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The Concept behind Our Logo

CREDIT SAISON

About the Company's Corporate Colors

Saison Blue

Symbolizing People's Happiness and Aspirations

Saison Green

Symbolizing Trust, Peace of Mind, Culture, and Innovation

Editorial Policy

One of Credit Saison's highest priorities is providing its wide range of stakeholders, including customers, shareholders, and investors, with accurate information in an equitable manner on a timely basis.

The theme of Credit Saison Integrated Report 2024, our sixth integrated report, is "the challenges and reforms of the Credit Saison Group." It collects and presents, in an easy to understand manner, the changes to our business portfolio, the growth strategies of the New Medium-term Management Plan we announced in May 2024, and our capital policies. Credit Saison's DNA, which has remained unchanged throughout its history, starting with its foundation, lives on in its Group companies. In creating this integrated report, we have striven to tell the story of how this DNA has affected our value creation process and how it has deepened our initiatives. This report presents, in detail, our story of growth aimed at creating corporate value and our initiatives for implementing management with an awareness of capital costs and the share price. It provides comprehensive financial information and information on capital policies, expanding on disclosed information, together with non-financial information such as environmental, social, and governance (ESG) information. We have worked to create a report that provides readers with an understanding of our sustainable growth strategies, and we have tried to improve the freshness of the information, issuing the report two months before the usual time of disclosure. We hope this report helps provide a better understanding of our vision for 2030 and how we are creating global synergies through our Saison Partner Economic Zone.

In compiling this report, we have referred to the International Integrated Reporting Framework recommended by the IFRS Foundation and the Guidance for Collaborative Value Creation issued by Japan's Ministry of Economy, Trade and Industry (METI) to produce an integrated report that is highly reliable and transparent.

To further deepen communications with our stakeholders in the years to come, we will continue to accept frank opinions from our readers, strive to disclose information in an appropriate manner, and commit to further enhancements to the report's content.

Environment Social Governance
Guidance for Collaborative Value Creation

Forward-looking Statements

This report contains information including details of the Company's management plans, projections, strategies, and estimates that are not historical facts. This information reflects the beliefs of management based on currently available information. Projections and forward-looking statements are subject to certain risks and uncertainties. As a result, projections of future performance, the business environment, and other forward-looking estimates might differ materially from actual results.

Reporting Period

This Report covers the 2023 fiscal year (FY2023: April 1, 2023, to March 31, 2024). Some activities in FY2024 are described as well.

Message from the CEO

Hiroshi Rinno

Representative, Chairman and CEO

Continuing to be an innovative company that promotes the growth of human resources

How to survive in a multipolarizing world

The future outlook of the international climate around us is becoming increasingly unclear. Struggles for supremacy are intensifying worldwide. Geopolitical risks, such as the ongoing Russia-Ukraine conflict and the Palestinian situation, are reaching new heights. There has also been a prominent rise in the Global South, which includes India. Our world is multipolarizing.

When thinking about the Group's management, we must always keep this international situation in mind. India has become the world's most populous country, and there is no doubt that it will gain an even greater presence in the global economy. We are steadily expanding our own global business, primarily focused on Kisetsu Saison Finance (India) Pvt. Ltd. (hereafter, Credit Saison India), which we established in India in 2018. For Japanese companies to maintain their presence in this increasingly multipolarized world, they must become more well-versed in the histories of the countries and regions in which they do business. They must create new business models aligned with local issues and expectations.

Human resource assignments based on skills and performance, not seniority

Until now, when Japanese companies expanded globally, the most common governance approach was to hold over half of the capital of a local company, sending a president from Japan to helm it and putting it under the head office's chain of command. In this era of multipolarization, it is important to live up to the hopes of the countries in which one does business, contributing to the development of the local economy. Control based on capital contribution ratios is not essential. Credit Saison India has expanded to almost 1,200 employees* and is growing rapidly, primarily through the lending business aimed at underserved individuals without bank accounts. There is not a single Japanese person on its executive team. In Vietnam, we established HD SAISON Finance Co., Ltd. in 2015, with a local financial institution as the majority equity holder. It has 7,500 outstanding local employees* and it, as well, has no employees dispatched from Japan.

The key local members that play active roles in these global Group companies, which also include companies in Brazil and Mexico, are invited to global summits held in our head

office in Tokyo. These global summits provide them with opportunities to network not only with employees of the head office but also those of the Group as a whole. This year, roughly 150 global personnel assembled in Tokyo. Employees from India, a country that is making energetic advances, demonstrated a passion and vigor in the global summit that tremendously stimulated Japanese employees.

When thinking about global governance, the most important thing is to decide who to put in charge—selecting a local CEO and the rest of the executive team. No matter what the era, it is always people who change companies. We do not look at seniority when hiring or promoting human resources. Looking at the members of our own Board of Directors, you will see that the only inside director who is a dyed-in-the-wool Credit Saison member is COO Mizuno. Our outside directors are also a unique group, with diverse areas of expertise. In this constantly changing world, having a Board of Directors that actively takes on new management challenges contributes to a higher level of governance.

* As of June 30, 2024

Human resources develop through their actual experiences and mindsets

While some of our human resources continued to pursue and achieve growth even after the collapse of the economic bubble in the early 1990s, providing them with their own experiences of success, many of our junior employees, hired in 2000 or beyond, lack these successful experiences. While there are also negative sides to successful experiences that can impede innovation, if personnel who have not experienced success become executives in the future, there are concerns that they will be unable to bear down when they need to, weakening our company. I believe that it is important to have employees keep taking on new challenges and trying their hand at new work. Hard training, such as sending people into environments in which there is no one to rely on other than themselves, also leads to growth.

When you hear "success story," the first thing that comes to mind is someone valiantly standing up to every kind of difficulty without ever losing heart, keeping the same goals, and never giving up, because success lies ahead. However, I think that's a mentality that Japan needed long ago, when it was developing its secondary industries. In the future, though, what I think we will need is the power to quit when we have hit a dead end. By quitting, we can free up time and energy to try something new. We need the courage and the mindset to decide for ourselves how to use this time and energy. Innovation comes from rejecting the status quo.

The shape of organizations and personnel in the age of transformation

We have entered an era in which machines can take care of repetitive rote work. The rise of generative AI has further accelerated this shift. We are entering a time in which there is not even a need to have the courage to quit, because there is no need to start. What role should humans play in a time like this?

I believe that our desire for knowledge springing from our curiosity, together with our ability to become absorbed in what we do, is the wellspring of new innovation, and in these areas, machines cannot replace people. I have developed a formula for this "power to be absorbed," which is that one's ability is equal to the square of the time spent making concentrated efforts. When you do work because you are curious and want to try your hand at it, "working" naturally becomes "learning," and, I believe, almost "playing."

Of course, this is all predicated on the working environment being one that accepts the free and wide-ranging curiosity and values of each individual. Innovative organizations have the deep-rooted habit of creatively destroying, for example, products, services, and work styles. This creative destruction arises from interactions with people with diverse values and ways of thinking.

Each and every human resource must think for themselves about what to do with the time that has been equally apportioned to them and act on their own, acting on their own free will, in order to grow. Even if products, services, and work styles are changed through creative destruction, the ideals of our organization will always be to treat the diverse values of each person equitably and support employees' desire to grow. In the years to come, Credit Saison wants to remain the kind of company in which each human resource can live up to their full potential, and that it will enrich the lives of employees, not only spiritually, but also economically.

Management Philosophy

We will fulfill our corporate social responsibility by striving to meet the expectations of all our customers, shareholders, and business partners.
We will compete successfully in the market by promoting our three shared values: practical implementation of the principles of customer satisfaction as a leading-edge service company; mutual respect for our interests and those of our business partners; and developing a corporate culture of creative innovation.

Our DNA of facing challenges and initiating reforms, part of our company since its foundation

Credit Saison's DNA is one of creative destruction, producing new innovations through our customer-centric thinking and partnerships; empowering people such as women and young people who face limitations within society by ensuring their freedom; and actively getting closer to customers to produce new and flexible ideas. This DNA has lived on in our company since it was first founded, and it contributes to our spirit of taking on new challenges and implementing reforms.

Seiji Tsutsumi
Saison Group Founder

Addressing materialities by always acting in accordance with our DNA

Credit Saison has defined materialities for sustainability that must be addressed to create a sustainable society that is even more convenient and prosperous than today's. We see continuing to embody the DNA of taking on challenges and carrying out reforms that has been passed down since our founding, and working to solve the issues faced by society, as being fundamental elements of our growth. We use our know-how, management resources, and the strengths of each and every employee to carry out sustainability initiatives throughout our Group.

Materialities for sustainability

- Achieving sustainable growth and improving corporate value through sound corporate management
- Creating human resources and an organization where each person can fulfill an active role in their own way
- Enriching our customers' lives and enabling them to live happily and true to themselves
- Creating a better society through co-creation with partners
- Protecting the rich natural environment and culture that enriches life, and energizing people in the region and community

Credit Saison's History of Business Transformation and Value Creation

1951

Founding

The dawn of the Saison Group's philosophy and culture

1951 - Founding of monthly installment-based department store Midoriya Co., Ltd.

Credit Saison began in May 1951 as Midoriya Co., Ltd., a department store that sold products on a monthly installment basis. Midoriya joined the Seibu Distribution Group (later the Saison Group) due to business declines in the 1970s and transformed into a credit card company.

Transition to the payment business

1982
Issued the Seibu Card, a card with no annual fee, and started instant credit screening, instant card issuance, and instant use at Saison Card counters

1988
Developed an international credit card with no annual membership fees through a tie-up with Visa and Mastercard

1997
Issued the Saison American Express® Card through a tie-up with American Express

2002
Started Eikyufumetsu Points, a program for points that never expire

永久不滅ポイント

2006
Launched the points exchange website Eikyufumetsu.com (now Saison Point Mall)

2010
Issued the world's first Centurion design card with American Express

Full-fledged finance business operations

1985
Launched the credit guarantee business

2009
Entered the Flat 35 loans business

セゾンの住宅ローン

2013
Started offering Saison Asset Formation Loans

CREDIT SAISON セゾンの資産形成ローン

2017
Started offering Saison Rent Guarantee services

SAISON CARD セゾンの家賃保証

2022
Entered the mortgage guarantee business

Acceleration of global business

2014
Established a subsidiary in Singapore

2018
Established Kisetsu Saison Finance (India) Pvt. Ltd.

2023
Entered markets of Brazil and Mexico

Business diversification and move away from an exclusively payment-focused business structure

Credit Saison has launched a succession of customer-oriented services that have broken with generally accepted industry practices and traditions. These include instant credit screening, instant card issuance, signature-less payments, and Eikyufumetsu Points, which never expire. In 2002, the Company took the top position in the industry in terms of the number of cards issued annually, the total number of cardholders, the number of cards used each year, and annual card transaction volume. It has gone beyond simply growing its Payment Business to also expand and strengthen its business operations in its Finance Business, including the credit guarantee business and asset formation loans. It also launched its Global Business in 2014, and is aiming to develop business fitted to the markets of individual countries, focusing on India.

Acceleration of digitalization

2021
Announced CSDX strategy

CSDX
CREDIT SAISON Digital Transformation

2022
Acquired DX certification

2023/2024
Selected as DX Stock for two consecutive years

Note: "American Express" is a registered trademark of American Express. Credit Saison Co., Ltd., uses the trademark under license from American Express.

The Six Businesses

We offer a variety of payment services, including credit cards and smartphone-based payments, with an eye to bringing about a cashless society. We also engage in Rent Guarantee Business activities that are closely aligned to our Credit card Business. Moreover, we undertake back-office processing operations on a contract basis on behalf of credit card and other companies.

Including the credit guarantee and Real Estate Finance Businesses, we fulfill a variety of financial functions that address market needs while providing such products and services as credit guarantees for free loans that can also be used for business funding, Flat 35 loans with preferential benefits for card members, and Saison Asset Formation Loans to assist in the acquisition of investment real estate.

Our Entertainment Business includes ticket sales for concerts and the Amusement Business.

We conduct the Real Estate Business, Real Estate Leasing Business, and Servicing (Loan collection) Business, and other Real Estate–Related Business.

Driven largely by the lending and Investment Businesses, we promote business development, not just in Asia but around the world. We aim to achieve financial inclusion by offering digitalized and localized financial services to underserved people and small businesses that lack sufficient or adequate access to financial services.

We offer Finance Leases and business-use installment sales tailored to the capital investment plans of business operators and based on office automation (OA) communication equipment.
Besides supporting business trends such as those of the POS cash register peripherals market, which facilitates cashless payments, we take on challenges in growth fields such as environmental products.

Value Creation Process

Contributing to the creation of a sustainable society that is even more convenient and prosperous than today's by resolving social and environmental issues

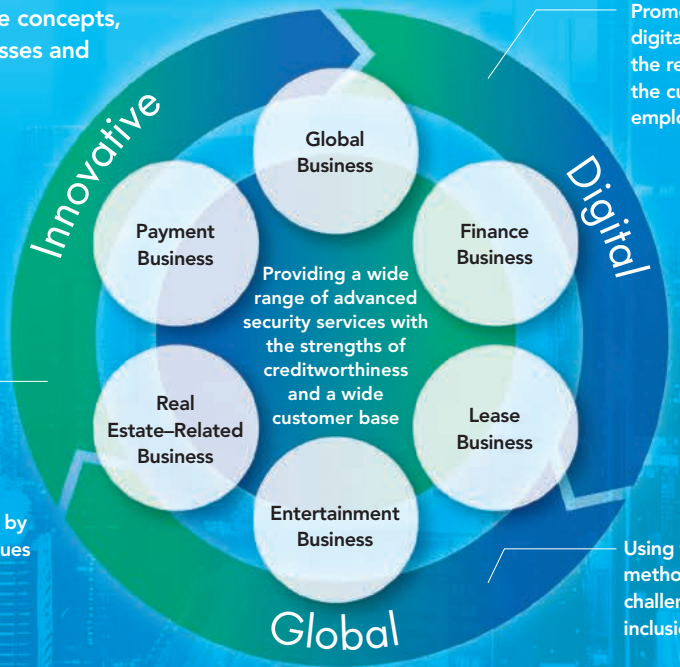
Management Philosophy Leading-edge service company

Six Types of Capital	Details	Credit Saison's Strengths
Financial Capital P71 Data Section	• Diverse financing based on high creditworthiness • Highest level of creditworthiness for an independent non-bank	Rock-solid sales platform; Sound financial base
Social and Related Capital P16 Special Feature	• Focus on collaborative creation with all stakeholders • Customer base with one of the highest numbers of members in the industry • Broad-ranging customer base developed through our six businesses • Multi-dimensional economic sphere consisting of credit card joint ventures, processing, and servicing	Rock-solid sales platform; Sound financial base
Manufactured Capital P37 CSDX Strategy	• Track record of service development in the finance field • System infrastructure capable of flexibly responding to change	Active and energetic human resources; Innovation creation capabilities; Sound financial base
Intellectual Capital	• Meritocracy free in which age, gender, and educational background play no role • Credit know-how nurtured over the 70-plus years since the Company's founding	Corporate culture that has been handed down, uninterrupted, through the years; Active and energetic human resources; Innovation creation capabilities
Human Resource P40 Human Resource Strategy P42 Human Resource	• Professional human resources well-versed in the payment/finance fields • Human resource portfolio that can implement customer strategies and improve productivity • Organizational culture that allows creative destruction and failure • Human resources that thrive within our universal system for all employees	Corporate culture that has been handed down, uninterrupted, through the years; Active and energetic human resources; Innovation creation capabilities
Natural Capital P51 Environment	• Business activities that strive to reduce environmental impacts such as those associated with climate change	Innovation creation capabilities

GLOBAL NEO FINANCE COMPANY

A global comprehensive life services group with finance at the core

Based on our three core concepts, we drive our six businesses and create new value



Promoting the fusing of digital technology with the real world to change the customer and employee experience

Responding to problems by transforming existing values and creating new value

Using financial services as a method of taking on the challenge of financial inclusion

Materialities for sustainability

- Achieving sustainable growth and improving corporate value through sound corporate management
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- Enriching our customers' lives and enabling them to live happily and true to themselves
- Creating a better society through co-creation with partners
- Protecting the rich natural environment and culture that enriches life, and energizing people in the region and community

Requests from the market environment/society

[Societal issues] • Declining birth rate, aging population • Climate change • Promoting conversion to cashless operations • Digitalization • Growing needs for asset formation

Value Created in Collaboration with Stakeholders

Customers / Partners / Regions & Communities / Shareholders / Employees

Financial results

Return on equity (ROE)	11.2%*1 (previous fiscal year: 7.5%)
Shareholders' equity ratio (equity ratio attributable to owners of parent)	16.3% (previous fiscal year: 15.4%)
Group business profit	¥71.9 billion (previous fiscal year: ¥60.9 billion)
Total dividends	¥17.2 billion (previous fiscal year: ¥10.9 billion)
Total shareholder return (consolidated)	239.1% (previous fiscal year: 111.0%)

Realization of a resilient organization

Progress in social and environmental initiatives led primarily by the Sustainability Promotion Committee

Received CDP "B" score	
Acquired SBTi validation	
Implemented Sais◎N eco Challenge aimed at reducing CO_2 emissions by employees	
Number of dialogues held with shareholders/investors	251
Number of security incidents	0

Fostering motivation and diverse values

Percentage of employees that are females	73.8%
Percentage of management personnel that are females*2	25.3%
Digital human resources	Approx. 400
Paid holiday usage rate	85.2%

New business/product development

Number of new product releases	Approx. 60
Number of NEXT SAISON*3 proposals and number of commercialization projects	Approx. 1,100 proposals 15 or more commercialized proposals

Strengthening ability to resolve social and environmental issues

Financial inclusion for the underserved worldwide, beyond Asia
Business alliances aimed at building a carbon-neutral and recycling-oriented society
Environmental protection activities (operation of Akagi Nature Park) About 67,000 visitors

*1 Excluding negative goodwill: 8.3% *2 General managers and managers
*3 Internal program in which all employees, including top management, submit business proposals, operation improvement and reform reports, and the like