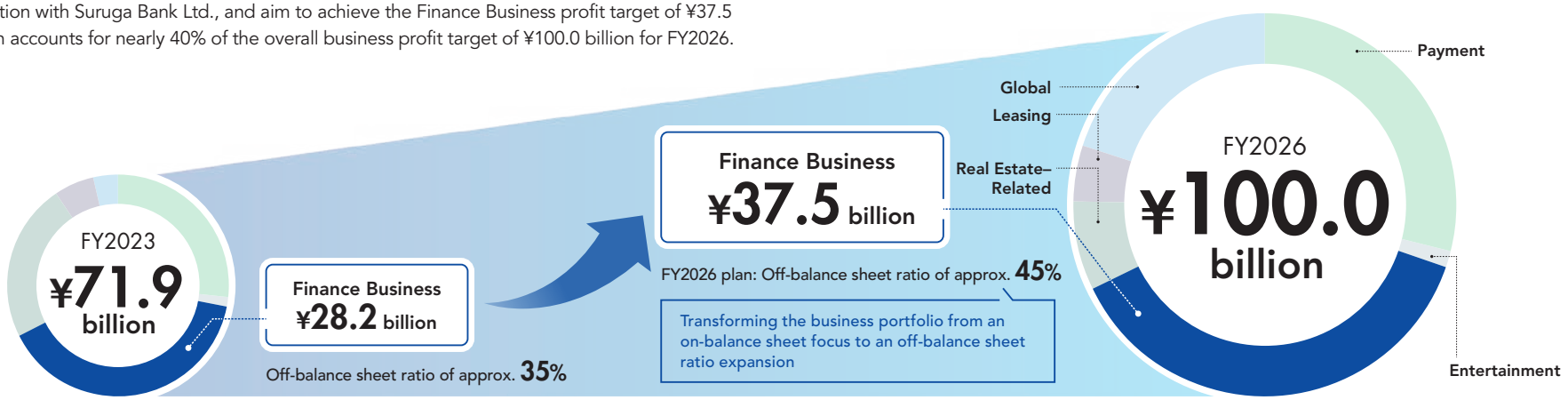
Finance Business

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.

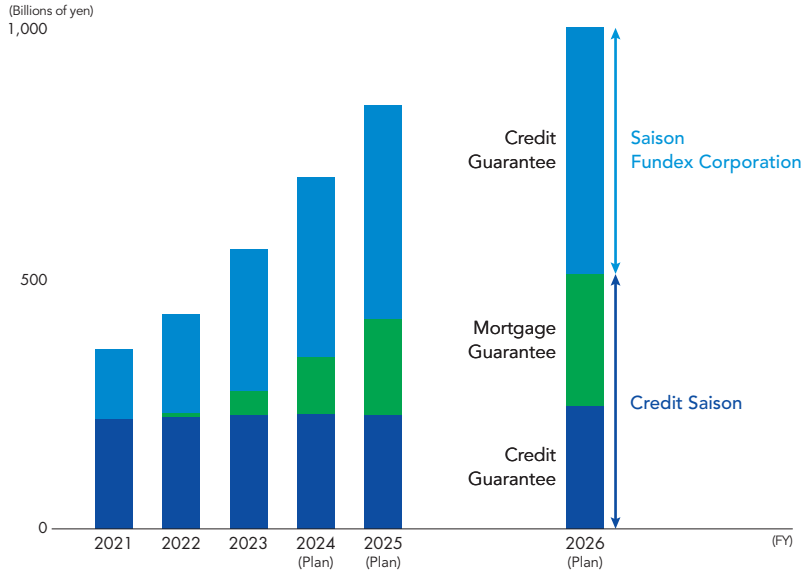
1 Expansion of the guarantee business

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)

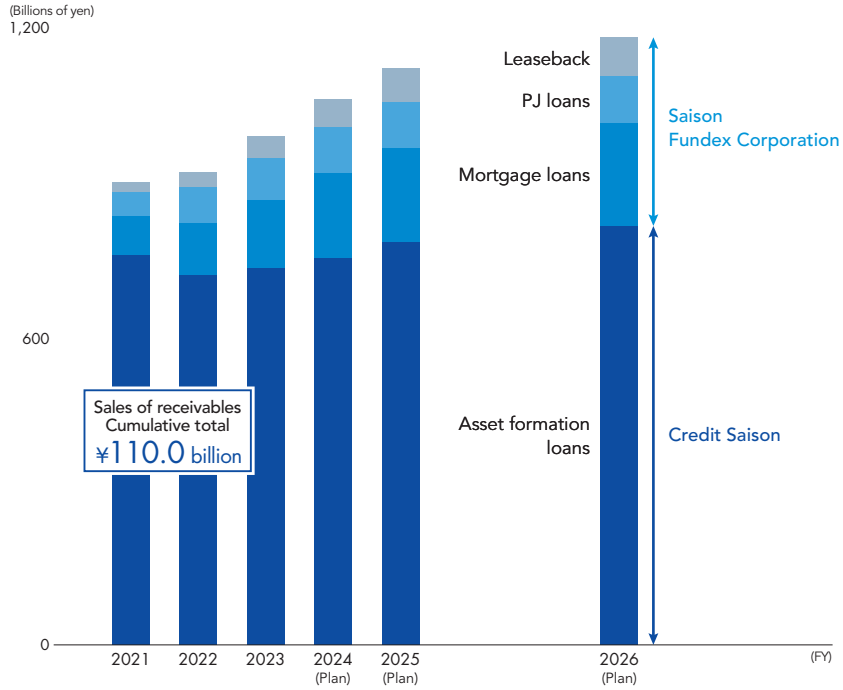
* As of June 30, 2024

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

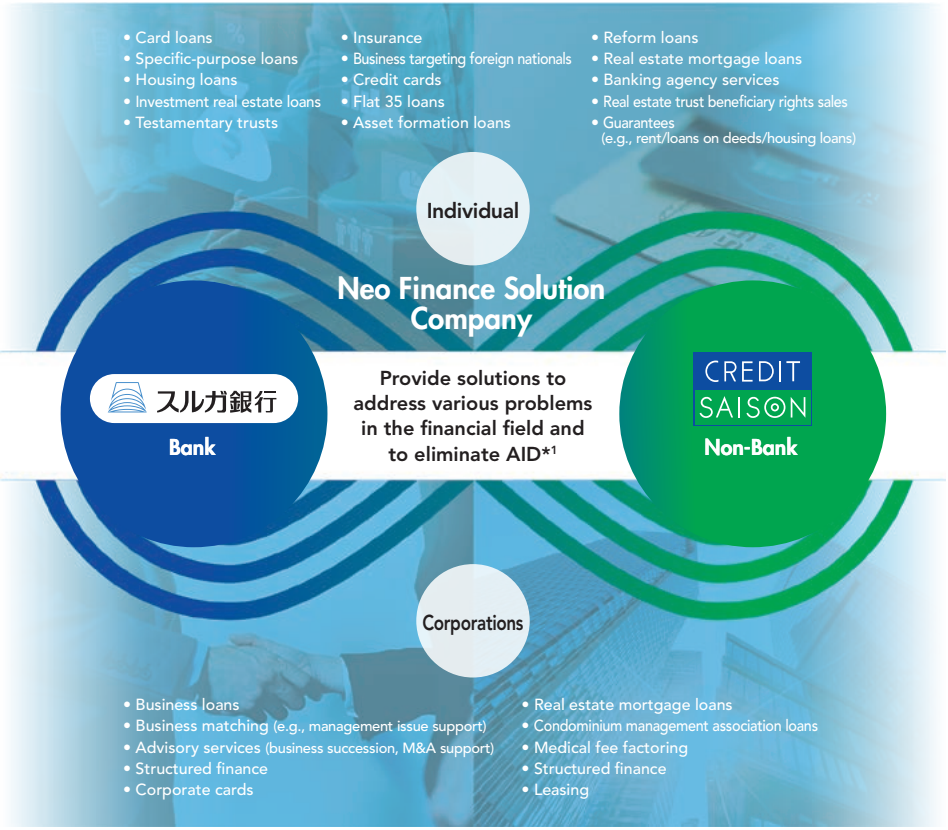
Protecting the rich natural environment and culture that enriches life, and energizing people in the region and community

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.