous learning

We have introduced choice-based training as a system that allows employees to freely attend training that matches the competencies they want to acquire. We hope that this will lead to the growth of both employees and the Company by establishing the habit of demonstrating behavior that meets the expected role and engaging in autonomous learning.

Furthermore, starting in 2022, employees who have volunteered design their own course content based on their own specializations and areas of expertise, and serve as lecturers for Saison's Learning.

### ■ Second job

Employees who meet the requirements can take on a sideline. We support any arrangement that can lead to career advancement and where the experience gained externally can benefit the main work in the Company.

### ■ Career Design Program

We provide support to our employees in considering their autonomous career according to the expected roles by age and issues in their personal career development.

### ■ NEXT SAISON

With the aim of "leading by example," executives select themes for solving various issues both inside and outside the Company. Together with general

employees, executives play a central role in everything from policy planning to new business development. Interacting with executives also enables employees to learn how to think from a management perspective.

### ■ Open challenge

To support career autonomous human resources, we are revitalizing internal recruitment to a higher level than ever before. In the spring of FY2021, we formulated a human resources portfolio based on our management strategy and developed internal recruitment targeting focus business fields, new businesses, and Group companies. We received 300 applicants in FY2021. As a result, we transferred 72 employees, which was three times as many as in the previous fiscal year.

### ■ Career Development Sheet

Declaration of past experience and orientation and future career and growth plans. The contents of the declaration will be used as a reference for human resource development planning and optimal job placement.

### ■ SWITCH SAISON

SWITCH SAISON is an internal venture program for commercializing employee ideas. The program has been held since 2019, and we adopted commercialization proposals from approximately 1,000 applications.

## Improving the well-being for each employee and as an organization

We have positioned the maintenance and promotion of health as an important management theme. We have also built an organizational structure and are implementing various initiatives to promote health management. In preparation for our third founding, to create "people" and "organizations" that are resistant to change, we have implemented a resilience program for officers. The program emphasizes the ability to strongly lead the organization in the face of adversity (resilience). Our officers lead by example; acquire the habit of enhancing the four vitalities of physical power, emotional power, thinking power, and mental power; and spread those vitalities throughout the organization. By doing so, officers aim to enable employees to continue working with even greater energy and happiness. We will continue these activities in the future.

### External evaluation



We have been recognized as an Excellent Health Management Corporation 2022.



We were awarded "Gold" in the "Gan Ally Award."



In 2020, we were recognized as a company with excellent performance in the promotion of cancer control in the corporate action for promoting cancer control.



In August 2022, we acquired the Silver certification, recognized as a company with excellent health management initiatives.

## Promotion of diverse work styles

To ensure that all employees do not have to worry about balancing work and private life, and that motivated employees can continue to play an active role, we are working to enhance systems and foster a workplace culture that understands and supports a work-life balance.

▶ Systems and initiatives for supporting diverse work styles  
<https://corporate.saisoncard.co.jp/en/sustainability/diversity/gender/>



### ■ Promotion of taking childcare leave and support for returning to work

In addition to introducing a childcare leave system that exceeds legal standards, we have prepared a variety of training programs and systems with the aim of creating a workplace culture in which everyone can actively participate in childcare regardless of gender. Moreover, to support a smooth return to work and career development, seminars for working mothers are held every year with two courses: a Work-Life Balance Course

with the theme of balancing work and childcare, and a Career Design Course where employees can design their own career vision for the medium term.

### ■ Flextime without core time

Within the range of the total number of hours worked in a month, employees can decide at their own discretion the number of hours that they work on working days. This achieves the optimal work style according to the characteristics of the department.



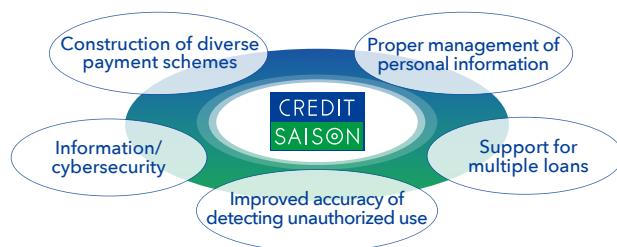
## Contributing to a Safe, Secure, and Convenient Cashless Society



Relevant stakeholders

### Basic Approach

Cashless payments in Japan are progressing significantly in conjunction with the growth of digitalization and the spread of COVID-19. As a company that provides financial services such as credit cards, we aim to create a safe, secure, and convenient cashless society. We are working to manage personal information and build security infrastructure against new forms of unauthorized use.



### Construction of diverse payment schemes

To achieve a cashless society, we are working to realize a wide variety of payment platforms with the aim of improving customer convenience.

In addition to issuing plastic cards such as credit cards and prepaid cards, we provide various schemes such as smartphone payments and QR code payments linked to partner apps.

### Proper management of personal information

We recognize that the management of personal information is our most important responsibility, and we have published the "Declaration on the Handling of Personal Information." In addition to complying with laws, regulations, guidelines, industry rules, etc., we strive to foster and permeate management awareness by establishing internal regulations, conducting internal training and compliance education, and essentially requiring employees to acquire the qualification of the "Personal Information Handling Chief" from the Japan Consumer Credit Association. Furthermore, regarding the handling of personal information, we are working to strengthen security through measures such as the use of dedicated lines, restrictions on people with access privileges, encryption of information, and entry/exit management of information terminal installation locations. In May 2006, we acquired the Privacy Mark, which is given to businesses that handle personal information appropriately. We are working to maintain and improve the level of personal information protection.

► Privacy Policy

<https://www.saisoncard.co.jp/info/privacy-policy/> (Japanese only)



### Support for multiple loans

We recognize the priority issue of pursuing a balance between preventing the occurrence of people with multiple loans due to overuse and enriching the lives of customers while contributing to economic development. We strive to properly manage personal information and prevent the occurrence of multiple loans through prudent credit and appropriate follow-up after credit is granted.

### Improved accuracy of detecting unauthorized use

We have built an even stronger security foundation by combining the know-how and experience in credit card screening that we have cultivated over the 70 years since our founding with new systems created in collaboration with partner companies.

Specifically, we are working to eliminate unauthorized use in cashless payments in three directions: AI-based automation of unauthorized credit card use detection, prevention of identity fraud by means of face recognition technology, and fraud prevention by means of device identification technology. Through these initiatives, we provide customers with a safe and secure payment environment and contribute to the spread of timely and contactless payment methods in the new era.

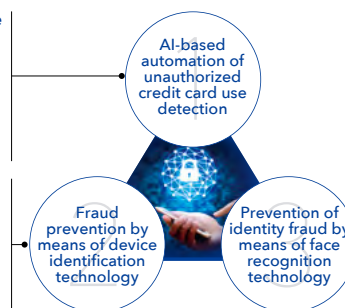
### Secure payment environments in the cashless era

#### System for detecting unauthorized credit card use

A system for the discriminant analysis of transactions with high fraud risk using a fraud risk scoring model that utilizes AI (machine learning) to prevent fraudulent use by third parties. The automatic learning of sophisticated fraudulent techniques and the ascertaining of the latest trends at an early stage enable the quick and highly accurate detection of unauthorized credit card use from a huge amount of transaction data.

#### Rogue device detection

A service that detects fraudulent activity on the Internet using technology that identifies every device used by the customer. By detecting and preventing fraudulent online card applications and the use of cards for shopping by impersonating the cardholder, the service makes it possible to eliminate anxiety about Internet transactions and provide safe and secure Internet services.



#### eKYC

LIQUID eKYC is a new online identity verification service, provided by Liquid Inc., which possesses identity verification technology based on biometric authentication. The service completes the application procedure online simply by taking a picture of the identity verification documents and face image. Combining LIQUID eKYC with Saison Connect, which links our card information to API, enables its immediate use on smartphones (mobile payments) after an examination is completed without waiting for the receipt of a plastic card.



Customers



Partners

◀ Relevant stakeholders

### Basic Approach

We have positioned cybersecurity measures as a management theme to respond to threats such as cyberattacks that have become increasingly advanced and sophisticated in recent years. As a company that provides financial services, we have established an Information Security Policy and strive to conduct appropriate information management.

We also work to appropriately protect and manage information assets such as hardware and software, and continuously maintain and improve information security.

### Policy

Based on our understanding that the appropriate management of information assets we own is an important task for businesses, we have established basic policies that our directors, executive officers, and employees should observe.

▶ Click here for details on information security

[https://corporate.saisoncard.co.jp/en/sustainability/esg2/esg\\_policy.html#esg2-03](https://corporate.saisoncard.co.jp/en/sustainability/esg2/esg_policy.html#esg2-03)

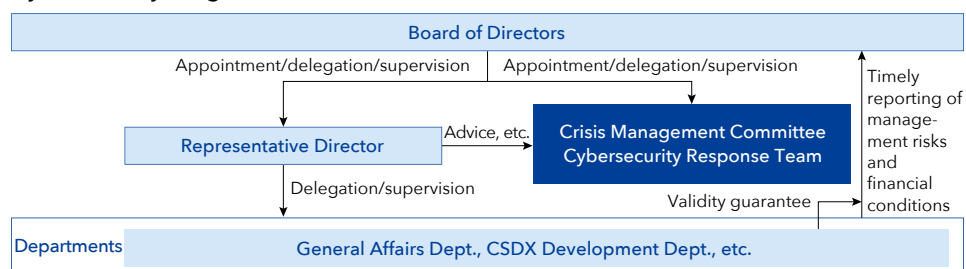


### Management systems

We have established and comply with various regulations related to information security, including information management regulations, and continuously review our internal regulations to heighten our security level. Furthermore, we appoint the head of each department as a compliance officer and build and promote a system for promoting information security.

To respond to cyberattack incidents, we have set up a Cybersecurity Response Team as an organization within the Crisis Management Committee under the supervision of the Board of Directors. The Team formulates response policies and procedures based on collecting information on security vulnerabilities, and on collecting information and monitoring cyberattacks and other forms of trouble. The Team is working to establish systems that minimize the damage caused by an incident and then restore the situation.

### Cybersecurity Diagram



### Information/Cybersecurity initiatives

In systems such as our shared core system that handles important data such as customer credit card information, we comply with PCI DSS, the global security standard in the credit card industry.

Furthermore, in terms of security measures, we are implementing measures to block unauthorized access from the outside through entrance measures based on network multiple defenses.

We also periodically conduct system risk assessments to detect and improve system vulnerabilities. As a response to cyberattacks such as targeted attack e-mails, we continuously take measures to prepare for cyberattacks, such as conducting simulated e-mail drills to improve employee awareness of information security.

To further heighten the level of security in the future, we have formulated a road map classified into four themes. We use this road map to examine and implement various security measures.

#### Theme 1

Continuous monitoring and response



#### Theme 2

Response to environmental changes such as migration to the cloud



#### Theme 3

Operation management when an incident occurs



#### Theme 4

Construction of a comprehensive security system



# Coexistence with Local Communities



## Basic Approach

We conduct social contribution activities based on the following approach: "A corporation should not only fulfill its responsibilities as a social entity, such as compliance with laws and regulations and contribution to profits, but also develop its business using methods and contents that satisfy or exceed the actual and latent demands of citizens, communities, and society."

## Issuing social bonds with the aim of solving global social issues

In June 2022, we issued Credit Saison Co., Ltd. No. 91 Unsecured Straight Bonds (with Inter-bond Pari Passu Clause; hereinafter, "the Bonds"). These bonds are social bonds that are issued by corporations, local governments, and other organizations to raise funds for projects aimed at providing solutions to social issues. The Bonds are offered only to institutional investors and are Credit Saison's first social bonds.

The funds raised through the issue of the Bonds will be applied to the following two projects: 1) capital increase or loans for Kisetu Saison Finance (India) Pvt. Ltd., an Indian subsidiary of Credit Saison, and 2) loans to Saison Capital Pte. Ltd., a Singaporean subsidiary of Credit Saison. The purpose of the two projects is to provide solutions to the social challenges confronted by the MSMEs or individuals within underserved segments in emerging countries such as India and those in Southeast Asia that have difficulty obtaining sufficient financial services.

Under our management philosophy as a leading-edge service company, Credit Saison aims to fulfill its social responsibilities to all stakeholders. The issue of the Bonds was made under the theme of financial inclusion and the realization of diversification of fundraising. Credit Saison will continue to accelerate its global business development from Asia to the world stage and contribute to social development and the solution of social challenges.

## Promoting next-generation education and financial education through industry-academia collaboration

We actively provide opportunities for next-generation education and financial education to children who will lead the future. One example is the financial education program "School Visit: SAISON TEACHER," which we have been conducting since March 2019. Through this program, we have been providing on-site classes at schools nationwide so that children who will lead the next generation can acquire correct financial knowledge and become independent consumers. SAISON TEACHER is held for all grades of junior high school and high school. Classes are taught by Credit Saison employees who possess extensive financial knowledge and know-how, thereby enabling children to make appropriate decisions in the future. We have already held the class 200 times since the program's inception, and about 9,900 students have taken the classes\*. SAISON TEACHER is free, and classes can be conducted online as well as on-site.

In August 2022, we signed an educational partnership agreement with Reitaku University, which is part of the Hiroike Institute. We utilize resources such as human resources, knowledge, and information possessed by both universities and corporations, such as participation and cooperation by our employees in open college courses and project planning/management experiences. We aim to further improve industry-academia collaboration in terms of contributing to the local economy and developing human resources that contribute to said development.

\*As of the end of August 2022



Students participate in "School Visit: SAISON TEACHER"



University President Tokunaga (left) and Managing Executive Officer Okamoto

## Aiming for humanitarian assistance in Ukraine, Started donations through point exchanges and card payments

From March 2022, to provide support for the serious humanitarian crisis currently occurring in Ukraine, in addition to accepting donations through our point program Eikyufumetsu Points for Saison Card members, we have started accepting donations via payments by credit cards eligible for Eikyufumetsu Points on the general online store "STOREE SAISON." Donations can be made using Saison Cards eligible for Eikyufumetsu Points, and donations are accepted in units of ¥500 (100 Eikyufumetsu Points = ¥500 donation). As a result of continuing until July 31, 2022, we received ¥52.54 million in donations. In September 2022, we reported the donation amount directly to the Ambassador Extraordinary and Plenipotentiary of Ukraine to Japan Sergiy Korsunsky at the Ukrainian Embassy in Japan.



Fundraiser for Ukraine

## Tax compliance

We comply with the tax-related laws and regulations of the countries and regions in which we operate and pay taxes appropriately. We will work to further improve our tax governance in the future. Please see the following link for information on our tax policy.

[https://corporate.saisoncard.co.jp/en/sustainability/esg2/esg\\_policy.html#esg2-08](https://corporate.saisoncard.co.jp/en/sustainability/esg2/esg_policy.html#esg2-08)



## Three-way Discussion on Sustainability Governance



Sustainability Promotion  
Committee Member

Kazue Yasumori

Managing Executive Officer  
Head of Strategic Human  
Resources Dept.,  
Processing Business Division,  
General Manager, Processing  
Business Division

Sustainability Promotion  
Committee Chairperson

Katsumi Mizuno

Representative, Executive  
President and COO

Sustainability Promotion  
Committee Member

Nana Otsuka

Outside Director

In aiming to “transform ourselves into a comprehensive life services group,” we would like to discuss stakeholder-related matters broadly and comprehensively while passing on our corporate DNA of “overturning common sense.”

### Q What was the background to the establishment of the Sustainability Promotion Committee?

**Mizuno:** For example, our operation center is also entrusted with other companies' information centers, so even if there is a typhoon in the Tokyo metropolitan area that makes it difficult to go to work, if the operation center in the Kansai region can operate as usual, we can answer inquiries from customers and companies. Not confined to environmental issues, it can be said that a range of social issues, such as the spread of COVID-19 infections, have had an extremely significant impact on our business. The safety and health management of our employees are, of course, inextricably linked to business. To make our business sustainable, we believe that tackling these issues head-on will lead to closer cooperation not only with our customers but also with other stakeholders, including our employees. We would like to have a broad and wide-ranging discussion on issues related to stakeholders. It was with this in mind that we established the Sustainability Promotion Committee.

### Q When you look back at the Sustainability Promotion Committee in FY2021, what were the highlight discussions and developments?

**Mizuno:** The committee has formed two task forces, the Climate Change Strategy Promotion Working Group (WG) and the DE&I (Diversity, Equity, & Inclusion) Promotion WG.

Regarding diversity, we have been working to promote the active participation of women since the 1980s and, rather than evaluating people based on their educational background, gender, and age, it has become commonplace to judge people based on their abilities. For example, this year, a 32-year-old employee became the president of a joint venture called ReSAISON, which is working on the realization of a circular economy. Also, in the second half of FY2022, three people from other companies became general managers. This is because we believe it is important to create new services based on diverse values. I believe that these ideas are hard-wired in Credit Saison's DNA.

In addition, we have been utilizing CO<sub>2</sub> emissions visualization technology provided by Doconomy AB, a Swedish company, since June 2022. We have also started issuing SAISON CARD Digital for becoz, which can visualize CO<sub>2</sub> emissions based on card usage data, with the theme of climate change countermeasures, and these developments arose from discussions in our committee. I think it will take time to become profitable, but it is important to understand changes in customers who are greatly interested in environmental issues and that we act accordingly.

**Yasumori:** Seven Sustainability Promotion Committee meetings were held in FY2021. There were many discussions on information disclosure in line with the TCFD recommendations, and we were able to accumulate knowledge from many experts on environmental issues. In the years to come, I hope that our employees will take the Company's approach to the environment, which has been decided through these discussions, as their own.

**Otsuka:** I believe that Credit Saison's business is of a highly social nature. My parents once told me to flee in the event of an earthquake or other disaster, taking my credit card with me. A credit card guarantees your identity, so you can stay overnight and purchase food. From this point of view, the social nature of the Company itself is high. I therefore think that the areas that will need further strengthening in the years ahead will probably be the environment and DE&I.



In this year's Climate Change Strategy Promotion WG, we collaborated with Wastebbox. To be honest, I was surprised that the TCFD information disclosure was promoted in such a short period of time, overcoming differences of opinion. The recognition of Akagi Nature Park, which conducts wonderful activities, is also limited, and there was the problem that the current TCFD standards could not be evaluated well. Nevertheless, I think it was a fruitful result that we were able to share with everyone and have a positive discussion on how to change things.

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### **Q What kind of people are participating as members of the Sustainability Promotion Committee? Also, please tell us about their roles.**

**Mizuno:** I serve as the chairperson of the committee, and the committee is composed of members, men and women, who possess both internal and external perspectives, and global perspectives, so discussions are held from diverse perspectives. As one of the members, my priority is to listen to what the others have to say.

**Otsuka:** A director (and senior managing executive officer) from Singapore participates in the committee online, which is rare among other companies. Diversity is, of course, important, but it is also important to secure a perspective from overseas. As an outside

director, what I am trying to do is talk from the perspective of comparisons with other companies. I feel that the committee is a lively forum, with plenty of comments and questions from internal committee members in each area of responsibility.

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### **Q What are the distinctive features of Credit Saison's sustainability?**

**Mizuno:** I believe that the most important aspect of sustainability for the Company is to take on challenges that defy conventional assumptions to help resolve the problems of our customers in a customer-focused manner. In the 1980s and 1990s, when the Company was founded, Credit Saison overturned the regulation concept that credit cards were a payment tool for male managers and above at listed companies. Issuing credit cards to women who are active consumers was a credit revolution. Currently, in our overseas business, we are adhering to the principle of good nature, while adhering to certain standards, and providing funds and credit to people who do not have bank accounts to cover their living expenses. This is extremely difficult, but facing difficulties is a manifestation of Credit Saison's social nature and is truly our "founding business."

**Yasumori:** Sustainability is meaningless if it merely takes place in a box called a company. I believe that it is all about ensuring that our employees are healthy both physically and mentally and that they want to continue working for us.

In addition, considering how much our credit cards can help our customers in the event of a disaster, we believe that, for example, it is necessary to continue to make decisions on our own, such as the temporary suspension of collection of receivables, before being instructed to by the government.

**Otsuka:** Speaking from the perspective of diversity, Credit Saison has several unique employees, and the Company is supportive of their outside activities. There are not many companies that find employees with edgy personalities interesting and listen to them. I think that Credit Saison's corporate culture, which emphasizes individuality, is unique and good from an outside perspective.

**Q What are the issues for the future and your plans for Sustainability Promotion Committee activities? Also, do you have any messages you would like to convey to your stakeholders?**

**Yasumori:** At a Sustainability Promotion Committee meeting, we discussed the results of a survey that showed that about 80% of new female employees join the Company with the intention of becoming a manager, but after a few years the ratio reverses to those who no longer want to work. The ratio of female managers in our company is just under 25%, which is high in the financial industry, but after joining the Company, I think that leads to the reversal and a certain sense of unease. I would like us to deepen our discussion on measures to address these issues at next year's committee meetings.

In addition, regarding climate change, I think the challenge for the discussions within this committee is how to connect climate change to the work employees are doing now. To cite one example, when a natural disaster occurs, we must enclose a letter of sympathy in the payment reminders to customers in the affected area, and everything must be done by hand. Communicating to employees by familiar examples such as "this activity was caused by climate change," I would like to strengthen our activities to bring home the reasons for tackling climate change. By grassroots movements in which the president himself visits each site and ascertains the actual situation of employees, we are continuing our activities to instill the significance of sustainability. I would like the executive officers to visit the front lines more often and make sustainability a big movement that touches the hearts of all of our approximately 4,000 employees. I would like to take this opportunity to seek the understanding and cooperation of all stakeholders in this regard.



**Otsuka:** I too think it is important to involve all employees. It was good that many departments were involved in the work for TCFD disclosure. In the past, many people might have thought that environmental issues had nothing to do with their departments, but I think it was an important step that they were able to start to have an awareness of the problem and say that "Maybe this is an issue that will have a bearing on my work after all."

Also, people are moved by stories. If we can improve our storytelling and communicate our sustainability initiatives, I believe that progress will be made in gaining the understanding of more stakeholders inside and outside the Company. I would like to ask all our stakeholders to expect great things from Credit Saison.

**Mizuno:** As part of our global business development, members in Singapore have planned and started impact investment. I would like local employees who are involved in impact investment to talk at this committee about the financial inclusion in which the Company should be involved, and at the same time I would like to take on new challenges.

Our employees, customers, and investors alike recognize the significance of our future-oriented existence or, in other words, we are increasingly being expected to contribute to society through our business while clarifying our purpose. To live up to their expectations, we would like to move forward toward the future. I ask for the ongoing support of our stakeholders.



# Corporate Governance

## 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.

► For details, please see our Corporate Governance Report.

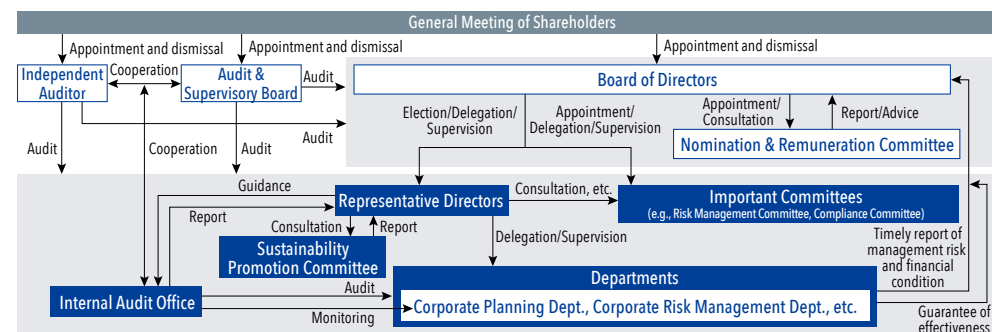
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## Matters concerning composition of governing bodies and organization management

Governance System	Company with Audit & Supervisory Board Members
Number of directors stipulated by the Articles	25
Term of office for directors stipulated by the Articles	1 year
Chairman of the Board of Directors	President
Number of directors (of which are outside Directors)	9 (3)
Outside directors on the Board	Appointed
Of outside directors, the number who are "independent directors"	3
Number of Audit & Supervisory Board members stipulated by the Articles	5
Number of Audit & Supervisory Board members (of which are outside Audit & Supervisory Board members)	4 (3)
Number of outside Audit & Supervisory Board members who are "independent directors"	3

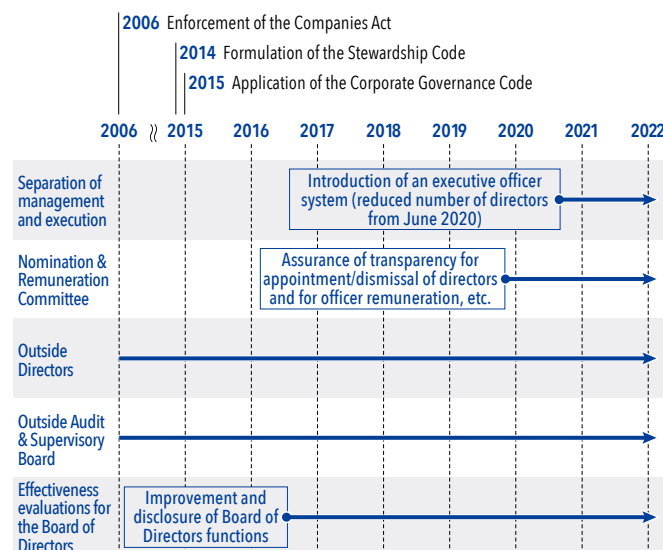
## Corporate Governance Structure



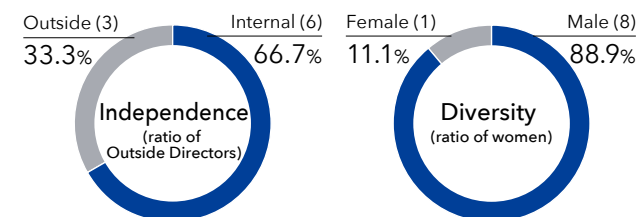
## Management/Executive system

Credit Saison (the Company) has adopted the Audit & Supervisory Board (ASB) model, with ASB members, for its corporate governance system. To ensure that 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 the supervision of internal controls. Since March 2020, we have reviewed the director composition of our Board of Directors and introduced our executive officer system, to strengthen our corporate governance system through separation between operational execution and management supervision. With these changes, we aim to exercise more appropriate management supervision functions while developing an efficient business execution system.

## Changes in the Governance Structure



## Composition of the Directors



## 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 Representative 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.

### Skill matrix of Directors, Audit & Supervisory Board Members, and Executive Officers

Credit Saison visualizes the management skills of our directors, Audit & Supervisory Board members, and executive officers as a skill matrix. To conduct flexible management in uncertain times, management composes members with diverse skills and expertise.

Position	Name	Corporate management	Global	Financial affairs/Accounting	Human resources/Labor affairs	Legal affairs/Risk management	Sales/Marketing	Digital/IT	M&A/New business	Real estate	Finance/Loans	ESG
Representative, Chairman and CEO	Hiroshi Rinno	●	●		●		●		●			●
Representative, Executive President and COO	Katsumi Mizuno	●	●				●		●			●
Representative, Executive Vice President and CHO	Naoki Takahashi	●		●	●				●		●	●
Director, Senior Managing Executive Officer	Yoshiaki Miura	●					●	●	●			
Director, Senior Managing Executive Officer and CTO, CIO	Kazutoshi Ono	●	●					●	●			
Director, Senior Managing Executive Officer	Kosuke Mori	●	●	●					●			●
Outside Director	Naoki Togashi	●	●				●	●			●	
Outside Director	Nana Otsuki		●	●		●				●		●
Outside Director	Hitoshi Yokokura			●		●						
Standing Audit & Supervisory Board Member	Haruhisa Kaneko	●	●				●		●	●	●	
Standing Audit & Supervisory Board Member	Munehiro Harada	●			●	●						●
Standing Audit & Supervisory Board Member	Hiroaki Igawa			●		●				●	●	●
Audit & Supervisory Board Member	Chie Kasahara		●			●	●	●	●			
Managing Executive Officer	Tatsunari Okamoto	●					●				●	
Managing Executive Officer and CFO	Shingo Baba			●		●			●		●	●
Managing Executive Officer	Shunji Ashikaga	●					●		●		●	
Managing Executive Officer	Kazue Yasumori				●							●
Managing Executive Officer	Naoki Nakayama						●			●	●	
Managing Executive Officer	Masaki Negishi		●				●		●		●	
Executive Officer	Yasuyuki Isobe						●	●			●	
Executive Officer	Kaori Shimada						●				●	●
Executive Officer	Ryuki Tabata						●				●	
Executive Officer	Yuichi Kawahara						●	●	●			
Executive Officer	Naoki Misaka						●		●		●	

Notes:

- The data presented in this table do not reflect all the skills possessed by the Board of Directors, Audit & Supervisory Board members, and executive officers. Up to six of the major skills and other attributes are marked.
- To transform into a comprehensive life services group, we are placing particular focus on global, digital/IT, and new businesses/M&A skills for our business strategy.

### Effectiveness of the Board of Directors

Implementation Summary	With the goal of improving the effectiveness of the Board of Directors, the Company implements a self-evaluation-based annual assessment and analysis for all directors and Audit & Supervisory Board members (including retirees before the expiration of their term of office) elected in the previous year. A questionnaire is given to each director and Audit & Supervisory Board member covering the following items, with the Board of Directors conducting discussions based on feedback from the results.
Assessment Items	1) Composition of the Board of Directors 2) Management of the Board of Directors 3) Roles and Responsibilities of the Board of Directors
Summary of Assessment Results	<p>We have confirmed that the Board of Directors is operating at a generally proper level and that the effectiveness of the Board of Directors has been secured.</p> <p>When discussing the direction in which Credit Saison should proceed (formulating the Medium-term Management Plan and corporate strategy), by creating opportunities for executive officers to participate in discussions at management meetings attended by directors and Audit &amp; Supervisory Board members, we seek to create diverse opinions and cultivate recognition for the Company's direction. By providing advance explanations (including individual projects) and including the details of discussions in the preliminary deliberations of the Executive Officers Committee in the composition of materials for the Board of Directors meetings, we share various opinions within our Company and strive to enhance information, thereby enabling the Board of Directors to make more substantive decisions.</p> <p>Based on the recognition of issues to further revitalize discussions at Board of Directors meetings aimed at enhancing corporate value, the Company will continue to improve operations to further improve the effectiveness of the Board of Directors.</p>

### About Director remuneration

#### ■ Basic policy on Director remuneration

As the Credit Saison policy for determining the amount for director remuneration, etc., and the calculation method thereof, at its meeting on February 25, 2021, the Board of Directors deliberated the policy for determining the content of Individual Directors' Compensation following consultation and a report by the Nomination & Remuneration Committee regarding the details to be deliberated in advance. This policy is intended to ensure that remuneration sufficiently functions as an incentive for Directors to sustainably improve corporate value and to build a remuneration structure that is linked to shareholder profits. The basic policy for determining the individual remuneration package of directors, etc., is to consider the level of companies/industries of similar size and the balance with employee remuneration for the system of director remuneration and individual remuneration. At the same time, we set the remuneration level according to position, presence, or absence of representation rights, etc.

## ■ Remuneration structure

The remuneration structure for executive directors is composed of basic remuneration, performance-based remuneration (bonus), and restricted stock compensation. For outside directors and Audit & Supervisory Board members, remuneration is basic remuneration only.

Furthermore, the Nomination & Remuneration Committee considers the ratio of remuneration by type for executive directors based on the remuneration levels of companies, industries, etc., of similar size to Credit Saison. The ratio of each type of remuneration, etc., is based on a 7:2:1 ratio of basic remuneration : performance-based remuneration, etc. (bonuses) : non-monetary remuneration, etc. (restricted stock compensation).

Eligible officers	Basic remuneration (monetary remuneration)	Performance-based remuneration, etc. (bonuses)	Non-monetary remuneration, etc.
Executive directors	Amount calculated as fixed monthly remuneration after setting annual remuneration levels for each position and considering the presence or absence of representation rights, etc.	Amount calculated by multiplying the amount of the basic bonus by position, etc., considering the retention rate, etc., by the performance-based coefficient* <sup>2</sup> for quantitative indicators* <sup>1</sup> and the performance-based coefficient for qualitative evaluation* <sup>3</sup>	Amount calculated as restricted stock compensation* <sup>4</sup> after setting annual remuneration levels for each position and considering the presence or absence of representation rights, etc.
Outside directors	Fixed remuneration only	—	—
ASB members	Fixed remuneration only* <sup>5</sup>	—	—

\*1 Quantitative indicators: Non-consolidated ordinary income (excluding temporary factors, etc.) growth rate and plan achievement rate.

\*2 Performance-based coefficient: Based on a 50:50 ratio between the quantitative performance indicator growth rate and the plan achievement rate, while comprehensively considering the occurrence of large-scale disasters, pandemics, etc.

\*3 Qualitative evaluation: This is the result of evaluating each degree of contribution to improving the Company's business performance and corporate value by all directors, including the relevant director.

\*4 Restricted stock compensation: Please refer to the Securities Report for details of the conditions.

\*5 Audit & Supervisory Board member remuneration: The amount of remuneration for each Audit & Supervisory Board member is determined through deliberations by the Audit & Supervisory Board within the total amount resolved at the General Meeting of Shareholders.

## Remuneration coefficient of executive directors

Basic remuneration [approx. 70%]	Performance-based remuneration, etc. (bonus) [approx. 20%]	Non-monetary remuneration, etc. [approx. 10%]
Set according to position and management responsibility level	Business performance for the fiscal year and degree of contribution to business performance	Restricted Stock Compensation

In calculating the planned amount of performance-based remuneration (bonuses) for FY2021, we comprehensively considered the impact of factors such as COVID-19 and set the expected performance-based coefficient for quantitative indicators at 100% and the expected performance-based coefficient for qualitative indicators of each director to 80%-120%.

The amount of remuneration for each individual can be entrusted to the Chairman of the Board based on a resolution of the Board of Directors. The scope of remuneration is the amount of basic remuneration for each director, the evaluation allocation of performance-based remuneration (bonuses) for each director, and the allocated amount of monetary remuneration claims related

to the acquisition of restricted shares. As a measure for the Chairman of the Board to properly exercise this authority, the Nomination & Remuneration Committee has established standards for the remuneration received by directors. Based on these standards, the Chairman of the Board makes decisions within the scope delegated by the Board of Directors.

In determining the actual issued amount of remuneration for individual directors in FY2021, the Board of Directors determined that it would be possible to make an appropriate evaluation while taking a bird's-eye view of the performance of the Company as a whole. Representative, Chairman and CEO Hiroshi Rinno will be entrusted with the determination of the amount of basic remuneration for each director and the allocation amount of monetary remuneration claims related to the acquisition of restricted stock. He will also be entrusted with the evaluation allocation of performance-based remuneration (bonuses) for each director.

## ■ Total amount of remuneration, etc., for each officer category, total amount of remuneration, etc., by type, and number of eligible officers

The total amount of remuneration, etc., for each officer category of the Company, the total amount of remuneration, etc., by type, and the number of eligible officers in FY2021 are as follows.

Classification	Total remuneration (Millions of yen)	Total amount of remuneration by type (Millions of yen)			Number of people
		Basic remuneration	Performance-based remuneration, etc.	Non-monetary remuneration, etc.	
Directors (excluding outside directors)	293	196	70	27	6
ASB members (excluding outside ASB members)	16	16	—	—	1
Outside directors	24	24	—	—	3
Outside ASB members	36	36	—	—	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. The numbers above include the eight directors (of which, one outside director) who retired.

3. Performance-based remuneration, etc., lists the planned payment amount of performance-based remuneration (bonuses) for the current fiscal year.

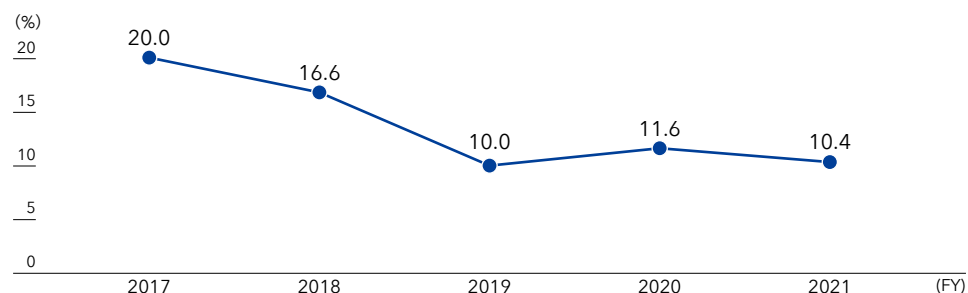
4. The content of non-monetary remuneration, etc., is the common stock of the Company, and the conditions for allotment are as described in i through vi on page 58.

5. As of March 31, 2021, there were eight directors and four Audit & Supervisory Board members.

## Cross-shareholdings

Regarding cross-shareholdings, Credit Saison only holds shares of companies that are transaction (investment) partners necessary for our Group's business strategy and that are rational to hold. When verifying the rationality of holdings, we properly ascertain the risks and costs associated with holdings and the returns from holdings, including from a medium- to long-term perspective, and comprehensively verify profitability and other matters at the Board of Directors and other committees. As a result of verification, while considering factors such as the impact of the market, we promptly sell stocks that are judged to have little rationality to hold.

## Consolidated net assets ratio for cross-shareholdings



## Strengthening the compliance and risk management systems

To achieve sustainable improvement of corporate value, we position the enhancement of corporate governance as a key management initiative. To this end, we are improving internal control systems, strengthening risk management systems, ensuring thorough compliance, and creating mechanisms based on diversity, equity, and inclusion.

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, which is the unit responsible for overseeing internal controls. As for internal controls on financial reports, the Corporate Risk Management Department leads the way in promoting the establishment of internal controls in the Company and at our consolidated Group companies, while the Internal Audit Office carries out independent monitoring.

Regarding risk management, the Risk Management Committee and the Corporate Risk Management Department lead the way in preventing risks from materializing and in working 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 the management departments of Group companies.

As for our compliance system, we have established a Compliance Committee 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 organized the ways in which officers and employees should conduct themselves as standards of conduct. As a further means of strengthening our compliance system, we have disclosed this declaration and standards of conduct on the Company’s employee website, inform employees about our compliance help desk, and hold compliance training sessions to ensure rigorous adherence to these standards.

## Risk management system/compliance system



## Dialogue with shareholders and investors (IR activities)

Credit Saison endeavors to convey corporate information to all shareholders and investors in a prompt, fair, and easy-to-understand manner, and actively discloses business results, financial conditions, strategies, and other matters that the Company believes to be effective in providing a better understanding of the Company. We also actively disclose sustainability initiatives that can only be implemented by Credit Saison aimed at achieving a sustainable society. In addition to continuing to participate in results briefings, conferences hosted by securities companies, and briefings for individual investors, we are actively engaging in dialogue with shareholders and investors, such as by holding business strategy briefings on our global business and CSDX strategy, which attracted a lot of attention during discussions.

The Company will continue to promote IR activities with an awareness of shareholder and investor needs.

## Results of IR Activities in FY2021

Financial Results Briefing	2
Securities company organized conferences	2
Individual meetings with sell-side analysts/institutional investors	196
Investor briefing for individuals	1



## Messages from Outside Directors

### The Roles of Outside Directors and Their Efforts in Further Strengthening Governance



I can draw on more than 40 years of experience and knowledge that have included the monitoring of risk regulation and financial institution management at the Bank of Japan, a wide range of consulting on strategy, governance, and IT for various domestic and foreign financial companies, and serving as an outside director at a global financial institution. I have proactively made proposals from a “governance in conformity with business strategy” perspective at venues that have included meetings of boards of directors and various committee meetings.

At the present time, Credit Saison is stepping on the accelerator toward growth with the aim of becoming a “comprehensive life services group.” Its activities are revolving around the evolution of its card payment business, the development of a finance business that meets the needs of the times, and the development of an Asia-centric global finance and payment business.

In cases such as this, I recognize three areas as forming important issues in terms of governance: the effective allocation and proper management of risk capital; the enhancement of human capital, including external recruitment, integrated management and evaluation, and the verification of the appropriateness of the remuneration system; and the increased sophistication of all forms of risk management in overseas business.

I will monitor business execution from these three perspectives, while exchanging opinions more closely than ever not only with the members of the Board of Directors and the Nomination and Remuneration Committee but also with each operational department and Audit & Supervisory Board member.



Credit Saison’s Board of Directors is made up of officers from extremely diverse backgrounds, from both inside and outside the Company. The discussions often get heated, merely because there are so many different points of view and ways of thinking. I don’t think I have ever attended a Board meeting where every agenda item has ended with a simple chorus of “No objection.”

As I was originally an analyst, I am used to putting questions to companies. By asking multifaceted questions, I try to act as a catalyst for such lively discussions. For executive officers, it might sometimes take them time to do some research. However, I do feel that unexpected risks can come to light through that kind of process.

The problems will arise from now on. People’s payment methods and lifestyles are undergoing drastic changes, and the Company is also being required to boldly take on challenges in uncharted fields. How can the Board of Directors, including myself, encourage, oversee, and sometimes advise on these kinds of challenges? Bearing in mind that this is a critical juncture, I would like to contribute to the creation of the best business model in Credit Saison’s history by engaging in discussions that are more heated than ever before.



The Company has started its new Medium-term Management Plan from FY2022. In aiming to achieve further growth by transforming each business portfolio, the Company is making headway by strengthening its management base, such as the digital technology, branding, and human resources that will underpin that aim. While looking at the direction at which the Company is aiming, active discussions are held at Board of Directors’ meetings with an awareness of how each topic is positioned in relation to strategies, medium-term management plans, budgets, etc., and how the topic will be developed. We outside directors receive detailed explanations about the proposals in advance, but at that time we work out any unclarified issues from each of our standpoints and hold frank discussions with the executives of each department. As a lawyer and certified public accountant, I have been seeing many companies. What I have cultivated there are the skills and mindset to see things from perspectives that include what is truly important from among the many facts, whether it is supported by high-quality evidence and a proper review process has been followed, and whether the content of the discussion is ethical. I would like to continue to engage in further strengthening governance and contribute to the sound and sustainable growth of Credit Saison.

# Board of Directors/Audit & Supervisory Board Members/Executive Officers (As of October 1, 2022)



## Board of Directors

**Hiroshi Rinno** Born in 1942

Representative, Chairman and CEO  
Corporate strategy, branding,  
comprehensive life services group strategy

Mar. 1982 Joined Credit Saison Co., Ltd. General Manager,  
Credit Business Planning Dept.  
Apr. 1983 Director  
June 2000 President and CEO  
Mar. 2019 Representative, Chairman and CEO

**Naoki Takahashi** Born in 1950

Representative, Executive Vice President and CHO  
Promotions of strategies, new business management,  
Head of Audit Office, Finance Division

Apr. 2005 Joined Credit Saison Co., Ltd. Advisor  
June 2005 Managing Director  
Mar. 2016 Representative, Executive Vice President  
Mar. 2020 Representative, Executive Vice President and CHO

**Kazutoshi Ono** Born in 1976

Director, Senior Managing Executive Officer and  
CTO, CIO  
Group-wide promotions of DX strategies,  
Why SAISON strategy,  
Head of CSDX Development Dept.,  
Customer Success Division,  
In charge of Full Life Business Dept.,  
General Manager, CSDX Development Dept.,  
Technology Center

Mar. 2019 Joined Credit Saison Co., Ltd. as CTO,  
General Manager, Technology Center  
June 2019 Director  
Mar. 2020 Director, Managing Executive Officer  
June 2021 Director, Senior Managing Executive Officer and  
CTO, CIO

**Nana Otsuki** Born in 1964

Outside Director (Independent)

June 2017 Outside Director, Credit Saison Co., Ltd.  
Apr. 2018 Professor, Nagoya University of Commerce and  
Business Graduate School  
June 2018 Audit and Supervisory Board Member,  
Tokio Marine Holdings, Inc.  
Sept. 2019 Trustee, Nishogakusha  
June 2021 Director, Mochida Pharmaceutical Co., Ltd.  
Sept. 2022 Senior Fellow, Pictet Asset Management (Japan) Ltd.

**Katsumi Mizuno** Born in 1969

Representative, Executive President and COO  
Overall management execution, global strategy  
Head of Branding Strategy Dept.,  
Corporate Planning Dept.,  
Payment Business Division

Apr. 1992 Joined Credit Saison Co., Ltd.  
June 2013 Director  
June 2020 Director, Senior Managing Executive Officer  
Mar. 2021 Representative, Executive President and COO

**Yoshiaki Miura** Born in 1966

Director, Senior Managing Executive Officer  
Operation business management  
Head of Credit Division

Apr. 1990 Joined Credit Saison Co., Ltd.  
June 2016 Director  
June 2020 Director, Senior Managing Executive Officer

**Kosuke Mori** Born in 1977

Director, Senior Managing Executive Officer  
Head of Global Business Division

July 2013 Joined Credit Saison Co., Ltd.  
June 2022 Director, Senior Managing Executive Officer

**Naoki Togashi** Born in 1960

Outside Director (Independent)

Apr. 2007 Trustee, Japan Association of Corporate Executives  
June 2014 Director, NAGAHORI CORPORATION  
June 2017 Outside Director, Credit Saison Co., Ltd.  
June 2022 Representative Director Partner, TG Partners Inc.

**Hitoshi Yokokura** Born in 1969

Outside Director (Independent)

Mar. 1995 Registered as certified public accountant  
Dec. 2007 Admitted to Japanese Bar, Tokyo Bar Association  
Apr. 2014 Attorney at law of Waseda Legal Commons,  
LPC (Partner)  
June 2020 Outside Director, Credit Saison Co., Ltd.  
July 2021 Audit & Supervisory Board Member, ITO EN, LTD.

Front row (from left): Katsumi Mizuno, Hiroshi Rinno, Naoki Takahashi  
Middle row (from left): Kosuke Mori, Yoshiaki Miura, Kazutoshi Ono  
Back row (from left): Nana Otsuki, Naoki Togashi, Hitoshi Yokokura



## Board of Directors/Audit & Supervisory Board Members/Executive Officers



From left: Hiroaki Igawa, Chie Kasahara, Haruhisa Kaneko, Munehiro Harada

## Audit & Supervisory Board Members

**Haruhisa Kaneko** Born in 1956

Standing Audit & Supervisory Board Member

Jan. 1990 Joined Credit Saison Co., Ltd.  
June 2008 Director  
Mar. 2010 Managing Director  
Mar. 2015 President, Qubitous Co., Ltd.  
(Merged with Credit Saison Co., Ltd. in April 2020)  
June 2019 Standing Audit & Supervisory Board Member of Credit Saison Co., Ltd.

**Chie Kasahara** Born in 1968

Audit & Supervisory Board Member (Outside/Independent)

Apr. 2000 Registered as an attorney at law, Dai-Ichi Tokyo Bar Association  
June 2015 Audit & Supervisory Board Member (Outside), Credit Saison Co., Ltd.

**Munehiro Harada** Born in 1954

Standing Audit & Supervisory Board Member (Outside/Independent)

Apr. 1978 Entered National Police Agency  
Apr. 2012 Director General, Kanto Regional Police Bureau  
June 2013 Managing Director, Nichidenkyo  
June 2019 Standing Audit & Supervisory Board Member of Credit Saison Co., Ltd.

**Hiroaki Igawa** Born in 1958

Standing Audit & Supervisory Board Member (Outside/Independent)

Apr. 1982 Entered Ministry of Finance  
June 2013 Director-General, Nagoya Customs  
June 2014 Auditor (Regular Employee), East Nippon Expressway Company Limited  
June 2019 Standing Audit & Supervisory Board Member of Credit Saison Co., Ltd.

Jan. 2019 Senior Partner, Atsumi & Partners (Present Atsumi & Sakai)  
Dec. 2020 Audit & Supervisory Board Member of MTI Ltd.  
June 2022 Director (Audit Committee Member) of Achilles Corporation

## Executive Officers

**Tatsunari Okamoto** Born in 1967

Managing Executive Officer  
Head of General Affairs Dept.,  
In charge of Leasing Business Dept.,  
MF Business Development Dept.

**Kazue Yasumori** Born in 1973

Managing Executive Officer  
Head of Strategic Human Resources Dept.,  
Processing Business Division,  
General Manager,  
Processing Business Division

**Yasuyuki Isobe** Born in 1969

Executive Officer  
Collection & Research Business strategy  
General Manager, Credit Division

**Yuichi Kawahara** Born in 1975

Executive Officer  
General Manager, Customer Success Division,  
Digital Marketing Dept.

**Shingo Baba** Born in 1971

Managing Executive Officer and CFO  
Financial & capital strategy, IR, M&A  
Head of Public Relations Office,  
Corporate Risk Management Dept.,  
Treasury & Accounting Dept.

**Naoki Nakayama** Born in 1965

Managing Executive Officer  
General Manager,  
Finance Division

**Kaori Shimada** Born in 1966

Executive Officer  
Head of CS Planning Dept., In charge of New Business Development Dept., General Manager, CS Planning Dept.

**Naoki Misaka** Born in 1975

Executive Officer  
In charge of Strategic Planning Dept.,  
General Manager,  
Strategic Planning Dept.

**Shunji Ashikaga** Born in 1971

Managing Executive Officer  
Company-wide Corporate Sales  
Head of Saison AMEX Division,  
General Manager, Saison AMEX Division, In charge of Credit Guarantee Dept.

**Masaki Negishi** Born in 1972

Managing Executive Officer  
General Manager, Global Business Division, In charge of Corporate Planning Dept., Processing Sales Dept., Processing Planning Dept.

**Ryuki Tabata** Born in 1967

Executive Officer  
Credit card joint ventures affairs management  
General Manager, Payment Business Division, In charge of Processing Development Dept., General Manager, Card Joint Venture Planning Dept.



Front row (from left): Kazue Yasumori, Shunji Ashikaga, Tatsunari Okamoto, Shingo Baba  
Middle row (from left): Kaori Shimada, Yuichi Kawahara, Yasuyuki Isobe, Naoki Nakayama  
Back row (from left): Masaki Negishi, Ryuki Tabata, Naoki Misaka