Overview of the New Medium-term Management Plan

In the New Medium-term Management Plan, we engaged in backcasting from our vision for 2030 and established four key themes and goals in consideration of the current environment.
We aim to achieve consolidated business profit of ¥100.0 billion and ROE of 9.5% in the three years through FY2026. As a first step toward increasing corporate value to realize our vision for 2030, we aim to achieve a PBR above 1 and market capitalization of ¥1 trillion.

Our Vision for 2030 and Establishing the "Saison Partner Economic Zone"
P13

New Medium-term Management Plan
from FY2024 to FY2026

Business profit: ¥100.0 billion / ROE: 9.5% / Enhancement of corporate value: PBR over 1 / Market capitalization: ¥1 trillion

Innovative

1. Thoroughly bulk up domestic businesses
2. Utilize banking functions to accelerate each business, and strengthen financial functions

- Finance Business P25
- Payment Business P30

Global

3. Evolution of unique global development starting from India, and bidirectional fusion between Japan and overseas

- Global Business P22

Digital

4. Business strategy–linked employee growth and strengthening of management base

- Financial/capital policy and management that is conscious of the stock price and the cost of capital P33
- CSDX strategy P37
- IR strategy for increasing corporate value = share price P67
- Exchanging personnel between companies and enhancing human resource capabilities P29 P42

Change in Profit Structure

Changes in profit structure and segment targets in the New Medium-term Management Plan

To achieve the business profit target of ¥100.0 billion, the New Medium-term Management Plan depicts a profit growth story centered on three businesses: the Payment Business, which aims to improve profitability and reduce costs; the Finance Business, which aims to increase profits and improve asset efficiency through Group businesses; and the Global Business, which aims to accelerate profit growth through direct lending, particularly in India. The plan also promotes a capital policy that discloses key KPIs for management that is conscious of the cost of capital and the stock price, a CSDX strategy that supports the growth of each business, and a human resource strategy.

We have been constantly transforming our business portfolio and expanding our businesses, strengthening existing businesses, and creating new ones. In this three-year plan, we will continue to pursue further profit growth and enhance our corporate value, while respecting our DNA of taking on challenges and initiating reforms that we have inherited from the past.

Growth of the Payment Business

Improving profitability through a premium strategy and structural membership reforms

Cutting costs by reviewing operations using DX and AI

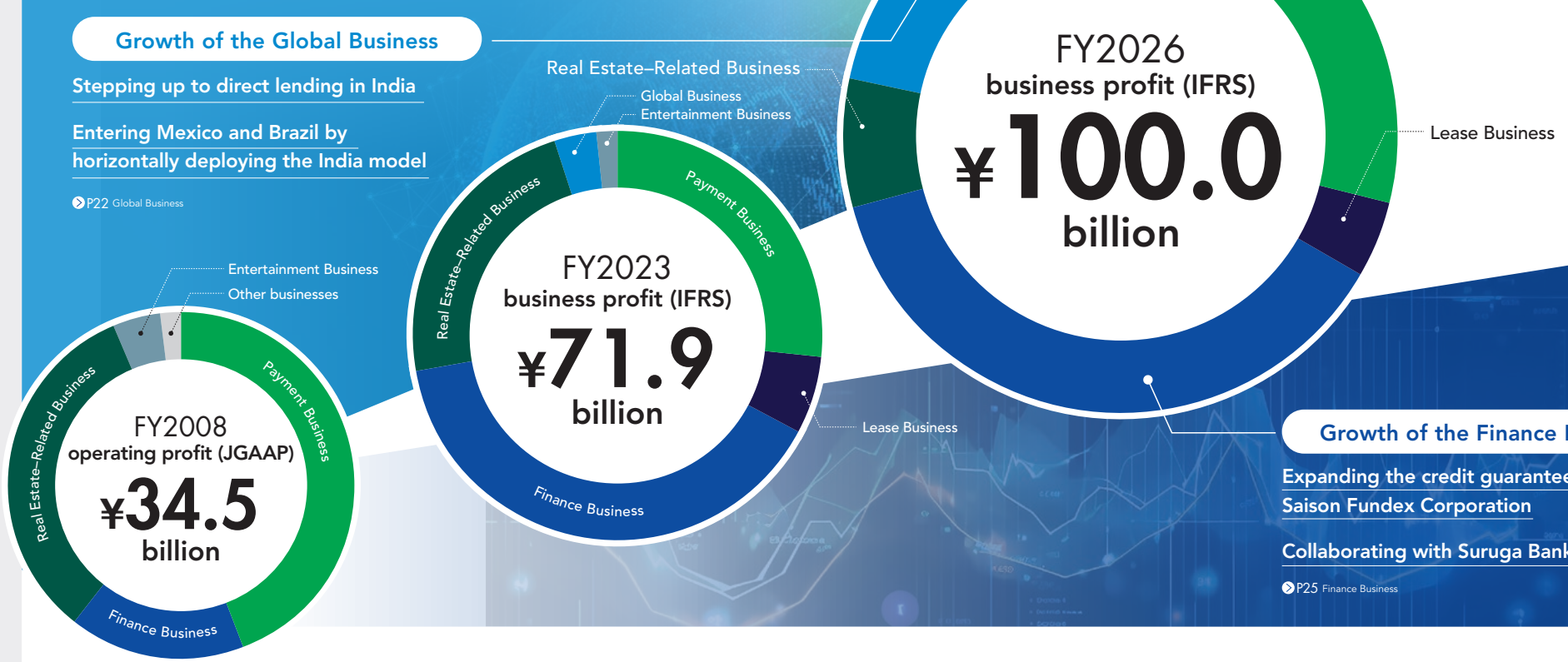
P30 Payment Business

Growth of the Global Business

Stepping up to direct lending in India

Entering Mexico and Brazil by horizontally deploying the India model

P22 Global Business



Growth of the Finance Business

Expanding the credit guarantee business of Saison Fundex Corporation

Collaborating with Suruga Bank Ltd.

P25 Finance Business

Global Business

Evolve unique global development starting from India

The Global Business, which is positioned as our "third pillar" after the Payment and Finance businesses, was launched in earnest in 2014 and has continued to take on challenges over the past 10 years while exploring countries to enter and business models, thereby increasing the certainty of profit generation.

Currently, we are expanding the business to achieve financial inclusion, with a focus on India, Southeast Asia, and Latin America.

The business profit of the Global Business in FY2023 was ¥2.4 billion, or a mere 3% of business profit by division in FY2023. However, this number is expected to grow to ¥20.0 billion—or 20% of total business profit—when we hit our business profit target of ¥100.0 billion in FY2026. We are further accelerating business growth and business development.

Vision under the New Medium-term Management Plan

Since the launch of the Global Business, we have been committed to financial inclusion by providing financial services to people and businesses that lack access to adequate and appropriate financial services (underserved populations).

Under the New Medium-term Management Plan (hereafter, the New Medium-term Plan), we aim to achieve business profit of ¥20.0 billion in FY2026 by horizontally deploying our accumulated expertise, as well as our human resources and capabilities in each overseas country. We are promoting the business expansion in countries where we already have a presence, as well as in countries where we are newly entering the market.

The India business, which plays a leading role in growth

Kisetsu Saison Finance (India) Pvt. Ltd. (hereafter, Credit Saison India), which launched in 2019, has steadily expanded its business against a backdrop of high market growth and digitalization. Even during the COVID-19 pandemic, the company has engaged in locally led, digitally driven efforts to bring systems in-house and strengthen risk management, and in just five years, it has grown to establish a position in the industry as the "lender of choice" for local non-banks and FinTech players.

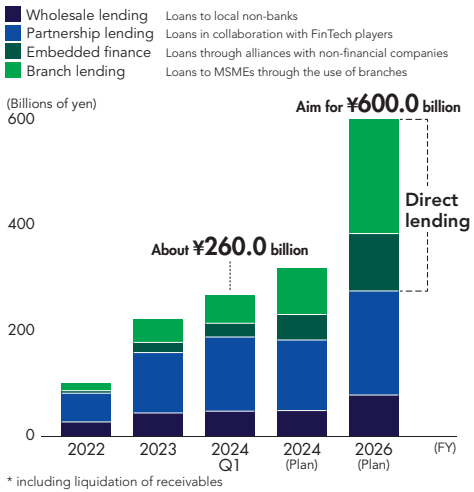
Lending to MSMEs and individuals (direct lending) by expanding branches across India and developing strong partnerships with non-financial companies has become a growth driver, with the receivable balance at the end of June 2024 amounting to approximately ¥260.0 billion.

Aiming for ¥600.0 billion receivable balance

In FY2026, the final year of the New Medium-term Plan, we aim to achieve a receivable balance of ¥600.0 billion and business profit of ¥20.0 billion. In addition to expanding the number of branches and partners, we are seeking to improve profitability by capturing new markets through product diversification and by cross-selling and up-selling to customers. By controlling the balance of risk while driving our business forward, we will continue to build a resilient business that can withstand changes in the environment. In the future, we aim to become a finance company with market capitalization of ¥1 trillion and to be one of the top 10 finance companies in India.

45 branches in 21 cities throughout the country

Steadily expanding the receivable balance



* including liquidation of receivables

FY2023 highlights

FY2023 was a leap forward for Credit Saison India. Direct lending expanded as a result of the launch of secured loans to MSMEs and the increase of partners, and the receivable balance grew 2.5 times from the end of March 2023 to June 2024. We are also liquidating the receivable balance to local banks to improve profitability and asset efficiency.

Investments from Mizuho Bank, Ltd.

In March 2024, the Company issued new shares through a third-party allotment to Mizuho Bank, Ltd. The partnership with Mizuho Bank, Ltd. creates a strong governance structure, and we are promoting more stable and transparent business operations.

Interview with the CEO

Presha Paragash
Kisetsu Saison Finance (India) Pvt. Ltd. CEO

Toward "200 Oku-yen"*1

In just five years, Credit Saison India has quickly transformed into a mature organization and is already among the top 50 Non Banking Financial Companies in the country by AUM and is one of only 12 CRISIL AAA*2-rated NBFCs in the country—and the fastest to achieve this feat. In addition, our risk first mindset, deep capital base both from equity and perspectives, and our tech-led DNA will allow us to drive our mission of bringing people, partners, and technology together to create resilient, innovative financial solutions for positive impact.

Apart from the validation of the work we have been doing so far, Mizuho's investment is a resounding vote of confidence in our future growth story. The additional capital allowed us to provide fuel to continue to grow across our business verticals. There is also an active interest and engagement on both sides to explore synergies. We will continue to execute on our Medium-term Management Plan that will help anchor us to the 200 oku-yen profit target and the future goal of becoming one of the top 10 NBFCs in India by maintaining our underwriting rigor and risk-first mindset, and making some new investments.

At a party with our partners

*1 "200 Oku-yen" means ¥20.0 billion in Japanese *2 Obtained as a long-term rating from CRISIL, an Indian credit rating agency

Commencing operations in Latin America

Credit Saison Brazil Participações Ltda. and Credit Saison Mexico S.A. de C.V., SOFOM, E.N.R., established in early 2023, are providing finance services tailored to the local market by utilizing partnerships with local FinTech players and asset-backed funds. In October of the same year, both companies increased capital through a shareholder allotment, which was covered by many local media as a commitment to both countries over the medium to long term. Going forward, as in India, we will continue expanding our business and building a foundation under local leadership, while engaging in business infrastructure development.

CREDIT SAISON BRAZIL

CREDIT SAISON MEXICO

Initiatives for social impact through our Global Business

Through our lending businesses, we are committed to creating a positive impact for underserved individuals and MSMEs in emerging countries. In 2023, we worked to strengthen the impact team, and we are promoting Group-wide initiatives in close collaboration with the newly established Sustainability Dept. in Credit Saison in 2024. We have also further enhanced the content of the Impact Report, which was first published last year, and have published the 2024 edition.

ANNUAL IMPACT REPORT 2024 (English)
https://saison-international.com/wp-content/uploads/2024/10/impact-report-23Oct.pdf

[Our impact goals]

GOAL 01 Unlock MSMEs' growth potential and economic opportunities

GOAL 02 Improve the livelihoods of historically underserved individuals and households

Putting the Framework in place

We have further developed and integrated our Impact Framework, including at Credit Saison Brazil and Credit Saison Mexico to ensure that our impact goals are embedded in the entire investment cycle, from selection of borrowers to exit, and that our impact management practices are harmonized across our subsidiaries.

Client story

GALAXY KIDS NURSERY, which provides learning opportunities for children, was able to expand the range of subjects that children can learn, including languages and programming, thanks to a loan from Credit Saison India.

Investment business: Overseas CVCs

Saison Capital Pte. Ltd. and Saison Crypto Pte. Ltd., Singapore-based CVCs, have continued to actively invest in early-stage start-ups in India, Southeast Asia, and recently Latin America. We have led and participated in investments across FinTech, B-to-B commerce, e-commerce, Real World Asset (RWA) and decentralized finance.

Building the "SAISON" brand globally

We have actively built the Saison brand across numerous events globally. These activities range from organizing and attending networking events to participating in panel discussions and media interviews.

In April 2024, we organized Asia's first RWA conference in Bangkok—ONCHAIN. We were the lead organizer, alongside CVC portfolio companies. The conference underscored our leadership in the market and our commitment to pioneering innovations in bringing financial assets onto the blockchain.

Expanding our network in Latin America

We started expansion into Latin America, using the network we have built up through our lending business. We have started to engage with local start-ups and funds to gain market insights and explore synergies by investing in early-stage venture funds in Latin America.

We also hosted a successful investor forum in Brazil in June 2024, where we met with 50+ venture capital funds and created awareness of our Latin America expansion.

Supporting portfolio growth

We remain dedicated to supporting our portfolio founders by addressing various needs, including fundraising, establishing connections with corporations and government entities, and facilitating expansion into new countries.

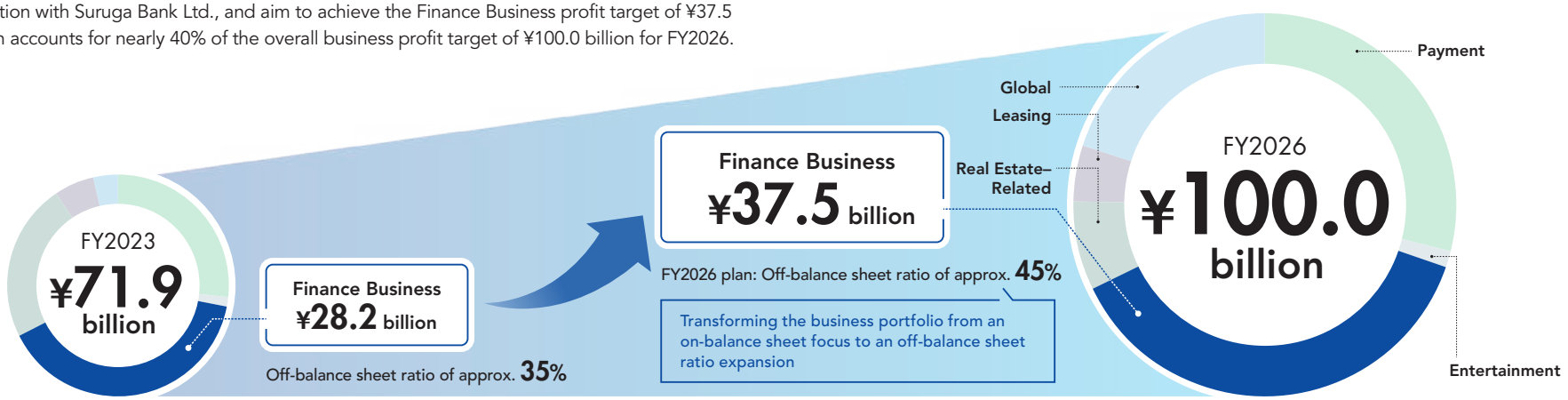
For PT Skortech Larya, one of our portfolio companies in Indonesia, we provided comprehensive support including introductions to several investors and business support. We aim to differentiate ourselves from competitors by offering more than just financial support.

Finance Business

Expansion of Group profits with a focus on the Finance Business and improvement of asset efficiency

Since starting the credit guarantee business in 1985, the Finance Business has transformed its business portfolio significantly, from real estate mortgage loans to mortgage guarantees, and has grown to become a core business that drives the expansion of the Company's profits.

We will further strengthen our collaboration with each Group company in the future, expand the guarantee business and real estate finance business developed by Saison Fundex Corporation, reinforce our cooperation with Suruga Bank Ltd., and aim to achieve the Finance Business profit target of ¥37.5 billion, which accounts for nearly 40% of the overall business profit target of ¥100.0 billion for FY2026.



Priority initiative: Expanding profits through Group business

As the Group's largest growth driver, we will continue to secure stable revenue from existing products while also working to expand our business foundation by improving our off-balance sheet ratio with an emphasis on asset efficiency.

Initiatives for profit growth in the New Medium-term Management Plan

The Finance Business is expected to grow even further by expanding the secured area and transforming the business portfolio of the Company and Saison Fundex Corporation.

Furthermore, through an alliance with Suruga Bank Ltd., we will work to expand and diversify our business areas, achieve profit growth in the guarantee business and real estate finance business, and continue striving to resolve the problems of more customers.

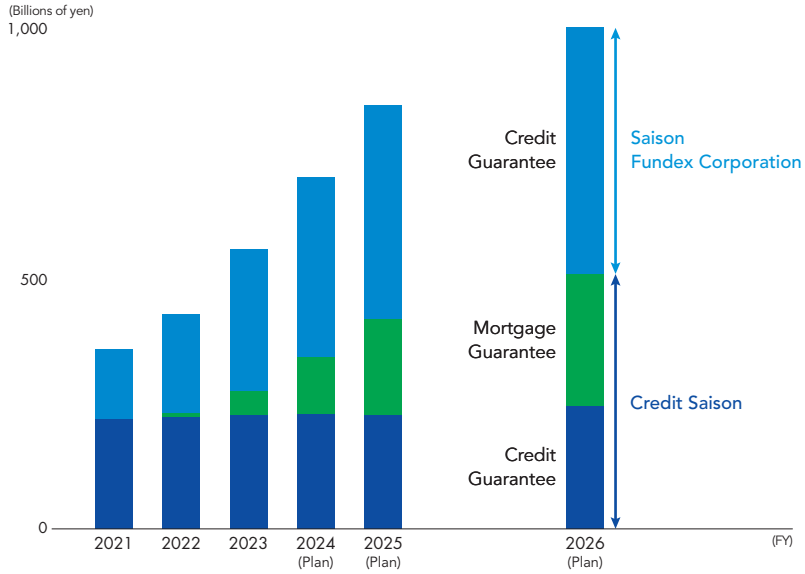
1 Expansion of the guarantee business

Improving asset efficiency and expanding revenue scale by strengthening the guarantee business

Credit Saison has built close alliances with approximately 400 partner financial institutions in the unsecured credit guarantee business, with a focus on the guarantee business for personal loans. From April 2022, we entered the mortgage guarantee business, expanding our business into the secured area, and through a capital and business alliance with Suruga Bank Ltd., and we are further accelerating our efforts in the mortgage guarantee area.

Saison Fundex Corporation, which is advancing its credit guarantee business in the secured area, aims to expand its business by increasing the number of its partners, and by expanding the business areas of both entities, we aim to expand the Group's guarantee business.

[Changes in the balance of guarantees]



■ Basic overview of the guarantee business

	Credit Saison		Saison Fundex Corporation
Business details	Credit guarantees (unsecured)	Mortgage guarantees	Credit guarantees (secured)
Target customers	For individuals and sole proprietors	For individuals and sole proprietors	For individuals, sole proprietors, and corporations
Number of partners	Approx. 400	30*	Approx. 45
Main products	Guarantee services for non-secured personal loans (unsecured)	Mortgages with Credit Saison guarantees at financial institutions (secured)	Guarantee services for real estate mortgage loans (secured)

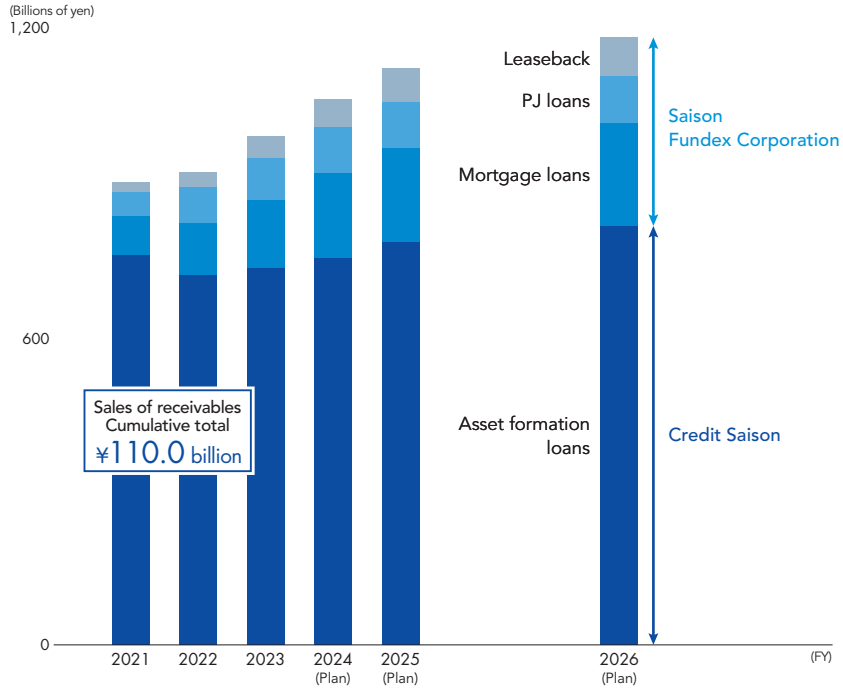
* As of June 30, 2024

2
Growth of the real estate finance business

We aim to expand the balance of receivables by expanding our product lineup in promising markets

In the real estate finance business, the Company's asset formation loans currently account for a large proportion of the business. We will work to expand our products in promising markets such as business people, seniors, and the wealthy. We aim to increase the balance of receivables and revenue, as well as to expand revenue by strengthening our alliance with Suruga Bank Ltd. By continuously advancing product development in keeping with market trends and customer needs, we will create a system that can respond to a wider range of needs.

[Changes in the balance of receivables]



Diversification of business

Conventionally, the real estate finance business has been led by Credit Saison and Saison Fundex Corporation, but through our collaboration with Suruga Bank Ltd., our initiatives in the real estate finance business are accelerating.

P28 Progress in the capital and business alliance with Suruga Bank Ltd.

Primary characteristics of the real estate finance business

Credit Saison

Asset formation loans

- Support for individual customers purchasing investment condominiums
- Loans available for up to 100% of the property purchase price
- Selectable group credit life insurance

Saison Fundex Corporation

Real estate mortgage loans

- A loan product that uses real estate as collateral; offers various customer types such as individuals, businesses, and corporations; and allows for a variety of fund uses

Leasebacks

- A service that allows you to sell your home for cash and allows you to continue living there after the sale

PJ loans

- Loans for the purchase of real estate for sale
- Available for use by corporations with a real estate brokerage license

Suruga Bank Ltd.

Collaborative development of the real estate finance business

- Collaboration loans

  The provision of a "collaboration loan" in which both entities jointly provide the loan

Synergy

Collaboration in the housing loan business

- Credit Saison Guaranteed Housing Loan

  A service in which Credit Saison provides guarantees for Suruga Bank's housing loans
- After receiving permission to offer bank agency services, we also started offering Suruga Bank housing loans

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

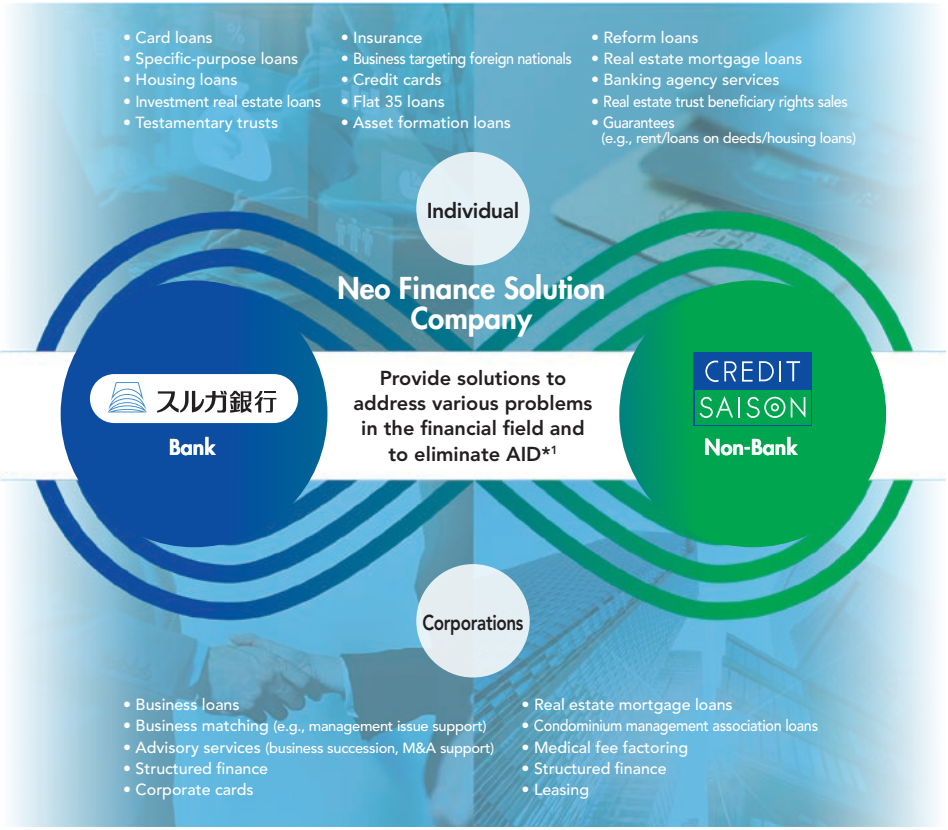
Protecting the rich natural environment and culture that enriches life, and energizing people in the region and community

3 Reinforcing cooperation with Suruga Bank Ltd.

Progress in the capital and business alliance with Suruga Bank Ltd.

The business alliance with Suruga Bank Ltd., which has been in place for a year since the capital and business alliance, is progressing smoothly. Mortgages with Credit Saison guarantees commenced in October 2023, and the collaboration loans we launched in November of the same year are progressing so well that we have revised our plans for new loans upward. We are also leveraging the business foundations of both entities to promote various initiatives, such as the joint business launch of the Saison Platinum American Express® Card in April 2024.

We will continue to aim to be a Neo Finance Solution Company that provides solutions to all kinds of problems and AID*1, while prioritizing highly productive initiatives as priority areas for collaboration.



*1 Anxiety, inconvenience, dissatisfaction

Upward revision of the plan for the amount of new loans

The plan for the amount of new loans for collaboration loans and housing loans, which was initially expected to be around ¥70.0 billion per year, has been revised upward to between ¥80.0 billion and ¥85.0 billion for each year between FY2024 and FY2027, and we are moving forward with this initiative. In addition, the overall business aims for new loans of approximately ¥350.0 billion over the five years from FY2023 to FY2027.

Initial plan for the amount of new loans
¥70.0 billion/year

→

FY2024 to FY2027 plan
¥80.0–¥85.0 billion/year

FY2023 to FY2027
Total of all business fields over five years
Amount of new loans
Aim for ¥350.0 billion/year or more

Resetting of priority areas for collaboration and future developments in the Finance Business

To prioritize initiatives with higher profitability as we move toward becoming a Neo Finance Solution Company, we have reset our three priority areas. While further expanding the exchange of human resources between both entities, we will utilize a seamless platform between the bank and Credit Saison, a non-bank, to accurately capture the loan needs of our customers.

Collaboration on products and services **Create new value by combining the products and services of both entities**	• Support services for foreign national customers • Loans for SME owners and sole proprietors
More sophisticated marketing **Develop marketing methods that leverage the DX skills and databases of both entities**	• Development of housing loans for Saison Card members*2 • Joint development of digital marketing business schemes
Joint use of management resources **Promote the effective joint utilization of management resources of both entities**	• Joint utilization of IT tools and resources • Expansion of human resource exchange and collaboration with Group companies

*2 Bank agency services began on March 25, 2024

Topics Credit Saison × Suruga Bank Ltd.: Example of Human Resource Exchange Activities

Credit Saison has specialized knowledge in the payment and finance businesses, whereas Suruga Bank Ltd. has know-how in real estate finance and housing loans and focuses primarily on the retail solutions business.

Over the first year since the start of the alliance, we have been working seamlessly together, making the most of the strengths of both entities. One of the foundations of this has been the early promotion of human resource exchanges, which has deepened mutual understanding of both entities' products and businesses and strengthened a sense of unity as a group. To jointly utilize management resources, we will continue to accelerate human resource exchanges and work to revitalize our business and deepen our initiatives.

Seconded from Credit Saison to Suruga Bank Ltd.

Naofumi Hasegawa

Suruga Bank Ltd.
Tokyo Metropolitan Sales Department, Section 1

Q What kind of work are you in charge of at the place you are seconded to?

The Tokyo Metropolitan Sales Department, which I belong to, is divided into three sections: Section 1 (investment loans), Section 3 (business partner loans), and Section 5 (housing loans). I am in Section 1 and the person in charge of sales to sales agents whose main business is the sale and brokerage of investment real estate loans and of loans to investors (both corporations and individuals) who purchase investment real estate. As members of a team, we strive every day to acquire new business while also making sure that we provide safe and appropriate loans.

Q Please tell us about the corporate culture of Suruga Bank Ltd. that you experienced during your secondment and the business synergies between both entities.

Although generally the expression that "banks are rigid or stuffy" is used, at Suruga Bank, we can find many friendly and approachable people, and I think the atmosphere of the bank is friendly and frank in a good sense, regardless of age or position. Moreover, I was impressed by the high level of awareness of compliance and, in particular, the thoroughness of the awareness of the customer-oriented aspects that has permeated to every employee. In terms of synergy, aside from the excitement of the collaborative products, we have many people with specialist knowledge and practical skills, so I also have high hopes for future organizational revitalization through human resource exchanges.

Q Could you please tell us about your ambitions for the future?

I feel that I have had a fantastic experience over the past year, having been seconded to a bank and being assigned to a department where I can learn at a practical level, and even being given a role in sales. I will continue to study to acquire knowledge related to real estate and finance, and I aim to gain experience as a financial salesperson and become a valuable asset with solid knowledge and skills. I also hope that I can contribute to the development of both the Saison and Suruga organizations by applying what I have learned from this experience to the front lines.

Seconded from Suruga Bank Ltd. to Credit Saison

Taminari Tsugawa

Credit Saison Co., Ltd.
Real Estate Finance Screening Department
Real Estate Secured Loan Screening Section

Q What kind of work are you in charge of at the place you are seconded to?

I serve as the manager of the Real Estate Secured Loan Screening Section in the Real Estate Finance Screening Department. Our section is in charge of screening four different products, including unsecured loans, and we work with a team of six members to carry out the approval process. As a manager, I also coordinate matters between departments and am involved in improving the working environment and creating workplaces where staff can concentrate on their screening duties.

Q Please tell us about the corporate culture of Credit Saison that you experienced during your secondment and the business synergies between both entities.

After working at Credit Saison, I have often felt a sense of informality in many aspects. Not only in terms of the dress code but also there are significant differences from banks in that working hours and work styles are not uniform, and because there are many mid-career hires, the backgrounds of the employees are diverse, and I think this is one of the strengths that gives the organization its flexibility. When speaking about the synergy between the two entities, I work on the same floor as people from other departments who are involved with the bank, and seeing them busy makes me feel the excitement of the collaborative products with the bank.

Q Could you please tell us about your ambitions for the future?

Currently, we are steadily approving the screening cases that are expected to increase due to the web advertising that started in the second half of FY2024. We are also striving to support and train employees who have never been involved in the success of company policies or loan screening and doing our best to contribute to an increase in the number of employees who can be in charge of screening cases.

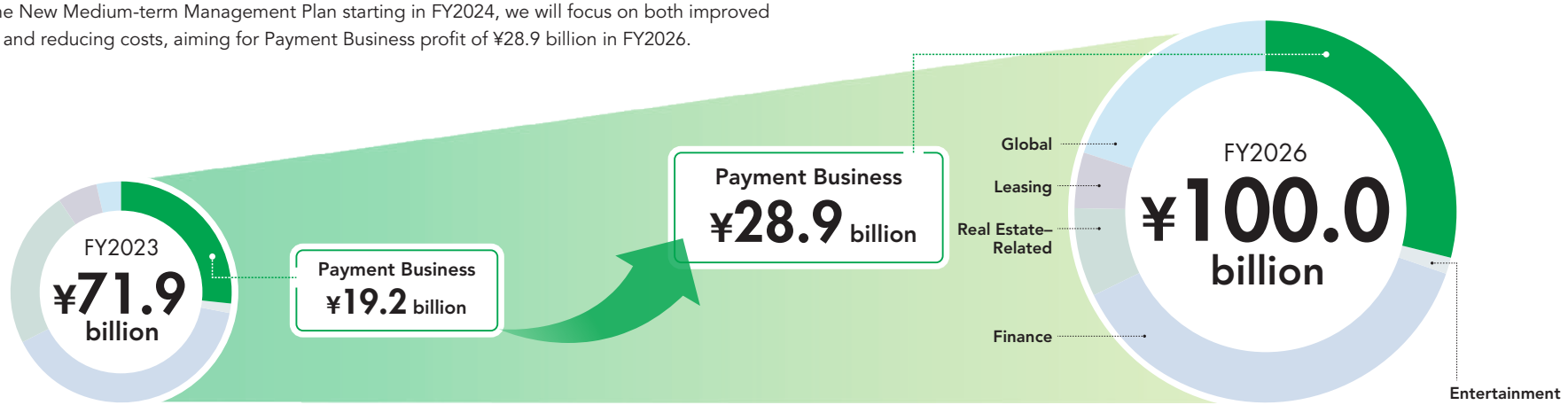
Over the long term, I would like to become a bridge for human resource exchanges between Credit Saison and Suruga through the people I have worked with and the people I have met at the ongoing exchange events, and to contribute to the development of both entities by uncovering ideas for collaboration at the front lines.

Payment Business

Generating profits through improved profitability and cost structure reform

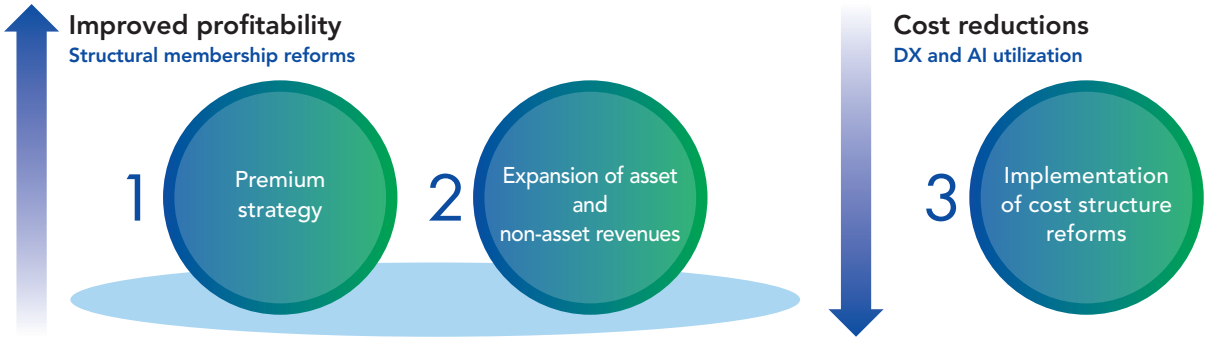
In the Payment Business, which aims to expand its business while differentiating itself from other companies, we expanded the wealthy demographic and corporate markets under the theme of "Revitalization of the Payment Business" in the previous Medium-term Management Plan, and as a result, we were able to contribute to an increase in profits by expanding shopping transaction volume and revolving balances.

Under the New Medium-term Management Plan starting in FY2024, we will focus on both improved profitability and reducing costs, aiming for Payment Business profit of ¥28.9 billion in FY2026.



Priority initiatives: Accelerating the premium and SME strategies and reducing costs through structural reform

As part of our efforts to improve profitability, we are promoting a "premium strategy" that aims to transform the membership structure and improve loyalty by promoting premium cards and providing added value, as well as "expanding asset and non-asset revenue" that aims to improve the revenue ratio by creating a stable base through transforming the membership structure, reviewing revolving rates, and other measures.
In the area of cost reduction, we aim to expand profits by implementing "cost structure reform" through a review of operations utilizing DX and AI, as well as reallocating personnel to growth businesses and reducing temporary employment.



Initiatives for profit growth in the New Medium-term Management Plan

In the Payment Business, we will leverage the business foundation we have built under the previous Medium-term Management Plan to the maximum extent possible and promote steady business operations. We aim to secure stable revenue and further expand profits by transforming the membership structure and strengthening the revenue base in the wealthy demographic and corporate markets, expanding the share of high-utilization, high-unit-price customers, and reducing costs through structural reform.

1 Premium strategy

Expand our share of high-utilization, high-unit-price customers

[Transform member composition]

Cardholder composition ratio*1

FY2023 Approx. 25%

FY2026 Plan Approx. 35%

[Increase in unit price]

Shopping spend per customer (Annual average)

Premium strategy Approx. 2 times

For individuals

Corporations Approx. 6 times

[Expand transaction volume]

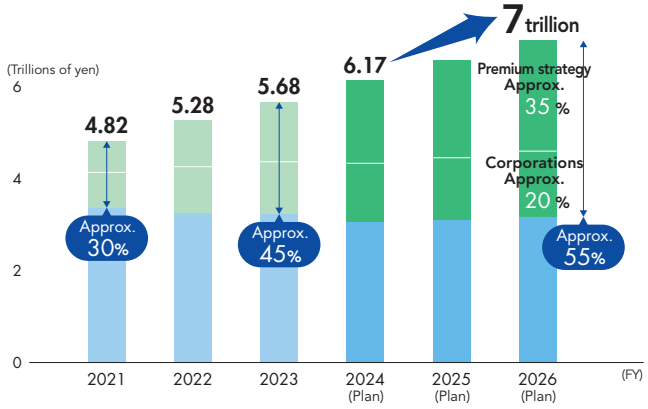
Number of users more than 1 million per year*2

FY2018

FY2023 Approx. 40%

*1 Proportion of active members
*2 Proportion of active individual/SME members

Shopping transaction volume

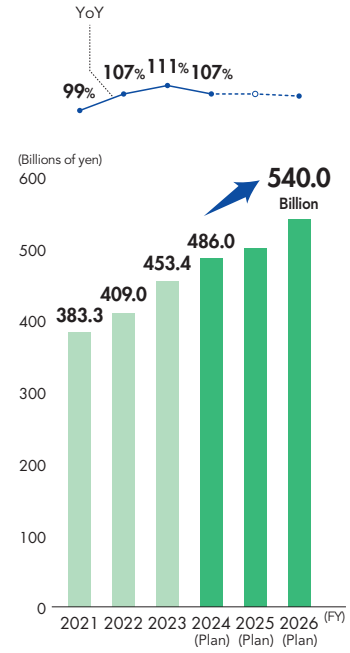


2 Expansion of asset and non-asset revenues

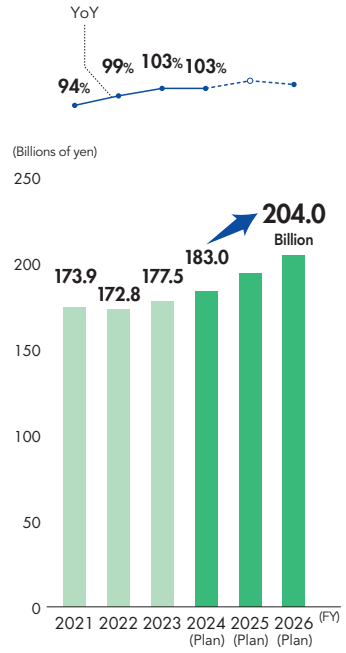
Expand revenue through membership structure reform

We will improve our revenue ratio by transforming our membership structure to create a stable foundation and by reviewing our rates.

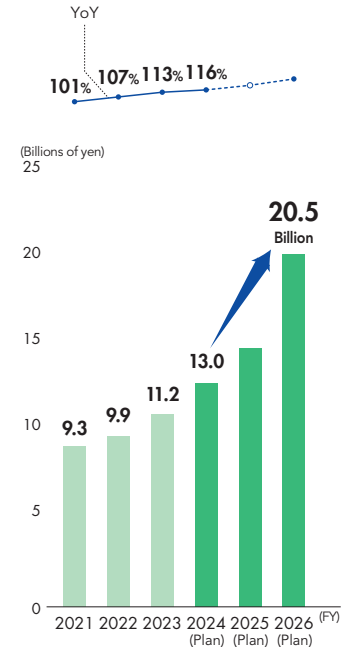
Shopping revolving credit balance



Cash advance balance



Revenues including annual membership fees

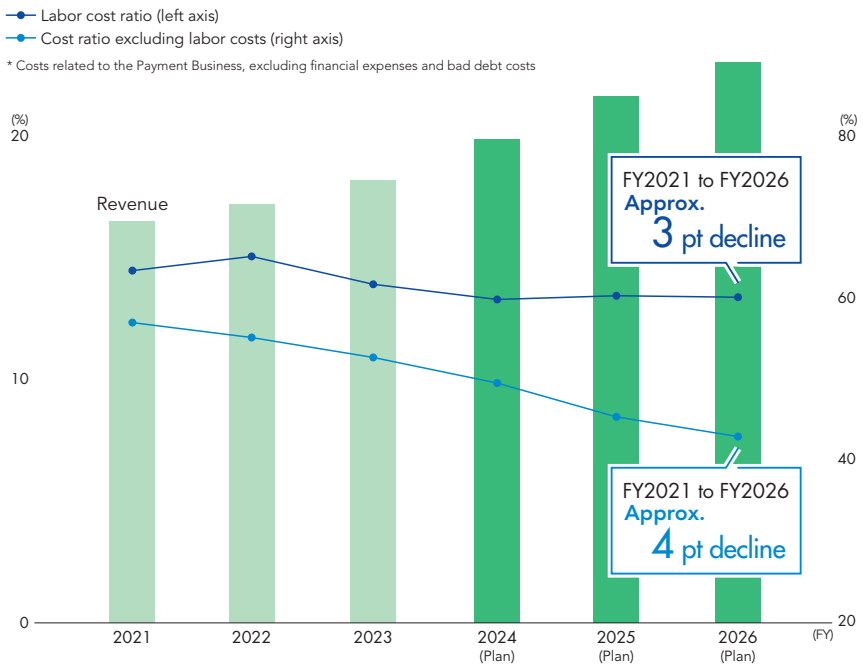


3
Implementation of cost structure reforms

Review operations using DX and AI

We are strengthening the use of DX and AI in face-to-face operations, such as digital counters (online customer service) and information centers, which automate and improve the accuracy of tasks such as receiving phone calls and screening applications. We are also reducing paper-based operations by digitizing application forms, and we are working to reduce costs and improve profit margins by downsizing and eliminating unprofitable operations and reducing the number of staff required for work that utilizes DX and AI.

Payment Business cost ratio to operating revenue



Dialogue with employees regarding the New Medium-term Management Plan

After the announcement of the New Medium-term Management Plan in May 2024, the president himself has been engaging in direct dialogue with employees across the country and at Group companies to explain the plan and promote understanding of it.

This is because in order to generate synergies on a global scale in the Saison Partner Economic Zone created through partnerships that go beyond the realm of a mere finance company, it is essential to ensure that the objectives are understood by the entire Group at an early stage and to have each Group company, both domestic and overseas, work together as a cohesive entity.

To deepen their understanding of our strategy, we held around 10 briefings by June, the first quarter of the year, where we directly explained the overall picture of our New Medium-term Management Plan to around 300 employees. Primarily managers and general managers were targets, and we conducted interviews on issues and addressed questions in each department.

Since July, we have been holding similar direct dialogues with employees at each Group company and at the level of section chief and below, with the aim of clarifying the roles expected of each company and each department and cultivating a culture that works together to achieve the plan.

[Explanation of the New Medium-term Management Plan by top management]

Comprehensive life services group
GLOBAL NEO FINANCE COMPANY

COO Mizuno explaining the New Medium-term Management Plan to employees

Message from the CFO

Masaki Negishi

Managing Executive Officer and CFO

We will implement an aggressive financial strategy to achieve our goals, starting with "business profit of ¥100.0 billion."

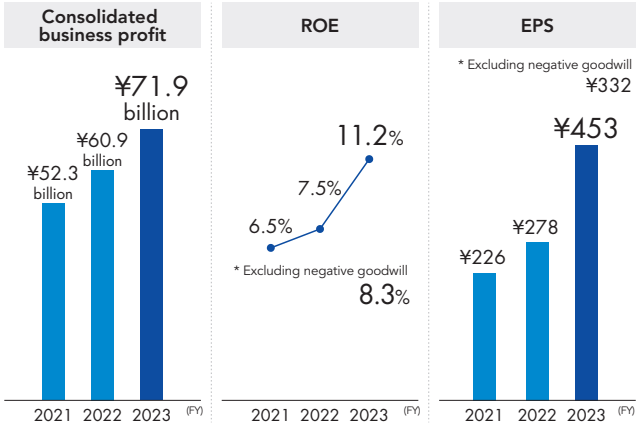
After the end of FY2023

Credit Saison has always had a desire to accelerate our growth. Since 2010, we have spent a considerable amount of time and effort addressing issues such as the revision of the Money Lending Business Act, overpaid interest, and even the replacement of our core systems. A major factor that forced us to devote our resources to overcoming our immediate management issues was that we were in a situation where we were almost solely dependent on our Payment Business. Over the past 10-plus years, we have overcome challenges and while strengthening our foundation as a company, we have developed our Finance Business as a second pillar and our Global Business as a third pillar and we have made preparations to embark on the path to growth.

Our performance results for FY2023 clearly show that the Payment Business has recovered after undergoing structural reform, and that the Finance Business and Global Business have also clearly gained "earning power." We have been liberated from an era where addressing issues took priority over accelerating growth, and we feel that now is the perfect time for us to start accelerating growth.

[Main management targets]

- Achieve the ¥70.0 billion in consolidated business profit set out in the previous Medium-term Management Plan (FY2022–FY2024) one year earlier than planned
- Build the foundation for moving to the next stage, though a capital and business alliance with Suruga Bank Ltd., growth in our Global Business and affiliated company businesses, etc.



Financial targets under the New Medium-term Management Plan

In the new three-year Medium-term Management Plan, announced in May this year, we set numerical targets of consolidated business profit of ¥100.0 billion and ROE of 9.5% for the final year of the Plan, FY2026. Until recently, we have stated that we aim to achieve an ROE of 10% or more over the medium to long term, but this is the first time that we have disclosed specific time frames and KPIs other than business profit publicly.

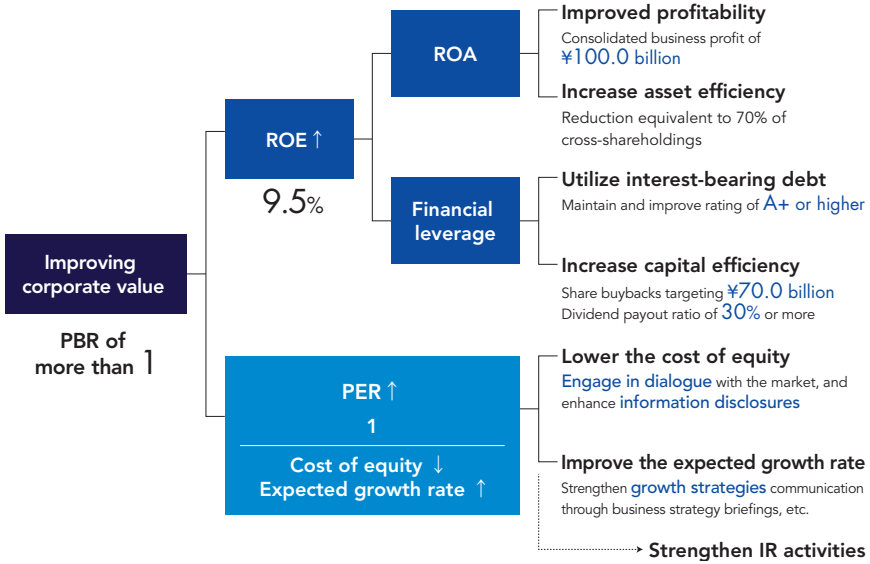
We have a strong desire to demonstrate within and outside the Company a shift in our awareness and that the timing is ripe for accelerated growth. In fact, I feel that the capital markets have positively perceived us as "making significant strides" along with our ambitious target figures.

The disclosure of our ROE target is naturally also due to our awareness of the problem that our current PBR is below 1.

By aiming for the target figures for business profit and ROE, we also anticipate that we will be able to achieve our two other goals of recovering PBR to 1 or more and increasing our market capitalization to more than ¥1 trillion.

With regard to business profit, we have set a target to increase profit from ¥71.9 billion in FY2023 to ¥100.0 billion over a three-year period. Some investors might view us as being ambitious, but we are explaining the practicality of our plans by showing the breakdown of our FY2026 business profit of ¥100.0 billion. With growth from the FY2023 results, we aim to establish three revenue pillars by expanding the Global Business by approximately ¥17.6 billion and the Finance Business and Payment Business by a scale of ¥10.0 billion each. The key to achieving numerical targets lies in our Global Business, for which we aim to expand the scale of our operations with India as our starting point. The lending business that Credit Saison operates in India has become one of the fastest-growing non-bank financial institutions in India, with its balance of receivables growing by 200% year on year in FY2023. With this Global Business as the core, we will also pursue growth in the Finance Business and Payment Business. In particular, I believe that by continuing to push forward with reforms in the Payment Business without wavering, we will be able to envision a different form of sustainable growth three years from now.

[Approaches to realizing management with awareness of capital costs and the share price]



My thoughts on capital efficiency

With regard to capital efficiency, we have spent a considerable amount of time discussing this, even in the process of formulating the New Medium-term Management Plan. This was based on both maintaining sustainable growth while using capital effectively and being aware of the appropriate scale of capital. From the perspective of capital efficiency, what is important is the improvement of ROE. At the end of FY2023, our ROE was 8.3% on a basis excluding negative goodwill and we estimate our cost of capital to be around the high 8%–11% range. The reason for having a range for the cost of capital is to take into account the rise in the risk-free rate accompanying an economic recovery, the increase in dividends in line with improvements in business performance and growth potential, and the expected value of stock prices. However, in our discussions about improving capital efficiency and ROE, we have determined that a target level of 9.5% ROE over the next three years is appropriate. This is not a figure that can be achieved overnight, but we believe it is attainable if each business division firmly focuses on profit margins and works to improve its earning power.

For non-bank companies like Credit Saison, the business model requires companies to accumulate assets in order to make a profit, so improving asset efficiency is crucial.

We believe that in order to improve asset efficiency, it is necessary to reduce assets with low productivity, so in our New Medium-term Management Plan we have set a policy of reducing our cross-shareholdings by 70%.

Credit Saison has regularly reviewed its cross-shareholdings, and the shares we currently hold are those for which we confirmed the significance of holding in the previous fiscal year. The reason for having held these shares is that, in the process of building the Saison Partner Economic Zone, we have seen mutual shareholdings as a strategy for building relationships with partner companies that allows us to maintain a firm, albeit loose, grip on them. However, when we looked toward the future, we determined that mutual shareholdings were not essential for our partner companies in the relationships we aim to build in a loosely connected economic zone. We will strive to maintain and strengthen our relationships without mutual shareholdings.

Financial policy in a phase of rising interest rates

As a non-bank, what we absolutely cannot compromise on is the stability of our funding and not increasing our funding costs. Maintaining and improving our credit rating is extremely important in our financial policy, and we aim to maintain or improve our A rating. After implementing financial measures with the primary objective of maintaining or improving our credit rating, we will make the growth investments necessary to generate profits and maintain a solid financial position while also being mindful of asset efficiency. Our policy is to flexibly acquire treasury shares if we observe a slight buffer at the appropriate level of capital scale.

In the coming phase of rising interest rates, it is inevitable that financial costs will increase. We view financial soundness and stability as essential to firmly support our growth opportunities from a financial perspective. As a result of our efforts to obtain long-term funding at fixed interest rates under the zero interest rate policy until recently, approximately 75% of our funds are long term, and the fixed interest rate ratio is 70%. Therefore, in the short term, even in the current phase of rising interest rates, our structure will not be significantly affected. In addition, even when looking at the gap between floating-rate liabilities and assets, floating-rate assets are currently slightly higher at this point in time, and even in a rising interest rate situation, this is having a positive effect on revenue. We recognize that it will be increasingly important to obtain funding while being mindful of costs. However, even considering our current financial situation, we believe that if we can firmly build up our earning power over the medium to long term, we will be able to achieve sustainable growth.

Our approach to growth investment

With regard to capital allocation and investment strategy, so far, we have been considering both quality and quantity. In existing businesses, we have estimates of how many growth opportunities can be expected in each area, and we have invested the necessary capital based on these estimates. In the future, we will prioritize growth investment in the Global Business, which has significant growth potential, and will invest ¥70.0 billion of the ¥80.0 billion growth investment budget in the Global Business under the New Medium-term Management Plan. Compared to the Finance Business and Payment Business, the Global Business is still positioned as a period of up-front investment, so its investment efficiency, when viewed on a single-year basis, is lower than that of domestic businesses. However, there are significant business opportunities centered on India. We are now gaining confidence that we will be able to secure these business opportunities as we have envisioned, and we are planning to actively invest capital in the New Medium-term Management Plan.

One of the essential elements in promoting non-bank business overseas is the stable procurement of local currency. In India, our subsidiaries themselves have obtained ratings and have begun to raise funds locally. In the future, we plan to continue to select the optimal funding method for Singapore, Brazil, Mexico, Indonesia, etc., while being mindful of balancing the stable acquisition of local currencies with costs.

With regard to the selection criteria for investment projects, we make comprehensive decisions based on factors such as strategy, objectives, and expected returns. On the other hand, when taking on new investments or business challenges, we set criteria for withdrawal in advance and try to regularly track our progress with this in mind. In fact, even if a business has been running for two or three years, if the progress is not satisfactory and the initial withdrawal criteria are met, we have a system in place that enables us to gather information on future prospects and make a decision to immediately withdraw, if necessary. In fact, there have been cases like this, and we try to determine not only the quantitative return on investment but also whether the investment is truly necessary when viewed from a long-term perspective.

We recognize that risk management associated with investment must be further strengthened and maintained, especially as global expansion progresses. As a non-bank, Credit Saison's assets (such as operating receivables) include future bad debt risk, etc. For this reason, we implemented risk capital management. This measures the amount of risk associated with each asset and monitors the adequacy of capital in light of that risk. Over the past several decades, the accuracy of our risk measurement has undoubtedly improved, and a solid management system has been established. On the business divisions side, we will continue to steadily increase our assets while ensuring robust management on the financial side, contributing to growth.

[Cash allocation]

Basic policy

- Strengthen investments for continued growth
- Promote structural reforms to increase capital efficiency
- Achieve stable shareholder returns

Concept for the New Medium-term Management Plan (FY2024–FY2026)

- Strengthen "earning power" through growth investment
- Improve the "earning power" of existing businesses
- Ensure business management that is conscious of improving productivity

FY2024–FY2026 Outlook

Cash in	Cash out
Asset sales ¥40.0 billion or more	Growth investments Structural reforms from ¥80.0 billion
	Improve capital efficiency up to ¥70.0 billion
Utilize leverage	Expand business receivables

Maintain creditworthiness (rating of A+ or higher)

Capital policy

- Reduction equivalent to 70% of cross-shareholdings
- Dividend payout ratio of 30% or more
- Share buybacks targeting ¥70.0 billion
- FY2024 · ¥50.0 billion, and flexibly implement thereafter
  Reduce capital costs (CAPM of 8.5%–11.5%)

Priority measures

- Growth investments of ¥80.0 billion (of which, ¥70.0 billion focused on global businesses)
- Business structure reform and pursuit of synergies with affiliated companies, etc.

Shareholder returns

With regard to shareholder returns, for FY2023, in light of consolidated performance, we have set the dividend at ¥105 per share, which is ¥5 higher than the most recent dividend forecast. Although we will not change our basic policy of implementing stable and continuous dividends, in the New Medium-term Management Plan we have set a payout ratio target of 30% or more to give our stakeholders a clearer indication of the level of dividends we will pay as we grow in earning power. In addition, to optimize the amount of shareholders' equity, we plan to flexibly implement the purchase of treasury shares worth ¥70.0 billion over a three-year period, and we intend to implement ¥50.0 billion of this in FY2024, the first year of the Medium-term Management Plan.

Dialogue with investors

Before assuming the role of CFO, I built my career in business divisions, so I might be seen as somewhat unusual in that I have no experience in finance or accounting. However, I see my ability to apply my experience in the business divisions as one of my strengths, and I look at that positively. With regard to IR activities, we see them as a means by which the corporate division can contribute to enhancing corporate value. In particular, as the components of management, including intangible assets, become more complex, we are actively and positively focusing on this with the awareness that it is important to integrate the process of value creation and turn it into a story.

Also, what the IR team and I are always aware of is approaching dialogue on the premise that there is always a gap in awareness between the Company and our investors. We then strive to accurately grasp the thinking of the other party and to bridge the gap between the Company and our investors. Because we are not disclosing all of our ideas, it is only natural that a gap will arise. In that sense, we believe that, in IR activities, it is also effective for executives, including officers, to interact with investors themselves, and for the person in charge of each business to have the opportunity to explain their business as speakers. Until recently, we have held briefings dedicated to digital strategy and global business strategy. However, in FY2024, we plan to conduct IR for institutional investors, including those overseas, together with COO Mizuno. With regard to our business in India, which is driving the growth of Credit Saison, we are confident that we will see growth overall. However, we anticipate some bumps along the way, so we would like to increase the number of shareholders who can understand and support the Company's leap into a different dimension stage of growth from a long-term perspective.

Message to stakeholders

In recent years, I have felt firsthand that the motivation of the people who work at the Company is filled with more excitement than ever before. This kind of atmosphere within the Company is having a positive impact on our performance. Our target of ¥100.0 billion in business profit in FY2026 is not an overly ambitious or difficult target, and we are working every day with the belief that we can achieve that target. This is precisely because, while undergoing transformation, the Company has been able to overcome the difficult times. We will continue to evolve in line with the times and changing needs, and become a company that plays a major role on the global stage. We hope to achieve growth that transcends the boundaries of everyone's existing image of Credit Saison. We would greatly appreciate it if all of our stakeholders could continue to support us while placing their expectations on just such a vision.

CSDX Strategy

Message from the Director in Charge

Kazutoshi Ono

Director, Senior Managing
Executive Officer and CDO, CTO
Group-wide DX strategy,
Why SAISON strategy
Head of CSDX Development Dept.,
Customer Success Division

Balancing quality and speed through a bimodal strategy and expanding the in-house development organization

FY2023 was a year in which both the in-house development organization and the areas within in-house development expanded. The in-house development teams have expanded to around 150 people, and they are increasingly involved in not only front-end development but also back-end core systems. In addition to the flexibility unique to in-house development, system construction costs are kept to less than half of what they would be if the work were outsourced, contributing to improved profit margins for each business. Even as the scale expands, we have been able to maintain a balance among quality, robustness, and speed. Recently, there have been many cases where people have said, "listening to Credit Saison's story feels just like listening to a discussion about development at a start-up or SaaS company." The term "Bimodal IT" is the concept of "Mode 1," which emphasizes safety and accuracy, and "Mode 2," which emphasizes agility and speed. These are both important values, but they often tend to conflict with each other. At Credit Saison, we aim to create an organization that can maximize the "HRT Principles" and turn this difference into a strength.

With regard to developing digital human resources, we offer two courses: an engineer course and a data scientist course. Whether it is a career-track employee who has volunteered for a recruitment posting and is aiming to reskill themselves or a new employee with a digital technology background who is aiming to acquire skills, we have established a system where mid-career professionals provide support as mentors, in addition to implementing our own education program created with the cooperation of an educational company.

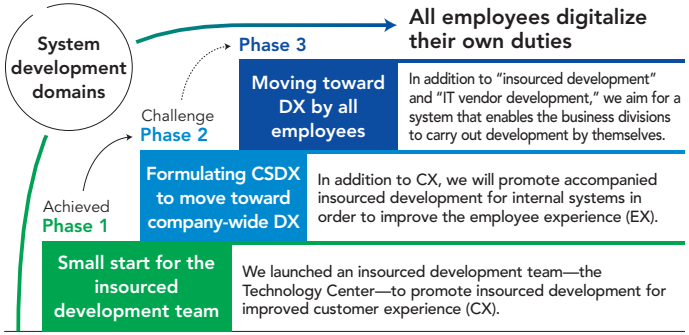
From now on, to link the power of in-house development more broadly to the strengthening of business competitiveness, it is necessary to have knowledge related to existing systems and operations that have so far been developed and maintained by the information systems department in conjunction with vendors. Suppose the knowledge of the information systems department and the in-house development teams is combined. In that case, there will be no area where in-house development is impossible, and all businesses and operations should become more efficient, labor-saving, and faster. "Can we really create our own systems for such areas?" We would like to aim to become a company that will surprise people in such a way.

Results and retrospective overview of FY2023

In FY2023, the digital department took the lead in reviewing and improving business processes with the aim of achieving complete digitalization of the business process. We interviewed teams of individual business sections and divisions about the "ideal state that should be achieved," and we have been working on automating data processing and building workflows to achieve this. Until recently, more than 300 cases had been submitted, and if we can automate these, we expect to see a reduction of more than 200,000 hours per year.

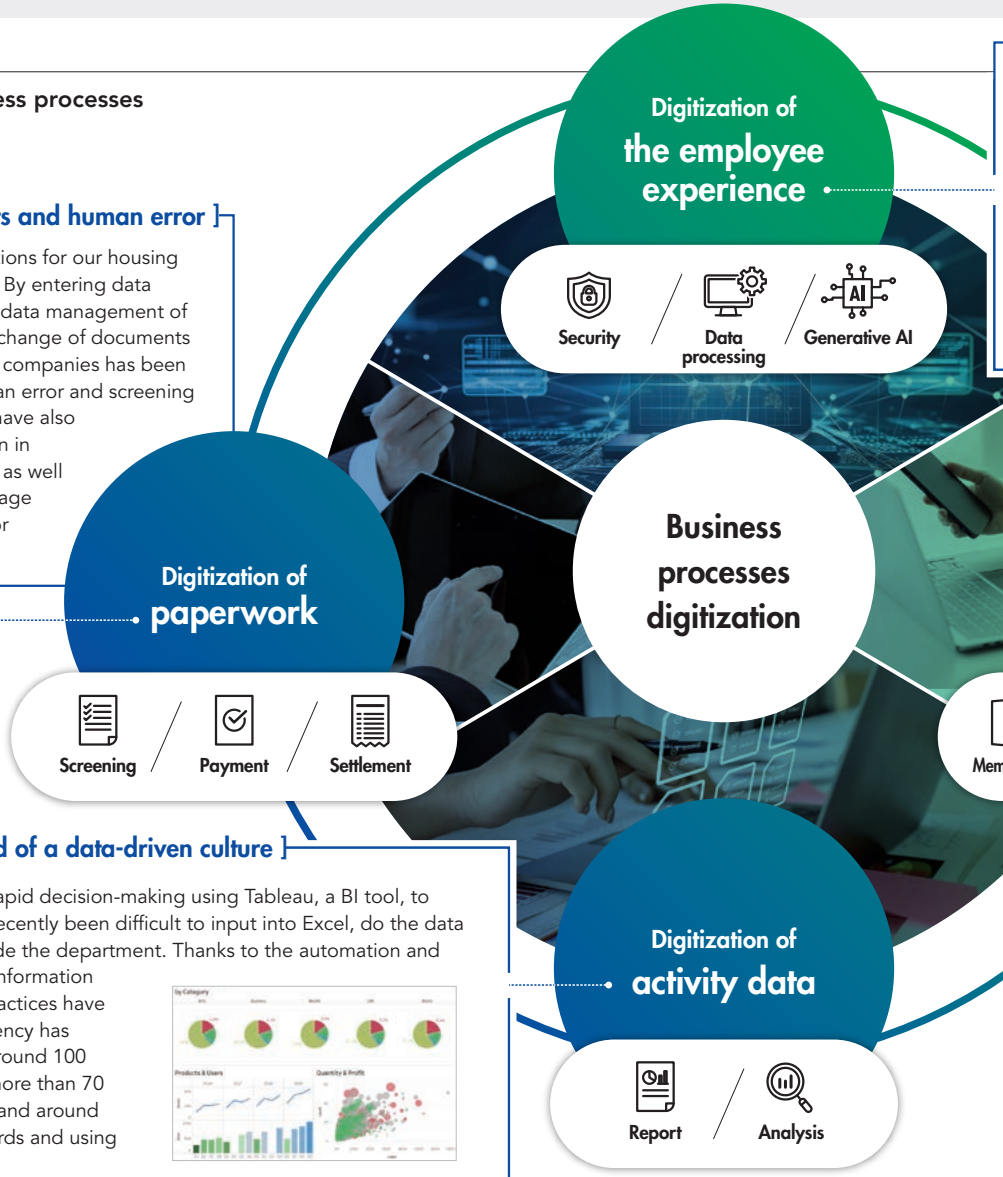
We are also actively working to develop digital human resources in order to achieve "DX by all Group employees." This fiscal year, we are newly building a basic course to standardize the skills for extracting data from databases. We will make it possible for any employee to extract data that was previously left to the IT department and select experts. Also, initiatives launched last fiscal year to practice in-house development using low-code tools by personnel belonging to the business divisions are also steadily beginning to yield results, with mechanisms for process management and automation of accounting processes being achieved.

Not only is there a top-down approach to digitization based on management strategies and business challenges, but also initiatives have been established to digitize the manual and personalized work that is scattered across the front lines in a bottom-up fashion. A system is steadily being created to transform operations from various directions.



Creation of digital human resources ▸ (1,000 people) * FY2024 target

Digitization of business processes



[Utilization of AI under secure conditions]

We have begun the transition to zero-trust security, making full use of Microsoft 365 E5, and are strengthening governance and compliance to ensure the safe and secure operation of data assets. We are also promoting the active use of generative AI services such as Microsoft 365 Copilot from Microsoft and in-house developed chatbots by employees.

[Reduction of paper documents and human error]

We have started accepting applications for our housing loan business via tablet and online. By entering data using a system and linking it to the data management of various types of documents, the exchange of documents between customers and real estate companies has been minimized, and a reduction in human error and screening processes has been achieved. We have also simultaneously achieved a reduction in workload through going paperless, as well as a reduction in costs such as postage and the number of days required for delivery.

[The spread of a data-driven culture]

We are making efforts to achieve rapid decision-making using Tableau, a BI tool, to handle activity data that has until recently been difficult to input into Excel, do the data aggregation work, and share outside the department. Thanks to the automation and visualization of data aggregation, information sharing and the retrieval of best practices have become easier, and business efficiency has improved significantly. Currently, around 100 people are building dashboards, more than 70 dashboards have been published, and around 1,100 people are viewing dashboards and using them in their work.

[Screening in as little as 0 seconds]

We have introduced an advanced machine learning model into our membership screening system, enabling us to flexibly change the input fields according to the customer's attributes, ancillary services, etc. Where the process of issuing a card used to take at least 5 minutes from the completion of the application to issuance, with "screening in as little as 0 seconds," the screening is completed at the same time as the application and the process has been shortened to as little as 3 minutes.

No-code and low-code tool use

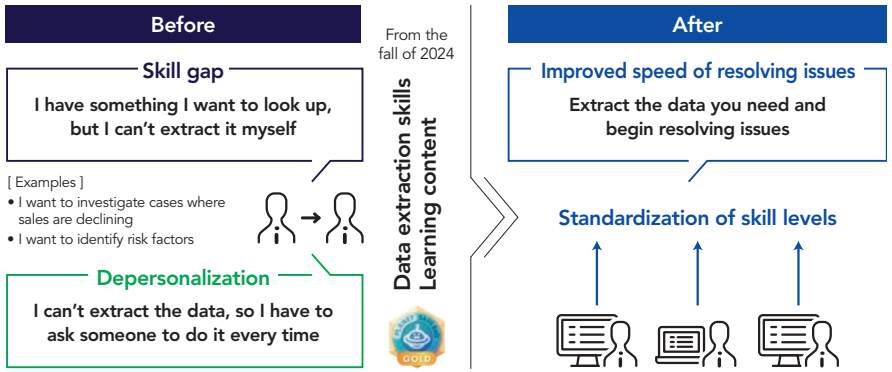
We are expanding the provision of reskilling for employees with the aim of improving operational efficiency through the use of no-code and low-code tools.

The first class of students to graduate from the "Citizen Data Scientist Course," an in-house training program that began in FY2023, graduated in March. An event was held in which participants from a wide range of areas, such as call centers and debt management departments, created dashboards to solve issues in their own departments and presented them to executive officers. This event was also streamed online for employees, and it was a great success, with the best video being chosen by a vote from the approximately 200 employees who watched it and the executive officers. The survey results showed that it was a valuable opportunity to understand the challenges faced by other departments, and that there was much enthusiasm for taking on the challenges in the next term. This term, we will continue to enrich the content of the program and strive to develop citizen developers.

This fall, we will also begin a new certification system, a learning program focusing on extraction skills specifically for internal data. We will increase the digital literacy of the entire company even more than before, and work to further improve operational efficiency.

CSViz, where participants proposed issues in their own departments to executive officers (Credit Saison Visualization)

[Learning content for the data extraction skills certification system]



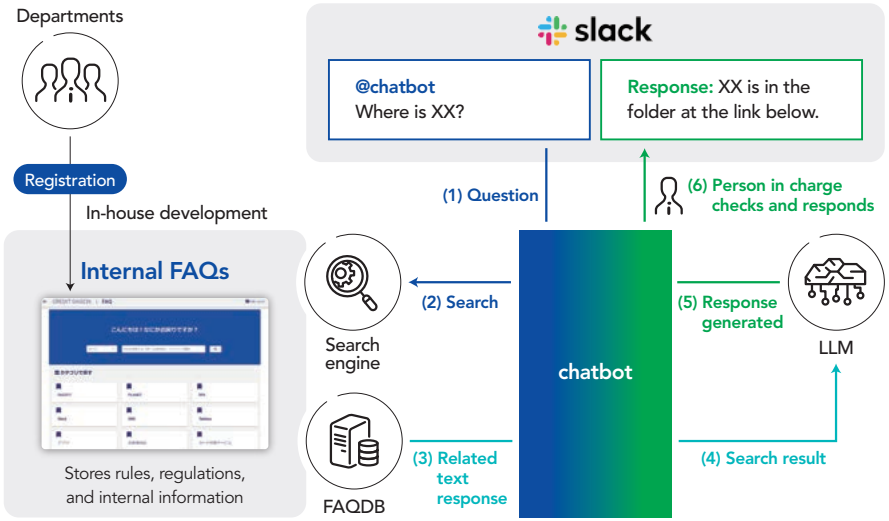
Generative AI use

In our efforts to utilize generative AI, which we have been focusing on since 2023, we offer three in-house developed services that all employees can use: our own ChatGPT specifically for internal purposes, an in-house Slack chatbot for inquiries, and a system that prepares minutes of meetings.

The in-house Slack chatbot "FAQ Assist-kun" allows employees to send questions about internal matters via Slack, which are then answered by generative AI using a RAG*1 system. Because generative AI has the risk of hallucination (generating incorrect information), we are preventing this problem by incorporating the human-in-the-loop*2 approach, where the person responsible for the AI response checks the answers before returning them to the questioner. In addition, there is the option to skip the confirmation of the department in charge and obtain an AI response directly, enabling employees to use these options to quickly and efficiently acquire internal information.

The use of generative AI is an extremely important factor in the growth and strengthening of corporate competitiveness. We will continue to use generative AI technology to improve CX as well as EX, and provide better services and value.

*1 RAG (Retrieval-Augmented Generation)
A technology that improves the accuracy of the answers generated by AI by combining external information searches, such as internal company data
*2 Human-in-the-Loop
To deliberately involve humans in some of the system's decisions and controls



Human Resource Strategy

Message from the Executive Officer in Charge

Ryuki Tabata

Managing Executive Officer
Head of General Affairs Dept.,
Strategic Human Resources Dept.,
In charge of Leasing Business Dept.

Please tell us about Credit Saison's human resource strategy concept in the New Medium-term Management Plan.

There are two policies that form the axis of our strategy. One is "creating professional human resources," and the other is "fostering an organizational culture to maximize performance." For "creating professional human resources," we believe that it is important that each employee makes the most of their individuality and strengths to take on challenges without fear of failure, that they are able to form their own self-directed careers through proactive learning and reskilling themselves, and that each individual is able to demonstrate their individuality and strengths in places where they can best be demonstrated. As a member of a "comprehensive life services group," we are actively investing in human resources and developing human resources that can contribute to the creation of corporate value. For "organizational culture reform to maximize performance," we promote initiatives to reform and cultivate a culture that allows individuals, teams, and organizations to challenge themselves without fear of failure, based on the idea that performance is maximized by achieving the vision of each individual, team, and organization. In December 2023, we introduced an engagement survey to visualize issues in the individual, team, and organization. We are aiming to resolve issues not only through HR-led challenge-solving but also through "dialogue" in the workplace. To realize our management strategy, we will increase the interconnectivity between our human resource strategy and business strategy more than ever before, based on the idea that it is important to cooperate and collaborate with each department through various initiatives.

In FY2024, we established the new position of "Human Resource Business Partner (HRBP)" within the Human Resources Department. The HRBP is responsible for supporting business growth from a human resources perspective as an HR business partner for business divisions and Group companies. It is involved in everything from identifying issues related to "people and the organization" in each department to implementing measures, and contributes to business expansion, organizational strengthening, and employee growth.

At Credit Saison, the image of the employee we are looking for and the issues we face are constantly changing, depending on the business domain. Today, where management and the business environment are changing rapidly, we believe that both the management strategy and the human resource strategy must continue to evolve with a sense of urgency. I would like to fulfill my role in aiming to build a Credit Saison Group that continues to evolve by closely linking the business strategy and the human resource strategy, and having the Human Resources Dept. work cooperatively with each division in solving its unique issues.

Please tell us about the new initiatives and efforts being promoted as part of human resource development in the New Medium-term Management Plan.

We are engaged in formulating the "Credit Saison Human Resource Policy." Among the many issues that need to be resolved to realize our management strategy, we felt it was necessary to clarify not only our vision, mission, and values as a company but also our thoughts on what we value in terms of human resources and how we interact with our employees, considering the level of urgency and priority. Until recently, there have been aspects of our human resource strategy that have not been clearly articulated, such as the philosophy, policies, and strategic foundations that form the basis of our strategy. By clarifying our "Human Resource Policy," we hope to not only clearly communicate our corporate culture but also establish a coherent personnel system that will serve as a point of reference.

The Human Resource Policy is not decided in a closed-off manner by a few members of the management team and managers, but rather through repeated discussions where many members, regardless of position or age, participate and exchange opinions, in order to arrive at the optimal solution. It is

not about creating a new policy, but rather a strong desire to clearly put into words what stays true to "Credit Saison," such as the thoughts of the management team toward their employees and the values that the Company has always held dear throughout our history.

To implement personnel policies with a more aggressive stance, we would like to use this Policy as the basis for various decisions.

Please tell us about the kind of human resource investment you will be making to support future growth and strengthen competitiveness.

Credit Saison has a culture of nurturing people through its business, and we entrust young employees with work that gives them a certain amount of decision-making authority. These are our strengths. While gaining knowledge through work, we will also implement learning to help employees acquire the necessary skills and abilities in terms of personnel systems, and we will invest in human resource development and growth to encourage individuals to take the next step on their own while making the most of their own strengths. From the perspective of strengthening competitiveness, Credit Saison's basic policy on compensation systems is that "higher roles (≒ compensation) are something that employees challenge and win through their own will and actions." In line with this policy, we are making priority investments in expanding opportunities for employees to challenge higher roles and win them on their own, as well as in supporting their skill development. Supporting the growth of and providing opportunities for human resources to take on high-level roles ultimately leads to increasing the market value of employees, and in an uncertain world where the future is difficult to predict, we believe that this essentially protects employees.

To ensure that every employee continues to demonstrate their abilities with high motivation, we also increase wages through year-end bonuses as one form of human resource investment aimed at returning corporate profits to employees. I feel that it is important to continue considering what kind of human resource investment should be made that links with management strategies.

At Credit Saison, which is in a period of transformation, what kind of human resources are you looking for to play an active role?

As set out as an essential axis of our human resource strategy, the creation of professional human resources is essential for the development and expansion of our business. We want all of our employees to improve their professionalism and become passionate about taking on new challenges, whether they are deepening their areas of specialization or cultivating new business areas in a wide range of fields. To become a "GLOBAL NEO FINANCE COMPANY—A global comprehensive life services group with finance at its core," we will also promote the development of specialized human resources who can fulfill an active role in expanding business in each of the areas of global business, CSDX, real estate, and the financial settlement business.

To build "the people and the organization" that are resilient to change, the active participation of a diverse range of human resources is required. In 2015, as our Diversity Declaration, we set forth, "Credit Saison aims to be a company where we acknowledge and harness each other's capabilities so all employees can actively contribute and thrive as individuals." Since then, I feel that DE&I has gradually permeated the Company and awareness has been raised. Even before the concept of "promoting women's empowerment" became widespread, women at Credit Saison have been fulfilling an active role in a variety of occupations and have played a major role in the Company's growth. Although we have achieved our target level of the ratio of female managers, I believe there is still room for further promotion within the Company. We will continue to work on improving our systems and cultivate a culture of mutual understanding to create an organization where all employees with diverse backgrounds can work in a comfortable working environment and where they can demonstrate their abilities in their own way and fulfill an active role.

Please tell us about your plans, goals, and long-term vision for making human capital more strategic and implementing it in the future.

Credit Saison is currently undergoing a period of significant period of transformation. To achieve further progress in the next stage of the Company's development, I am convinced that reforms are necessary in the human capital strategy while also inheriting what stays true to Credit Saison. We will expand our own strengths more than ever before, refine the content of our personnel system and policies that enable the formation of self-directed careers, and further foster a corporate culture of "open, frank, and innovative" based on human resource development that is resilient to change and enjoys change.

In addition, to improve the effectiveness of human capital strategies, we will move away from the traditional approach to more scientifically identify the talents of each individual, build a human resources portfolio, and implement strategic development, placement, and recruitment plans. I feel that new challenges are also needed in human capital strategy.

We will continue to create an environment where employees can feel secure and continue to take on challenges through our diverse HR systems. At the same time, we will work to reform our personnel system in a way that stays true to Credit Saison, without being constrained by precedent or custom, so that we can continue to be a company where talented human resources can fulfill an active role over the long term while also enhancing their work-life balance.

Human Resource

Human resource strategy designed to realize management and business strategies

Since our establishment, Credit Saison has continued to view people as the source of our value creation while taking on challenges as a leading-edge service company in the face of various difficulties. We are making progress every day to realize the vision for 2030, becoming a "GLOBAL NEO FINANCE COMPANY—A global comprehensive life services group with finance at its core" and creating a sustainable society that is even more convenient and prosperous than today's. To realize our management strategy, we believe that a strong link between business strategy and human resource strategy is vital, and we are transforming our human resources organization to one that can provide cooperative support to our business divisions. We will also establish a new Human Resource Policy that represents the future of Credit Saison, and we will realize value creation that stays true to Credit Saison under a more consistent human resource strategy.

➤ Human resource development
https://corporate.saisoncard.co.jp/en/sustainability/diversity/education/

Number of all Group employees
3,783
Female: 2,792 Male: 991

Recruiting and developing digital human resources
260 ▸ 328
(126.2%)

Number of people seconded within and outside the Group
471
(100.0%)

Ratio of female managers
25.3%
(101.6%)

Human resource development investment per employee
¥175,000
(127.7%)

Internal recruitment success rate
30.6% ▸ 31.7%
(103.6%)

Ratio of eligible employees taking childcare leave
Female: 100% Male: 65.5%
(120.0%)

Ratio of employees who have undergone a mental health stress test
89.9% ▸ 90.2%

Ratio of health checkups for lifestyle-related diseases
99.9%

* As of the end of March 2024 / Credit Saison non-consolidated / < >: YoY

Creating professional human resources

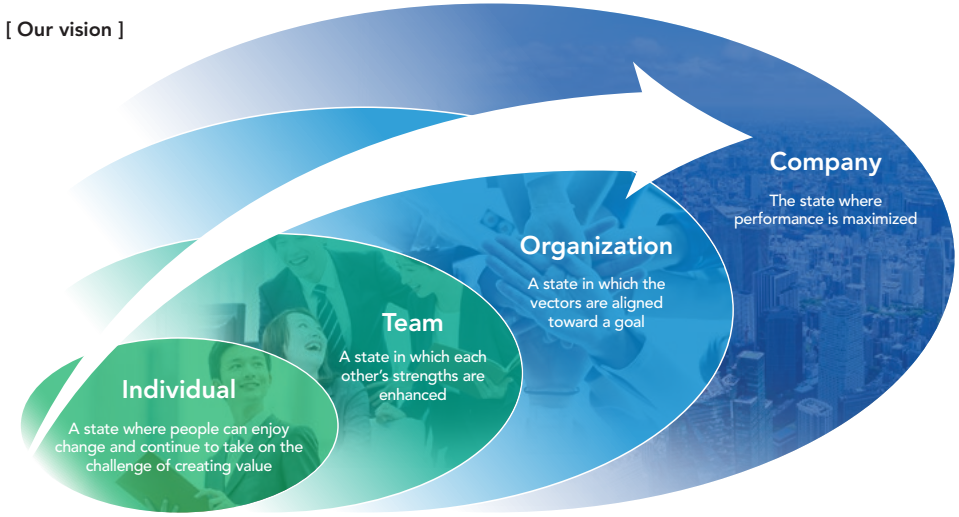
Credit Saison is actively developing human resource strategies to create professional human resources based on the idea that "career advancement and a willingness to face challenges on the part of professional human resources who continue to create new value" are what drive the value creation to realize management strategies. In addition to creating systems that enable employees to take on challenges, such as expanding opportunities for the "Open Challenge" internal recruitment system, we will improve expertise through support for gaining qualifications and training programs, employ human resource management that makes the most of individual strengths through a scientific approach, and create and utilize a human resource portfolio to implement development, assignment, and recruitment plans, thereby realizing the optimal use of human resources in the right place at the right time.

Fostering an organizational climate that maximizes performance

Credit Saison believes that realizing the vision of each individual, team, and organization and maximizing performance leads to sustainable corporate growth. We are currently considering how to use the results of the engagement survey, from which we have been accumulating data since its introduction in December 2023, to visualize the challenges faced by individuals, teams, and organizations, as well as how to analyze scores.

In this era of rapid change, to continue to create new value as a "leading-edge service company," we aim to resolve issues through not only traditional HR-led problem-solving but also "dialogue" in the workplace.

[Our vision]



Visualization of issues through engagement surveys

Awareness and behavioral transformation through dialogue at the workplace	Improving motivation and maximizing productivity through the introduction of personnel systems and policies

NEXT SAISON

NEXT SAISON, held annually from FY2021 as an initiative to have executives show leadership and to consider the future of Credit Saison together with employees to realize management strategies, has realized more than 15 projects as of the end of August 2024, including a challenge-based promotion system and FOC promotion meetings. We are also discussing and preparing for the realization of the proposals adopted in FY2023. From FY2024, in addition to NEXT SAISON, we will renew the proposal system by integrating the SWITCH SAISON in-house ventures program and the "Saison Kaizen" program for cultivating a culture of improvement and reform, and aim to cultivate a culture in which proposals and opinions are simultaneously exchanged by all employees.

In the new NEXT SAISON, we will implement initiatives to encourage the creation of synergies between departments by proposing new services for existing businesses and new business proposals in the form of a contest in which executives also participate. By creating opportunities for sharing case studies and mutual praise between departments that promote operational improvements/reforms, we will contribute to accelerating business development.

NEXT SAISON

Separate implementation methods

New/ existing business	Operational improvements/ reforms
Business/business contest	Sharing of cases across departments

Cumulative total number of participants in the 3 systems ▶ Approx. 1,500

Scene from a NEXT SAISON activity

TOPICS

SAISON CAMPUS

The renovation of the employee cafeterias in the Company's buildings (Ubiquitous buildings) in Tokyo and Osaka was made possible by the "Saison Campus concept realized by Ubiquitous Cafeteria reform" adopted in NEXT SAISON in FY2022. It has evolved from a cafeteria to a base for exchange and facilitates innovative and creative ways of working.

Challenge-based promotion system

In April 2024, we introduced a new personnel system to cultivate a culture that encourages proactive challenges, while valuing the spirit of "creative destruction" that has been passed down as Credit Saison's DNA. This system enables all employees, regardless of background or employment status, including part-time workers, to challenge themselves for promotion to management positions (department head, manager) based on their own initiative. This is a promotion test that expects "motivation" and "latent potential" in addition to the "explicit abilities" of employees who take on new challenges, and promptly provides positions and environments with responsibilities such as organizational management and decision-making authority. In fact, in the first fiscal year, there were more than 10 applicants, and in the new organizational structure in the spring of 2024, three people were able to obtain their desired positions. Under this system, we aim to foster a corporate culture that respects and supports people taking on new challenges, even if they fail.

Saison Resilience

Saison Resilience is a program that develops people and organizations that are resilient in the face of change, and cultivates the ability to turn difficulties and adversity into opportunities for growth. We aim to maximize performance by having executives and general managers, including those at Group companies, take the initiative and set an example, acquire the ability to approach the inner nature of people from a medical and psychological perspective, and spread this throughout the organization.

Experiencing slow jogging

A scene of group work

FOC promotion meetings/TGIF

Giving rise to a flood of communication within and outside the Company, including Group companies, we launched the FOC (Full of Communication) promotion meetings in April 2023 to facilitate smooth communication in our operations by expanding our network both inside and outside the Company. As one of our initiatives, we organized the "TGIF" (Thank God It's Friday) project, which provides an opportunity for communication outside of work across departments and the Company while enjoying food and drinks. As of the end of September 2024, it had been held 14 times, with a total of over 1,000 people participating. We will increase the frequency of these meetings in the future to further stimulate communication and accelerate the speed of business development.

[FOC promotion meeting project]

- **Interceding**
  Creating work environments through interceding
- **TGIF**
  Interactions outside of work that expand the community
- **Tarekomyu**
  Smooth internal communication system

Diversity, Equity & Inclusion (DE&I)

As a "leading-edge service company," Credit Saison believes that it is necessary to create an organization where diverse human resources can fulfill an active role in their own way in order to provide new value to society. In August 2021, we established the Sustainability Committee, which is also attended by the Representative, Executive President and COO. With the DE&I Promotion Working Group (WG), a subordinate body of this Committee, at the center, it is engaged in improving systems and fostering a culture of mutual understanding to create an organization where all employees with diverse backgrounds, such as gender, age, handicap, and nationality, can demonstrate their abilities in their own way and fulfill an active role in a comfortable working environment.

➤ Diversity, Equity & Inclusion https://corporate.saisoncard.co.jp/en/sustainability/diversity/gender/

CREDIT SAISON DIVERSITY

Holding a company-wide event to promote DE&I

In January 2024, as an initiative of the DE&I Promotion WG, a company-wide event "Let's think about the active participation of all employees WEEK" was held for the first time. We created an opportunity for every employee to proactively think and learn about the current state of Credit Saison's DE&I, and to engage in dialogue with external guests and management, and approximately 860 people participated. We are carrying out DE&I promotion activities so that Credit Saison can become a more comfortable company to work for and grow as an organization.

➤ Thoughts on holding the first DE&I company-wide event
https://note.saisoncard.co.jp/n/na34d53332869

Balancing childcare and work

Credit Saison has established systems that support flexible working styles for employees, facilitates regular interactions for employees who are raising children, and holds seminars to support a work-life balance, co-hosted by labor and management. We are also working to cultivate a culture in which it is easy for men to take childcare leave, and we support the balancing of work and childcare.

Taking one month of childcare leave

Feedback from a man taking childcare leave

I was a little worried about being the first male member of my team to take male childcare leave, but thanks to the understanding and cooperation of my workplace my return to work went smoothly. The best thing was that I was able to closely observe the dramatic changes in my child over a short period of time, which I hadn't been able to see with my first child. I was able to spend irreplaceable time with my child.

Yugo Sato
Customer Satisfaction Development Dept.

Expanding hiring opportunities for people with disabilities

From April 2024, we started operation of the "Business support team," which comprises members who are people with disabilities. We will promote the expansion of hiring opportunities for people with disabilities while aiming to create workplaces where people can work on their own and stably by making the most of their individual characteristics and strengths.

Challenge leave of absence and Good Life leave/leave of absence

To support balancing life events and work and enriching one's own life, a new leave and leave of absence system has been introduced taking into account feedback from actual employees. Challenge leave of absence enables employees to take a leave of absence of between one month and two years to improve their skills and personal growth, so that they can make a greater contribution to the organization when they return to work. Good Life leave/Leave of absence enables employees to take a maximum of one year's leave of absence for reasons such as hospital visits for infertility treatment by expanding the range of applicable uses of accumulated paid leave. We aim to be a company where every one of our diverse employees can make the most of their strengths and continue to fulfill an active role, and we are working on system revisions.

Saison Global Summit 2024

In June 2024, the "Saison Global Summit," where overseas Group companies gathered, was held at Sunshine City in Ikebukuro, attended by nearly 140 members from Singapore, India, Indonesia, Thailand, Brazil, and Mexico. In our Global Business, diverse human resources, regardless of age, gender, nationality, or race, are leading the business in each country. At this year's Summit, each company's business strategy and know-how were shared, and mission, vision, and values as a Global Business were unveiled. While embracing common values amid diversity, we are working together as a Group to promote the realization of financial inclusion.

Targeting ¥20.0 billion in Global Business profit as a slogan for all employees

Group work was also carried out on the theme of "Credit Saison 100 years from now"

Creating an organizational culture in which everyone works together to increase corporate value

We are implementing human capital initiatives that contribute to increasing of our corporate value. In addition to organization and human resource development, career development through our human resource systems, and investment of capital in human capital, we have introduced a performance-linked compensation system so that each and every one of our employees remains conscious of our business performance and stock price. Through these efforts, we aim to foster a greater desire to achieve business targets and to motivate our employees in their work.

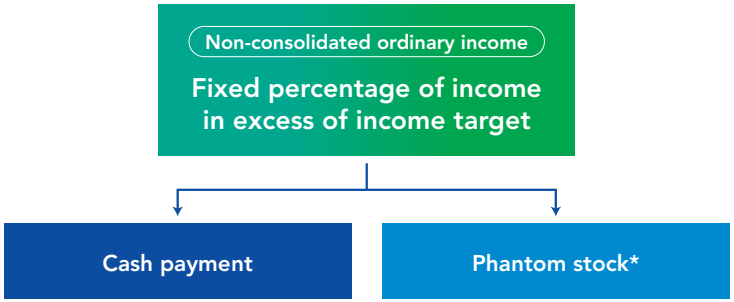
Financial bonuses and special bonuses

In FY2022 and FY2023, during the previous Medium-term Management Plan, we introduced a performance-linked bonus system with the goals of further motivating employees and fostering an organizational culture in which all employees worked to achieve our corporate profit targets. When our ordinary income (non-consolidated) surpassed our annual plan target, a percentage of that surplus was issued as a financial bonus. In addition, we issued a special bonus in recognition of the way the entire company worked together as one to achieve our business profit target of ¥70.0 billion, set forth in the previous Medium-term Management Plan that was launched during the pandemic, a full year ahead of schedule.

Because of these bonuses, average employee wages for FY2023 were roughly 10% higher than they were in FY2021, before the bonuses were introduced, contributing to an effective raising of wages.

Furthermore, two-thirds of the financial bonus was paid in cash and one-third was paid in the form of phantom stock*. This heightened all employees' awareness of our corporate value (stock price) and their desire to participate in the management of our company, which we expect will contribute to our sustainable corporate growth.

➤ Introduction of financial bonuses
https://corporate.saisoncard.co.jp/wr_html/news_data/avmqks000000bz57-att/20221125_Release.pdf

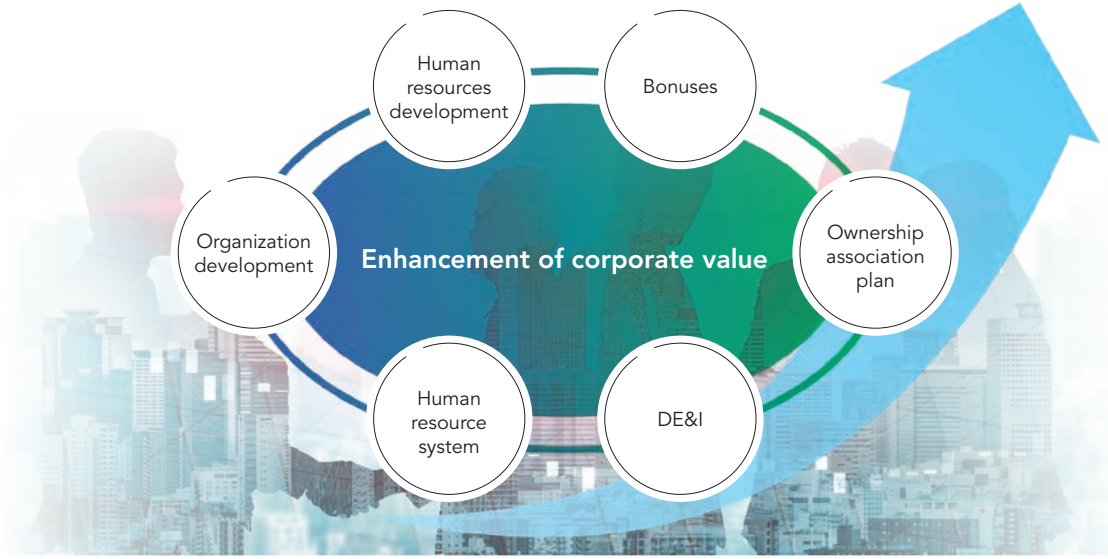


* Bonus paid in the form of virtual stock. A monetary amounts will be calculated based on the stock price as of March 31, 2025, which was to have been the final year of the previous Medium-term Plan, and paid in cash at that time.

Ownership association plan

In addition to introducing financial bonuses, we are promoting membership in our Ownership association plan to foster a greater focus on business results and stock price among all employees.

In July 2023, following the payment of the first financial bonuses, we actively showcased the Ownership association plan, including conducting a campaign to boost membership. As a result of these efforts, the percentage of employees who are members in the plan rose to 48.5% as of the end of FY2023. This has led to a greater awareness of business results and stock prices among employees.

Employees can buy into the Ownership association plan for as little as ¥1,000, and receive a 10% incentive, so this system assists with employees' medium- and long-term asset formation. It has become a system that enables all employees to support the growth trajectory of Credit Saison, which aims to achieve a market capitalization of ¥1 trillion.

We will continue to elevate the attentiveness of all employees to our corporate value, stock price, and management participation as we strive for sustainable corporate growth.