Sustainability of the Credit Saison Group

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

Basic Approach

Being a "leading-edge service company" as stated in our management philosophy, we will continue to be committed to helping establish a society that is more convenient, prosperous, and sustainable than it is now by leveraging our unique expertise, management resources, and the experience of our employees and by contributing to the development of society and the resolution of problems in a way that only the Credit Saison Group can through its usual business operations.

Risks and Opportunities P.49, 50

Process for setting priority themes

➤ Sustainability of the Credit Saison Group
https://corporate.saisoncard.co.jp/en/sustainability/esg2/esg_policy.html

Important sustainability issues (material issues)

- Achieving sustainable growth and improving corporate value through sound corporate management
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Efforts to address important issues

Value creation with stakeholders

Shareholders / Employees / Customers / Partners / Regions/communities

Enhancement of corporate value

Contribution to achieving the SDGs

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

Value co-creation with stakeholders

To remain as a company on which society depends, we believe it is important to understand what stakeholders are demanding and to reflect these demands in our services and business activities.

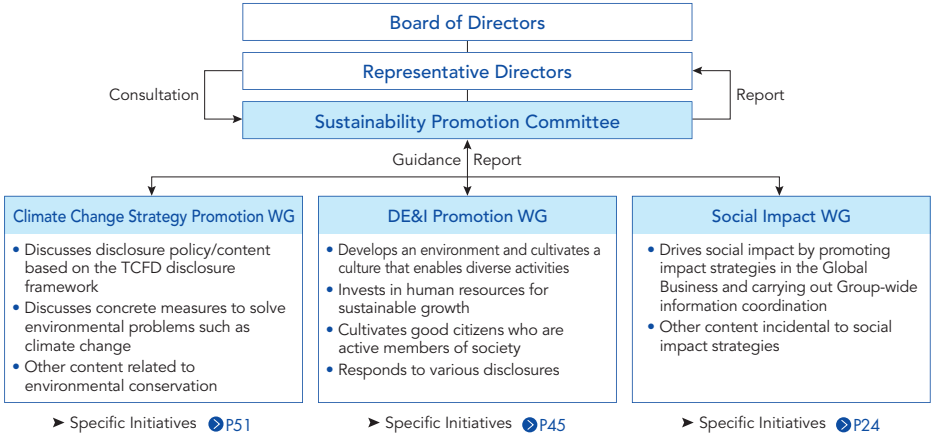
We will always seriously consider the opinions of our stakeholders and link those opinions to improve our corporate value and achieve sustainable growth.

Sustainability promotion system

In August 2021, we established the Sustainability Promotion Committee, with the participation of the Representative, Executive President and COO, with the understanding that addressing issues involving sustainability, including consideration of global environmental issues, respect for human rights and the health of our employees, fair and appropriate treatment, fair and proper transactions with business partners, and crisis management for natural disasters, is an important management theme that will both reduce risk and lead to revenue opportunities. To realize a sustainable society, this Committee is strengthening efforts throughout the Group to resolve social and environmental issues through its business.

To engage in business promotion and corporate activities that contribute to sustainable economic development and integrate these with the Company's DNA to create a truly unique global company originating from Japan, the position of Sustainability Promotion Committee chairperson was changed to the Director, Senior Managing Executive Officer, who is head of the Global Business, and in March 2024, the Sustainability Department was newly established.

Structure of Sustainability Promotion



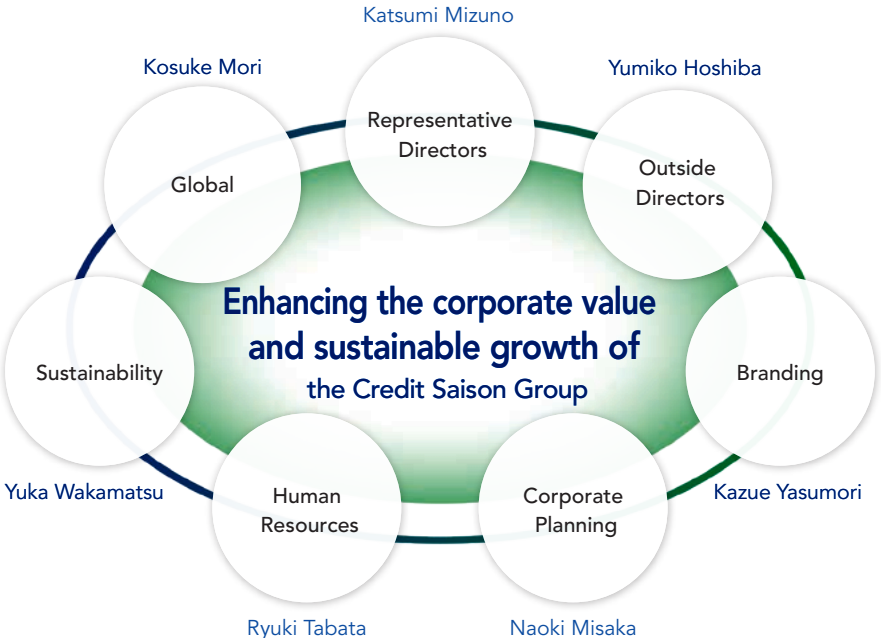
Responsibility for overseeing sustainability

Our Board of Directors is our supervisory body with oversight over sustainability. The Board of Directors receives reports on the status of dialogue with institutional investors in Japan and abroad, including sustainability information, as well as proposals for sustainability strategies from the Business Strategy Committee, which includes directors and executive officers, and oversees the achievement of sustainability-related goals.

Sustainability Promotion Committee

Engages in the exchange of opinions by members with diverse backgrounds, including those from within and outside the Company with gender diversity, a wide range of career backgrounds, and global perspectives

Solutions to Sustainability Issues



Response to Risks/Opportunities

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

Credit Saison's materiality

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Risks common to the industry

Economic Conditions

- Decrease in transaction volumes of credit cards, loans, credit guarantees, and real estate mortgage loans provided by the Group, and decline in the loan collection rate due to deterioration of the domestic and overseas economic environment (employment environment, household disposable income, personal consumption, etc., due to recession)
- Decrease in capital investment by SMEs, which are the main customers of the Lease Business, and deterioration in corporate earnings
- Recorded loss on valuation of real estate for sale, etc., due to falling real estate prices in the Real Estate-Related Business
- Negative impact on the performance and financial position of the Credit Saison Group due to a downturn in overseas economies

Countermeasure

- Calculation by risk capital management (RCM) of the risk capital required by our business to maintain ratings and maximize returns within the scope of the risk capital surplus
- Building a solid governance system and strong credit and risk management through the expansion of experienced and knowledgeable local human resources

Impairment of Financial Instruments (Allowance for Doubtful Accounts)

- Risk of non-repayment of receivables by large numbers of customers due to changes in the domestic and overseas economic environment (employment environment, household disposable income, personal consumption, etc., due to recession)

Countermeasure

- Ongoing soundness of claims and appropriate allowance for doubtful accounts by strengthening credit management systems, such as establishment and operation of credit management systems relating to credit limits, credit information management, and internal ratings, as well as monitoring of credit status

Various Regulatory and Legal System Changes

- Revisions, changes in interpretation, and increasing strictness of general laws and regulations and financial-related laws and regulations pertaining to company management, and adoption of new legal regulations
- Risk of having to cease certain services due to regulatory changes, etc.

Countermeasure

- Internal systems, rules, and operations are reviewed, maintained, etc., in accordance with the changes
- While complying with laws and regulations, prompt responses to service developments in accordance with new regulations

Fund Procurement

- Among fund procurement methods, such as borrowing from financial institutions and the issuing of corporate bonds and CP, liquidity risk due to the considerable amount of funding with a procurement period of less than one year

Countermeasure

- In fund procurement, maintaining a certain percentage of long-term and fixed financing; the setting of liquidity enhancement limits, such as commitment lines; and the reduction of liquidity risk by promoting diversification by executing direct procurement, such as corporate bonds and the liquidation of receivables

Provision for Loss on Interest Payment

- Risk of increase in the amount of reimbursement claims from customers regarding the portion of interest that was higher than the interest rate ceiling set by the Interest Rate Restriction Act, interest that within the Group in Japan was repaid before the revision of the Act

Countermeasure

- The amount of allowance required at the present time is recorded, taking into account the past reimbursement record and trends in interest reimbursement claims

Anti-Money Laundering

- Risk of violations to laws and regulations when money laundering and terrorism financing measures (hereafter, money laundering measures) fail to function effectively
- Deterioration in the business operations, financial results, and financial standing of the Company and the Group due to business suspensions, penalties, and other administrative actions, and damage to reputation, etc.

Countermeasure

- Preparations are made for complying with various laws and regulations in Japan and abroad as a result of being subject to various laws and regulations in Japan and abroad, and of falling under the supervision of supervisory authorities in Japan and abroad based on these
- Further strengthening of money laundering measures is ongoing

Market Risks

- Risk of falling values of investment assets, such as stocks of listed and unlisted companies, venture investment funds, bonds, real estate, and real estate funds
- Rise in funding interest rates when interest rates rise

Countermeasure

- Appropriate management of market risk by introduction and utilization of RCM and ALM

Impairment of Goodwill

- Risk of ongoing impairment into the future when goodwill is not amortized on a regular basis with respect to IFRS to which the Group is subject
- Negative impacts on financial results and financial standing when impairment is declared due to a continuous increase in the balance of goodwill in the event that new goodwill arises following M&As, etc.

Countermeasure

- Investment limits based on RCM are set in order to establish mechanisms for avoiding excessive risk
- Deliberations by supervisory divisions and specialized departments are conducted regarding the propriety of acquisition prices at the investment stage
- Follow up and regular monitoring of the business environment are implemented to achieve the income and expenditure plan at the time of acquisition once financing is complete

Compliance

- Risk of negative impacts on the business operations, financial results, and financial standing of the Group due to administrative actions or damage to reputation following the occurrence of legal or regulatory violations

Countermeasure

- Promotion of preventive measures such as a renewed awareness of compliance by management through the establishment of a compliance system and the strengthening of internal management systems, as well as the implementation of ongoing employee education and monitoring its status of implementation
- Early detection and prompt response are enabled through the preparation of an internal reporting system for violations of legal and regulatory compliance, acts of wrongdoing by managers and employees, scandals, and potential conflicts of interest, etc.

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

Materialities	Risks		Details	Responses
	Occurrences of Large-Scale Disasters	Risks	• Physical damage to owned assets and human damage to employees due to large-scale natural disasters (e.g., earthquakes) in various regions in Japan and overseas	• Formulating a BCP and regularly confirming its effectiveness; implementing BCP education and training • Improving the credit card usage environment by decentralizing authorization systems to the Kanto and Kansai regions
		Opportunities	• Securing human resources through BCP formulation and education, building trust with other corporations, and improving corporate value • Continuously developing services as social infrastructure by preparing for unexpected circumstances	
	Impact of Unforeseen Events Such as Infectious Diseases	Risks	• Economic downturn, corporate bankruptcies, and prolonged decline in personal consumption due to continued uncertain future restrictions on behavior and pandemic trends • Decreasing acquisition of new members due to intensifying competition caused by factors such as diversification of payment methods through promotion of cashless payment and entry from companies in other industries	• Response to changes in the business environment by transforming the business portfolio from management based on the Payment Business to a comprehensive life services group • Expanding services targeting new customer segments by building new remote-type member capture models using SAISON CARD Digital • Thoroughly implementing employee health management and infection countermeasures
		Opportunities	• Improving customer satisfaction through Group-wide efforts to appropriately and quickly resolve all kinds of problems that arise in a mature society • Initiated business structure transformation based on changes in customer psychology and behavior due to unforeseen circumstances such as infectious diseases	
	Impact of Climate Change	Risks	• Decreasing transaction volume and increasing financing cost associated with deterioration of Group creditworthiness and brand due to factors such as a delay in responding to climate change and serious impact on the global environment and economy resulting from factors such as intensification of natural disasters and changes in ecosystems associated with climate change • Increasing credit cost due to deterioration of customers' household finances and business performance caused by abnormal weather such as typhoons and heavy rains	• In August 2021, we established the Sustainability Promotion Committee (attended by the Representative, Executive President and COO) to strengthen initiatives for sustainable business operations • Supporting the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and promoting information disclosure on governance, strategy, risk management, and indicators/targets related to responding to climate change • Disclosure response in securities reports, etc. in line with the announcement of disclosure standards by the Sustainability Standards Board of Japan (SSBJ) • Promoting CO_2 reduction by reducing paper consumption by changing to online statements and applications, reducing the issuance of plastic cards through SAISON CARD Digital, and using recyclable materials in the envelope windows of statements * Online statements: 61% reduction compared to total members/Reduction of 500 grams of CO_2 per envelope (as of March 2024) * Online applications: 98.8% of face-to-face card applications are accepted on tablet devices • Switched all electricity used at Credit Saison's Ubiquitous Building data centers to electricity derived from 100% virtually renewable energy using non-fossil certificates with tracking * Results of CO_2 emission reductions in our business activities (FY2023): After the introduction of Tokyo Ubiquitous in August 2023, approximately 770 t-CO_2 annually; After the introduction of Kansai Ubiquitous in December 2023, approximately 230 t-CO_2 annually
		Opportunities	• Improving corporate value through recognition of climate change countermeasures and CO_2 reduction activities • Securing human resources by improving corporate value and name recognition, improving employee motivation, and gaining the trust of various stakeholders by increasing recognition from investors who have a high interest in ESG	
	Competitive Environment	Risks	• Intensifying competition due to new entrants from other industries into the payment industry as the result of deregulation and technological advancement • Presenting favorable transaction conditions and services to customers without regard to profitability by competitors in the real estate finance market	• Providing financial services optimized for the market and individual needs through service revisions aligned with market conditions, UIUX improvements through DX promotion, etc. • In addition to issuing credit cards and other plastic cards, working to provide a wide variety of payment platforms aimed at improving customer convenience in a bid for a cashless society, including smartphone payments, QR code payments linked to partner apps, and the smartphone-exclusive payment service "SAISON CARD Digital" • Accelerating initiatives in the corporate field, such as cross-selling business cards and corporate-related products • Increasing screening speed for the purpose of improving customer convenience, strengthening relationships with Real Estate–Related companies, and achieving differentiation by providing products and services unavailable from other companies, and expansion into new business areas
		Opportunities	• Developing new business domains and new products/services through collaboration with other industries • Expanding market share by improving convenience and strengthening relationships with affiliated companies	
	Relationships with Major Partners	Risks	• Deterioration of business performance of business alliances that form important strategies and business partners with whom we have a capital relationship, changes of business alliance conditions, and cancellation of alliances with partners	• Strengthening relationships with existing partners • Building a business model that does not depend on a specific partner by promoting new alliances with partners in diverse industries and sectors
		Opportunities	• Business development utilizing the acquisition of memberships through alliances with partner institutions and organizations, expansion and diversification of services, product sales channels, and customer bases of both parties	
	Overseas Business Development	Risks	• Market trends in the countries in which the Company develops its business, the presence of competitors, politics, the economy, law, culture, religion, customs, foreign exchange rates, and various other country risks	• Dispersing country risks by expanding into multiple countries/regions; reducing risks through regular risk analysis of the countries where we are located • Strengthening our governance system through the establishment of an IHQ, reducing risks through the establishment of a system for regular risk analysis of the countries where we are located and detailed monitoring of local affiliated companies as well as the implementation of monitoring
		Opportunities	• Development of existing and new services in countries/regions where there are many people who do not possess a bank account and are unable to receive financial services	
	System Risk and Information Security Risk (including leaks of personal information, etc.)	Risks	• System failures due to malfunction of computer systems, communication line disruptions, cybersecurity threats, etc. Decreasing reliability due to the emergence of risks and leakage/unauthorized use of personal information or confidential information	• Developing contingency plans, such as ensuring the backup of important systems • By establishing a Cybersecurity Response Team, we have built a system that allows us to quickly implement the necessary responses, such as making decisions, triage, and incident response when an incident occurs • Implementing the necessary preventive measures and preparations, such as formulating incident response procedures and conducting regular drills • Improving employee awareness of information security and developing countermeasures against cyberattacks, such as minimizing damage through the introduction of systems capable of detecting advanced cyberattacks • Appropriate protection measures and system development of personal information, as stipulated by the Personal Information Protection Law and acquisition of Privacy Mark
		Opportunities	• Acquiring new processing business clients by utilizing systems, etc. • In collaboration with external partners, external sales of secure payment systems in which use is made of fraud prevention technology	
	Actualization of Administrative Risks	Risks	• Risk of negligence and inappropriate handling of administrative tasks due to a large amount of manual paperwork • Risks such as the occurrence of losses due to the actualization of serious administrative risks, administrative penalties, and damage to reputation	• Creating an administrative work manual, regularly inspecting administrative work status, preventing employee errors and fraud, and taking preventive measures such as implementing ongoing employee training and monitoring the status of work implementation, etc. In addition, the establishment and operation of regulations related to a whistleblowing system for the early detection of any illegal activities • Promoting automation of administrative work by the systematization and introduction of robotic process automation (RPA)
		Opportunities	• Expanding demand for administrative process agencies at affiliated cards and partners	
	Securing and Developing Human Resources	Risks	• Risk of being unable to secure diverse, talented human resources to provide high-value-added services to customers and develop advanced products and services; risk of human resources leaving the Company	• Providing equal opportunities by developing work systems and common employment patterns that allow employees to choose a working style and common employment patterns that meet employees' needs, and the securing of excellent human resources by adopting personnel systems that can utilize the abilities and characteristics of employees, such as the specialist/expert systems • Introducing leave and leave of absence systems that can be utilized for self-improvement and self-development and infertility treatment • Introducing support systems such as an assessment program, a new business proposal system, a voluntary selective training program, and career development seminars by age group; creating a culture of taking on challenges through the development of an environment that allows for long-term/multifaceted training and career development, for example, personnel allocation based on employee requests centered on open recruitment
		Opportunities	• New service/product development by securing talent with expertise in digital technology	
	Reputation Risks	Risks	• Risks affecting business operations, financial results, and financial standing in the event negative reviews or rumors are spread regarding the Company and the Group, regardless of the veracity of such	• Striving for early detection of gossip and rumors • Implementing countermeasures that respond in a timely, appropriate fashion according to the degree of impact and extent of dissemination in order to minimize impacts • Implementing compliance education for all employees, including risk literacy training
		Opportunities	• Building relationships with stakeholders through reputation management • New customers and greater revenues due to consumer need identification and service improvements	

Environment

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Basic Approach

Corporations around the world are responsible for taking action to solve environmental problems. We strive to reduce the environmental impact of our business activities and actively work to reduce the environmental impact of society through means such as financial products in order to help create a sustainable society.
The biodiversity crisis is also a major problem that impacts our daily lives. We promote biodiversity conservation activities through our biodiversity-conscious business activities and our management of Akagi Nature Park.

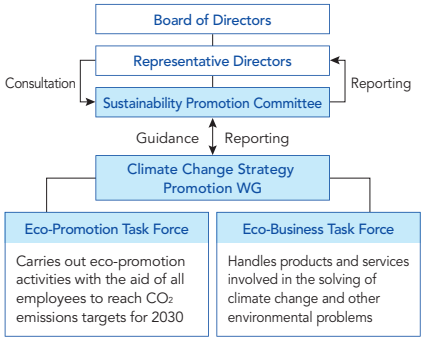
Policy

We have defined policies on climate change, collaborative creation in concert with nature, compliance with environmental laws, and environmental communications, and we publish these policies on our corporate website.

Structure

We have created the Climate Change Strategy Promotion Working Group (WG) within the Sustainability Committee. This working group has engaged in regular discussions since September 2021 with the goal of further promoting our climate change strategy throughout the entire Group. It reports to the Board of Directors as necessary and coordinates with other business divisions.

In FY2023, we established the Eco-Promotion Task Force, a subsidiary organization of the working group, and in FY2024, we established the Eco-Business Task Force. These organizations are deepening our climate change–related efforts through initiatives involving all of our employees and through activities linked to our products and services.



Responsibility for environmental supervision

We have defined policies on climate change, collaborative creation in concert with nature, compliance with environmental laws, and environmental communications, and we publish these policies on our corporate website. Our Board of Directors is our supervisory body with oversight over environmental matters, including climate change. The Sustainability Committee serves as an advisory body to the Board. It meets regularly to strengthen efforts throughout the Group to solve social and environmental issues through its business, thereby aiding in the realization of a sustainable society. The Sustainability Committee engages in discussions and provides reports to the Board of Directors concerning environmental strategies (including scenario analyses), plans, evaluations, and targets. It also regularly reports its decisions to the Board. The Board of Directors is responsible for supervising the achievement of environmental targets, including climate change–related targets.

➤ Details on environmental initiatives
https://corporate.saisoncard.co.jp/en/sustainability/environment/

Holding the SAIS◎N eco Challenge to foster a greater focus among employees on cutting carbon emissions

Since June 2022, we have partnered with Datafluct, Inc., to offer SAISON CARD Digital for becoz ("becoz card"). This is the first credit card in Japan that can be used to visualize CO_2 emissions based on payment data and apply the information to carbon offsets.

Credit Saison utilizes the "becoz challenge," which aims to solve the problems of companies and society through the use of data science. In September 2024, the Eco-Promotion Task Force, a sub-organization of the Climate Change Strategy Promotion WG, introduced the framework of the "becoz challenge" to set up six challenges, such as using personal water bottles, using reusable bags, engaging in volunteer activities, and conducting paperless meetings. Through these challenges, it began fostering a greater focus among employees on cutting CO_2 emissions.

As part of our environmental communications to stakeholders, we are carrying out activities that involve all employees. Our goals are to provide each and every employee with an understanding of the importance of the environment and biodiversity and to create a mentality that contributes to raising awareness and conducting eco-friendly activities in their workplaces and in their everyday lives.

During the SAIS◎N eco Challenge period, we aim to reduce Company-wide CO_2 emissions by a total of 40 tons.

<Challenge Period> **Phase 1:** September and October 2024 / **Phase 2:** January and February 2025

Examples of SAIS◎N eco Challenge actions

Use of reusable bags

Photo location: Anywhere
Take a photograph of your reusable bag with the products you purchased within it

CO_2 emission reduction of **0.2kg per bag**

Purchase discounted products in supermarkets

Photo location: Home
Take a photograph of products you have purchased that have discount labels

CO_2 emission reduction of **0.05kg per product**

➤ Overview of the SaIS◎N eco Challenge
https://corporate.saisoncard.co.jp/wr_html/news_data_en/m3q69f000000041x-att/20240902_ReleaseE.pdf

Response to Climate Change

(Information Disclosure Based on the TCFD Recommendations and the New ISSB Standards)

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The Company expressed its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in 2022 and joined the TCFD Consortium, a discussion forum for the companies and financial institutions supporting the recommendations. With respect to disclosures of information concerning governance, strategy, risk management, metrics, and targets based on the TCFD recommendations and the new ISSB standards, we have published our results for the three years culminating in FY2022 on our corporate website.

Governance

Credit Saison established the Sustainability Committee in August 2021 as an organization for discussing the direction of its activities to achieve its sustainability-related strategies and for responding to inquiries from the representative director. Committee meetings are also attended by the Representative, Executive President, and COO. We have created three working groups—the Climate Change Strategy Promotion Working Group (WG), the DE&I (Diversity, Equity & Inclusion) Promotion WG, and the Social Impact WG—under the purview of this Committee. These meet regularly to deepen discussions on each theme.

Strategy

We predict changes in the external environment and analyze the future impacts of climate change on our operations in accordance with the TCFD framework and, going forward, the new ISSB framework, and by using a scenario analysis method. It is important for us to pursue sustainable growth by mitigating climate change and adapting to it through our business activities. Based on this understanding, we believe that actions to address climate change are important in the management of our business. We identify and assess its impact on us by forecasting changes in the external environment and our operating environment that would result when climate-related risks manifest themselves, and by identifying risk events. In our scenario analysis, we reference multiple existing scenarios published by organizations such as the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC).

➤ Information disclosure in accordance with the TCFD recommendations
https://corporate.saisoncard.co.jp/en/sustainability/environment/tcfd/

Risk management

With respect to climate change risks, the Sustainability Committee leads the formulation of policies and strategies for minimizing risks and seizing opportunities. It also structurally monitors related efforts.

Metrics and targets

Credit Saison has included the six companies* that are collectively responsible for more than 95% of net revenue within the scope of measurement and has begun Group-wide measurement. These companies are working to enhance the Group's sustainability efforts and reduce GHG emissions by introducing renewable energy throughout the Group and taking on the challenges of achieving various emission-reduction targets, such as paper use reduction targets.

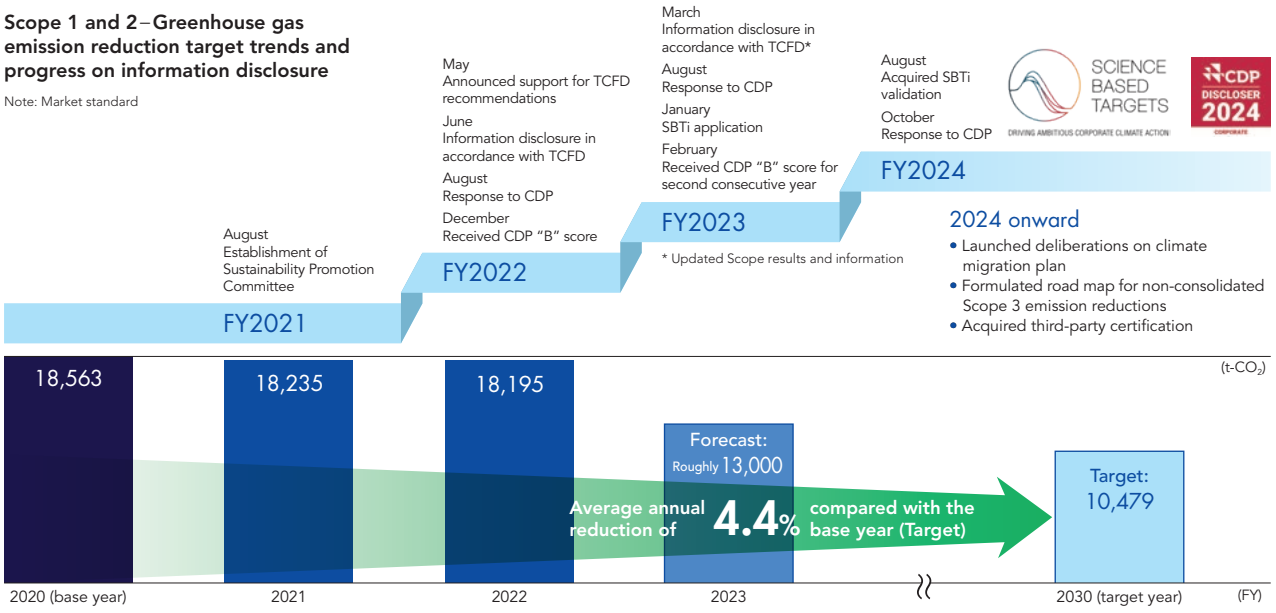
* As of September 30, 2024, we are planning to add measurement results for Kisetsu Saison Finance (India) Pvt. Ltd., bringing the number of companies up to seven.

The six consolidated Group companies within the scope of measurement

CREDIT SAISON / SAISON REALTY / SAISON FUNDEX セゾンファンデックス / Concerto コンチェルト / SAISON servicer / SAISON PERSONAL PLU

Scope 1 and 2–Greenhouse gas emission reduction target trends and progress on information disclosure

Note: Market standard



Responding to the CDP Climate Change Questionnaire 2024

In addition to engaging in climate change action through our development of products and services and the introduction of renewable energy, we strive to disclose the sustainability information demanded around the world. For our responses to the CDP* Climate Change Questionnaire, we received a score of B for two consecutive years in FY2022 and FY2023. In FY2024, we will provide even deeper answers and continue to actively disclose information.

* CDP is a non-governmental organization (NGO) administered by a U.K.-based charity organization. CDP operates a global information disclosure system that allows investors, corporations, states, regions, and cities to manage their own environmental impacts. The CDP was formerly known as the Carbon Disclosure Project.

➤ Information on our environmental initiatives
https://corporate.saisoncard.co.jp/en/sustainability/environment/

SBTi validation for our greenhouse gas emission reduction targets for 2030

In August 2024, our Group's Scope 1, 2, and 3 greenhouse gas emission reduction targets were validated by the Science Based Targets initiative (SBTi)* as being scientifically based targets for achieving the greenhouse gas emission reductions set forth in the Paris Agreement.

We will continue to contribute through our daily business operations to the advancement of society and the solving of societal problems as only our Group can, thereby helping create a sustainable society that is even more convenient and prosperous than today's.

* Science Based Targets initiative (SBTi)
An international initiative formed in 2015 as a collaboration between CDP, the United Nations Global Compact, the World Resources Institute (WRI), and the World Wide Fund for Nature (WWF).

➤ SBTi validation reduction targets
https://corporate.saisoncard.co.jp/wr_html/news_data_en/m3q69f00000001vo-att/20240829_ReleaseE.pdf

Further enhancement of online statements and online applications for various services

Credit Saison is promoting the use of online entry of applications for products and services, online credit statements, and the use of environmentally friendly materials. Our online statement ratio increased to approximately 61% as of the end of FY2023. Online statements are now being used by approximately 15 million customers (a roughly 2 million customer increase from last year). In December 2023, we also began charging for the issuing of some credit card statements, primarily for customers not using installment plans. With the understanding and cooperation of our customers, we are implementing environmentally friendly measures and switching to handling various operations online.

In FY2023, online applications accounted for roughly 99% of our credit card applications. Our efforts to improve convenience and environmental friendliness are not limited to credit cards, but instead span industry lines. For example, we are also working to raise the rate of usage of the web for submitting applications for financial products such as home loans, which have traditionally had a culture highly focused on physical, printed materials.

Promoting the online exercise of voting rights in general meetings of shareholders and using mailing cost savings for the maintenance of Akagi Nature Park

We are promoting the use of the Internet to exercise voting rights in our ordinary general meetings of shareholders. Voting electronically, via devices such as smartphones, reduces mailing costs for voting postcards, and we are using those savings for the maintenance operations of Akagi Nature Park.

In FY2023, we avoided the mailing costs of postal card mailings for 3,594 shareholders (¥226,422 in savings), and in FY2024 that increased to 3,769 shareholders (¥237,447 in savings). The funds freed up were used for initiatives such as the planting of Japanese mountain cherry seedlings.

At the 74th Ordinary General Meeting of Shareholders held in June 2024, more than half (roughly 67%) of the 5,604 voting shareholders exercised their voting rights online.

We will continue with our efforts, deepening our environmental conservation initiatives.

Green roof installation in Credit Saison–owned Kansai Ubiquitous Building

As part of its measures to combat heat islands, the city of Osaka has launched the Osaka Green Curtain and Carpet Initiative. This consists of promoting the covering of window areas and rooftops with climbing vegetation to block out the strong summer sunlight. In our Kansai Ubiquitous Building, located in Osaka City, we have created our own green curtains by planting bitter gourd vines on the ninth story roof.

The leaves and stems of green curtains give off moisture that helps lower ambient temperatures in the same way as traditional Japanese water sprinkling. The absorption of CO_2 by rooftop vegetation also reduces environmental impacts while elevating the environmental and conservation mentalities of the employees involved in these activities.

The tiny seedlings that were just recently planted, in June, have grown prodigiously in the heat, flowering and producing gourds in September. Through down-to-earth activities such as these, as well, we are fostering a greater focus on environmental conservation among employees and working to bring about a sustainable society.

Biodiversity

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Basic Approach The biodiversity crisis is a major problem that impacts our daily lives.
We engage in biodiversity-friendly business activities and promote the protection of biodiversity with the goal of realizing a sustainable society.

Environmental conservation measures for passing on the richness of nature to posterity

"We don't simply grow flowers, we create a stronger environment, thereby helping plants to grow"

Led by a policy of aiding the active growth of plants, our Akagi Nature Park, in Shibukawa City, Gunma Prefecture, has spent roughly four decades replanting a mixed forest of pine and cedar, creating an environment where vegetation thrives and that welcomes insects and small animals. By regrowing the area from the ground up, we are turning it into a forest that is home to many different types of insects—a place where people can experience the four seasons of Japan. We are improving the area to maintain and support its biodiversity. In the 120-hectare park, visitors can see most of the vegetation and insect life native to the northern Kanto area in an environment that closely resembles a natural environment.

Through our reforestation project, we strive to increase the amount of CO_2 that is captured and protect biodiversity. At the same time, we focus on balancing the Akagi Nature Park's function as a natural environment conservation area with its exhibition and tourism facility functions by providing hands-on environmental learning opportunities such as tree transplanting to "create a forest where people and nature can coexist."

As a result, survey results show that the Satoyama ecosystem is well maintained in terms of the illumination level of the Quercus serrata forests and the growth status and number of species of forest floor plants. This indicates that the park is contributing to the conservation of biodiversity by focusing not only on conservation-oriented management but also on park maintenance.

Protecting biodiversity and genetic diversity

Maintaining and managing threatened species, implementing measures to protect seeds from animal damage

We are helping vegetation grow through soil management, sunlight management, seedling cultivation, root division, and other measures. Through these activities, we are conserving and planting 41 of the 553 species of plants designated by Gunma Prefecture as threatened or near-threatened species. Also, to protect seeds and biodiversity, we have installed exterior fences to keep out harmful wildlife, preventing access by deer, boars, or the like.

➤ Akagi Nature Park https://akagishizenen.jp/english/

Environmental conservation

Forest conservation measures that protect the biodiversity of Akagi Nature Park

- We make improvements to maintain the forest, with an eye toward biodiversity, and we provide opportunities to learn about the importance of nature through our environmental education efforts, by holding events such as tree-planting events.

Health promotion

Supporting people's healthy lives

- Akagi Nature Park serves as a forest therapy site, and holds various events that promote greater health, such as walks and yoga sessions.

Stimulating tourism

Using Akagi Nature Park to stimulate tourism in Gunma Prefecture's Shibukawa City

- The prefecture and city work together to stimulate local tourism PR.

Education and learning

Providing nature experiences to contribute to lifelong learning for everyone

- We hold hands-on nature events that stimulate children's sensibilities, creativity, originality, spontaneity, and sociability. We work together with local educational institutions to assist with field trips.

Regional contributions

Creating jobs for local residents and providing facilities essential for rest and relaxation

- We are developing forest management personnel and passing on forest management expertise to future generations.

Social welfare

Creating a forest that welcomes everyone

- We are creating a forest that is safe and secure for everyone.
- We conduct awareness-raising activities that foster deeper mutual understanding through interaction with people with disabilities.

Human Rights

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

Basic Approach

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

Human rights policy

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

Respect for human rights in business activities

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

Respect for human rights in tune with our human resource strategy

We believe that innovation is spurred by bringing together human resources who possess diverse personalities, strengths, and values, including diversity in terms of age, gender, disability, nationality, lifestyle, career, and work style. Our endeavors focus on the creation of an environment where all can flourish in their own way, and we promote initiatives for the active participation of all employees while valuing the spirit of DE&I, such as through the introduction of the COMMON PERSONNEL SYSTEM for all employees to realize equal pay for equal work; the strengthening of mid-career recruitment and work styles without regard to age or company history, including our system of hiring elderly employees and conducting reskilling; the hiring of people with disabilities and creating environments that suit them; and hiring locally at our overseas offices. We provide harassment education to all employees through compliance confirmation tests and compliance training. We also use Universal Manners Tests and LGBT Manners Training to provide employees with opportunities to develop the mindsets and behaviors they need to be able to reflect others' perspectives in their actions.

Corrective and relief measures (creation of the internal whistleblowing system)

In accordance with the Whistleblower Protection Act, our Group has created an internal whistleblowing system for use by Group employees. This system enables people to report issues by e-mail, postal mail, or the like to our Whistleblowing Hotline, the department responsible for legal and regulatory compliance. In December 2020, we also established an overseas hotline that can be used by affiliated companies with overseas sites. The hotline can be used to report or consult regarding incidents of harassment, such as sexual harassment or power harassment, or human rights issues. Consultations from outside the company, such as from customers, are received by our Information Center, Saison Counter, or other customer support points.

Training for discovering unconscious bias

As we carry out our initiatives for respecting human rights, we also aim to create an organization in which everyone respects each other's diversity.

In January 2024, we carried out "A Week of Thinking About How Everyone Can Participate Actively," a company-wide event. As part of this event, we conducted a seminar for all executives with the goal of providing them with a deeper understanding of unconscious bias, which is a key issue in creating a platform for promoting DE&I within the Company. In February, we conducted this same training for general managers, working to foster greater understanding across all management personnel involved in the leadership and operation of our organization. We plan to conduct this training for other grades of employees as well and promote understanding of unconscious bias throughout the entire Company.

➤ Human rights policy/Main initiatives
https://corporate.saisoncard.co.jp/en/sustainability/esg2/esg_policy.html

Unconscious bias seminar for executives and general managers

Feedback from participants

- I discovered that I was making many unconscious assumptions. The training impressed on me the importance of taking a moment to stop and think.
- It made me realize the need to act based on the understanding that everyone, myself included, has biases.
- I was able to discover my habit of listening to 70% of what someone is saying and assume that I knew what they were trying to say, without fully hearing them out.
- I realized the importance of listening.

➤ DE&I initiatives
https://corporate.saisoncard.co.jp/en/sustainability/diversity/gender/

Establishing a Safe, Secure, and Convenient Society

Achieving sustainable growth and improving corporate value through sound corporate management

Enriching our customers' lives and enabling them to live happily and true to themselves

Creating a better society through co-creation with partners

Basic Approach

We offer various services to enrich our customers' lives.
We always listen attentively to all of our customers so that they can use our services with peace of mind, and we have created and are constantly improving our security infrastructure for managing personal information and preventing new forms of unauthorized use.

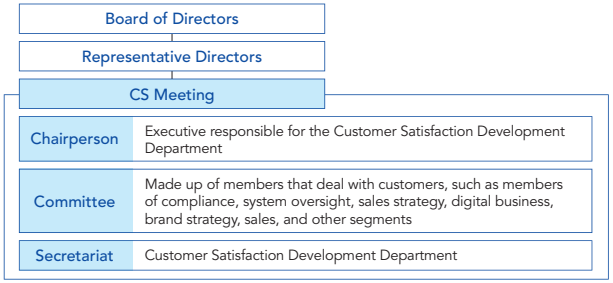
Policy

We have defined policies concerning responsible service provision, the appropriate protection of personal information, information security, and cybersecurity, which we have published on our corporate website.

We have also posted a marketing policy and a social media policy. Our entire Group implements measures that contribute to the creation of a safe, secure, and convenient society, primarily through the promotion of financial inclusion by our global business.

Structure

We consider the opinions, requests, complaints, and other feedback from our customers to be valuable management assets, and we strive to use them to improve our products and services. The customer feedback we receive through our call centers, portal sites, stores, and other customer contact points is relayed to managing departments, where it is reported to department heads and executives involved in customer support. Measures for dealing with issues are deliberated in monthly meetings as we do our utmost to raise the level of quality throughout the Company.



➤ Establish a safe, secure and convenient society https://corporate.saisoncard.co.jp/en/sustainability/csr/society/

New NISA: Meeting asset formation needs

Our customers have an increasing need for asset formation, and we coordinate with SAISON ASSET MANAGEMENT CO.,LTD. and Daiwa Connect Securities Co., Ltd., to aid in future asset formation through the use of systematic investment plans. The upper limit on systematic investment through our credit cards is ¥100,000 per month. This product design leverages the New NISA to its fullest.

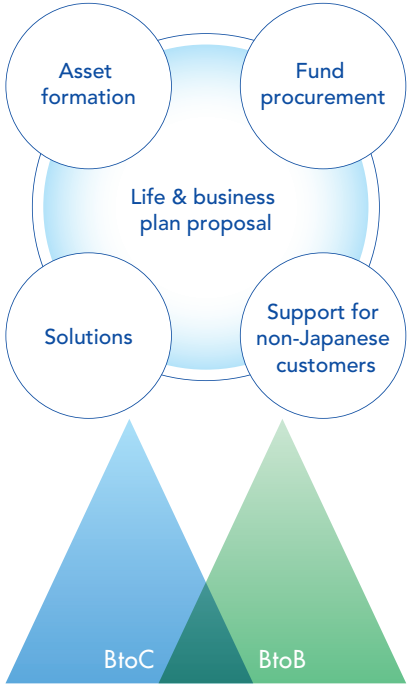
By providing future peace of mind in the form of asset formation, we aim to be a comprehensive life services group that is vital to the lives of our customers.

➤ SAISON ASSET MANAGEMENT CO.,LTD. https://www.saison-am.co.jp/
➤ Daiwa Connect Securities Co., Ltd. https://www.connect-sec.co.jp/

Allaying fears related to living environments and financing in one's old age

In 2016, SAISON FUNDEX CORPORATION began offering "Saison Lease Back." Users of this service receive payment for their home in a lump-sum payment and then pay SAISON FUNDEX CORPORATION monthly rent. This enables them to keep living at home without moving and offers peace of mind with respect to both one's living environment and the procuring of funds in one's post-retirement years.

➤ Saison Lease Back https://www.fundex.co.jp/personal/leaseback/



Providing business operation peace of mind through our billing, collection, and financing support

In 2021, we launched Saison Invoice, a deferred payment settlement and billing proxy service. This service solves the problems enterprises face with billing and collection workloads and financing as they actively expand their businesses. It assists in the creation of a business environment that provides peace of mind as they focus on their primary business operations. We are continuing to expand and enrich the service's support system, such as by having Suruga Bank Ltd. introduce this service to corporate clients starting in December 2023.

➤ Saison Invoice https://saison-invoice.saisoncard.co.jp/

Assisting foreign nationals with relocating and thriving in Japan

In December 2023, we began providing our Saison Rent Guarantee Foreign Nationals Plan. In August 2024, we updated this plan, renaming it the Saison Rent Guarantee International Plan. It offers greater convenience by allowing customers to submit applications before coming to Japan and offering a multilingual living support call center. The number of foreign exchange students and laborers in Japan is expected to continue to grow, and we will help solve the problems faced by foreign nationals living in Japan. In June 2024, we also opened our SAISON JP Life Assist portal site. We offer rental support, assistance with opening bank accounts, and other assistance for setting up one's life in Japan, providing greater peace of mind when people relocate to and thrive in Japan.

➤ SAISON JP Life Assist https://www.saisoncard.co.jp/services/jpla_en/

Information/Cybersecurity

Achieving sustainable growth and improving corporate value through sound corporate management

Enriching our customers' lives and enabling them to live happily and true to themselves

Creating a better society through co-creation with partners

Basic Approach

Based on our understanding that the appropriate management of information assets we own is an important task for businesses, we have established basic policies that our directors, executive officers, and employees should observe.
We strive to manage information properly, protect and manage information assets such as hardware and software, and continuously maintain and improve information security.

Information Security Policy

The information assets we possess as a company responsible for credit card operations, a critical infrastructure segment, are assets entrusted to us by our customers, shareholders, and partners over our many years of uninterrupted business activity. Our management and utilization of these information assets must be aligned with the spirit with which this information was entrusted to us. We believe that information security is a fundamental part of this proper information asset management.

We have defined three fundamental information security policies: "Promoting leadership by management," "Thorough implementation and improvement by all members," and "Measures that match or surpass conventional standards." Based on these fundamental policies, we implement the following.

Management systems: Promoting leadership by management

Our cybersecurity structure is headed by the Board of Directors, and it is operated under their leadership. Responsibility for overseeing cybersecurity initiatives rests with the Director and Senior Managing Executive Officer responsible for the CSDX Development Department, which promotes cybersecurity measures. This officer concurrently serves as CDO (and CTO).

We have also set up the Cybersecurity Response Team as an organization within the Crisis Management Committee, which is under the supervision of the Board of Directors and is headed by the Representative, Executive President, and COO. We have established the position of Chief Information Security Officer (CISO), we collect information on security vulnerabilities, we monitor cyberattacks and other forms of trouble, and we formulate response policies and procedures, working to establish systems that minimize the damage caused by incidents and recover from incidents. The heads of each department are also appointed as compliance managers. Through these actions, we have created and are improving our Company-wide information security system.

To ensure information security, regular audits are conducted by our internal audit department, and security items are regularly audited by Deloitte Touche Tohmatsu LLC.

Our cybersecurity system

* Head of CSDX Development Dept.: Director, Senior Managing Executive Officer and CDO, CTO

Training and drills: Thorough implementation and improvement by all members

Information security training is provided regularly to all directors, executive officers, and employees. We are improving our security posture in conjunction with our CSDX strategy initiatives, such as creating a specialized organization and in-house system through the recruitment and training of digital human resources.

We are working to foster awareness through ongoing in-house education activities and, in response to the issue of cyberattacks such as targeted attack e-mails, we continuously take measures to prepare for cyberattacks, such as regularly conducting simulated e-mail drills to improve employee awareness of information security.

As a result of these efforts, there were no serious incidents in FY2023 or FY2024 (as of the end of September 2024).

Main initiatives: Measures that match or surpass conventional standards

In advance of our efforts to promote CSDX through digitization and digitalization, we have reevaluated, improved, and enhanced our existing security measures to match or surpass conventional standards (such as PCIDSS, the NISC "Guideline for Establishing Safety Principles for Ensuring Cybersecurity of Critical Infrastructure," or the "FISC Security Guidelines on Computer Systems for Banking and Related Financial Institutions"). In FY2024, we worked diligently to perform the following.

Reviewing and revising our security regulations

We created regulations for our governance system, aligned with our CSDX promotion system, and we revised our safety management standards in conformity with new environments and current information security environments.

IT asset management

We worked to automate IT asset management to be able to speedily identify IT assets to be protected, implement safety management measures in advance, and swiftly contain the threats posed by incidents.

Coexistence with Local Communities

Achieving sustainable growth and improving corporate value through sound corporate management

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

Basic Approach

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

Local Communities Policy

With our medium- to long-term goal of protecting the rich natural environment and culture that enriches life, and energizing people in the region and community, we pursue co-creation with governments and local communities, cooperate with local communities, governments, universities, non-governmental organizations (NGOs), and many other stakeholders to solve local and social issues, and strive to enrich society.

➤ Community initiatives
https://corporate.saisoncard.co.jp/en/sustainability/csr/community/

Supporting recovery efforts for the 2024 Noto Peninsula Earthquake by making donations through point conversions and credit card payments

As an enterprise that handles donations from customers, we have collected donations from Saison Card and UC Card members through our Eikyufumetsu Points program and through credit card payments. We collected roughly ¥69 million in donations between January 4 and April 30, 2024. Together with our own donations, total donations amounted to more than ¥89 million.

After deliberating on how donated funds could best be used to provide speedy support for the restoration of people's lives in disaster-struck areas, we provided donations to supply people living in temporary housing in Ishikawa Prefecture with daily living supplies, via Nitori Co., Ltd., and to efforts to protect pets in disaster areas through the Japan Veterinary Medical Association.

We will continue to provide support to assist in recovery activities so that the people in disaster-struck areas can be provided with safe and comfortable living environments as quickly as possible.

➤ 2024 Noto Peninsula Earthquake Emergency Recovery Donation Report (2nd Report)
https://www.saisoncard.co.jp/customer-support/information/240712_1/

Career classes for junior and senior high school students in Japanese and overseas offices

In our "SAISON TEACHER" on-site workshops, our employees serve as instructors, implementing a financial education program that uses real-world, everyday examples. From FY2023, due to a rising number of requests, we expanded the program by also welcoming students in our own offices, in addition to sending employees to conduct classes on-site in schools. The program meets requests from schools by offering career development classes, presentations of our own SDG initiatives, and more, in addition to classes that teach students more about society by explaining the business models of credit card companies.

In collaboration with SAISON ASSET MANAGEMENT CO.,LTD., our consolidated subsidiary, we are expanding the program by co-hosting sessions.

In addition, Saison International Pte. Ltd., our International Headquarters (IHQ), located in Singapore, welcomes senior high school students for corporate training. The Director, Senior Managing Executive Officer of the Global Business Division leads classes directly, providing educational support to both local and international students.

Supporting the advancement of women through preventive care and infertility treatment programs

Grace Bank

We have been supporting the advancement of women since the 1980s, and we are engaged in a collaboration with Grace Group, Inc., which is dedicated to establishing the societal infrastructure involved in freezing egg cells and providing fertility treatment with the aim of advancing preventive care for women in the workforce. Saison's Lifestyle Research, one of our Group's informational sites, runs articles on the importance of freezing egg cells and other forms of preventive care. It is continuously sharing information, both inside and outside the Company, to help prevent women's unique health issues from forcing them to give up on their careers. Its efforts also include providing complimentary use of egg freezing and storage services to card members.