

Credit Saison

Vision and Strategy Report

C O R P O R A T E
R E P O R T 2 0 2 0

Aiming to Become a Leading-edge Service Company



Management Philosophy

We will fulfill our corporate social responsibility by striving to meet the expectations of all of our customers, shareholders, and business partners.

We will compete successfully in the market by promoting our three shared values: practical implementation of the principles of customer satisfaction as a leading-edge service company; mutual respect for our interests and those of our business partners; and developing a corporate culture of creative innovation.

The Concept behind Our Logo



About the Company's corporate colors

Saison Blue ... Symbolizing people's happiness and aspirations

Saison Green ... Symbolizing trust, peace of mind, culture and innovation

Editorial Policy

Credit Saison works diligently to provide its wide range of stakeholders including customers, shareholders and investors with accurate information in an equitable manner on a timely basis.

In addition to an overview of its operating results and financial standing, the Credit Saison Vision and Strategy Report 2020 contains non-financial information that covers a wide range of environmental, social and governance (ESG) as well as other fields. This report is intended to help our many stakeholders to better understand the Company's efforts to create value over the medium and long term and ensure its sustainable growth.

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Forward-looking Statements

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

Message from Top Management



Representative, Chairman and CEO
Hiroshi Rinno

Group Synergies and a Blue Ocean Shift

2020 is likely set to become a landmark year in human history, similar to the Great Depression that took place in 1929. Beginning with an upsurge in dictatorships, I believe that we are confronting a variety of crises. This includes: simultaneous heavy falls in stocks, crude oil and precious metal prices; feelings of dread with regard to the new type of corona pneumonia; confusion caused by the U.S.-China battle for supremacy; a tightening of global regulations on human interactions and physical exchanges; and postponing of the Olympic Games.

The business environment will naturally be affected, and the upheaval that will likely occur in the 21st century hit companies directly.

Depending on the environment surrounding a business and the type of industry, the corporate response will appear the same but be beset with difficulties. The digital revolution and global management are dealing telling blows and the competition for survival will also be fierce in the extreme.

Our management reforms are as follows:

(1) Redefining what a company should be:

Brand establishment in Asia in the broader sense for the rebuilding and development of the SAISON BRAND

(2) Thorough corporate reforms:

Break with convention to become a global company with the utilization of DX and AI positioned at the core of our business strategy

(3) Clarification of competitive strategy:

Establishment of a unique non-bank model to provide various financial services centered on settlement

(4) Process to make management organization more flexible

Recruit and develop human resources that embody thoroughness for Group management and corporate marketing

We will pursue Group synergies by leveraging all innovative management methods to not only generate growth and results as an individual company from the 20th century, but also renovate businesses, products and services that become obsolete by means of innovation. We will also work to realize a Blue Ocean Shift and active roles for all employees as well as operate with the goal of remaining a company that is not only an enjoyable place for people to work, but also pays high wages.



Representative, Executive President and COO
Masahiro Yamashita

Challenging Ourselves to be a Finance Company Advancing with Customers for 50 Years

I have held the posts of President and COO since March 2019.

In addition to the Management Philosophy on which have placed value so far, that of remaining a "leading-edge service company," we last year adopted "becoming a finance company advancing with customers for 50 years" as our mission statement and formulated a new Medium-term Management Plan for the next three years. While aid to be in an "era when people often live to be 100," we are aiming to remain a true finance company that can continue to provide side-by-side proposals tailored to the life stage of each customer.

In 2019, Japan witnessed the change to the Reiwa era in accordance with the emperor's enthronement, reports of "20 million yen funds needed for retirement," an increase in the consumption tax, damage from typhoons and heavy rain as well as the global achievements of Japanese athletes. A pandemic was declared early in 2020 due to the worldwide spread of a new coronavirus. At the time of writing, there are concerns of a tremendous impact, matching or exceeding that of the Lehman Brothers crisis, on the world economy, with no return to normality in sight.

Meanwhile, Credit Saison has undertaken a raft of initiatives designed to help us achieve our Medium-term Management Plan. These initiatives have included: the introduction of an executive officer system with the aim of quickly recruiting talented individuals and fostering management candidates; the establishment of a Nomination and Remuneration Committee to ensure fairness and transparency in personnel affairs; the buying back of treasury stock; revisions to our IR methods and explanatory materials; the putting into practice of efficient organizational management by moving organizational and personnel changes from spring to autumn; the making of a capital and business alliance with a major securities company; and the execution of unprecedented sales promotions and promotional measures. In addition, on April 1, the Company was re-integrated with Qubitous for the first time in 13 years, enabling new contracted services and seamless processing by means of new systems.

This year (FY2020) being the second year of the Medium-term Management Plan, we would like to carry out new initiatives geared toward the achievements of our goals. We would also like to take this as an opportunity to publish this report and work to further deepen communications with all our stakeholders.

Based on important themes and trends compatible with the current fashion, we would like to add qualitative data to quantitative data and report on the progress of the Medium-term Management Plan while understanding our strengths and businesses.

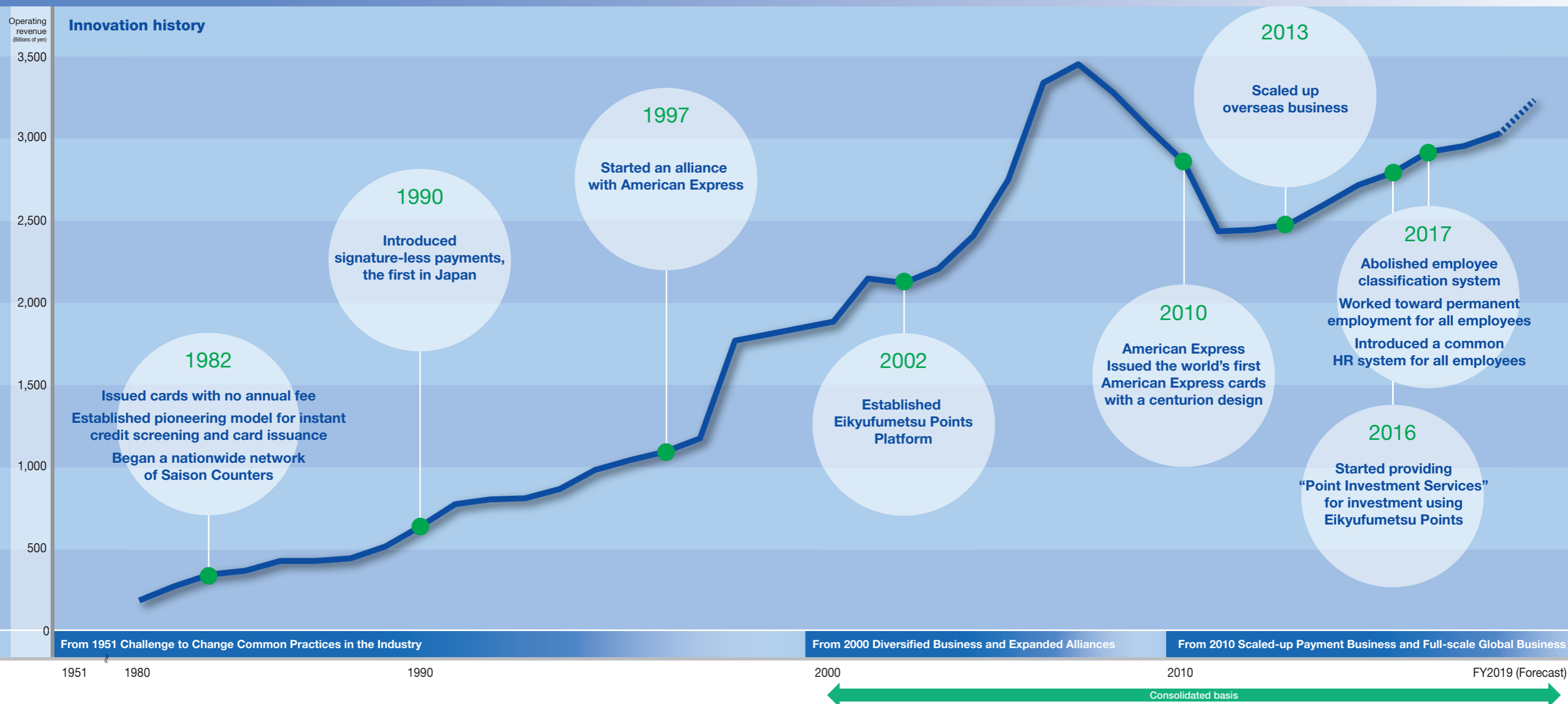
By practicing ESG management, as we have been since the 1980s, we will contribute to the development of a more plentiful and convenient society, thereby achieving sustainable improvement in corporate value and making a contribution to society.

A History of Challenge and Change

Deeply engaged in card business activities, which have evolved through a process of dramatic innovation, Credit Saison is expanding into a peerless new finance company in Asia.

Anticipating trends with each changing era, Credit Saison has continued to provide groundbreaking products and services through a process of sustained innovation. Drawing on a customer base that comprises around 37 million (consolidated) cardholders and roughly 16 million online members, while leveraging its preeminent payment business know-how, the Company is committed to evolving further as an innovative finance company.

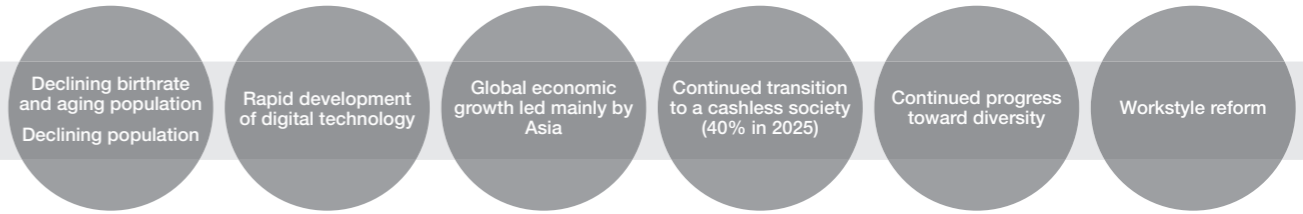
Operating revenue (consolidated)



Credit Saison's Value Creation Process

Contributing to the creation of a sustainable society even more convenient and prosperous than it is today

Social Issues (Environmental Change)



Credit Saison's Underlying Capital

Human capital

- Diverse human resources including female employees who play an active role
- Professional human resources well versed in a variety of fields including credit and finance
- Number of employees ▶ **3,239 (including 2,424 women)**

Intellectual capital

- Credit know-how and membership base nurtured over the 69 years since the Company's founding
- Founding ▶ **69 years**
- Customer database of around 37 million (consolidated) members**

Financial capital

- Sound financial base
- Credit rating ▶ **R&I A+**
- (Continuously for 23 years) since October 1996**

Social capital

- Industry-leading membership and customer base
- Marketing network focusing mainly on Japan and ASEAN
- Total cardholders ▶ **Around 37 million (consolidated)**
- Number of stores/organizations with affiliate cards issued to ▶ **Around 250**
- Branches in Japan ▶ **10**; Overseas branches ▶ **9 countries**
- Number of stores/organizations with corporate card and cards for SMEs issued ▶ **Around 50,000 companies**

Credit Saison's Strengths

- Scale**: Industry-leading membership and transaction balance
- History**: Founded in 1951
- Diversity**: Revenue base focusing mainly on payment and finance activities
- Innovation**: Business development leveraging independent non-bank activities
- Sustainability**: Adept at increasing members' LTV

*LTV: Life Time Value

Credit Saison's Business Model

Helping individual members lead a vibrant life

Providing business solutions to corporate customers

Operating across six business domains in a bid to improve customer QOL

- Payment** (P14): Payment business
- Solution** (P16): Solution business
- Investment** (P18): Asset management business
- Digital Marketing** (P20): Digital marketing
- Finance** (P22): Finance business
- Global** (P24): Global business

Framework Underpinning Corporate Value Creation

- Challenging ourselves to be a finance company advancing with customers for 50 years**
- Strengthening engagement between the Company and its employees by promoting diversity**
- Strengthening corporate governance**
- Risk capital management through the optimal allocation of capital**

Medium-term Management Plan

Realizing diversity

Corporate governance

Financial and capital policies

Value Created

Human capital

- Creating a comfortable environment by promoting diversity
- Ratio of female employees — **Around 75%**
- Ratio of female managers
 - General manager — **12%**
 - Section chief — **26%**
 - Section head — **69%**
- Average number of paid leave days approved — **13.1 days**
- Ratio of paid leave used — **72.9%**
- Average overtime hours per month — **10.2 hours**

Intellectual capital

- 2019 Apr. Earn points with an increase in class rank; launched Saison Classe, a new service that offers user class-based benefits according to usage results
- Jun. Supporting the management of Post Office Club, a nationwide membership service run by JAPAN POST Co., Ltd. Commissioned to undertake various activities including the development of membership management system and administration of call centers
- Jun. In collaboration with Japan's Central Federation of Societies of Commerce and Industry, supported the transition to cashless transactions by small- and medium-sized business operators
- Sep. Entered into a capital and business alliance with Daiwa Securities Group Inc.
- Oct. Issued free Saison Platinum Business American Express® cards; built a credit model using corporate financial and transaction data
- Oct. Began engaging in digital marketing business activities in India
- Nov. Launched Saison Cardless Payment, a smartphone-based instant sign-up and instant use service
- Nov. Started providing Saison Pocket, a smartphone securities service
- Dec. Ideal new business card for small- and medium-sized enterprises and sole-proprietors
- Started recruiting Saison Cobalt Business American Express® business cards

Financial capital

- Increase Group-wide earnings
- Consolidated business income (IFRS) — **¥52.2 billion**
- Issuance of super long-term (20-year) bond
- Jun. 2017 ¥10.0 billion** (Card company first)
- Apr. 2018 ¥15.0 billion**
- Apr. 2019 ¥12.0 billion**

Social and Related Capital

- Donations through Eikyufumetsu Points — **Cumulative total ¥0.6 billion**
- Overseas expansion — **Started digital lending business activities in India through Kisetsu Saison Finance (India) Private Limited in October 2019**

Recap of Previous Medium-term Management Plan

Previous Medium-term Management Plan (FY2016–FY2018)

–Three years spent to complete construction of the foundations toward our renewed growth strategies–

Basic Policy
Vision to 2018

Neo Finance Company in Asia Realizing innovation and changing business models

Facing challenges of new business models
Expansion of stock business and fee business

Numerical Targets

FY2015 (fiscal year ended March 2016): Consolidated ordinary income **¥43.8 billion (JGAAP)** → FY2018: **60.0 billion (JGAAP)**

Full Migration to Associated Core System (Expansion of settlement platforms and Finance Business)

Contactless payments

October 2016

QR code payment

Collaboration with partners' apps

July 2018

Debit top-up

January 2019

Finance operating assets (including off-balance)

FY2015: **Approx. ¥1 trillion** → FY2018: **Approx. ¥1.8 trillion**

Approximately **double**

Expansion of global business into more countries

FY2015: **Five countries** → FY2018: **Nine countries**

(China, Vietnam, Indonesia, Singapore, Cambodia) → (India, Thailand, Myanmar, Philippines)

Approximately **double**

Numerical Results (JGAAP)

FY2015 Consolidated ordinary income **¥43.8 billion** → FY2018 Consolidated ordinary income **¥54.1 billion**

Growth rate **+24%**

New Medium-term Management Plan

New Medium-term Management Plan (FY2019–FY2021)

–Three years toward transformation and renewed growth utilizing these functions–

New Midterm Business Vision

Neo Finance Company in Asia

Mission Statement

Becoming a finance company advancing with customers for 50 years

Providing peace of mind and discovering potentials in money

Providing house card functions integrated with alliance partner's customer strategy, expanding customer base through settlement services

Utilizing know-how from Japan, expand financial services in high-potential emerging markets in Asia

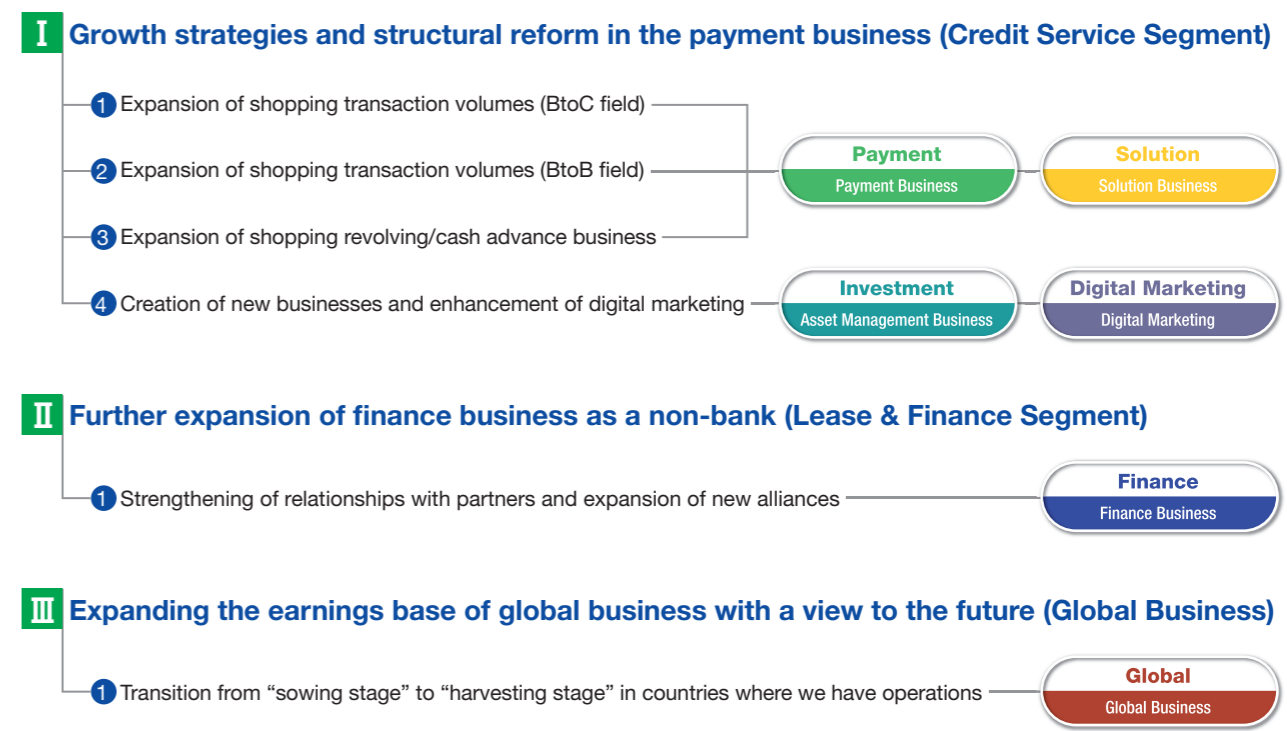
Numerical Targets

Consolidated business income (≡ consolidated ordinary income)

FY2018 **¥52.2 billion (IFRS)** → FY2021 **¥60.0 billion (IFRS)**

Regarding FY2019 (consolidated business income target ¥42.5 billion) as lowest point, work toward returning to a growth trajectory over the next three years

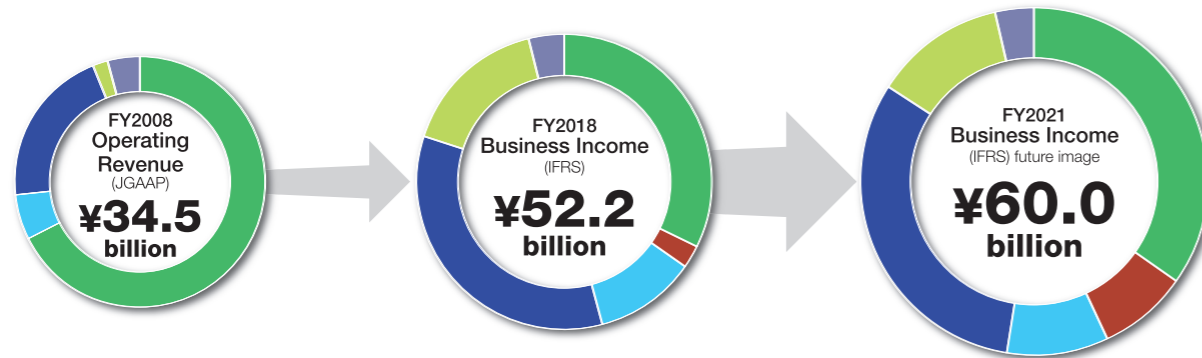
Our Aims for the New Medium-term Management Plan



New Medium-term Management Plan

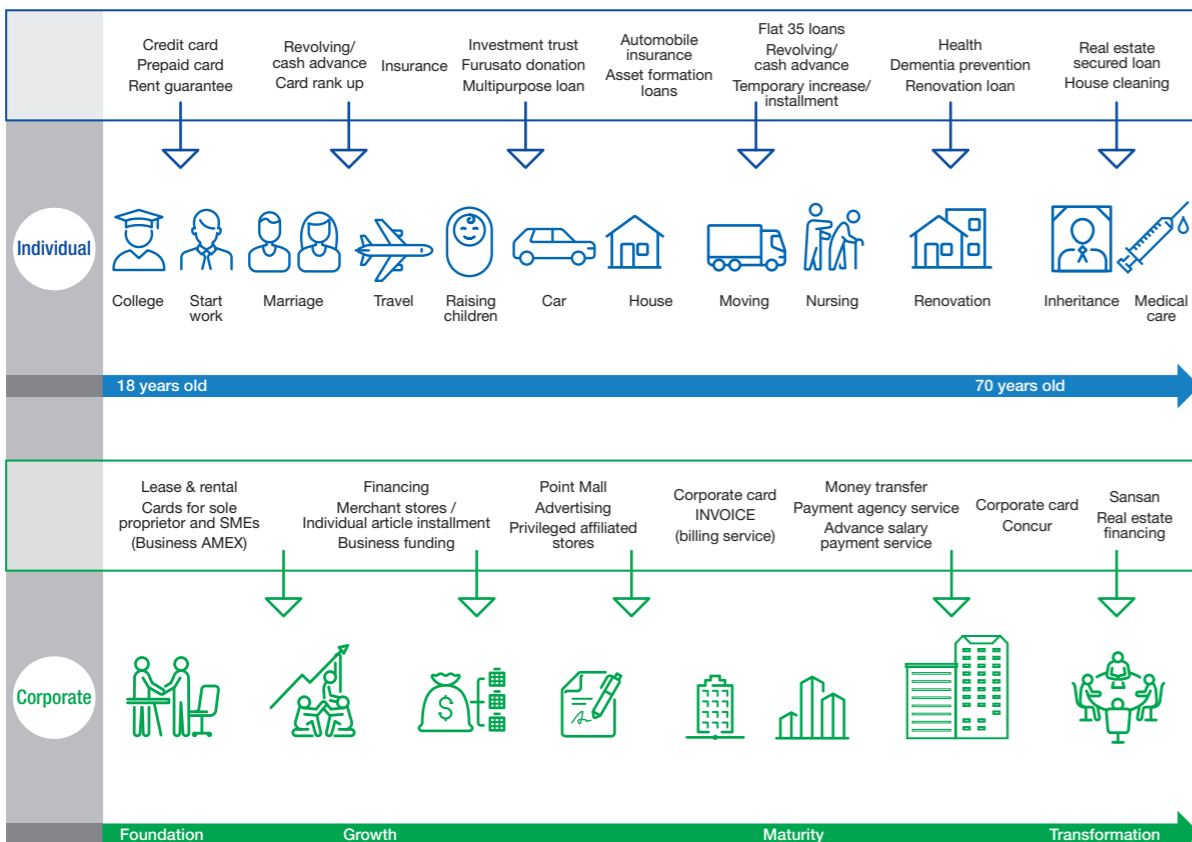
Profit Structure Reform

Further acceleration of “revival of card business” and “transformation to a general non-bank”



Cross-sectional Approach Based on Customer Needs and Life Cycles

By using credit cards with long service lives as touchpoints, we endeavored to maximize lifetime value (LTV) by cross-selling based on customers' life cycle and transaction data



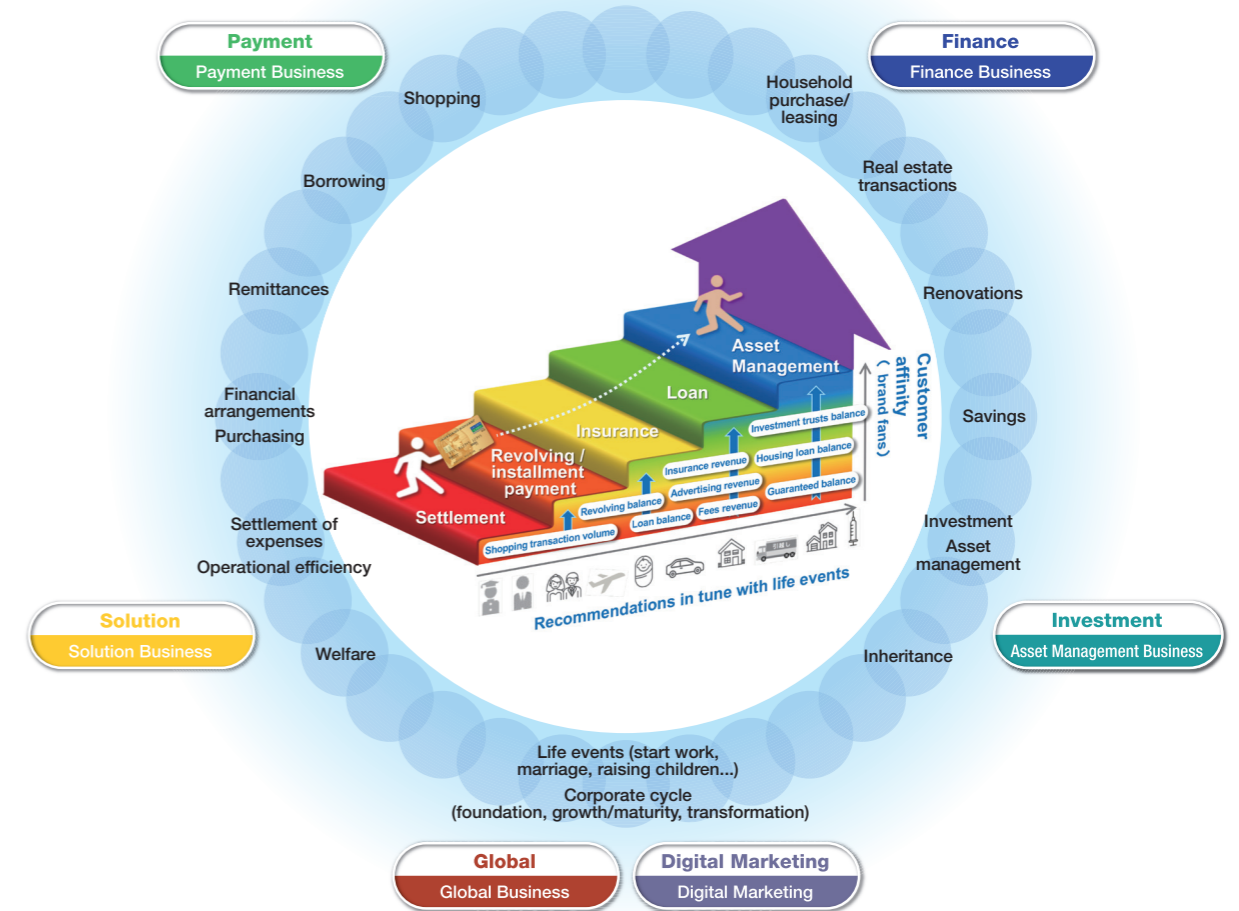
Product Lineup Compatible with Quality of Life (QOL)

Six business domains to assist in improving customers' QOL



Providing house card functions integrated with affiliated partners' customer strategies and expanding our customer base through settlement services

Diverse Lineup of Money Services for Customers (Individual/Company)



Expand sales of financial product through customer-oriented, cross-sectional sales between businesses

Utilizing know-how from Japan, expand financial services in high-potential emerging markets in Asia

Payment Business

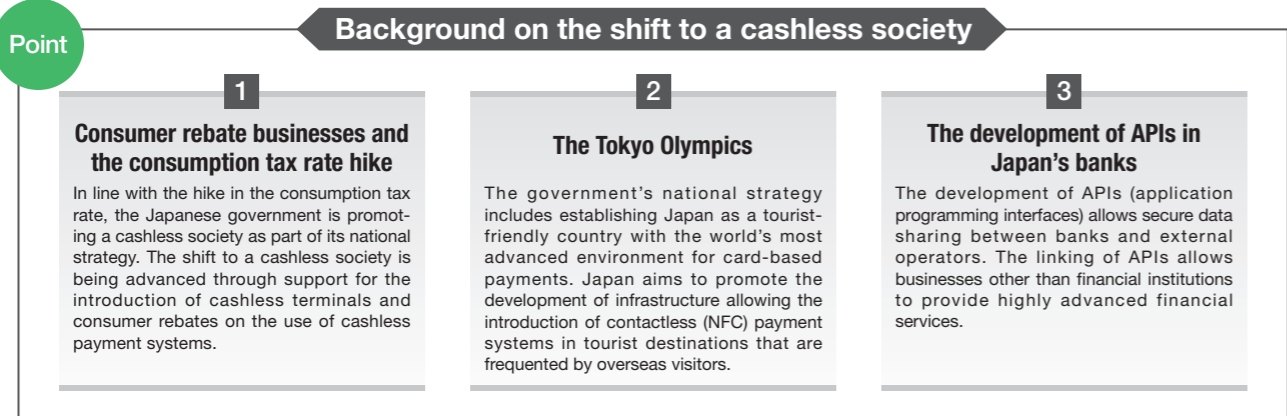
Expanding the customer base through a broad-based alliance network

Credit Saison is developing alliances to advance customer convenience and meet the needs of its diverse range of partners. In addition to credit cards, we are working to diversify payment services that contribute to the elimination of the cash market, including prepaid cards and smartphone-based payment systems, all with the aim of realizing a safe, secure, and convenient cashless society.

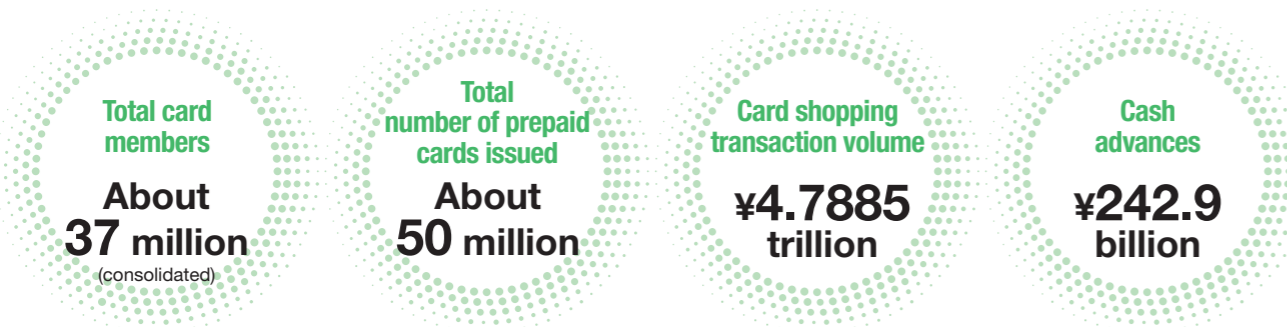
Background on the payment business

The credit card payment ratio in Japan is about 20%, which is rather low when compared with the developed economies overseas. However, the government through measures centered on a national strategy aims to improve that ratio to 40% by 2025. Payment methods are becoming increasingly diversified, with businesses with substantial customer bases, including in the retail sector, linking smartphone payments to payment systems such as credit cards, and introducing contactless and QR code payment systems. Amid such an environment, it is unclear

which methods will become mainstream. It is clear that smartphones are being increasingly used as payment devices. Due to the proliferation of payment service providers, it is now possible for consumers to select the optimal payment method in terms of convenience, including speed and ease of use, and of discount rate at the time of purchase. This has contributed to an ongoing increase in the use of payment methods other than plastic cards, especially among younger consumers.



Main indicators



We recognize that competition in cashless systems is centered not only in the establishment of cashless systems that replace cash, but also in refining by as much as possible the value of offering credit, which is a key function of the business and where Credit Saison can provide added value that is unique to the company. In the digital environment prevalent today, speed is just as important as safety and security. As the user experience (UX) that customers expect in the enrollment to issuance process, as well as in payments, evolves, there has been an ongoing acceleration in DX (digital transformation) in regard to the acquisition of information, the granting of credit, and in payment devices. In the BtoB domain, in addition to payments-related operations, we will continue along with our financing business, to provide a variety of multifaceted solutions aimed at comprehensively resolving corporate financing issues.

Yoshiaki Miura
Managing Director, Managing Executive Officer General Manager of Payment Business Division

Key issues and solutions

For many years we have operated a payment business service that offers the strength of "immediate/instant card issuance" thereby providing our customers with added value and benefits immediately after they apply for a card at a partner company, including at all PARCO and Mitsui Fudosan commercial facilities. We believe it important to provide this "immediate/instant card issuance service" in a manner tailored to the needs of today's customers, and focus on simplifying card introductions to more flexibly provide this service.

We are promoting the construction of an all-in-one smartphone payment service as part of our goal of providing

payment services in the digital age. In line with customer demands to be able to immediately use credit card services without having to wait for delivery of the actual card after applying, we launched the Saison Cardless Payment service in November 2019. While we previously offered immediate use at partner stores that used partner apps, further development contributed to the creation of a new payment service in which we issued a virtual smartphone credit card (with card information visible through an app), that allowed its immediate use, regardless of location, including at online stores and brick-and-mortar outlets.

Medium-to long-term initiatives

To not only adapt to a cashless society but also to increase active members over the medium-to long-term and improve active member unit prices, Saison Card will, in pursuing a strategy which no other company is capable

of following, expand its service network for members to receive discounts and preferential treatment from various affiliated stores.

Examples of services

Saison Cardless Payment

No need to wait for card delivery!

Everything from application to shopping on just your smartphone!

Apply easily!



Key New Payment Services (Scheduled for release in the fall of 2020)



- (1) Issuance of a smartphone-based virtual card
- (2) Japan's first numberless plastic card

Solution Business

Providing optimal business support solutions, realizing a better society

The labor market in Japan is now facing a number of challenges, including a worker shortage, as well as how best to improve productivity per person, enact workstyle reforms, and achieve a better work-life balance among employees. Amid such an environment, we are leveraging the experience gained over many years in the credit card business, our customer base of about 37 million (consolidated) users, and a rich variety of alliance partners to promote enhanced efficiency in back-office operations and a shift toward cashless operations in the corporate market in order to create a better society and fuller lives for all workers.

Solution services offered by Credit Saison

Streamlining expense settlement operations

The decline in the size of the working population in recent years has made it vital for companies to improve productivity and reduce operations. In addition to the issuance of credit cards, Credit Saison works with our partner organizations providing expense reporting systems to streamline operations in this field and bolster corporate governance.

Improving cash flow

There are a number of reasons for companies to improve cash flow, including to secure funds for business investment, capex, and operating capital. Credit Saison's business funding service is Japan's first service allowing affiliated stores to acquire future receivables. We also provide receivables purchasing services and solutions in the corporate payments domain.

Support in establishing cashless systems

The Ministry of Economy Trade and Industry (METI) has released a "Cashless Vision" calling for a cashless settlement rate of 40% by 2025. With the goal of supporting the development of a cashless society, we are providing support in establishing cashless systems that improve business productivity and enhance convenience for consumers.

Using our accumulated knowledge to provide business support

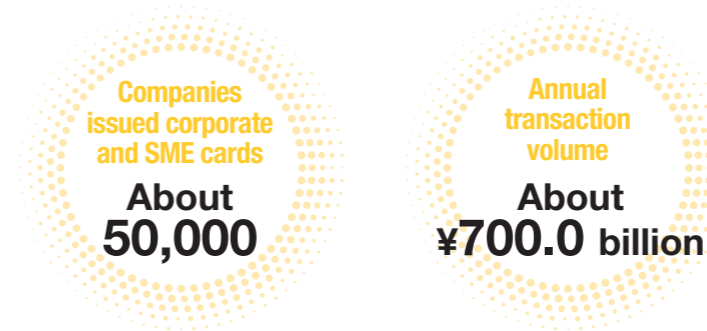
Companies are facing a wide range of challenges, including in recruiting, increasing sales, and improving efficiency in operations. Credit Saison offers a number of services, mainly in the field of payments, though these services are not limited to traditional payment services and include payment services that are tailored to current trends.



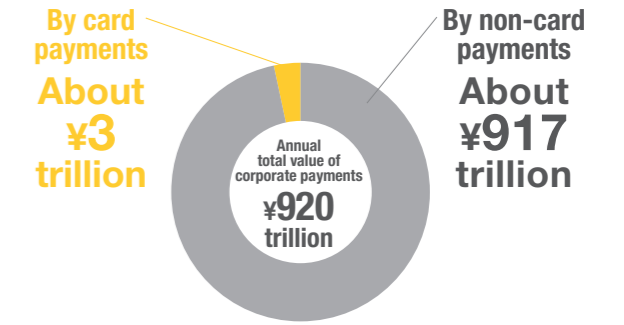
The Company's Medium-term Management Plan focuses in particular on expanding card shopping transaction volume in the BtoB domain. Leveraging strengths such as a wide variety of business partners, a customer base of about 37 million individuals, and experience in the credit card business built up over many years, we continue to promote a cashless shift in the corporate market and enhanced efficiency in back-office operations. Our goal for the future is to achieve the integrated management of corporate information through the use of affiliated stores and leasing contracts. We will construct our own credit model based on a company's transaction history with us, and use it in future corporate financing and lending activities.

Shunji Ashikaga
Director, Executive Officer In charge of Business Solution Dept.

Main indicators



Corporate payment market in Japan



*Source: Credit Saison estimates based on the VISA Worldwide "Japan's corporate market and Visa strategy" report and other sources

Key issues and solutions

With the aim of resolving corporate challenges, Credit Saison provides solutions services that are tailored to the size and needs of a given company. In line with our goal of promoting cashless systems in the BtoB domain, we partnered with freee to begin issuing to sole proprietors

and small business owners using freee's cloud-based accounting software the "freee Saison Platinum American Express® Card," which uses a credit model based on corporate financial and transaction data.

Examples of services

Streamlining expenses settlement operations: Corporate cards (UC, American Express, JCB), Expense settlement system, Concur, Cloudsign

Cashless support: Freee Saison Platinum American Express Card, SAISON INVOICE

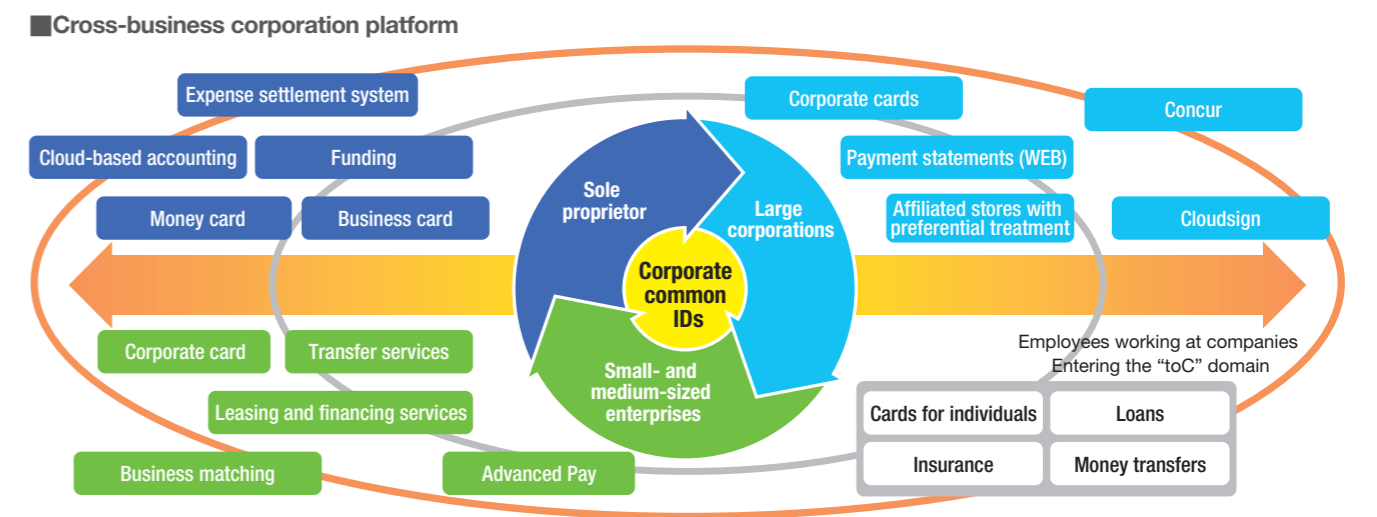
Improving cash flow: Business funding services, Advanced Pay

Business support: Business matching, Leasing and financing services, Transfer services, Cards for individuals, Loans, Insurance, Money transfers

Medium- to long-term initiatives

We are working to build a cross-business platform in order to create solution proposals that better meet the needs of our customers. Our goal is to improve the sophistication of our solutions business, including by providing timely and appropriate corporate financing and lending proposals

through the construction of an original credit model based on transaction history (including transaction volume and content) and the creation of an ID for all businesses within a given company.



Asset Management Business Investment

Supporting customers' first steps in investment for their 100-year lives

Using a credit card with a long service life as a touch point by which to remain side by side with the life events of its customers, this business is supporting the first steps members take in asset formation. We would like to raise asset formation literacy through a service that allows members to experience long-term investment with ease. We also believe that that this feature will stimulate interest in financial products from a wide demographic, including among the young and women raising children, and contribute to the sound development of the financial market as a whole.

In the years to come, we will support asset formation that is tailored to each customer by providing a variety of investment-related solutions.

Background to asset management business

In December 2016, we launched our "Point Investment Services" ahead of other companies in the industry. The number of users has reached about 500,000 in the three years or so since the service started, and the service has been supported by so many customers that it appears in the top ranking of Eikyufumetsu Points exchanges. This service allows customers to simulate the experience of asset management without the hassle of opening a securities account. One of the features of this service is that it is often used by young people who are new to investing, which they had previously thought to be far beyond their means. We believe that having them experience long-term investment, while enjoying the added bonus of points, will lead to actual investments from customers.

Asset Management Service-Related History

2016 December	Started to offer "Point Investment Services"
2018 March	Established investment platform, "Investment Accounts" Launched new point investment service
June	Patent acquired for Point Investment Services (Patent No. 6357521)
2019 November	Started to offer "Seven Pocket" smartphone securities services

"Point investment service" course list

Japanese Equities Index (TOPIX) Course

This course is linked to the TSE stock index, thereby enabling the experience of investment while developing a feel for the state of the Japanese economy.

U.S. Equities Index (VOO) Course

This course is linked to the stock index of 500 major stocks (large-cap stocks) on the U.S. market, thereby enabling the experience of investment while developing a feel for the state of the world economy, in which there are many global companies.

Active Course

This course aims for active gains focused on foreign stocks and bonds.

Balanced Course

This course is geared toward stable investment operation mainly in domestic bonds.

Asset Formation Expert Course

This course invests in equities around the world from a long-term perspective. Customers are able to experience diversified investment in selected companies around the world.

Global Balanced Course

This course invests in world stocks and bonds. By investing even in bonds with moderate price movements, customers can experience risk-reducing investment.

Individual Stock Course

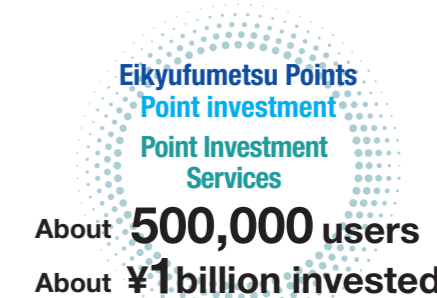
This is a course on which the points increase and decrease in accordance with actual stock prices. Stock points exchanged from Eikyufumetsu Points increase or decrease in accordance with the movements in the stock prices of real companies.



Said to be a service geared toward the affluent segment, asset formation is likely considered by most customers to be irrelevant to their own lives. At Credit Saison, we are working to enhance the asset management business domain by listening to questions posed by customers, namely, "How can I nurture the growth of my own money?" and "Just how can I manage my critical assets?" Saison Asset Management Co., Ltd., a Saison Group company, had grown to ¥300 billion in assets under management as of February 2020, and in the third year of Point Investment Services, which Saison Card holding members can begin easily, the number of users reached the 500 thousand level. We are delighted to continue offering services that support our customers, and that manage the assets entrusted to us in a safe and easy-to-understand manner.

Kaori Shimada
Executive Officer In charge of Asset Management Dept.

Main Indicators



Key issues and solutions

The Japanese social security system is beset with a variety of problems. In particular, as the future of the pension system becomes increasingly uncertain, it is becoming common to think that asset formation for the future will be based on individuals taking responsibility for themselves.

Recently, the "¥20 million needed for retirement issue" has become a hot topic in Japan, and interest in asset formation has increased around the world. Also in Japan, there has certainly been heightened interest in investment, partly due to institutional support from government, such as the Tsumitate NISA tax incentive system and iDeCo pension.

On the other hand, the reality is that, when investment beginners begin investing, there are many who think the process is "scary" or "troublesome," or that they will not understand. We released "Saison Pocket" in November 2019 to solve these problems and realize investment that is "customer friendly," "simple," and "easy to understand." Customers are able to open securities accounts following easy procedures and start amassing investment trusts and stocks by card payments. Purchases by means of Eikyufumetsu Points are also possible, and we will support customers' smooth transitions to real investments.

Features of Saison Pocket セゾンポケット

Easy to understand! With two funds, investment trusts do not cause confusion

Managed by Saison Asset Management, there are two types of investment trusts from which to choose: Saison Vanguard Global Balanced Fund and Saison Asset Formation Master Fund. With Saison and UC card payments, customers can start amassing investment trusts from as little as ¥1,000 a month.

First-in-industry service! Enables amassing of stocks by card payments

Customers can amass listed companies' stocks for a specified price starting at ¥5,000 every month, payable by card. They can choose from more than 100 brands that have a wide lineup from various industries.

Customer friendly! Peace of mind as customers can make purchases with Eikyufumetsu Points

Using Eikyufumetsu Points, customers can amass investment trusts and stocks and purchase investment trusts on a case-by-case basis. Recommended for those who are confused about actually investing with money and want to make effective use of their Eikyufumetsu Points.

Simple! Easy account opening by linking card information

If customers log in with an ID and password via the Saison Card/UC Card "Saison Portal" or "UC Portal" apps or the "Net Answer" and "At You Net" internet services, card information will be linked automatically. If customers have their smartphone and necessary identity verification documents to hand, they can open an account smoothly.

Medium- to long-term initiatives

The "Saison Pocket" was launched to target those new to investing, who make up the majority of cardholding members. In the years to come, we will continue to build

platforms that can support the asset formation of all Saison Card and UC Card members, including those who already have experience of investing and the affluent segment.

Digital Marketing

Realizing an Ever-greater Quality of Life for Customers by Utilizing Digital Technology

Being involved in any number of financial milestones that come about in the course of our customers' lives, we find it our mission to help realize a greater quality of life (QOL) for our customers by proposing optimal services. In a situation in which digital technology is rapidly evolving, we are working with great vigor to implement new technologies. Making use of digital technologies, we conduct digital analyses and digital marketing, and this more than ever enables us to provide customers with high-quality content at precisely the right time. The result is to maximize the customer's experience and customer value.

Digital Marketing at Credit Saison

Modern society has been changing in recent years. No longer is it "more," but rather "better," and it is not a "lifestyle satisfied by material wealth," but in demand is a "lifestyle in which every day is fulfilling, and emotionally and physically satisfying." To bring our customers' QOL to a level that is higher than at present, digital technology will be used to deliver "new information" and "information that people want to know" at the appropriate time and in a timely manner. We believe that enriching customers' lifestyles in this way will lead to improvements in their QOL.



Information usage policy

Appropriately managing the customer information that is received into its care from customers based on the Personal Information Protection Law and other laws, the Company will effectively utilize the valuable information,

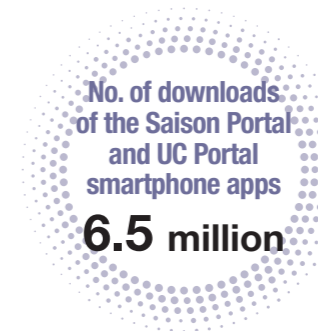
with its customers' consent, to assist in improving customer QOL. The Company's policy in digital marketing is that we will remain in compliance while building our business.



Having adopted a "leading-edge service company" management philosophy, Credit Saison has from the start, taken the initiative to offer innovative services in the card industry. Today, as DX (digital transformation) is rising in importance, and we are a company that consistently confronts challenges, we are engaging in DX Promotion as a priority management strategy. Domains driven by digital technology to dramatically alter the customer experience and business streamlining stretch across the Company, starting with credit operations, such as credit examination and issue, usage, invoicing, development, and credit management, to the marketing domain, consisting of branding, sales promotion, and CRM, and on to organizational activities to develop new businesses that utilize Company resources and raise internal productivity. Through DX, Credit Saison has set its sights on providing an outstanding service experience to our card users, partner clients, card affiliated stores and all of our customers.

Kazutoshi Ono
Director, Managing Executive Officer Head of Digital Innovation Division

Main Indicators



Key issues and solutions

The advent of AI, blockchain and other technologies is driving change at a dramatic pace in all aspects of the Company's business, whether it be with our products, sales or competition. We believe it is important to "face up to concerns from the perspective and feelings of a typical individual, including one's own self, and then to imagine and create services that will please customers." Moreover, when

it comes to leveraging big data, it's all about analyzing customer information. That is why the Company is developing a concierge service in line with customer needs and offering services suited to major life events. In terms of technology, we are actively collaborating through an open innovation R&D organization while putting to use our own internal systems to the maximum extent.

Examples of services

Marketing automation (MA)

Giving customers the information that meets their needs means providing information at the optimal timing through automated distribution of high-quality contents, obtained without a middleman, and that links customers' various settlement and behavioral data. This is how we realize an enhanced customer experience with quality service.

Saison Classe

Targeting card members who use Saison Portal and UC Portal smartphone apps for Saison Card and UC Card, we introduced a service whereby a customer can earn points by raising their ranking in accordance with their usage records. Class can be changed based on score, and using a smartphone app makes it easy to obtain preferential usage and to confirm information on special offers.



STOREE SAISON



"STOREE SAISON," a store that accepts Eikyu-fumetsu Points, is a media-type mail order site that introduces products and experiences, both in and outside of Japan, to enrich the daily lives of customers. It does not merely introduce an item, but also tells the story of how that item came about, the struggles the item's creator faced in its production, as well as their originality and ingenuity and other matters of what the creator of that item was thinking. Moreover, it conveys recommended ways to enjoy the item, and other information.

Saison Cardless Payment

We have commenced availability of Saison Cardless Payment, offered to new members of PARCO Card, an affiliated card, so that they will be able to become Saison Card members promptly, and on any smartphone. Based upon online safety and security, identity verification makes it possible to undertake membership processing online, and to use immediately following completion of credit examination. This not only heightens convenience for customers, but enhances the customer experience.

Medium- to long-term initiatives

As people's lifestyles have changed to revolve around their smartphones, the business environment in which the Company operates is also transforming at a breathtaking pace on many fronts, including products, sales and competition. To respond swiftly and precisely to such changes, we have begun to hire and nurture our own engineers so as to be able to bring digital technologies in-

house. However, even if we are somehow able to lift the degree of importance that technology has to play, in the end, what is most important is the customer. Creating a customer experience that fully delights and surprises will require the ubiquitous use of technology. We will undertake activities with the aim of becoming just such a company.

Finance Business

Utilizing its sales capabilities and nationwide network built up in the card business, Credit Saison provides finance services tailored to market needs

Having launched our lease business in 1982 and credit guarantee business in 1985, for more than 30 years we have continued to explore the needs of our partners and affiliates, developing products and improving those operations that come with each demand. We have also steadily expanded our asset balance by providing financial services in tune with market needs and strengthening relationships with our partners and affiliates based on heavily customer-oriented products, such as the launching of our Flat 35 loans in 2009 and Saison Asset Formation Loans in 2013.

Credit Saison's finance business domains

Lease & Rental Business	We are forging ahead with finance leases, business-use installment sales, and rentals, especially for office automation (OA) equipment and LED lighting that align with the capital investment plans of businesses.
Credit Guarantee Business	Primarily in the area of credit guarantees for unsecured personal loans that do not set conditions on the use of funds, we work closely with partner financial institutions, while supporting the promotion of loans to individuals.
Flat 35 Loans and Rent Guarantee	Offering Flat 35 loans (purchase-type loans and guarantee-type loans), we are also developing lifestyle creation financial services, from rental to home purchase.
Real Estate Finance	We are expanding our loan portfolio with loans provided to individuals to purchase real estate for investment purposes (Saison Asset Formation Loans), loans for renovations, loans for project financing offered to real estate business operators (Real Estate Mortgage Loans) and real estate non-recourse loans.

Main Indicators



Credit Saison is expanding its finance business based on the three pillars of "Lease & Rental," "Credit Guarantee," and "Other Finance Products." For the Lease & Rental pillar, we are forging ahead with sales, mainly for OA equipment and kitchen equipment that is in line with the capital investment plans of businesses. For the Credit Guarantee pillar, we specialize in the area of credit guarantees for unsecured personal loans that do not set conditions on the use of funds, working through partner financial institutions, with which we collaborate closely in terms of both marketing and credit controls as we strive to acquire new business. For the Other Finance Products pillar, we are offering unique products and services tailored to customer needs—led by Flat 35 loans, asset formation loans and rent guarantees—while endeavoring to accumulate high-quality assets by building on strengthened relationships with our partners and affiliates. Moving forward, we will continue to utilize our sales capabilities and nationwide network built up in the card business, and work to put in place a business foundation as a non-bank resilient to environmental changes and with diverse sources of revenue through strengthened relationships with partner companies and the provision of finance services tailored to market needs.

Tatsunari Okamoto Managing Director, Managing Executive Officer Head of Finance Division

Key issues and solutions

Finance needs are evolving in today's "era of a 100-year life," with its accelerating trend toward a declining birth rate and aging population. Responding to capital investments that address environmental and social issues—such as expanding services for foreign-national residents and senior citizens as new segments and eco and security products to realize a safe and sustainable society—is not only creating new

business opportunities but also, in social terms, requiring improvements in QOL for everyone. In addressing such diverse finance needs, Credit Saison will bring both its intellectual and human capital to bear as the Company works to create, through our finance business, a society in which companies can grow over the long-term and everyone can live with peace of mind.

A service lineup that addresses diverse finance needs

Under the concept of its lifestyle creation financial services, the Company is developing a broad range of products that give close consideration to the lifecycles of our customers, and that contribute to improvements in QOL. We provide products that accommodate rental contracts and home purchases, and all their associated costs. Moreover, we respond to home demand that is the foundation of individual customer lifestyles, and also assist with asset formation through real estate, thus supporting with the creation of an affluent daily life.



In the credit guarantee business, we undertake guarantees for unsecured loans that do not set conditions on use of funds provided by our partner financial institutions for individuals to put customers' minds at ease. In addition, we also pay close attention to Japan's regions and the trading partners of our partner financial institutions nationwide, and by accumulating information on the characteristics and needs of those regions are contributing to business matching and regional revitalization. Specializing in and providing backup for the capital investments of small- and mid-sized

businesses and start-up ventures, our lease & rental business underpins sustainable business growth through its handling of environmental products that work to address business trends. As a way to tackle issues internally, we aim to expand profits by undertaking activities that streamline RPA and AI and that continuously mitigate risk. Furthermore, we seek to expand the credit domain through risk analysis, as well as to create new business opportunities and enhanced services.

Medium-to long-term initiatives

As a leading company in the lease & rental business, we provide ongoing support to the management of enterprises. The credit guarantee business provides conventional individual-focused products, and in addition, endeavors to develop finance products for small- and mid-sized businesses that will lead to revitalization throughout Japan, including the country's regional areas. Keeping an eye on our partner financial institutions, business partners and other peripheral companies, we aim to create business opportunities by leveraging our nationwide network.

In addition, Credit Saison will develop new products based on proprietary big data-driven marketing, and will offer the new finance services that the times and society demand, including for senior citizens, foreign national residents, and the high net-worth segment. While growing profits based on a balance of risk mitigation and tackling new challenges, and further advancing the diversification of Company management that has driven our progress as a credit card company, we are building a business foundation as a company that will advance together with our customers for 50 years.

Global Business

Realizing financial inclusion in the spirit of equal partnership with local companies

Those who are unable to access bank financial services (the unbanked segment) account for the majority of the Asian population. Focusing on the financial services needs of such people, the Credit Saison Group collaborates with local companies while providing finance services and financial solutions. We will contribute to regional economic development in the future by providing financial business tailored to each country.

Status of overseas business development



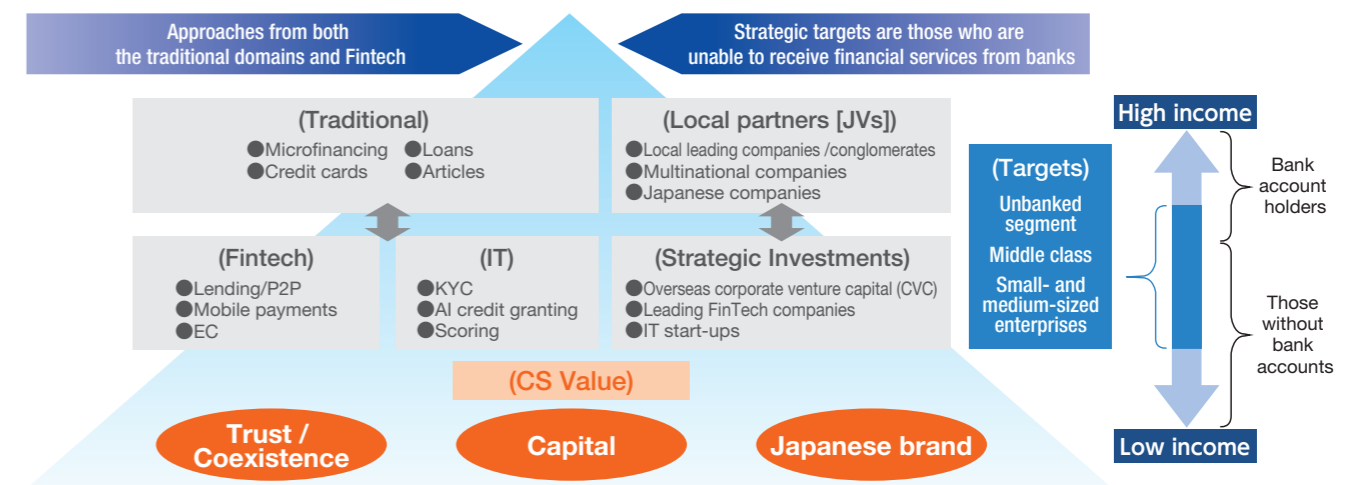
Credit Saison's global business dates back to 2005, when the Company entered the market in Shanghai, China. In 2011, we started market research in Southeast Asia, which is forming the core of our current business, and as of 2019 have entered nine countries, including affiliated companies and investment destinations as well as those yet to be unannounced. It is thought that the rapidly growing, middle-class unbanked segment in Asian countries will utilize state-of-the-art financial services centered on smartphones in using easier and more seamless services. Irrespective of the format, the Company will work with a variety of local partners to develop business to understand the markets, culture and business practices of those countries.

Katsumi Mizuno
Managing Director, Managing Executive Officer Head of Global Business Division

Business strategies

Amid expectations for an ongoing expansion in both population and GDP, we expect significant growth in Asia moving forward, although the fact that relatively few people in the region have bank accounts indicates that the current level of financial services being offer may not be sufficient to meet the needs of all the people. Given these conditions, the leapfrog effect brought on by the spread of smartphones and rapid progress of digitalization is contributing to new services being developed using the latest in cutting-edge technologies.

In response to rapid changes in the environment as well as growth in many Asian countries, we are taking on the challenge of developing new business models in addition to our operations in more traditional business domains. Maintaining our commitment to trust and cooperation with our partners as well as a "customer-first" attitude, we aim to provide financing services that meet the local needs of the unbanked segment by investing in and collaborating with local companies, including those operating in the FinTech domain.



Key issues and solutions

The duplication and diversification of businesses

In addition to a steady expansion in our businesses, centered mainly on existing businesses in the nine countries in which we already operate, we are advancing initiatives such as collaboration with multinational companies as well as the development of networks, mobile payment systems, AI credit granting, and digital scoring operations in order to further complement the strengthening of our businesses in each country.

Strengthening the corporate governance system

Expanding our business and moving into new countries requires a robust support system. In addition to upgrading the management system for each operating company, we are creating a mutual checking system involving business supervision and monitoring from the Tokyo headquarters as well as the Singapore subsidiary in its capacity as a regional headquarters.

Medium- to long-term initiatives

Business model diversification

In addition to direct investment, we are also developing a variety of business and collaborative models, including those focused on corporate venture capital investment and business support through the creation of financing schemes.

Expanding the geographic scope of our business

We are focused on expanding the geographic scope of our operations, and are considering adding businesses in Africa and South America to those already in place in Southeast Asia and South Asia.

Globalization in human resources

We believe a diversity of values to be indispensable to the development of our business in areas with different cultures and business practices. In addition to the active recruitment of local employees, we will continue to promote the appointment of executive candidates regardless of whether or not they are Japanese.

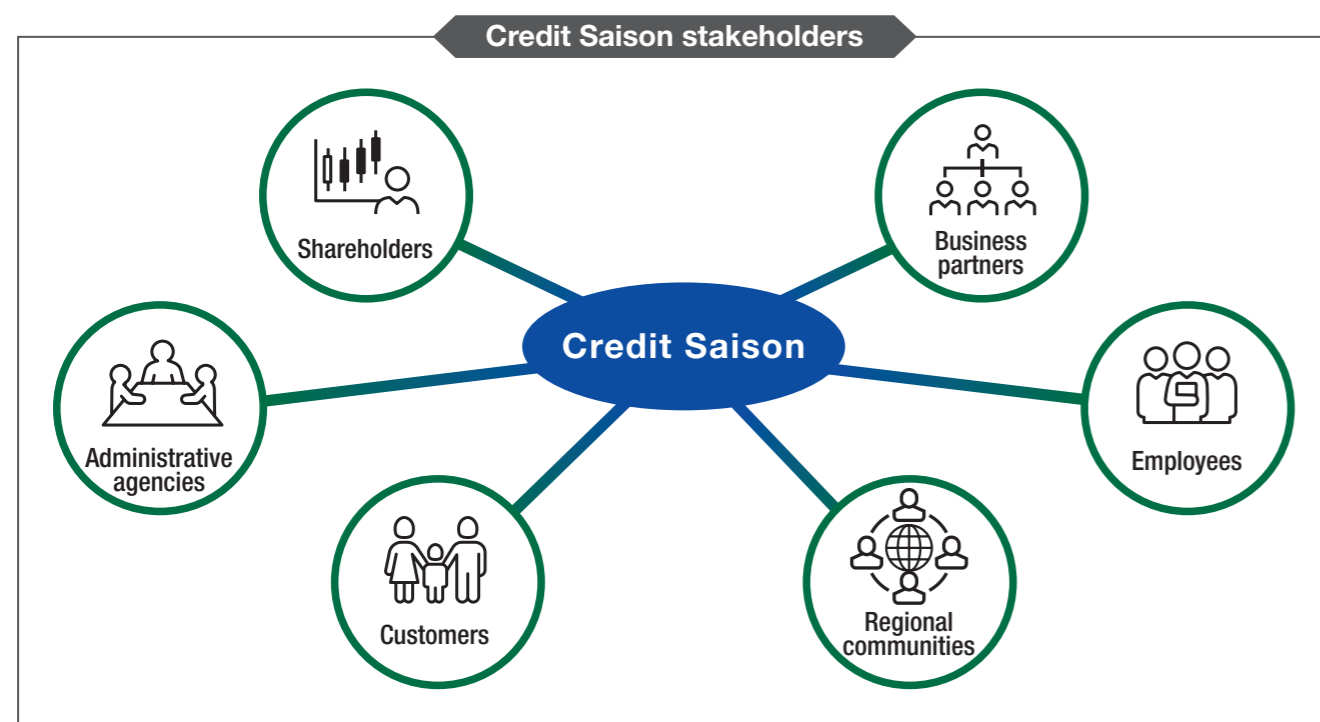
Value Co-creation with Stakeholders

Aiming to be a finance company advancing with customers for 50 years -Credit Saison from the perspective of our stakeholders-

In order to remain a company on which society depends, we feel it is important to understand what our stakeholders demand of us and to reflect these demands in our services and business activities.

Moreover, from our perspective, our stakeholders are a critical factor in raising corporate value. We thus feel that always sincerely accepting their expectations and exacting opinions is essential to our sustained growth.

As one of the voices of our stakeholders, we offer a message from our business partners.



Messages from business partners

Payment Business



Mitsui Fudosan Retail Management Co., Ltd.
President and Chief Executive Officer
Takehisa Aoyagi
(Executive Chairman as of April 2020)

The Mitsui Fudosan Group has had a relationship with Credit Saison over the 20 years since we first issued an affiliate card in 2000. With the number of members now exceeding 3.5 million, the affiliate card has become irreplaceable as a critical contact point that links our customers to LaLaport, Mitsui Outlet Park, and the other commercial facilities that we operate. Over the past 20 years, all at Credit Saison have been involved with our business, and faced many trying situations and difficult circumstances. Yet

their employees have always remained cordial as they tackled these issues and have built these 20 years together with us as true “partners.” Rapidly responding to the changes of the times, they had been quick to work on partner card settlements via our app. Although our commercial facilities are also in the midst of major changes in the business environment, I hope that we can both continue to demonstrate our shared spirit of undertaking challenges as we build the next ten and twenty years together.

Payment Business



Coinex Co., Ltd., Representative Director and Vice-president
Coinex, Inc., Representative Director
Naoko Samata

Ever since our first year in business when we were still located in one room of a condominium and operated with just a few people, we have had the pleasure of working with Credit Saison. Although the term open innovation has come into common use today, I would like to offer my gratitude to Credit Saison for being an innovator of this concept at the time and for their strong, unwavering support over the seven years since. The Credit Saison management and employees maintain very close relationships

with each other that are open and equitable. Because they also take this stance toward outside companies like ourselves, they serve as an excellent partner that makes many quick decisions. Against the backdrop of this continued, deep partnership, we will produce significant results along the lines of promoting a cashless society in Japan, so I look forward to working with them in the future.

Finance Business

Although our connection with Credit Saison began when they initially approached us upon commercializing “Saison Asset Formation Loans,” our relationship has continued to broaden each year and today includes credit guarantees for rent and jointly organized events at the Akagi Nature Park. I often hear our employees state that the response and quick footwork to conditions at hand of all at Credit Saison has been a savior. I believe this is because Credit Saison has a highly mobile, flexible, and governance-based

management policy that considers it important to be first to go beyond the bounds of a credit card company and to promote businesses that utilize digital technology and ESG management. This is something that I also feel is important when advancing our own business, and I feel that this policy has also become deeply rooted in the employees as part of their corporate culture. I look forward to a long-lasting relationship with Credit Saison into the future.



FJ Next Co., Ltd.
Chairman, President and CEO
Yukiharu Hida

Global Business



Gojo & Company, Inc.,
Chief Executive Officer
Taejun Shin

Upon working together with Credit Saison, I investigated their history. Having been launched from the reorganization of Midoriya Department Stores, I felt that Credit Saison had nurtured a solid entrepreneurial spirit throughout its history of honing its wisdom and quick-thinking skills while expanding its business. All of the employees at Credit Saison with whom we have worked have been extremely charming, possessed of a sense of duty, and highly educated. Yet, at the same time, I am impressed that

they always remember to be imaginative. Within this corporate culture, I have strongly felt the DNA of Seiji Tsutsumi and the spirit of Chairman Rinno as the one who rejuvenated the company. I am deeply grateful that Credit Saison accepted our spirit as a company founded to create the World Bank of the private sector and for their being the first from Japan to provide large-scale financing. We ask for their continued partnership into the future.

Commitment to SDGs



We contribute through the everyday operation of our businesses to resolving problems and move society forward in ways only Credit Saison can and aim to create a sustainable society even more convenient and prosperous than it is today.

Representative, Executive President and COO
Masahiro Yamashita

Basic approach to ESG Management

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

SDG Initiatives

Contributing to the SDGs for 2030 is one of the major goals of Credit Saison. Meanwhile, simultaneously creating "Social Value" and "Economic Value" is one of the obligations placed on companies engaged in global business. In order to fulfill these goals and obligations we are steadily advancing ESG Management.

SUSTAINABLE DEVELOPMENT GOALS



- Realization of a cashless society
- Donation by exchanging points and card payments
- Education for the Next-Generation and Financial Education
- Support for sporting and cultural activities
- Reform working styles



- Operate the Akagi Nature Park
- Reduce paper consumption and CO₂ emissions



- Establish a nomination and remuneration committee
- Strengthen the management monitoring system



Initiatives for the Development of a Prosperous Society

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

Realizing an even more secure, safe, and convenient cashless society

Building a variety of payment schemes

With the goal of realizing a cashless society, we are addressing the building of a variety of payment platforms that contribute to enhanced convenience for our customers. In addition to issuing plastic cards, including credit cards and prepaid cards, our efforts in recent years have also been focused on next-generation payment systems, including smartphone-based payment systems and QR code systems in cooperation with affiliated apps.



The appropriate management of personal information

We manage personal information in accordance with laws, regulations and other requirements, including guidelines and industry rules. We have also established internal corporate rules, and give our employees internal training and compliance-related education. Our efforts to raise awareness of information management include the use of the “personal information manager” qualification established by the Japan Consumer Credit Association, a qualification that is essentially compulsory for employees who handle personal information at Credit Saison. In terms of handling personal information, we are improving security through the use of dedicated lines, restricted access, the use of TLS/SSL (transport layer security/secure socket layer) cryptographic communications technology, and strict controls on entry to/exit from information terminal locations. In May 2006, Credit Saison was authorized to use the PrivacyMark, a certification given to businesses with appropriate systems for handling personal information, and we continue our efforts to maintain and enhance the protection level of personal information.

Preventing excess debt

Understanding the importance of maintaining a balance between the prevention of “multiple debtors” due to overuse and contributing to economic development through the enrichment of customers’ lives, we strive to properly manage personal information and work to prevent the occurrence of “multiple debtors” through carefully granting credit and conducting appropriate follow-up after credit is given.

Information / cybersecurity

For online systems storing important customer information, including the card applications and Net Answers, we use a cryptographic communication technology called TLS / SSL to protect that personal information.

Improving the accuracy of unauthorized use detection (AI)

We are providing a safe and secure payment environment by improving the accuracy of unauthorized use detection systems that use the latest technologies.

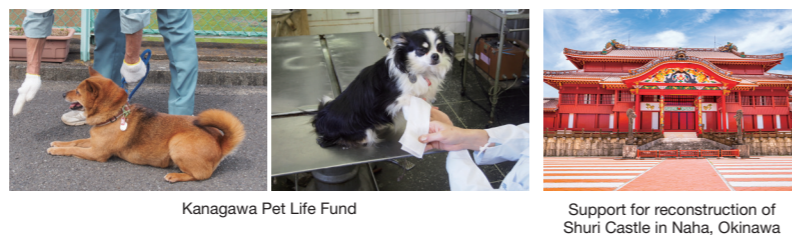
Providing financial services in Asia

We are contributing to the economic development and betterment of local people’s lives in emerging economies in Southeast Asia by providing financial infrastructure through tie-ups and mergers with local companies.



Donations by exchanging points and card payments

We contribute to local communities and society through research donations and the promotion of disaster recovery assistance through points exchanges and donations by card. We are also developing investment simulation services, such as the points management service, as well as support in life design and financial education, including by providing investment opportunities.



Promoting education for the next-generation and financial education

We have participated in Quest Education, an inquiry-based learning program at over 200 schools nationwide over the past ten years as part of our effort to provide financial education to students in Japan. Through these types of activities, employees become more deeply involved with society in general, which contributes to their own growth as it supports student learning.



SAISON TEACHER on-site classes

With the aim of helping children in the next generation acquire a proper level of financial knowledge and become independent consumers, Credit Saison offers on-site classes at schools around the country. Under the SAISON TEACHER Saison Financial Education Program, employees with a wide range of financial knowledge instruct children in how to make the most appropriate choices in a cashless society with an overabundance of different payment methods.



Support for sporting and cultural activities

With the desire to continue to grow alongside Japan’s national soccer team, we have been a supporting company to the team since 2001 and through a sponsorship agreement with the Asian Football Confederation (AFC) have supported the soccer community in Asia since 2014. We are also committed to supporting the dreams of children by providing valuable opportunities that are outside the realm of normal daily activities for those who will lead the next generation, including as part of our “High Touch Kids” program.



Credit Saison since 1999 has been a sponsor of performances in Japan by José Carreras, one of the members of world-renowned The Three Tenors, and makes donations to and supports the activities of the José Carreras Leukemia Foundation. We continue to contribute to society by providing support and donations to these kinds of sporting and cultural activities.



Environment conservation initiatives

We are working to reduce paper consumption by promoting online card statements and applications. We are also promoting paperless operations by using digital counters and accepting 95% of in-person card application on tablet devices.

Promoting Diversity and Inclusion



Director, Executive Officer
General Manager, Processing
Business Division, in charge
of the Strategic Human
Resources Dept.
Kazue Yasumori

Credit Saison has before the spread of ideas such as “promoting the careers of women” and “diversity” played an active role in advancing the roles of women in a variety of occupations, and we believe this has contributed to our growth. We are working to create a system and foster a corporate culture based on mutual understanding in which not only women, but all employees from different backgrounds can work in a comfortable atmosphere and to the best of their abilities.

Our thoughts on diversity and inclusion

With the goal of becoming a company which is adept at change, we believe it is important to have an organization that is staffed with a variety of employees who have the option of pursuing a variety of careers, and to focus on the activities of each employee and how they can best contribute.

To that end, we are working to create an organization that can take on challenges and enables all its employees, regardless of their gender, age, educational history, or personal background, to freely express their opinions and to face challenges.

Credit Saison aims for a diversity in which employees can recognize and make the most of each other’s capabilities

Since the 1980s Credit Saison has actively engaged in the hiring of women. In order to realize the participation of women in a broad range of roles and positions, we have continued to listen to the opinions of our employees and enhanced our personnel systems in order to mitigate the number of female employees quitting work or abandoning their careers due to major life events such as marriage or childbirth. Through many years of improving its systems and building on results, Credit Saison has, even while having in place a range of constraints, cultivated a corporate culture which accepts, understands, and supports colleagues, both men and women, who aim to balance work with childcare.

Creating a mechanism to accelerate diversity and inclusion

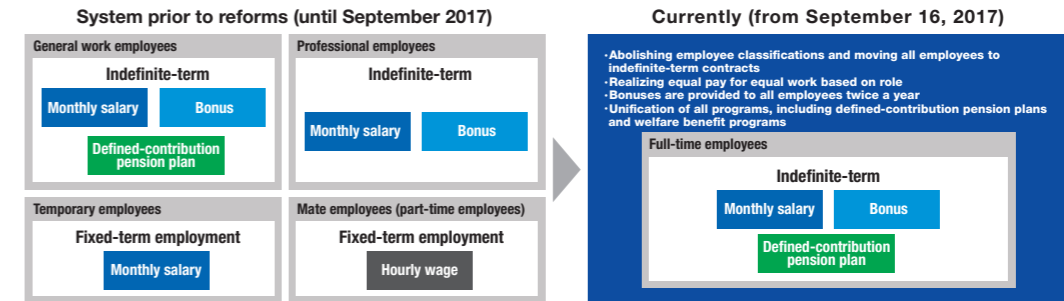
With the goal of creating an environment and corporate culture that bolsters the potential of each and every employee, in September 2017, we moved to a system based on an employee’s role rather than employment classification (equal pay for equal work) and combined the defined contribution pension system and welfare benefits system into a common personnel system for all employees. We also introduced a system allowing flexible workstyles, including work-from-home, flextime, paid leave that can be taken on an hourly basis, and shorter working hours, which are not limited to those using it for childcare or nursing care reasons. As a result, employees can now choose from a variety of work styles tailored to their individual circumstances.

From 2019, to serve as mechanisms to support the career development of individuals we have, at the organizational level, held human resource development meetings to focus on development programs for individual employees. We have also introduced one-on-one meetings—in an effort to create an environment where managers and employees can mutually discuss taking on new challenges with peace of mind—and career development support that encourages employees to think for themselves, while aiming to foster further growth in both the Company and our employees.

Credit Saison has created an environment in which our employees can better themselves and improve their performance in the workplace. We intend to promote the further understanding of our systems and mechanisms moving forward, and will work to create an organization that allows each employee to choose the most appropriate way to work based on their individual circumstances and accordingly achieve the maximum results possible.

Common HR system for all employees

Abolishes employee classification system and with the exception of certain part-time employees, establishes all employees as full time while unifying the wage and compensation programs.



Broadening the scope of available ways to work and working hours to create a more comfortable working environment

We have increased the number of working hour and workstyle options so that each employee can perform to the best of their abilities.

System allowing paid leave to be taken on an hourly basis

The system allows employees to take paid leave on an hourly basis (up to five days a year).

Reduced working hours and days

The system allows shorter working hours per day and a reduced number of working days per month so that employees can continue their careers by better balancing their work responsibilities with their life responsibilities, including in respect to childcare, nursing care, and various other life events. Employees can shorten their working hours and the number of days worked not only for childcare and nursing care-related reasons, but also for self-development.

Flextime

The system allows employees to work efficiently without establishing a set

number of working hours per day, only a set number of working hours per month. Employees are able to determine their own working hours within that scope and are accordingly better able to harmonize their work lives with their private lives.

Working remotely

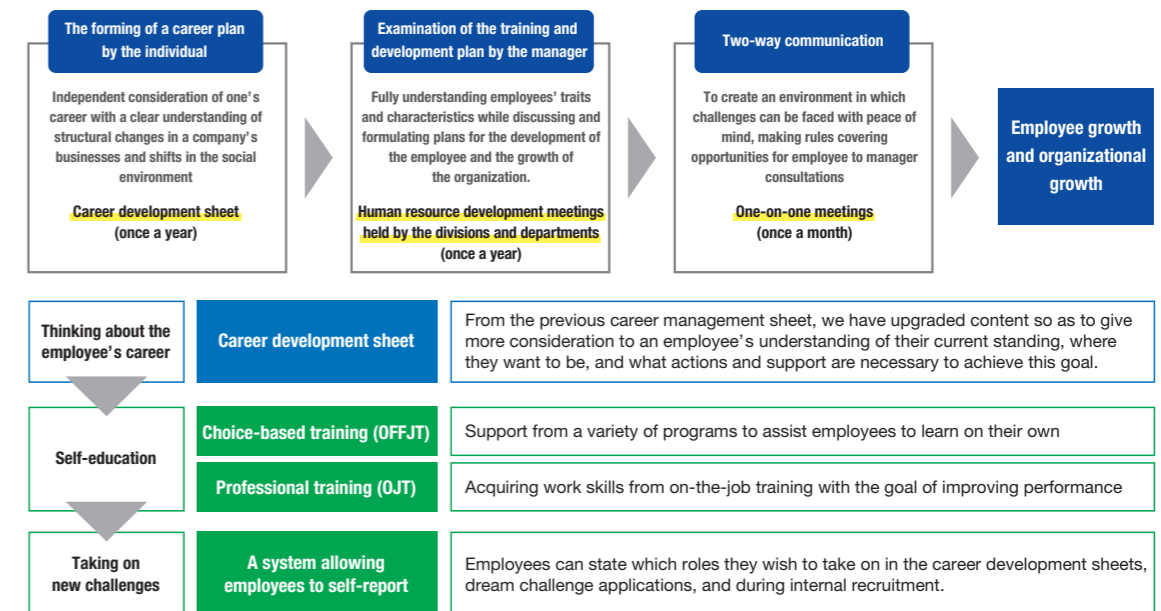
A system that enables employees to work at home in the same way as in the office. This allows greater efficiency by greatly reducing commuting and travel time.

Outside employment

With the goal of broadening the knowledge and promoting the individual growth of our employees, a system for the development of human resources that can contribute to society by creating an environment in which they can choose from a variety of work styles.

Career support mechanisms

Focusing mainly on the career development sheet, a support system is in place that allows employees to think about their careers and take the initiative regarding their future.



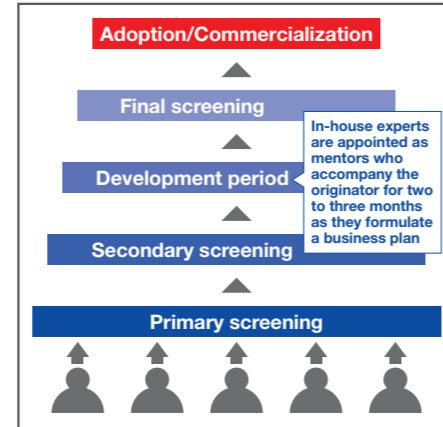
Key Characteristics

SWITCH SAISON

Credit Saison offers an in-house venture program to quickly make employee's ideas a part of the business.

This program was created to encourage a corporate culture that allows employees to conceive ideas and to found new services that address changes in social needs and markets.

All employees are eligible to take part, and the program provides support through a mentor program in order to commercialize their ideas and enables the originator to be flexibly reassigned in relation to the adopted proposal.



Eikyufumetsu chips



In December 2018, Credit Saison introduced a peer-to-peer bonus system that allows employees to send each other chips along with words of gratitude. Composed of the terms peer, meaning colleague or coworker, and bonus, peer-to-peer bonuses represent a system that allows employees to send incentives to each other for the results and contributions of those jobs that are not easily recognized on a day-to-day basis.

Named "Eikyufumetsu Chips," Credit Saison uses this system to stimulate communication that crosses between locations and departments.

CREDIT SAISON AWARD

Held since 2012, the CREDIT SAISON AWARD serves as a location that enables the entire Company to come together as one and form a strong organization. By sharing the corporate vision and by praising each other for day-to-day results in a way that crosses between departments, this AWARD encourages a corporate culture in which both employees and the Company contribute to each other.

A separate award ceremony had been held specifically for

the marketing department prior to 2012, but following changes in the surrounding environment this was changed to the CREDIT SAISON AWARD in 2012. This change served to create opportunities for changing awareness and behavior with the support of the entire Company, encouraging a corporate culture that is unique to Credit Saison, and strengthening the organization.



Initiatives Toward an Organization in Which Each and Every Employee can Demonstrate His or Her Abilities



Promoting health and productivity management

■ Policies

- Companies comply with mandatory safety considerations.
- Companies maintain the necessary systems for safety management. Specifically, companies promote systems for task environments, work environment management, and health management while providing education on occupational safety and health to supervisors and managers as well as employees.
- Employees take steps on their own to ensure their safety and improve their health.

- ① Employees actively participate in activities to promote health that companies implement.
- ② Employees are responsible for managing their own health so they can do their work enthusiastically.

■ System for Promoting Health and Productivity Management

The industrial physicians of the Health Management Office, public health nurses, and Strategic Human Resources Dept. play a central role in promoting activities for maintaining and improving employees' health. Furthermore, in addition to Companywide activities, a wellness promotion leader is assigned to each branch office nationwide with activities carried out in response to issues at each office.

A system has been set up that allows employees to easily consult and collaborate with the Health Management Office and HR staff regarding their mental and physical wellbeing.

■ Specific Activities

- Regular health checkups for all employees for the purpose of employee health management, and the early detection and prevention of diseases. 100% participation rate.
- Conduct stress checks, organizational analysis, and provide feedback to the workplace. Promote measures to improve the workplace environment.
- Establish and implement a return-to-work program as a follow-up system for employees with physical or mental illness covering taking leave to returning back to work.
- Improve health literacy by sending out information on health matters through Company newsletters and the intranet.
- Promote understanding and further knowledge relating to mental health matters during new employee and new manager trainings.
- Hold participatory seminars (food, exercise, women-specific health issues, etc.) in line with health issues at each branch office.
- Implement measures against lifestyle-related diseases (walking competitions, non-smoking programs, etc.) in cooperation with the health association.
- Recommend self-investment in health using cafeteria points.
- Recommend wellness leave (a complete medical checkup once every 5 years) for maintaining mental and physical health.
- Establish various systems that allow flexible work-styles to balance medical treatment with work, such as hourly paid leave, half-day paid leave, flex-time, staggered working hours, and telework.
- Implement a rework entry system that allows employees to re-enter the Company under the same conditions as when they retired, within 5 years after retirement, even if they once retired after the leave period had ended.

Upgrading the office environment

In order to consistently provide new value as a leading-edge service company, Credit Saison must deploy new services by allowing each employee to demonstrate their creativity.

Therefore, since 2017 Credit Saison has worked to upgrade the office environment at the Sunshine 60 Building Head Office for the purpose of [1] reforming work styles, [2] stimulating communication, and [3] streamlining

operations. Going beyond simply renovating the physical office space itself, replacing internal phone lines with mobile phones has enabled location-independent communication. A document management system was also introduced in order to help the office go paperless. Credit Saison will continue to actively promote work style reforms among employees and streamline operations.



Taking on the Challenge of Reform as We Create Credit Saison

As a leading-edge service company that promotes diversity and inclusion, the broad range of members in each sector at Credit Saison work to create value for our customers and contribute to society. Here we will introduce several employees undertaking the challenge of reform through their work, including those who use systems and mechanisms designed to help them play an active role and those who are working to give form to their personalities and ideas under Credit Saison's corporate culture of freely undertaking challenges.



Shiori Abe

Hired in 2012 as a new college graduate
Customer Satisfaction Planning Dept.

Realizing new CSR activities as part of the first batch of SWITCH SAISON

Credit Saison employees visit elementary, middle, and high schools throughout Japan as "SAISON TEACHERs," and hold on-site courses to provide financial literacy. In fact, this SAISON TEACHER program was proposed and eventually commercialized under the SWITCH SAISON in-house venture program. I feel that Credit Saison has established an environment that makes it easy to undertake challenges because the corporate culture encourages this and there are support systems in place. I work every day through trial-and-error to acquire accurate financial knowledge that will ensure a safe, bountiful future for younger generations.

Moe Hiraga

Hired in 2018 as a new college graduate
Digital Marketing Dept.

Uniquely contributing to the development of new services as a younger employee

In April 2019, we released Saison Classe, which provides benefits based on rankings corresponding to the usage status of our services. Before I entered the Company, I had absolutely no experience in the digital field and as a new employee had no experience in systems. Specifically because of this, however, I felt that I was able to see things from a perspective much closer to that of our customers and actively expressed my opinions. Having a corporate culture that makes it easy to undertake challenges by lending an ear to and incorporating the opinions of new employees, Credit Saison has enabled me to grow and create services that are tailored to our customers.



Teppei Kobayashi

Hired in 2016 as a mid-career recruit
Kanagawa Branch Office Marketing
Section No. 2

Practicing problem-solving from the stance of both customers and employees as only a concerned person can

Credit Saison employs roughly 20 persons with hearing impairments throughout Japan. The biggest challenge for hearing impaired persons is properly gathering information at the right timing. As someone in this situation, I established the "Deaf Project" with my colleagues. The main activities include adopting ICT tools to facilitate in-house communication, introducing the "Saison Sign Language Service" as a solution for customers with hearing impairments, and offering financial services to deaf sports associations. My hope is to approach problem-solving in a way that is unique to myself through work.

Takuma Miyoshi

Hired in 2014 as a mid-career recruit
Asset Management General Manager,
Asset Management Officer

Conceiving asset management services by sharing wisdom among diverse members

After launching the "Point Investment Services" as a new service through which users can "experience simulated investment using points" in December 2016, many others followed suit. This service was originally conceived by an interdepartmental, participatory "task force" and emerged from a corporate culture that nurtures individuals who spare no effort in fields outside their current positions and a spirit of team work. In November 2019, I built the foundation for customers to make fixed period investments in a familiar, easy way as part of the new "Saison Pocket" securities service. And I will continue to boldly undertake the challenge of new businesses based on new ideas.



Mariko Yamabe

Hired in 2005 as a new college graduate
Digital Marketing Dept. Section Manager



Producing results as a team, not as an individual

Through digital channels (the Saison Card website, apps, SNSs), I work to express and promote the appeal of Credit Saison. Because I must pick up my children every day at a specific time, I strive to work more resourcefully, for example by fully utilizing remote work, slack, and other tools, as well as by taking advantage of the reduced working hours system and the full-time flextime system. Although only one year has passed since my assignment as section manager, I am conscious of creating an environment that enables team members to utilize their fields of specialty and to work enjoyably, and value face-to-face time with the members, if even for a short time using one-on-one meetings.



Rie Mizuno

Hired in 2011 as a new college graduate
KISETSU SAISON
FINANCE (INDIA) Private Limited

Undertaking challenges in a stimulating environment is enabled by Credit Saison's corporate culture

At an affiliate of Credit Saison involved in digital lending in India, I am engaged in governance management, accounting, human resources and general affairs. I have also been involved in several projects thus far that have considered entry into new countries. My hope is to contribute to each of these countries through business, for example by providing funding to mobile finance service providers that digitize systems through which government funds are provided to households that require education subsidies. I believe that the deeply rooted open, frank, and innovative corporate culture of Credit Saison is one of the reasons I was assigned to this work as a result of conveying my unwavering desire to be involved in global business from the time of my hiring. And I will continue to make valuable contributions to society across national borders.



Saki Tokushige

Hired in 2006 as a new college graduate
North Kanto Branch Office Marketing
Section No. 1 Section Chief

Making proposals tailored to customer needs at the marketing front lines

I consider each customer individually to propose solutions tailored to their specific needs, including business cards and cashless systems that target sole proprietor and small- and mid-sized enterprises / businesses, as well as finance related products. Although I entered the Company as a specialist, I have undertaken the challenge of general positions in order to expand my personal role. I will continue to value the colleagues with whom I work and, as Credit Saison is regarded as a leading-edge service company, pursue customer satisfaction by listening to the feedback from each of our customers.

Masahito Miyawaki

Hired in 2007 as a new college graduate
Alliance Development Dept. Section
Manager

Escaping comfort zones and diving into unknown regions

As part of a new business development team, I create new businesses that maintain an awareness of "Zero-ichi" and that do not get caught up on existing businesses or concepts. Even if a service that I feel has potential or something that I think is interesting lies in an unknown region for me, I actively go out to collect information and endeavor to dive in of my own initiative so that we can update our services in step with changes in society. I feel that Credit Saison has a corporate culture that allows me to take on any challenge as long as I am passionate about it.



Preserving a Lush Forest for the Children of the Future Contributing to Society through the Management of Akagi Nature Park

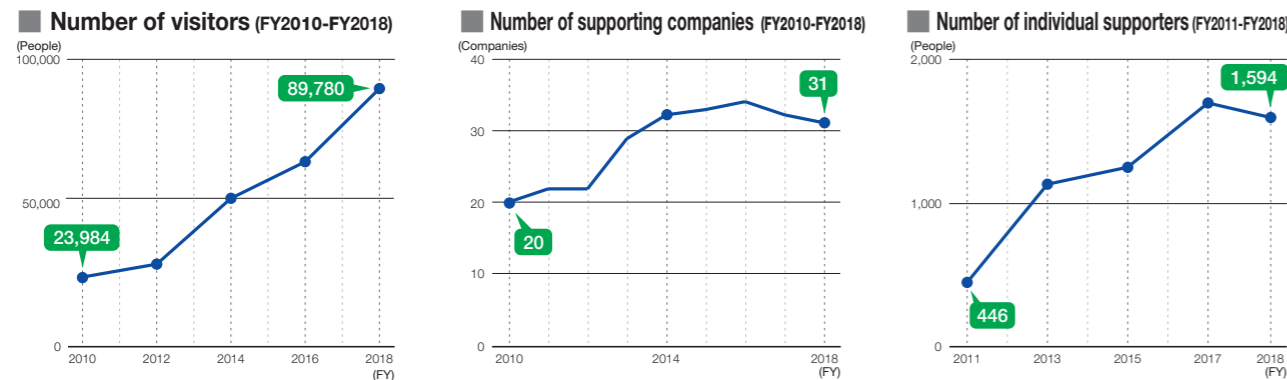


Looking back on the history of Akagi Nature Park

Akagi Nature Park is located at the foot of Mt. Akagi on the western side, at an elevation of 600 to 700 meters. Flowers bloom all over the park in spring, the whole area is brimming with life in the summer, and the trees turn to vibrant colors in the fall. The rich experience of the four seasons of Japan is interwoven into the forest, and you can truly experience the beauty of nature here. In order to pass a lush forest on to the children who will bear the burdens of the next generation, Credit Saison has been managing Akagi Nature Park

since 2010 as one of its social contribution activities. Credit Saison cardholders receive special treatment with respect to admission fees. In addition to the wide range of environmental conservation activities undertaken in conjunction with the local community and supporting companies, the Company is employing the park's facilities to push forward various initiatives that help support the next generation and contribute to the region by invigorating tourism.

Akagi Nature Park by the Numbers



Initiatives on environmental conservation

Initiatives aimed at passing on a lush forest

Instead of growing flowers, Credit Saison is committed to properly organizing the environment in a bid to assist its natural growth. With this as its guiding policy, the Company has worked diligently to transform this mixed forest that was initially composed of mostly pine and cedar trees into a balanced environment where a variety of tree and flower species can thrive. Every effort is being made to recreate a forest in which visitors can experience the rich seasons of Japan while maintaining and strengthening ecosystems.



Asagimadara (chestnut tiger butterfly) migration survey

Traveling over distances that extend for more than 1,000 kilometers, thousands of Asagimadara, chestnut tiger butterflies, migrate to various locations including Akagi Nature Park each year. A marking survey is conducted to track movements of this butterfly species at the time of migration. In 2015, butterflies were marked and recaptured in Yonaguni Island, Okinawa Prefecture, some 2,000 kilometers from their point of origin.



Initiatives for the next generation

Guided by the philosophy of passing a lush forest on to the children of the future and heightening sensitivities toward nature, Credit Saison conducts seasonal programs and tours. In fiscal 2018, the number of visitors came to 4,593, up 31% compared with the previous year.

Children's programs



Parent and child bus tour to promote improved health sponsored by Fukushima Prefecture



Providing coursework assignments to the Special Needs Education School for the Deaf, University of Tsukuba



Initiatives for regional revitalization

Credit Saison's social contribution activities span a broad range of fields. In the managing Akagi Nature Park, the Company has helped to revitalize the region by increasing the number of visitors from both inside and outside Gunma Prefecture. Positive steps are also being taken to improve the health of local residents.

Credit Saison concluded a cooperation agreement with Shibukawa City across a wide range of fields in April 2019.

Every effort is being made to strengthen collaboration in a bid to reinforce operating foundations. This includes contributing to the local community, raising the profile of Akagi Nature Park, and upgrading and expanding services and events.

- Examples of initiatives**
- Environment Division /Parent and child environmental study group
 - Akagi Public Hall /Nature observation meeting
 - Shibukawa Sports Club /Nordic walking event, walking class
 - Transportation Policy Division /Bus riding class
 - Nursing Care Insurance Division /Care prevention supporter representative training
 - Children's Division /Match-making event
 - Children's Division /Child-rearing event to promote exchange between parents and children as well as improved health
 - other



Tsutomu Takagi, Shibukawa City Mayor (left) and Katsumi Mizuno, Managing Director, Credit Saison Co., Ltd. (right) at Shibukawa City Hall

Welfare initiatives

Certified as a forest therapy site, Akagi Nature Park holds conducts various programs as a part of efforts to promote a healthy lifestyle.

Forest therapy site certification

Enjoying the forest leads to heightened comfort of mind and body, and increased recuperation. There are expectation that this relaxation effect can have beneficial effects for preventive medicine such as improving immune system function. Through physio-psychological studies, Akagi Nature Park has been certified as a forest therapy site.



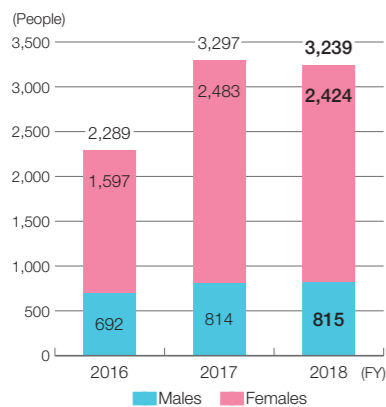
Programs

Among a host of programs and activities held at Akagi Nature Park, visitors can engage in Nordic walking and yoga, participate in walking events held by the National Federation of Health Insurance Societies, while also taking part in breathing exercises and other events.

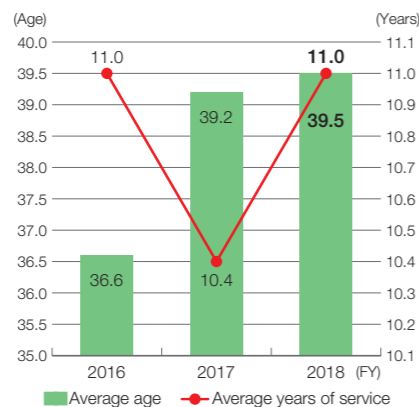


Diversity- and Human Resources-related Data

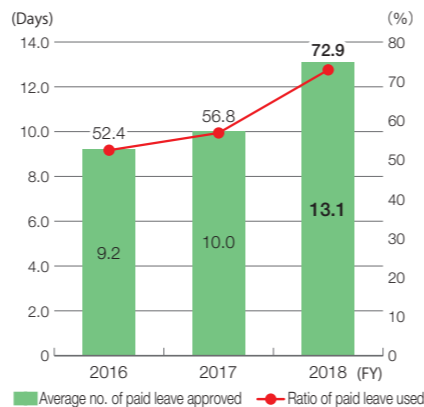
■ No. of employees



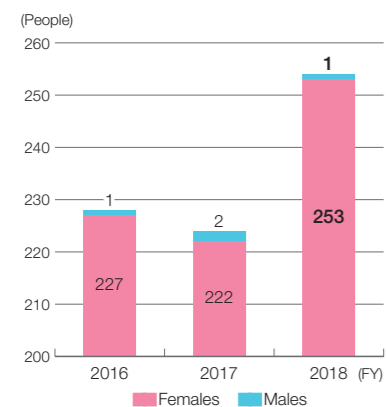
■ Average age/Average years of service



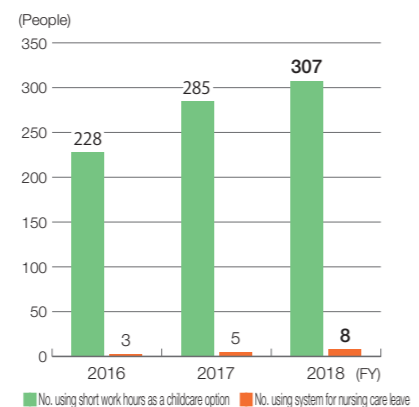
■ Average no. of paid leave approved/ Ratio of paid leave used



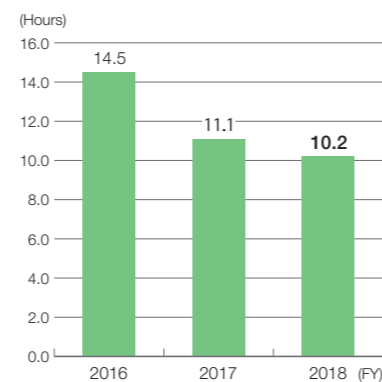
■ No. of employees taking up childcare leave



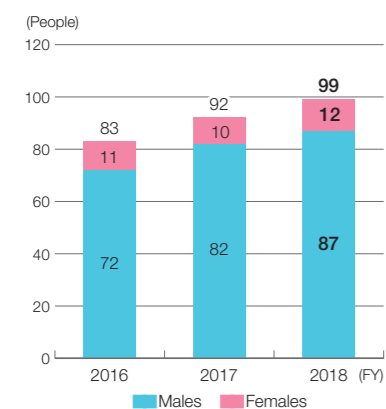
■ No. using short work hours as a childcare option/ No. using system for nursing care leave



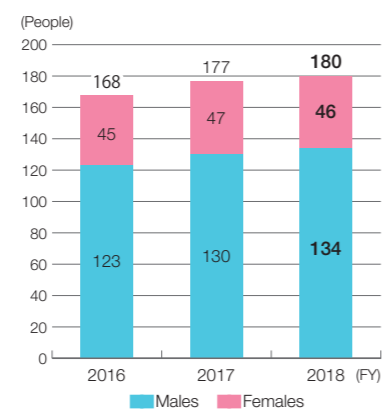
■ Average overtime hours per month



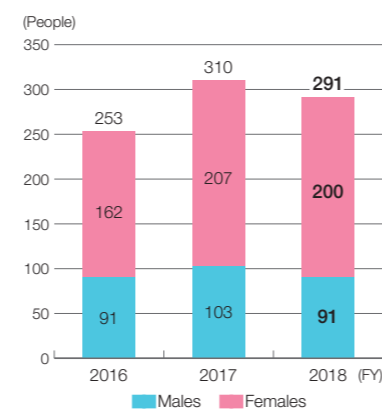
■ No. of general managers



■ No. of section chiefs



■ No. of section heads



Corporate Governance

Our basic view on corporate governance

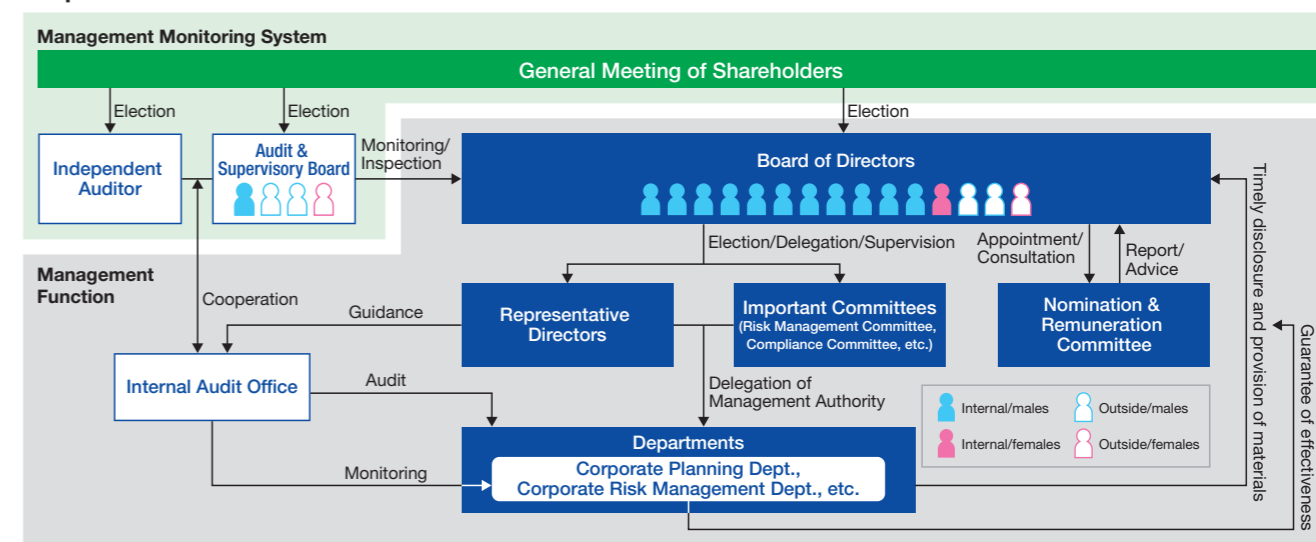
To realize our basic management policy of obtaining the understanding and consent of our shareholders by continuously improving corporate value over time and creating innovative services, the Credit Saison Group is implementing a variety of initiatives to improve and strengthen our corporate governance in recognition of the enormous importance of bolstering management supervisory functions to attain business objectives and enhance management transparency.

◆ For details, please see our Corporate Governance Report https://corporate.saisoncard.co.jp/esg/governance/pdf/governance_report_1911.pdf

Matters Concerning Composition of Governing Bodies and Organization Management

Governance System	Company with Audit & Supervisory Board Members
Number of directors stipulated by the Articles	25
Term of office for directors stipulated by the Articles	One year
Chairman of the Board of Directors	President
Number of directors (of which are outside Directors)	15 (Three)
Outside directors on the Board	Appointed
Of outside directors, the number who are "independent directors"	Three
The number of Audit & Supervisory Board members stipulated by the Articles	Five
Number of Audit & Supervisory Board members (of which are outside Audit & Supervisory Board members)	Four (Three)
Number of outside Audit & Supervisory Board members who are "independent directors"	Three

Corporate Governance Structure



Management/executive system

Credit Saison (the Company) has adopted the Audit & Supervisory Board (ASB) model, with ASB members, for its corporate governance system. To ensure we retain the confidence of our shareholders and other investors, we strive to improve and strengthen corporate governance by nominating outside directors and outside ASB members. The Board of Directors and Nomination & Remuneration Committee receive advice and recommendations from outside directors to ensure the appropriateness of business decision-making. This enables directors, who are well versed in business matters, to maintain and improve management efficiency. In addition, the ASB is

strengthening its management oversight function by coordinating with directors, executive officers and others from the Internal Audit Office and the unit responsible for supervision of internal controls. The Company will introduce an executive office system on March 1, 2020 and aims to further enhance corporate governance by creating an environment in which the Board of Directors can concentrate on management and supervisory functions in order to respond more quickly to changes in the business environment. At the same time, we will be expanding opportunities for the recruitment of management personnel in order to foster the development of the next generation of leaders.

Nomination & Remuneration Committee

As an advisory body to the Board of Directors, the Nomination & Remuneration Committee has five members, the majority of whom are outside directors. The Committee is chaired by the Company's Chairman and CEO, and its members are appointed by resolution of the Board of Directors.

The Committee consults with the Board of Directors about matters related to the appointment and dismissal of directors and the formulation of remuneration policies for directors, deliberates them and submits reports about such matters to the Board of Directors.

*As of June 20, 2019

Corporate Governance

Status of compliance with the Corporate Governance Code

The Credit Saison Group follows all of the principles stipulated in the Tokyo Stock Exchange's Corporate Governance Code with the exception of the following:

Supplementary Principles 4.1 (3) Roles and Responsibilities of the Board (1)

The business environment in which the Company operates has been significantly impacted by advancements in digital technologies, including FinTech, and given the expansion in businesses requiring fresh perspectives, including the establishment of overseas operations, it may not always be appropriate to establish set standards based on one-time discussions for knowledge, experience, and ability required for the Chief Executive Officer (CEO). The Company at present has not formulated specific succession plans for the CEO nor conducted oversight in regard to such at the Board of Directors. The Credit Saison Group intends to review how the Board of Directors can effectively oversee succession plans moving forward, including through the creation of succession plan guidelines in line with the Company's medium- to long-term strategies.

Supplementary Principle 4.3 (2) Roles and Responsibilities of the Board (3)

The business environment in which the Company operates has been significantly impacted by advancements in digital technologies, including FinTech, and given the expansion in businesses requiring fresh perspectives, including the establishment of overseas operations, it may not always be appropriate to establish set standards based on one-time discussions for knowledge, experience, and ability required by the Chief Executive Officer (CEO). The Company at present has not established special procedures or evaluation criteria for appointing its CEO. The Credit Saison Group intends to review procedures for properly appointing qualified CEOs, including through the

creation of succession plan guidelines in line with the Company's medium- to long-term strategies

Supplementary Principle 4.3 (3) Roles and Responsibilities of the Board (3)

The Company at this time has not established special procedures or evaluation criteria for the dismissal of the CEO. However, if a CEO, etc. causes significant damage to the Group, or violates laws, regulations, or the Articles of Incorporation in a manner that merits dismissal, the Board of Directors with the participation of outside directors will deliberate the matter thoroughly before moving to dismiss.

Principle 4.11 Preconditions for Board and Audit & Supervisory Board Effectiveness

In a rapidly changing business environment, the Credit Saison Group believes it is important to improve the value-creation function of the Company by ensuring that the Board of Directors is well balanced in terms of experience, knowledge, and special abilities, and not just in terms of gender or nationality. We have appointed directors with a sufficient level of diversity that are able to effectively respond to business format changes while leveraging our strengths in line with our medium- to long-term strategies. At present, the structure of the Board of Directors does not sufficiently take gender and nationality into account. With the Company's medium- to long-term strategies in mind, we will strive to appoint a diverse range of directors, including in regard to gender and nationality. The Company's independent outside directors are appointed based on the need for human resources with the knowledge necessary to effectively contribute to sustainable growth and the enhancement of corporate value over the medium to long term, including in financial matters such as capital efficiency. Our Audit & Supervisory Board members are appointed based on their experience, abilities, and knowledge in finance, accounting, and legal affairs.

Compliance with the Corporate Governance Code

◆For details, please see the Credit Saison website <https://corporate.saisoncard.co.jp/esg/governance>

The effectiveness of the Board of Directors

Implementation Summary	With the goal of improving the effectiveness of the Board of Directors, the Company implements a self-evaluation-based annual assessment and analysis for all directors and corporate auditors (including retirees before the expiration of their term of office) elected in the previous year. A questionnaire is given to each director and auditor covering the following items, with the Board of Directors conducting discussions based on feedback from the results.
Assessment Items	(1) Composition of the Board of Directors (2) Management of the Board of Directors (3) Roles and Responsibilities of the Board of Directors
Summary of Assessment Results	<ul style="list-style-type: none"> ● We have confirmed that the Board of Directors is operating at a generally proper level, and that the effectiveness of Board of Directors as a whole has been secured. ● Based on the evaluation of the Board of Directors conducted last year, the Company developed rules for preparing Board of Directors materials so that the information necessary for deliberations at Board of Directors meeting can be more easily included, with issues narrowed down on the specification and clarification of risks contributing to greater ease in the making of decisions. ● In recognition of the need to further invigorate discussions related to improving corporate value at the Board of Directors meetings, the Company will strive to improve management in order to further increase effectiveness.

Status of outside officers

Name	Reasons for the appointment of outside Directors and outside Audit & Supervisory Board members	Status of concurrent positions	Attendance status for FY18	
			Board of Directors	Audit and Supervisory Board
Outside Director Kaoru Hayashi	Mr. Hayashi is a founding manager of Internet service company Digital Garage with extensive experience and broad insight in IT, marketing, and FinTech. Mr. Hayashi was appointed with the aim of the Company benefitting from his useful advice on management, delivered from a neutral and objective standpoint.	Representative Director, Digital Garage, Inc. President and Group CEO Chairman of the Board, Kakaku.com, Inc. econtext Asia Limited Director President & Chairman	15/18 meetings	
Outside Director Naoki Togashi	Mr. Togashi is a management consultant with extensive experience and broad insight in corporate management, including in areas such as strategic consulting in a wide range of financial fields both in Japan and overseas. He was appointed with the aim of the Company benefitting from his useful advice on management, delivered from a neutral and objective standpoint.	Japan Representative Partner, Oliver Wyman Group Director, Nagahori Corporation. Trustee, Japan Association of Corporate Executives	16/18 meetings	
Outside Director Nana Otsuki	As an analyst with many years spent at domestic and overseas financial institutions, Ms. Otsuki has extensive experience and broad insight in regard to the analysis of financial markets in Japan and overseas. She was appointed with the aim of the Company benefitting from her useful advice on management, delivered from a neutral and objective standpoint.	Executive Officer, Monex, Inc. Professor, Nagoya University of Commerce and Business Graduate School Visiting Professor, Faculty of International Politics, Nishogakusha University Audit & Supervisory Board Member, Tokio Marine Holdings, Inc.	18/18 meetings	
Outside Audit & Supervisory Board member Munehiro Harada	With many years of experience at the National Police Agency, Mr. Harada has served in senior law enforcement positions, including as the chief of numerous Prefectural Police Headquarters. He has not been directly involved in the management of a company, but has experience in organizational management and crisis management. He was appointed to provide a neutral and objective outlook on the legalities of management actions.			
Outside Audit & Supervisory Board member Hiroaki Igawa	Working for many years in the Ministry of Finance and the Tokyo Regional Taxation Bureau, Mr. Igawa has served as the Director General of the Kyushu Local Finance Bureau and as a Taxation Department General Manager. He has extensive experience and broad insight in accounting and finance, and while he does not have direct experience in corporate management, he possesses the ability to conduct objective and neutral audits.			
Outside Audit & Supervisory Board member Chie Kasahara	With many years of service as a lawyer, Ms. Kasahara has a wealth of experience and broad insight into the law, and has played an important role in the audits focused on corporate governance and the legality of duties executed by the Company's Board of Directors. While she does not have direct experience in corporate management, she was appointed based on her ability to provide objective and neutral audits.	Senior Partner, Atsumi & Partners (currently Atsumi & Sakai)	18/18 meetings	13/13 meetings

Strengthening the compliance and risk management systems

In order to keep improving our corporate value, we identify the enhancement of corporate governance as a key management initiative. To this end, we are improving our internal control systems, strengthening our risk management framework, and fully adhering to compliance requirements.

In establishing internal control systems, the Board of Directors decides on basic policies for such, with the aim of building systems that ensure appropriate and efficient operations mainly in the Corporate Planning Department, the unit responsible for overseeing internal controls. As for internal controls on financial reports, the Corporate Risk Management Department leads the way in promoting the proper functioning of internal controls in the Company and at our consolidated Group companies, while the Internal Audit Office carries out independent monitoring.

Regarding risk management, the Risk Management Committee and Corporate Risk Management Department lead the way in preventing risks from materializing and in working to minimize the effects on the Company when they do arise. Accordingly, we strive to maintain our risk management framework by holding regular internal training sessions for employees in accordance with "risk management rules," "rules concerning loss risk management," and "crisis management rules." With respect to

various issues within the Group and matters of control that pose serious risks, the Group Strategy Office of the Corporate Planning Department leads the way in monitoring business execution at Group companies and sharing information with management departments of Group companies.

As for our compliance system, our Compliance Committee and Corporate Risk Management Department have been established to ensure legal compliance, fairness, and ethical standards in our corporate activities. In addition to assigning compliance responsibilities to employees in each department, we issued a declaration on how the Company should conduct its activities and are strengthening our compliance system by making sure employees know about our compliance help desk, holding compliance training sessions, and distributing a pamphlet outlining rigorous adherence to the Company's standards of conduct, which sets out how directors, executive officers, and employees should conduct themselves.

We will continue to study approaches to management that best suit the Credit Saison Group in light of global trends in corporate governance and our basic policies for ensuring the proper functioning of internal controls.

Corporate Governance

Remuneration for directors and audit & supervisory board members

About Director Remuneration

Credit Saison has established the Director Remuneration Rules in the Board of Directors as the policy for determining the amount for director remuneration, etc., and the calculation method thereof. The director remuneration system is composed of "basic remuneration," which is determined separately for each director based on a remuneration standard corresponding to his or her position and management responsibility level and includes remuneration used to purchase the Company's shares as a long-term incentive, and of "variable remuneration (bonuses)," which is calculated based on the results of the mutual evaluation made by all directors regarding the Company's performance for the individual fiscal year and the degree of contribution (including future growth strategies) each director has made to the Company's performance (outside directors only receive fixed remuneration).

In order to increase corporate value, variable remuneration (bonuses) uses the growth rate for non-consolidated ordinary income (excluding transient factors, etc.) as one of the quantitative performance indicators. In addition, the results of the evaluation made by all directors, including the recipient directors, regarding the degree of contribution each director has made to the Company's performance is used as a qualitative performance indicator.

Variable remuneration (bonuses) is calculated by multiplying the performance-linked factor for the quantitative indicator compared with the standard amount for each position (the year-on-year quantitative performance indicator) and the performance-linked factor for the qualitative evaluation (generally 80% - 130%). The performance-linked factor for the quantitative indicator during the year under review was 95%.

The composition ratio for remuneration is generally 80% for basic remuneration (including remuneration used to purchase the Company's shares as a long-term incentive) and 20% for bonuses, where the ratio of bonuses varies in accordance with the Company's performance, etc. Remuneration for Audit & Supervisory Board (ASB) members consists entirely of fixed remuneration, where the amount of remuneration for each ASB member is determined through consultation among the ASB. This amount falls within the total amount approved by the General Meeting of Shareholders.

For the total amount of the calculation method-based remuneration for directors, outside directors and ASB members, resolutions were approved at the 57th ordinary general meeting of shareholders held on June 23, 2007 to

cap annual remuneration for directors at ¥750 million (annual remuneration for outside directors capped at ¥50 million) and cap annual remuneration for ASB members at ¥150 million (salaries paid to executive directors for their work as employees are not included in the remuneration caps).

The amount paid to each director is determined individually by the Company's Chairman and CEO, who is delegated to do so by the Board of Directors, within the scope delegated by Board of Directors resolution and in compliance with the Director Remuneration Rules.

Credit Saison resolved to establish a Nomination and Remuneration Committee as a voluntary advisory committee at the Board of Directors meeting held on June 7, 2019, in the following manner. In regard to director remuneration for FY2020 (the 71st period), this committee will report on the following matters based on the submission by the Board of Directors.

- Resolution of General Meeting of Shareholders regarding election/dismissal of directors
- Formulation of the remuneration policy and the individual remuneration package of directors
- Other matters raised by the Board of Directors
- Formulation, amendment or abolition of basic policies that are necessary for deliberation of matters stated above
- Other matters deemed necessary by the committee

The total amount of remuneration for FY2018 under review for different classifications of directors and ASB members, along with sub-totals for different types of remuneration, are shown below.

Classification	Total remuneration (Millions of yen)	Total amount of remuneration by type (Millions of yen)		Number of people
		Basic remuneration	Bonuses	
Directors (Excluding outside directors)	497	384	113	15
ASB members (Excluding outside ASB members)	4	4	-	1
Outside directors	24	24	-	3
Outside ASB members	26	26	-	3

Notes: 1. The total amount of remuneration paid to directors does not include employee salaries in the case of employees who serve concurrently as executive directors.
 2. As of March 31, 2019, the Company had 15 directors and three ASB members.
 3. Basic remuneration includes amounts used to purchase the Company's shares (contribution to shareholders' association made up of directors).

Name, classification, total remuneration (consolidated) and total amount of remuneration (consolidated) by type of each director, outside director and ASB member

We omitted listing individuals as there were no directors, outside directors or ASB members whose total remuneration exceeded ¥100 million.

Dialogue with Shareholders and Investors (IR activities)

Credit Saison endeavors to convey corporate information to all shareholders and investors in a prompt, fair, and easy to understand manner for the purpose of sustained growth and greater corporate value, and strives to expand the scope of disclosed information. Briefings are held twice a year (second quarter and fourth quarter) for institutional investors and sell-side analysts, during which time the representative director provides financial summary, management strategy, and sales progress reports for the

year under review. Moreover, as of September 30, 2019, approximately 38% of the Company's issued shares were held by foreign shareholders. Given this, Credit Saison strives to build active, ongoing relationships through face-to-face meetings at conferences that are also attended by investors from abroad, conference calls, and other IR activities targeting overseas-based investors.

Results of IR Activities in FY2018

Financial Results Briefing	2
Individual meetings with sell-side analysts/institutional investors	190
Securities company organized conferences	4

General Meeting of Shareholders

In order to ensure shareholders have sufficient time to consider resolutions, Credit Saison sends the convocation notice prior to the date specified by law (at least two weeks before the General Meeting of Shareholders date) and discloses such on the Company's website and TDnet.

69th Ordinary General Meeting of Shareholders (held June 20, 2019)

Participating shareholders	112
Ratio of voting rights exercised	83.6%



Website "IR Information"

Credit Saison discloses detailed IR information to all shareholders, investors, and other stakeholders on the website. We will continue to strive to disclose timely, impartial information.

For details, please visit our website

<https://corporate.saisoncard.co.jp/ir/>



Delivery of "Business Reports" to Shareholders

Credit Saison mails "Business Reports" to shareholders twice a year, at the end and middle of the period, to report developments in the Company's performance for each half, as well as our initiatives and vision for the future, in an easy to understand manner.

For details, please visit our website

https://corporate.saisoncard.co.jp/ir/business_report/

ELEVEN-YEAR SUMMARY OF SELECT FINANCIAL DATA

IFRS	Millions of yen		Thousands of U.S. dollars (Note 4)
	2019	2018	2019
Net revenue	¥ 304,855	¥ 293,250	\$ 2,746,194
Business profit	52,233	57,314	470,525
Profit before tax	45,763	52,850	412,250
Profit attributable to owners of the parent	30,517	38,446	274,906
Total equity	491,741	490,849	4,429,706
Total assets	3,212,465	2,946,978	28,938,527
Equity attributable to owners of the parent per share (JPY)	3,006.14	2,993.18	27.07
Basic net income per share (JPY)	186.84	235.39	1.68
Return on equity (ROE) (%)	6.2	8.2	6.2
Return on assets (ROA) (%)	1.0	1.4	1.0
Shareholders' equity ratio (%)	15.3	16.6	15.3

The Credit Saison Group has applied the International Financial Reporting Standards (IFRS) to its consolidated accounts from FY 2018. For the purpose of comparison, financial data for the previous fiscal year are also presented under IFRS.

The Group has also applied IFRS 9 (Financial Instruments) from the beginning of FY 2018 (April 1, 2018).

JGAAP	Millions of yen											Thousands of U.S. dollars (Note 4)		
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2019	
CONSOLIDATED														
For the year:	Operating revenues (Note 1)	¥ 304,869	¥ 292,184	¥ 278,945	¥ 269,918	¥ 259,077	¥ 247,577	¥ 247,577	¥ 244,405	¥ 244,009	¥ 285,712	¥ 306,855	¥ 327,089	\$ 2,746,322
	Selling, general and administrative expenses	—	241,741	236,661	221,553	206,193	197,852	197,852	187,170	192,184	235,758	246,305	268,658	—
	Financial costs	—	9,672	11,070	11,771	12,723	13,389	13,388	14,922	19,958	22,577	24,377	23,882	—
	Total operating expenses	262,524	251,412	247,730	233,325	218,915	211,241	211,241	202,093	212,143	258,335	270,682	292,540	2,364,875
	Operating income	42,344	40,771	31,214	36,594	40,161	36,336	36,336	42,312	31,865	27,377	36,173	34,548	381,446
	Net income attributable to owners of the parent	34,016	38,330	42,253	26,163	12,629	25,551	25,552	32,770	9,453	12,829	18,680	△ 55,513	306,431
At year-end:	Total equity	¥ 497,855	¥ 480,669	¥ 446,882	¥ 418,988	¥ 447,083	¥ 422,830	¥ 422,829	¥ 394,868	¥ 355,727	¥ 347,915	¥ 341,405	¥ 320,595	\$ 4,484,778
	Total assets	3,217,448	2,940,022	2,720,051	2,550,990	2,373,299	2,285,943	2,285,943	2,141,802	2,155,906	2,231,246	2,374,129	2,407,064	28,983,412
	Interest-bearing debt (Note 2)	2,206,239	1,957,244	1,857,477	1,729,066	1,557,836	1,468,740	1,468,740	1,359,856	1,409,802	1,657,832	1,776,827	1,893,017	20,024,105
Per share data (in yen and U.S. dollars):	Net income per share	¥ 208.27	¥ 234.67	¥ 258.70	¥ 147.37	¥ 68.77	¥ 139.15	¥ 139.15	¥ 178.45	¥ 51.48	¥ 69.86	¥ 102.48	¥ △ 308.25	\$ 1.87
	Equity per share	3,046.68	2,933.46	2,724.88	2,563.61	2,424.05	2,283.29	2,283.29	2,131.58	1,920.65	1,879.98	1,845.82	1,766.95	27.44
Key financial ratios (%):	Return on equity (ROE)	7.0	8.3	9.8	6.1	2.9	6.3	6.3	8.8	2.7	3.8	5.7	—	7.0
	Return on assets (ROA)	1.1	1.4	1.6	1.1	0.5	1.2	1.2	1.5	0.4	0.6	0.8	—	1.1
	Equity ratio	15.5	16.3	16.4	16.4	18.8	18.3	18.3	18.3	16.4	15.5	14.3	13.2	15.5
NON-CONSOLIDATED														
For the year:	Operating revenues (Note 1)	¥ 259,018	¥ 249,865	¥ 238,637	¥ 228,713	¥ 219,337	¥ 205,873	¥ 205,873	¥ 204,121	¥ 210,207	¥ 239,657	¥ 257,924	¥ 270,900	\$ 2,333,287
	Selling, general and administrative expenses	215,726	207,093	203,038	186,493	169,900	160,927	160,927	149,844	153,505	194,194	205,042	220,708	1,943,305
	Financial costs	9,748	9,872	11,282	12,620	14,067	15,119	15,119	16,882	18,809	19,977	22,221	21,530	87,815
	Operating income	33,543	32,900	24,317	29,600	35,370	29,826	29,826	37,394	37,893	25,484	30,661	28,661	302,167
	Net income	25,875	22,191	21,046	25,571	11,316	18,637	18,637	24,147	5,613	7,596	16,137	△ 44,972	233,095
At year-end:	Total equity	¥ 407,533	¥ 396,831	¥ 374,478	¥ 359,428	¥ 388,470	¥ 367,808	¥ 367,808	¥ 349,202	¥ 322,502	¥ 320,303	¥ 319,712	¥ 304,230	\$ 3,671,142
	Total assets	3,107,284	2,831,297	2,623,644	2,468,797	2,287,986	2,200,459	2,200,459	2,051,908	2,059,435	2,097,773	2,200,459	2,220,791	27,991,028
	Interest-bearing debt (Note 2)	2,203,239	1,953,740	1,852,551	1,725,891	1,551,189	1,457,001	1,457,001	1,337,201	1,368,154	1,575,231	1,645,206	1,748,245	19,847,211
Key financial ratios (%):	Return on equity (ROE)	6.4	5.8	5.7	6.8	3.0	5.2	5.2	7.2	1.8	2.4	5.2	—	6.4
	Return on assets (ROA)	0.9	0.8	0.8	1.1	0.5	0.9	0.9	1.2	0.3	0.4	0.7	—	0.9
	Equity ratio	13.1	14.0	14.3	14.6	17.0	16.7	16.7	17.0	15.7	15.3	14.5	13.7	13.1
NON-CONSOLIDATED Transaction volume:	Card shopping	¥ 4,788,537	¥ 4,683,039	¥ 4,476,608	¥ 4,258,285	¥ 4,089,390	¥ 3,852,980	¥ 3,852,980	¥ 3,547,050	¥ 3,402,494	¥ 3,953,411	¥ 3,844,670	¥ 3,891,076	\$ 43,136,090
	Cash advances	242,980	248,157	253,837	267,724	277,026	264,092	264,092	260,089	266,904	371,403	604,347	765,385	2,188,816
	Specialty loans	512,063	328,300	212,218	121,294	74,687	45,506	45,506	32,950	34,597	36,514	43,768	326,170	4,612,765
	Agency services (Note 3)	3,014,831	2,873,184	2,671,711	2,522,243	2,434,825	2,303,998	2,303,998	2,166,062	2,112,431	1,362,275	1,310,419	1,347,260	27,158,199
	Leases	115,589	114,569	108,102	106,000	106,801	114,694	114,694	105,356	96,852	94,831	100,893	100,727	1,041,251
	Guarantees	114,277	131,923	159,915	150,101	137,335	126,281	126,281	115,297	92,837	73,375	85,637	107,532	1,029,438
	Others	25,774	30,677	32,178	33,298	33,732	30,005	30,005	23,869	20,482	22,895	23,380	22,475	232,185
Total transaction volume		¥ 8,814,054	¥ 8,409,849	¥ 7,914,569	¥ 7,458,945	¥ 7,153,796	¥ 6,737,558	¥ 6,737,558	¥ 6,250,675	¥ 6,026,599	¥ 5,912,587	¥ 6,013,118	¥ 6,560,174	\$ 79,398,743

Notes: 1. Operating revenues do not include consumption taxes.

2. Interest-bearing debt includes asset-backed securities.

3. Agency services show transactions handled on behalf of other companies' cards.

4. Japanese yen amounts have been translated into U.S. dollars at the rate of ¥111 = U.S.\$1, the approximate exchange rate on March 31, 2019, for the convenience of the reader.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FY2018 (from April 1, 2018, to March 31, 2019)

OVERALL EARNINGS IN FY2018

The Credit Saison Group has applied the International Financial Reporting Standards (IFRS) to its consolidated accounts from fiscal 2018. For the purpose of comparison, financial data for the previous fiscal year are also presented under IFRS.

The Group has also applied IFRS 9 (Financial Instruments) from the beginning of FY2018 (April 1, 2018).

In the fiscal year under review, the domestic economy remained on a gradual recovery track as employment and income conditions continued to improve, while various measures implemented by the government also yielded some benefit. At the same time, there are conditions that bear watching; namely, the effect trade issues have on the global economy, the outlook for the Chinese economy, uncertainty surrounding developments and policies in overseas economies, and the impact of volatility in financial capital markets.

Against this backdrop, we entered the final year of our medium-term business plan in which we set out our medium-term management vision of becoming a "Neo Finance Company in Asia" under our "leading-edge service company" management philosophy. Mainly by using leading-edge technologies and combining our existing strengths with new strengths, we have continued to embrace the challenge of transforming into an innovative corporate entity that continually leverages technological innovation such as FinTech to address changes in customer values and the breakdown of existing business models.

NET REVENUE

Table 1 shows a breakdown of net revenue. Net revenue in FY2018 came to ¥304.855 billion (+4.0% YoY), mainly reflecting increases in card shopping transaction volume and card shopping revolving credit balance in the payment business segment and a higher credit guarantee balance

Table 1: Main items in consolidated income statement

	(Millions of yen)		
	2018	2017	% change
Income from the payment business	226,250	221,049	2.4
Income from the lease business	12,579	12,860	△2.2
Income from the finance business	39,231	35,536	10.4
Income from the real estate-related business	17,177	14,292	20.2
Income from the entertainment business	8,761	9,288	△5.7
Financial income	854	223	281.9
Total net revenue	304,855	293,250	4.0

and loan balance for Saison Asset Formation Loans in the finance business segment.

Table 2 shows a breakdown of income from the payment business segment.

Table 2: Breakdown of income from payment business segment

	(Millions of yen)		
	2018	2017	% change
Card shopping	136,464	132,016	3.4
Merchant fees	75,003	73,876	1.5
Customer fees	53,091	49,940	6.3
Annual fees, etc.	8,368	8,199	2.1
Cash advances	33,084	34,735	△4.8
Loans on deeds	1,071	1,298	△17.5
Processing/transactions handled on behalf of other companies' cards	28,227	27,034	4.4
Agency services	15,896	15,130	5.1
Credit service-related income	11,507	10,834	6.2
Total credit service business income	226,250	221,049	2.4

SG&A EXPENSES AND IMPAIRMENT OF FINANCIAL ASSETS

Table 3 shows a breakdown of selling, general and administrative (SG&A) expenses and impairment of financial assets. SG&A expenses and impairment of financial assets came to ¥255.063 billion (+4.8% YoY) due mainly to an increase in costs linked to growth in card transaction volume and a higher depreciation burden from the joint core system.

Table 3: Breakdown of SG&A expenses and impairment of financial assets

	(Millions of yen)		
	2018	2017	% change
Cost of uncollectible receivables	34,265	30,083	13.9
Impairment of financial assets (receivables)	26,352	22,338	18.0
Impairment of financial assets (financial guarantee contracts)	7,736	7,117	8.7
Provision for losses on interest repayment	176	627	△71.8
SG&A expenses excluding cost of uncollectible receivables	220,797	213,398	3.5
Included in the above: Advertising expenses	24,320	26,445	△8.0
Provision for point program	13,033	16,642	△21.7
Personnel expenses	50,888	50,966	△0.2
Fees paid	74,888	69,722	7.4
Total SG&A expenses and impairment of financial assets	255,063	243,482	4.8

FINANCIAL COSTS

Financial costs came to ¥9.878 billion (+7.2% YoY).

EQUITY-METHOD INCOME

Equity-method income came to ¥7.355 billion (-40.2% YoY).

OTHER REVENUE

Other revenue came to ¥4.138 billion (-69.2% YoY), reflecting the dropout of capital gains on the sale of investment securities booked the previous fiscal year.

OTHER EXPENSES

Other expenses came to ¥5.643 billion (-58.0% YoY) owing to lower one-off costs associated with the migration to the new joint core system compared to the previous fiscal year.

As a result of the above, net income attributable to owners of the parent totaled ¥30.517 billion (-20.6% YoY).

SEGMENT CONDITIONS

<Payment Segment>

The credit service segment is composed of the credit card business and servicer (loan collection agency) business.

In FY2018 we worked to bolster the segment's earnings base. In particular, we promoted cashless transactions by remodeling the credit card business, created business by leveraging digital devices and customer data, further developed our retail finance businesses in Asia, and built a platform for our longer-term overseas strategy. In addition, we have sought to improve business efficiency by, for example, continuously taking steps to deal with credit risk and automating customer services and back-office operations with the use of technology.

Although net revenue for the segment totaled ¥228.518 billion (+2.7% YoY), business income decreased 39.4% year on year to ¥16.915 billion mainly because of the fallback from year-earlier gains on the partial sale of investment securities held by an equity method affiliate, higher costs linked to growth in card transaction volume, and an increase in depreciation burden from the joint core system that came online in November 2017.

1. Credit Card Business

In terms of the key indicators for FY2018, we added 2.11 million new card members, a decrease of 13.5% year on year. The total number of card members at the end of FY2018 dipped 0.6% from the previous fiscal year-end to 26.79 million, while the number of active card members for the year also dropped 0.6% to 14.90 million.

Card shopping transaction value came to ¥4,788.5 billion (+2.3% YoY), while cash advance transaction value totaled ¥248.7 billion (-2.1%). At the end of the fiscal year, the card shopping revolving credit balance stood at ¥422.5 billion (+2.0% YoY) and the balance of cash advances at ¥231.8 billion (-0.4%).

a) Promoting cashless payments by remodeling our credit card businesses

We aim to become the number one company in the cashless payment market by diversifying payment services and breaking the dominance of the cash market with credit cards, prepaid cards, smartphone payments, and mobile POS systems. Beyond consumer initiatives, we are working to tap into the corporate payments market by expanding the domain of cashless payments in the corporate transaction space and improving back-office operational efficiency with optimal solutions to meet the scale and needs of companies.

- In aiming to expand our customer base, we continued to recruit prospective platinum and gold card members, which offer the prospect of high utilization and high spending per transaction, especially for our Mitsui Shopping Park Card Saison, a credit card we issue together with Mitsui Fudosan and Mitsui Fudosan Retail Management, as well as our premium card series Saison American Express® Card. In addition, we strove to increase membership in corporate and individual proprietor cards that help support business operations.
- To expand card transaction volume, in July 2018 we launched a QR code-based payment service for holders of the Mitsui Shopping Park Card Saison using the Mitsui Shopping Park smartphone app. We also stepped up promotions to stimulate card usage centering on affiliated merchants, as well as campaigns targeting revolving credit and seasonal bonus-based debt repayments. And we continued to encourage card use for settling recurring payments such as utility bills, mobile phone subscriber fees, taxes, and insurance premiums.
- As for initiatives to tap into the corporate market, we formed alliances with companies such as a cloud-based expense settlement solutions firm to offer companies a way to considerably reduce their expense settlement

MANAGEMENT'S DISCUSSION AND ANALYSIS

workload by combining their service with our corporate cards. We also endeavored to provide optimal solutions tailored to the business scale and requirements of companies mainly through the issuance of the Saison Platinum Business American Express® Card, a business card that meets the business expense settlement needs of individual proprietors.

- In expanding the scope of credit card payments, we continue to handle system development and operations for the prepaid “mijica” card issued by Japan Post Bank. This card now has Visa debit functionality and participates in the Eikyufumetsu Points program. We have now issued more than 50 million prepaid cards in total, including the COCOKARA CLUB CARD, which we issue via a tie-up with leading drugstore chain Cocokara Fine, the au WALLET Prepaid Card and prepaid MasterCard®-branded Web Money Card, for which we handle card issuance and other operations in collaboration with KDDI and WebMoney, respectively, and Osaifu Ponta, a card issued by Lawson for which we are responsible for membership management.
- As a new initiative, we concluded a memorandum of understanding with Liquid, a company that develops biometric personal identification technology, and kicked off the process of investigating new online-based methods of identification in order to alleviate the burden of customers going through personal verification procedures.

b) Business creation leveraging digital devices and customer data

We made efforts to further expand net members and smartphone app users in order to capture opportunities in the still-expanding online marketplace and also engaged in flexible collaborations with venture companies boasting new technologies and leading firms that possess high-quality content platforms. By melding big data generated by our card members with premium content and digital technology, we are endeavoring to establish a new business model through which we actively develop and deliver various proprietary products and services such as Saison DMP/DSP* and our Point Investment Service.

*Saison DMP is our big data platform; Saison DSP is our Saison DMP-powered managed advertising service.

- We aim to contribute to the sound development of the broader financial market by sparking interest and involvement in financial products among various customer segments, but mainly the younger generation and female users, by letting them easily experience investing through our Point Investment Service using Saison Eikyufumetsu Points. By providing this long-term investment simulation

experience—which has four investment courses (active, balanced, Japanese equity (TOPIX), and US equity (VOO)) and a savings feature—many of our customers have used the service as a catalyst to learn about investment and take their first steps toward building wealth. And in September 2018 we launched an equities course in which users can experience investing their Saison Eikyufumetsu Points by linking them to the share prices of real companies.

- By leveraging our internet member base of 15.82 million (+5.4% YoY) and the 5.49 million (+37.9%) app downloads, through partnerships that enable us to mine data we own with respect to customer attributes, card usage history, and web behavior history, along with the data of third parties, we are working to create big data-driven marketing and ad businesses in which we can deliver marketing solutions to corporate clients and send appropriate information to card members.

c) Initiatives for managing credit risk

For initial and intermediate credit checks, we are working to reduce damage from improper use via stronger monitoring and implement appropriate credit checks in response to customer conditions and internal and external environments. In debt collection, we take steps to prevent delinquencies by sending reminders to send payments before a payment deadline. Meanwhile, we preserve the soundness of our receivables portfolio by providing compassionate support to delinquent customers through much-improved contact and counseling. Moreover, we aim to provide safe and secure transaction environments mainly by enhancing the accuracy of detecting unauthorized credit card use by equipping our systems with artificial intelligence. We also seek to improve customer satisfaction with highly convenient services.

d) Advancing our retail finance businesses in Asia and laying the foundations for a longer-term overseas strategy

We identify our overseas business as a future earnings pillar and are therefore stepping up our full-scale entry into the retail finance business to meet the needs of each country in the rapidly growing Asian region.

- In Vietnam, HD Saison Finance Company is expanding its operations mainly in the installment credit business for items such as motorcycles and home appliances. We are successfully boosting our presence in the country, reflected in the steady increase in both sales offices and credit balance. We have also managed to launch our credit business there sooner than expected after pushing ahead

with preparations since last year. Our goal is to become the dominant number one comprehensive retail finance company in Vietnam.

- In Indonesia, PT. Saison Modern Finance started cooperating with FinTech players in the rapidly growing field of P2P lending. We are looking to move into profit in the digital lending business and accelerate growth with the aim of establishing Indonesia's only multi e-finance company.
- Grab Financial Services Asia, a company we established under a capital tie-up with leading Southeast Asian ridesharing service operator Grab (now Grab Holdings), is making preparations for the full-scale launch of its smartphone-based digital lending business in Southeast Asian countries. Initially, the business will start extending loans to registered Grab drivers before being expanded to ordinary customers later on. In the future we aim to establish a credit scoring system with a view to creating new businesses and commercializing cardless payments. Operations have already commenced in five countries in the region, including Singapore, and we will continue to work on boosting our presence in Southeast Asia.
- Siam Saison, a joint venture company we established through an alliance with SCG Trading—a subsidiary of the Siam Cement Group, Thailand's biggest construction group—and Mitsui & Co., started offering an array of BtoB financial services for Thailand's construction industry, including order placement and payment of materials and installment payments. We intend to contribute to the sustained development of the Thai economy by expanding this business to other industries in the future.

2. Servicer (Loan Collection Agency) Business

The servicer business is mainly engaged in the consignment collection of small unsecured loans. Net revenue increased owing to growth in the number of companies outsourcing receivable collections in the core agency services business. Accordingly, overall business profit also increased.

<Lease Segment>

Leveraging our know-how in credit examination and speed in granting credit as key strengths, we continue to mainly engage in sales of office automation (OA) equipment, kitchen equipment, and air conditioners to meet the capex plans of businesses. In the lease segment, we strengthened relationships of trust by implementing a joint campaign with existing mainstay lease dealers and worked to strengthen our marketing to new priority dealers. As a result, net revenue came to ¥12.586 billion (–2.3% YoY) and business income to ¥5.720 billion (+28.8%).

<Finance Segment>

The finance segment comprises the credit guarantee business and other finance-related business. In the former, we focused on securing favorable deals through close collaboration with partner financial institutions in terms of both marketing and controls. In other finance-related business, we worked to build up high-quality loans in our portfolio by meeting the needs of our sales partners, mainly with our Flat 35 loans and Saison Asset Formation Loans.

As a result of the above, net revenue in the fiscal year under review increased 10.4% year on year to ¥39.231 billion and business income rose 15.3% to ¥19.29 billion.

1. Credit Guarantee Business

- In the credit guarantee business, we focused on securing high quality transactions through close collaboration with partner financial institutions in terms of both marketing and credit controls, particularly in the area of guarantees for multi-purpose loans on deeds for individual customers.
- We endeavored to establish a sophisticated partnership framework with regional financial institutions through multi-purpose loan guarantee products where the allowable uses of loan proceeds were expanded to include business finance. As a result, Credit Saison maintained partnerships with 403 regional financial institutions in FY2018 (two less than in FY2017). The guarantee balance (before financial guarantee liabilities) increased 0.6% from the previous fiscal year-end to ¥346.6 billion.

2. Other Finance-related Business

- Underpinned by the sense of trust and reassurance in the Saison brand that we have cultivated through card member benefits and in our credit card business, we promoted our Flat 35 loans to assist home-buying customers, given that it comes packaged with Saison Home Assist Loans to cover miscellaneous expenses when purchasing a home. As a result, loans executed in FY2018 increased 13.4% year on year to 7,514 for an executed loan value of ¥221.7 billion (+12.8%) and the total loan balance (after transfer of receivables to Japan Housing Finance Agency) grew 28.8% from the previous fiscal year-end to ¥764.6 billion.
- The number of executed Saison Asset Formation Loans (loans for purchasing investment property) increased 42.9% year on year to 7,287 owing to greater cooperation with partners through study sessions and the like. The executed loan value for these loans climbed 37.8% year on year to ¥190.2 billion and the loan balance expanded 48.2% to ¥506.2 billion from the previous fiscal year-end.

MANAGEMENT'S DISCUSSION AND ANALYSIS

As a result of the above, the balance of receivables held in the other finance-related business came to ¥687.6 billion in FY2018, up 41.2% from the previous fiscal year-end.

We also started offering our Saison Renovation Loan in February 2019 to meet the needs of our customers for funds to undertake renovations. Customers can apply for this product online or through their smartphone and in place of a human operator, an AI-powered chatbot is ready to handle customer inquiries 24 hours a day, every day of the year. We have thus far met the needs of customers transitioning from renting to buying a home mainly with our Flat 35 loans, Saison Asset Formation Loans, and our Saison Rent Guarantee Rent Quick service, but we will continue to expand our so-called life-creation financial services with the addition of the Saison Renovation Loan.

<Real Estate-related Business Segment>

This segment comprises the real estate and real estate lease businesses. Chiefly owing to the impact of sustained demand for mainly non-investment properties driven by brisk market conditions, net revenue in FY2018 rose 17.0% year on year to ¥18.113 billion and business income grew 34.7% to ¥8.35 billion.

<Entertainment Business Segment>

This segment consists mainly of amusement businesses in which we strive to create sound, safe, and comfortable facilities that have the backing of our customers. In FY2018, net revenue dropped 5.7% year on year to ¥8.761 billion and business income declined 2.3% to ¥2.078 billion.

LIQUIDITY AND FINANCIAL POSITION

1. Fund Procurement

The Credit Saison Group emphasizes stability and low cost in fund procurement, and is endeavoring to diversify its procurement methods. Key procurement methods include counterparty transactions with banks, related financial institutions, life insurance companies, and non-life insurance companies, along with indirect fund procurement such as syndicated loans and establishing commitment lines with financial institutions. We also endeavor to procure funds directly, issuing corporate bonds and commercial paper. As of March 31, 2019, our consolidated interest-bearing debt stood at ¥2,203.8 billion (including lease obligations of ¥1.5 billion). Of this, loans accounted for 57.1%, corporate bonds for 18.8%, commercial paper for 23.2%, and securitization of receivables, etc. for 0.9%.

With regard to indirect procurement, Credit Saison is striving

to mitigate refinancing risk and reduce costs by strengthening relationships with existing lenders. In addition, the Company aims to diversify sources of procurement by cultivating new lenders, focusing on financial institutions that offer the prospect of stable transactions over the long term. In the case of direct procurement, apart from corporate bonds and commercial paper, Credit Saison is aiming to mitigate liquidity risk and reduce costs by diversifying its financing methods to include the securitization of receivables, which are immune to the Company's creditworthiness.

To ensure smooth procurement of funds from capital markets, the Company has obtained credit ratings from Rating and Investment Information, Inc. (R&I) for the bonds that Credit Saison issues. The Company has received an A+ rating for its domestic unsecured corporate bonds and an a-1 rating for its domestic commercial paper.

2. Liquidity Management

Of the Credit Saison Group's assets, 65.5% are installment receivables, mainly in the credit service segment. Their annual average turnover rate is in excess of three times, helping Credit Saison to maintain a high level of liquidity.

3. Cash Flows

a) Cash Flows from Operating Activities

Net cash used in operating activities in FY2018 was ¥192.438 billion, compared to ¥40.023 billion used in the previous fiscal year.

The outflow was mainly due to the booking of ¥45.763 billion in pretax income and revenue from a net increase in trade receivables, including accounts payable, and other liabilities of ¥18.248 billion on the one hand, and a net increase in trade receivables, including installment receivables, and other receivables of ¥252.393 billion, on the other.

b) Cash Flows from Investing Activities

Net cash used in investing activities in FY2018 reached ¥40.313 billion, compared to ¥45.134 billion used in the previous fiscal year.

The outflow was mainly due to payments of ¥27.339 billion for purchases of intangible assets as well as property and equipment related to the development of the joint core system, despite proceeds of ¥1.458 billion from the sales or redemptions of investment securities.

c) Cash Flows from Financing Activities

Net cash provided by financing activities in FY2018 reached ¥242.211 billion, compared to ¥92.945 billion provided in the previous fiscal year.

While the repayment of long-term debt resulted in an outflow of ¥55.364 billion, there was inflow from a net increase in commercial paper of ¥121.5 billion, ¥115.9 billion from long-term loans, and ¥94.547 billion from the issuance of bonds.

As a result of the above, cash and cash equivalents as of March 31, 2019 increased by ¥9.462 billion from the previous fiscal year-end to ¥82.642 billion.

CREDIT RISKS

Table 4 shows a comparison of delinquent receivables and allowance for receivables.

Total receivables for credit risk purposes is the balance obtained by adding contingent liabilities to the balances of installment receivables on a managed basis, purchased receivables, and lease investment assets. The balance of receivables overdue by more than 90 days totaled ¥60.527 billion (+14.9% YoY). The allowance for doubtful accounts in current assets as of March 31, 2019 was ¥67.244 billion (+29.9% YoY). As a result, the sufficiency ratio in relation to the balance of receivables overdue by more than 90 days increased to 146.7% from 121.6% at the end of the previous fiscal year.

Table 4: Comparison of delinquent receivables and allowance for receivables

	(Millions of yen)		
	2018	2017	% change
(1) Receivables	2,797,166	2,524,884	10.8
(2) Receivables overdue by more than 90 days	60,527	52,674	14.9
(3) Collateralized portion included in (2)	14,687	10,117	45.2
(4) Allowance for doubtful accounts (current assets)	67,244	51,753	29.9
Receivables overdue by more than 90 days as a percentage of receivables [(2) ÷ (1)]	2.2%	2.1%	—
Ratio of allowance for uncollectible receivables to receivables overdue by more than 90 days [(4) ÷ ((2) - (3))] (sufficiency ratio)	146.7%	121.6%	—
(Reference) Receivables overdue by more than 90 days excluding collateralized portion as a percentage of receivables [(2) - (3) ÷ (1)]	1.6%	1.7%	—

Table 5 shows changes in the allowance for uncollectible receivables.

Table 5: Changes in allowance for uncollectible receivables

	(Millions of yen)		
	2018	2017	% change
Allowance for doubtful accounts at the beginning of the year	53,577	50,204	6.7
Impact of application of IFRS 9	13,799	—	—
Increase	33,196	28,506	16.5
Decrease	31,502	25,132	25.3
Allowance for doubtful accounts at the end of the year	69,070	53,577	28.9
(Reference) Losses on bad debt	—	19	—

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT PRINCIPLES, BUSINESS ENVIRONMENTS, ISSUES TO ADDRESS

Forward-looking statements contained herein are based on the Credit Saison Group's judgment as of the end of the fiscal year under review.

(1) Our Basic Management Principles

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

In our various businesses in Japan, for example our core payment businesses and lease and finance businesses, we continue to bolster synergies with Group companies. At the same time, we are working to improve and strengthen our network of alliances with a broad array of companies to provide high value-added services to our customers. In our global businesses, meanwhile, we aim to contribute to the development of regional economies by delivering financial solutions that are well-suited to the actual conditions in the countries where we have a business presence.

(2) Medium- to Long-term Business Strategy

Based on our "leading-edge service company" management philosophy, we continue to ceaselessly pursue customer convenience and generate innovative services through alliances with various partners that transcend the traditional frameworks of group affiliations and business formats.

Driven by the use of leading-edge technologies and the entry of industry outsiders, new financial services are emerging one after the other and giving rise to more intense competition in the business environment that envelops our Group.

In the midst of these circumstances, we have set ourselves a medium-term management vision of becoming a "Neo Finance Company in Asia" and formulated a medium-term management plan to run through FY2021. The plan carries the following mission statement: A Finance Company Advancing with Customers for 50 Years—Providing Peace of Mind and Discovering Potentials in Money.

In aiming to achieve the targets in our medium-term management plan, we will embrace the challenge of transforming into a finance company that provides optimum services related to the various money events that occur in

the lives of our customers with a focus on credit card, prepaid card, and other payment services.

We aim to continuously enhance our corporate value by practicing ESG-conscious management and contributing to the development of an even more convenient and prosperous society.

(3) Objective Indicators for Assessing Achievement of Management Targets

In seeking to enhance corporate value, business income, ROE, and shareholders' equity ratio are the key performance indicators for the Group.

(4) Business and Financial Issues

The following are the business issues the Group must address as of the end of FY2018, as well as the various measures for doing so.

1. Growth strategies and structural reforms in payment businesses

We aim to become the number one company in the cashless payment markets for both consumer spending and corporate transactions by deploying measures to diversify payment services and break the dominance of the cash market with mainly credit cards, prepaid cards, smartphone payments, and mobile POS systems.

In the consumer spending domain, we intend to expand our customer base through a network of new alliances, collaborative services, and more subcontracted operations.

We also plan to switch our customer service structure to one that provides varied levels of service depending on the customer's track record instead of a uniform service, implement initiatives that enable customers to complete various services on their smartphones, and take steps to transform our business model, including the digitalization of our Saison Counters.

In the corporate transaction domain, we will aim to realize cashless transactions in the corporate market by expanding our sales activities to the SME market and take steps to build a corporate platform.

2. Creating businesses that improve quality of life for customers

Not only do we intend to further boost net member numbers and smartphone app users in order to capture opportunities in the still-expanding online marketplace, we also plan to establish a new business model that blends our big data and customer platforms with the resources of external parties by engaging in flexible collaborations with venture companies boasting new technologies and leading firms that possess

high-quality content platforms.

We will endeavor to improve the quality of life for our customers by using digital technology to effectively and efficiently provide premium content and highly convenient payment functions.

3. Strengthening relationships with partners and expanding new alliances in lease and finance businesses

Outside of our credit card businesses, we are working to diversify our revenue sources through stronger relationships with corporate partners by providing finance functions that match market needs. These include the provision of leases and rentals for office automation (OA) equipment, kitchen equipment, and other hardware that align with the capital investment plans of businesses, credit guarantees we underwrite on unsecured personal loans that can be used as working capital or for business funds extended by regional financial institutions with whom we are partnered, Flat 35 loans that come with special perks for card members, and Saison Asset Formation Loans that support the purchase of property for investment purposes. We have thus far met the capital needs of customers purchasing homes with our Flat 35 loans and Saison Asset Formation Loans, but we will continue to expand our so-called life creation financial services covering customers transitioning from renting to home buying or undertaking renovations with our Saison Rent Guarantee Rent Quick service and Saison Renovation Loan.

4. Expanding our earnings platform in global businesses with an eye to the future

We identify our global businesses as future earnings pillars and are therefore stepping up our full-scale entry into the retail finance business to meet the needs of each country in the rapidly growing Asian region.

To make further inroads in the finance business predominantly in Asia and to contribute to the development of regional economies, we will continue to work on expanding our businesses in the region and building a foundation for a longer-term overseas strategy with an eye on opportunities for strategic partnerships with FinTech firms and Japanese companies that have entered those markets as well as local companies.

Business-related Risks

The following information is an overview of matters that could significantly influence investor decisions. Forward-looking statements contained herein are based on the Credit Saison Group's judgment as of the date financial statements were presented to the relevant authorities.

(1) Economic Conditions

The results and financial position in the Credit Saison Group's primary payment, lease, finance, real estate-related and entertainment segments are subject to the influence of domestic economic conditions. Factors contingent upon economic conditions, including worsening of the employment environment, disposable household income or consumer spending accompanying an economic recession, may affect transaction volume and repayment in Group businesses including credit cards, loans, credit guarantees, and real estate mortgage loans, and therefore have the potential to negatively impact Group operating revenues and credit cost.

Small- and medium-sized companies are the principal customer group of the lease segment. Factors contingent upon economic conditions, including contraction in capital expenditures and deteriorating corporate performance accompanying an economic recession, have the potential to negatively impact operating revenues, losses on uncollectible receivables and other results, as well as our financial position.

(2) Change in Cost of Funds

The Group utilizes interest rate swaps and other means as a hedge against rises in interest rates, in addition to issuing corporate bonds and borrowing from financial institutions to secure stable and fixed funding. Nevertheless, unforeseen changes in financial conditions and a reduction in the Credit Saison Group's credit rating may increase interest rates on funds the Group procures and have the potential to negatively impact operating revenues and other results as well as our financial position. Changes in interest rates on loans and other instruments are impacted by a wide array of considerations. These include changes in the terms of customer contracts and interest rates applicable to other companies in the consumer credit business. The Credit Saison Group may be unable to price its products and services to reflect higher interest rates on the capital it procures, which would have the potential to reduce the Group's interest margin.

(3) Competitive Environment

Japan's financial system has undergone deregulation, which

MANAGEMENT'S DISCUSSION AND ANALYSIS

has resulted in energetic restructuring of the retail financial services industry in Japan. Industry realignment in the credit card sector, the entry of competitors from other industries and other events have caused competition to intensify. In this changing market, the results and financial position of the Credit Saison Group may be negatively impacted by the occurrence of events such as reduced profitability due to a decrease in fee rates from member stores or changes in the terms of transactions with business partners.

(4) Unfavorable Performances among Primary Alliance Partners

In the payment segment, the Credit Saison Group has agreements, including affinity card issuance and member store contracts, with numerous companies and organizations. Unfavorable performances among these alliance partners have the potential to negatively impact the Credit Saison Group's performance and financial position. For example, the Credit Saison Group acquires many of its new cardmembers through the outlets of alliance partners in the retailing industry. Reduced ability to attract customers or lower sales among these companies may lead to weak cardmember acquisition and sluggish transaction volume, and therefore has the potential to negatively impact the Credit Saison Group's operating revenues.

Given that the Credit Saison Group has entered into capital tie-ups with some of these partners, unfavorable performances at alliance partners have the potential to negatively impact the Group's performance and financial position.

(5) System Operation Problems

The Credit Saison Group relies heavily on computer systems and communication networks in numerous aspects of its main businesses, including the payment segment. A number of situations could compromise the Credit Saison Group's sales capabilities, damage its credibility and cause other problems that would have the potential to negatively impact the Credit Saison Group's performance and financial position. These situations include Group and counterparty system inoperability resulting from temporary system overloads due to factors such as system errors or spikes in access caused by Group or counterparty hardware or software problems; breakdowns in communication networks resulting from factors including natural disasters and accidents; and illegal or inappropriate system operation.

(6) Leakage of Personal Information and Other Issues

The Credit Saison Group maintains a large volume of

personal information concerning its cardmembers and others, and implements appropriate controls throughout the Group. However, if an incident such as leakage or illegal use of this information were to occur, the Group might be subject to administrative guidance, orders, or fines for violation of business process regulations under the Private Information Protection Law. This would damage the Credit Saison Group's credibility and cause other problems that would have the potential to negatively impact the Credit Saison Group's performance and financial position.

(7) Regulatory Changes

The Credit Saison Group operates in accordance with current regulations and the risks that result from these regulations. The Group's businesses are subject to the Installment Sales Act, the Money Lending Business Act and other laws. Circumstances arising from future amendments to these laws, or changes or tightening of their interpretation, or new legal restrictions, would have the potential to negatively impact the Credit Saison Group's operations, performance and financial position.

Moreover, a portion of interest that was higher than the interest rate ceiling set by the Interest Rate Restriction Act has been deemed invalid and may be subject to claims for reimbursement. Credit Saison is booking an allowance for losses on interest repayments in preparation for future claims for reimbursements of this type, but future regulatory revisions or regulatory trends that unexpectedly expanded such reimbursement claims would have the potential to negatively impact the Credit Saison Group's performance and financial position.

The type, content and degree of potential regulatory revisions are difficult to predict, and the Credit Saison Group has no control over their potential impact on its operations.

(8) Impairment of Non-financial Assets

Significant declines in the fair value of the land and property owned by the Credit Saison Group or deterioration in earnings in a business using fixed assets when a near-term recovery is unlikely could impair such fixed assets and have the potential to negatively impact the Group's performance and financial position.

(9) Natural Disasters etc.

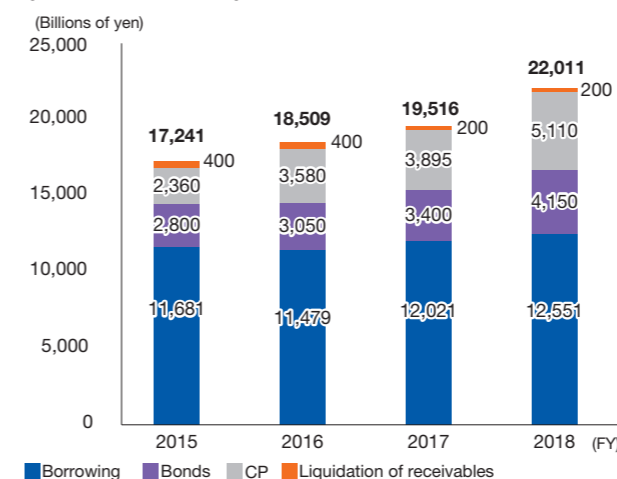
Major natural disasters such as earthquakes could cause physical damage to shops and facilities owned by the Credit Saison Group, and personal injury to employees. Such events have the potential to negatively impact the Group's performance and financial position.

Financial Policy & Capital Policy

Regarding structure of interest-bearing debt:

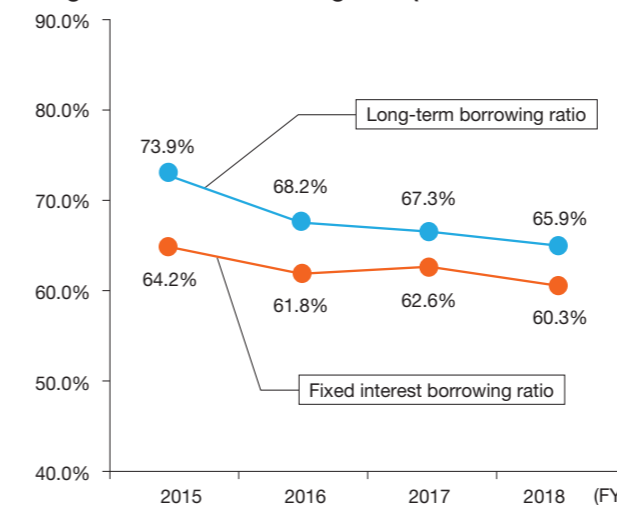
- Over 60% of the interest-bearing debt is composed of long-term funds such as long-term borrowing and corporate bonds
- Active use of CP benefited from Bank of Japan's introduction of negative interest rates
- Fixed interest rate procurement accounts for about 60% of the total, reducing interest rate fluctuation risk

Balance of interest-bearing debt (non-consolidated)



(Note 1) Interest-bearing debt includes loans that have been moved off the balance sheet due to liquidation.
(Note 2) Lease obligations are excluded from interest-bearing debt.

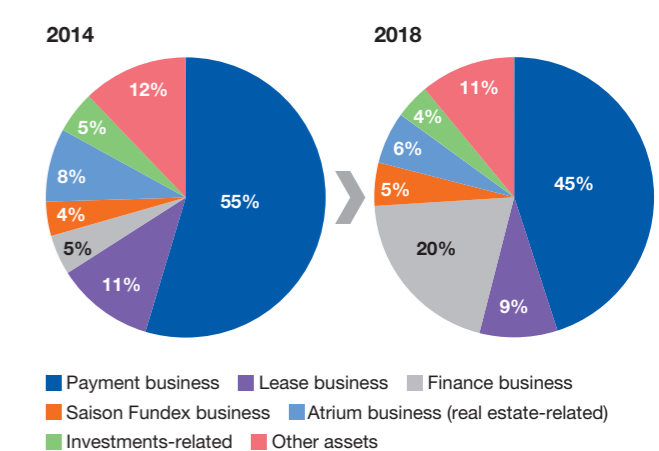
Long-term / fixed borrowing ratio (non-consolidated)



Regarding Management Indicators

In recent years, asset efficiency (ROA) has declined due to the expansion of the finance business that contributed profits and the decrease in yields in the each business, as well as the increase in depreciation expenses due to the operation of the Associated Core System. On the other hand, we are actively promoting overseas expansion with the aim of building foundation for new businesses and sustainable growth in the future.

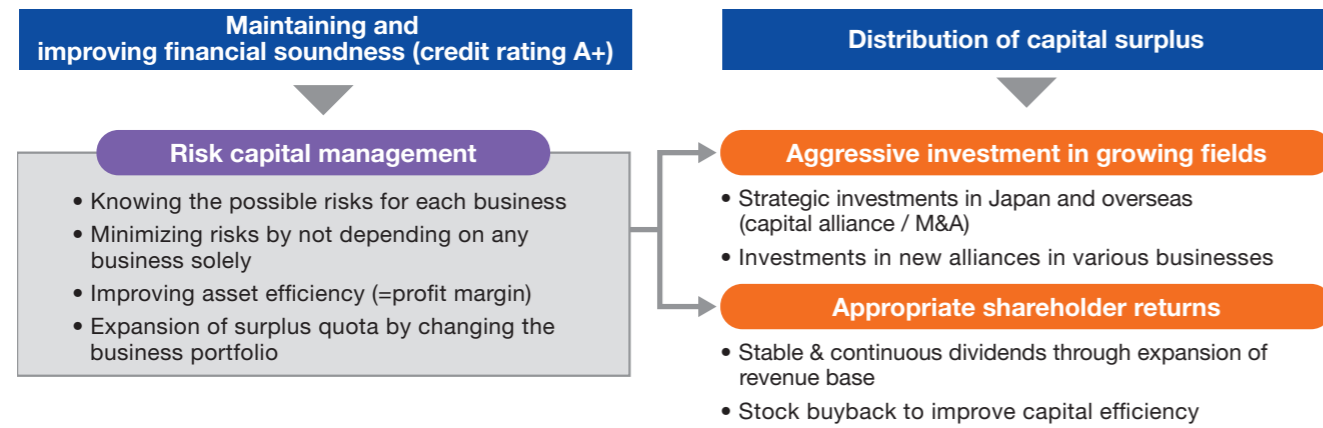
Changes in asset balance by business



MANAGEMENT'S DISCUSSION AND ANALYSIS

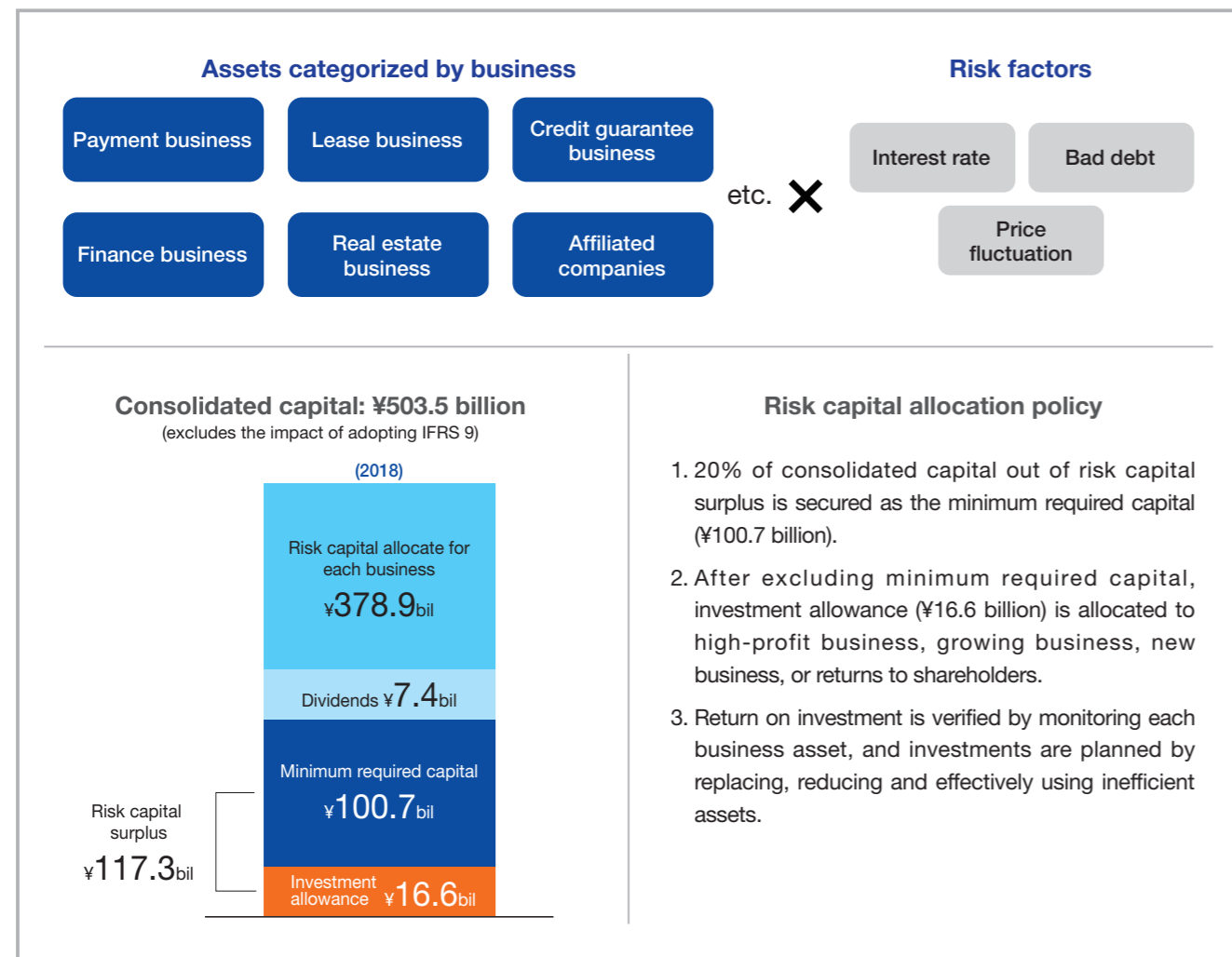
Capital Policy (Shareholder Returns & Management Indicators)

Maintaining and improving financial soundness as a priority, aiming to improve asset efficiency by realizing sustainable growth through strategic investments in Japan and overseas, expanding business with excellent asset efficiency, and reducing inefficient assets.



Capital policy (Risk capital management)

- ALM management is introduced to measure risk and allocate risk capital for each business.
- Profit & loss fluctuation risks are measured by aiming at a confidence level of 99.75% using EaR[®] model in order to maintain A+ rating.
- Re-measurement is performed regularly to reflect track record updates and changes on balance sheet. ※Earnings at Risk



To increase shareholder value, Credit Saison attaches great importance to initiatives aimed at reinforcing its corporate structure and achieving ongoing expansion in its businesses. On returning profits to shareholders, we strive to enlarge internal reserves to realize the initiatives articulated above, while we also seek to deliver appropriate, stable, and continuing dividend payments to our shareholders.

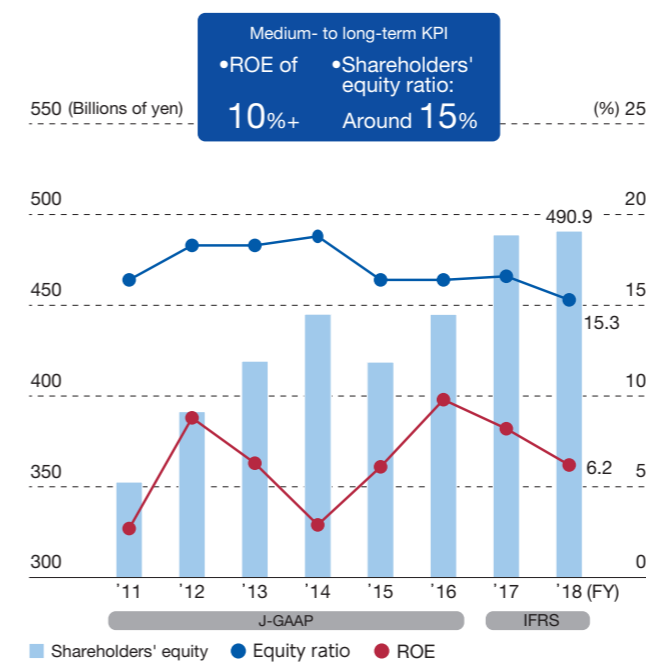
As a matter of basic policy, a fiscal year-end dividend is paid once a year from retained earnings. The annual general meeting of shareholders is the decision-making

body that authorizes fiscal year-end dividends. Regarding dividends from retained earnings for the fiscal year under review, based on the above, the amount has been set at ¥45 per share.

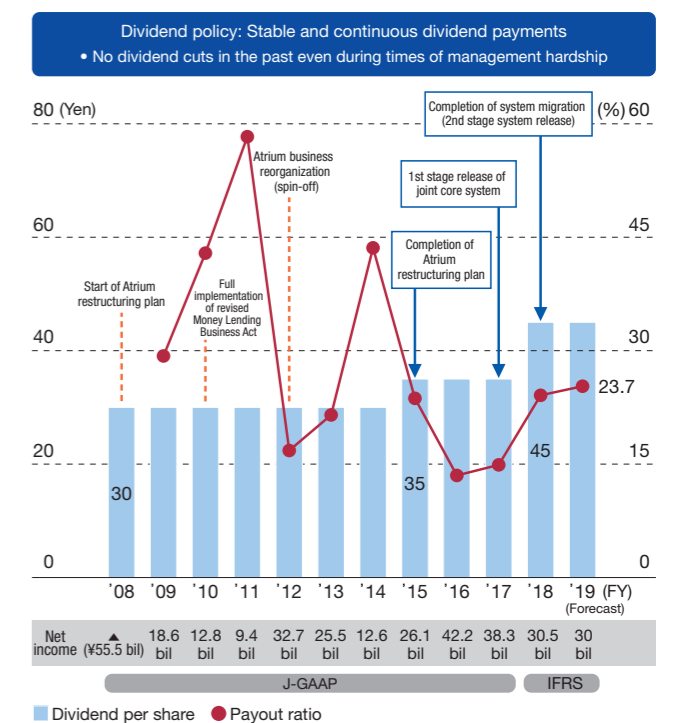
Also, the Company plans to invest internal reserves efficiently in order to achieve low-cost operations and promote expansion of its businesses.

We have stipulated in our articles of incorporation to name the Board of Directors as the body in charge of authorizing interim dividends, with September 30 of every year as the record date.

Performance indicators



Dividend per share and payout ratio



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Credit Saison Co., Ltd. and Consolidated Subsidiaries
As of March 31, 2019

	Note	Millions of yen			Thousands of U.S. dollars
		As of March 31, 2019	As of March 31, 2018	IFRS transition date (As of April 1, 2017)	As of March 31, 2019
Assets					
Cash and cash equivalents	8, 39	¥ 82,642	¥ 73,179	¥ 65,465	\$ 744,460
Trade and other receivables	9, 37, 38, 39	2,393,197	2,154,678	2,012,153	21,558,392
Inventories	10	151,385	137,486	133,180	1,363,710
Operational investment securities	11, 19, 39	39,973	35,957	32,878	360,087
Investment securities	12, 19, 39	91,553	100,179	85,787	824,734
Other financial assets	13, 37, 38, 39	11,916	11,947	9,646	107,344
Property, plant and equipment	14	29,341	30,221	30,798	264,317
Intangible assets	15	219,972	220,609	204,463	1,981,559
Investment property	17	56,683	49,970	42,768	510,613
Investments accounted for using equity method	18	92,752	88,518	81,936	835,536
Deferred tax assets	20	32,148	30,679	38,446	289,603
Other assets		10,897	13,549	8,277	98,167
Total assets		¥ 3,212,465	¥ 2,946,978	¥ 2,745,804	\$ 28,938,527
Liabilities and equity					
Liabilities					
Trade and other payables	21, 38, 39	¥ 314,729	¥ 299,714	¥ 241,308	\$ 2,835,145
Financial guarantee liabilities	39	8,305	7,396	6,465	74,820
Bonds and borrowings	22, 39	2,203,818	1,956,979	1,857,074	19,852,436
Other financial liabilities	23, 38, 39	28,441	20,599	15,171	256,205
Income taxes payable	20	3,120	5,044	9,544	28,107
Provision for point card certificates	24	104,963	101,319	94,033	945,527
Provision for loss on interest repayments	24	17,762	23,114	30,567	160,008
Other provisions	24	1,530	1,147	922	13,789
Deferred tax liabilities	20	1,025	1,013	814	9,233
Other liabilities	26	37,026	39,801	33,013	333,544
Total liabilities		2,720,724	2,456,129	2,288,917	24,508,820
Equity					
Share capital	27	75,929	75,929	75,929	683,986
Capital surplus	27	85,642	85,629	85,630	771,485
Retained earnings	27	360,303	344,291	311,539	3,245,681
Treasury shares	27	(52,881)	(52,880)	(52,879)	(476,363)
Other components of equity	27, 39	22,004	35,913	34,619	198,222
Total equity attributable to owners of parent		490,998	488,883	454,838	4,423,013
Non-controlling interests		743	1,965	2,047	6,693
Total equity		491,741	490,849	456,886	4,429,706
Total liabilities and equity		¥ 3,212,465	¥ 2,946,978	¥ 2,745,804	\$ 28,938,527

CONSOLIDATED STATEMENT OF INCOME

Credit Saison Co., Ltd. and Consolidated Subsidiaries
For the Year Ended March 31, 2019

	Note	Millions of yen		Thousands of U.S. dollars
		FY2018 (April 1, 2018 to March 31, 2019)	FY2017 (April 1, 2017 to March 31, 2018)	FY2018 (April 1, 2018 to March 31, 2019)
Revenues				
Income from the credit service business	29, 39	¥ 226,250	¥ 221,049	\$ 2,038,111
Income from the lease business	29, 39	12,579	12,860	113,319
Income from the finance business	29, 39	39,231	35,536	353,406
Revenue from the real estate-related business	29, 39	42,098	37,388	379,231
Revenue from the entertainment business	29	50,827	51,272	457,862
Finance income	29, 32, 39	854	223	7,699
Total		371,842	358,331	3,349,629
Of interest income *		107,221	—	965,868
Cost of sales				
For the real estate-related business	30	24,921	23,095	224,494
For the entertainment business	30	42,066	41,984	378,939
Total		66,987	65,080	603,434
Net revenue		304,855	293,250	2,746,194
Selling, general and administrative expenses	31	220,974	214,026	1,990,585
Impairment losses on financial assets	39	34,088	29,456	307,075
Finance costs	32, 39	9,878	9,211	88,983
Share of profit of investments accounted for using equity method	18	7,355	12,306	66,259
Other income	33, 39	4,138	13,434	37,281
Other expenses	33, 39	5,643	13,446	50,841
Profit before tax		45,763	52,850	412,250
Income tax expense	20	16,423	14,463	147,941
Profit		29,340	38,386	264,308
Profit attributable to				
Owners of parent		30,517	38,446	274,906
Non-controlling interests		(1,176)	(59)	(10,597)
Profit		29,340	38,386	264,308
Earnings per share			Yen	U.S. dollars
Basic earnings per share	35	¥ 186.84	¥ 235.39	\$ 1.68
Diluted earnings per share	35	—	—	—

(*) Pursuant to IFRS 9, interest income is calculated using the effective interest method.

RECONCILIATION FROM PROFIT BEFORE TAX TO BUSINESS PROFIT

Credit Saison Co., Ltd. and Consolidated Subsidiaries
For the Year Ended March 31, 2019

	Millions of yen		Thousands of U.S. dollars
	FY2018 (April 1, 2018 to March 31, 2019)	FY2017 (April 1, 2017 to March 31, 2018)	FY2018 (April 1, 2018 to March 31, 2019)
Profit before tax	¥ 45,763	¥ 52,850	\$ 412,250
Reconciliations (Other income)	—	(8,812)	—
Reconciliations (Other expenses)	5,517	13,277	49,705
Adjustments for the application of the effective interest method to financial assets	951	—	8,569
Subtotal	6,469	4,464	58,274
Business profit	52,233	57,314	470,525

For details on the reconciliation items, please refer to Note "7. Operating Segments."

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Credit Saison Co., Ltd. and Consolidated Subsidiaries
For the Year Ended March 31, 2019

		Millions of yen							
FY2017 (April 1, 2017 to March 31, 2018)	Note	Equity attributable to owners of parent					Total	Non-controlling interests	Total
		Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity			
		¥ 75,929	¥ 85,630	¥ 311,539	¥ (52,879)	¥ 34,619	¥ 454,838	¥ 2,047	¥ 456,886
				38,446			38,446	(59)	38,386
						1,351	1,351	(12)	1,339
	34			38,446		1,351	39,798	(72)	39,726
					(1)		(1)		(1)
	27								
	27								
	28			(5,719)			(5,719)		(5,719)
	27			57		(57)			
			(0)	(32)			(32)	(10)	(43)
			(0)	(5,693)	(1)	(57)	(5,753)	(10)	(5,764)
		¥ 75,929	¥ 85,629	¥ 344,291	¥ (52,880)	¥ 35,913	¥ 488,883	¥ 1,965	¥ 490,849

		Millions of yen							
FY2018 (April 1, 2018 to March 31, 2019)	Note	Equity attributable to owners of parent					Total	Non-controlling interests	Total
		Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity			
		¥ 75,929	¥ 85,629	¥ 344,291	¥ (52,880)	¥ 35,913	¥ 488,883	¥ 1,965	¥ 490,849
	5			(9,148)		(3,343)	(12,491)		(12,491)
		75,929	85,629	335,143	(52,880)	32,569	476,391	1,965	478,357
				30,517			30,517	(1,176)	29,340
	34					(10,203)	(10,203)	(10)	(10,213)
				30,517		(10,203)	20,314	(1,186)	19,127
	27				(0)		(0)		(0)
	27		(0)		0		0		0
	28			(5,719)			(5,719)		(5,719)
	27			362		(362)			
			13				13	(36)	(23)
			12	(5,357)	(0)	(362)	(5,706)	(36)	(5,742)
		¥ 75,929	¥ 85,642	¥ 360,303	¥ (52,881)	¥ 22,004	¥ 490,998	¥ 743	¥ 491,741

		Thousands of U.S. dollars							
FY2018 (April 1, 2018 to March 31, 2019)	Note	Equity attributable to owners of parent					Total	Non-controlling interests	Total
		Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity			
		\$ 683,986	\$ 771,368	\$ 3,101,447	\$ (476,359)	\$ 323,514	\$ 4,403,957	\$ 17,706	\$ 4,421,664
	5			(82,412)		(30,117)	(112,529)		(112,529)
		683,986	771,368	3,019,035	(476,359)	293,396	4,291,428	17,706	4,309,134
				274,906			274,906	(10,597)	264,308
	34					(91,912)	(91,912)	(90)	(92,003)
				274,906		(91,912)	182,993	(10,688)	172,305
	27				(5)		(5)		(5)
	27		(0)		1		0		0
	28			(51,521)			(51,521)		(51,521)
	27			3,261		(3,261)			
			117				117	(325)	(207)
			116	(48,259)	(4)	(3,261)	(51,408)	(325)	(51,733)
		\$ 683,986	\$ 771,485	\$ 3,245,681	\$ (476,363)	\$ 198,222	\$ 4,423,013	\$ 6,693	\$ 4,429,706

CONSOLIDATED STATEMENT OF CASH FLOWS


Credit Saison Co., Ltd. and Consolidated Subsidiaries
For the Year Ended March 31, 2019

	Note	Millions of yen		Thousands of U.S. dollars
		FY2018 (April 1, 2018 to March 31, 2019)	FY2017 (April 1, 2017 to March 31, 2018)	FY2018 (April 1, 2018 to March 31, 2019)
Cash flows from operating activities				
Profit before tax		¥ 45,763	¥ 52,850	\$ 412,250
Depreciation and amortization		23,660	13,528	213,136
Interest and dividend income		(2,150)	(1,611)	(19,368)
Interest expenses		9,245	8,160	83,286
Share of loss (profit) of investments accounted for using equity method		(7,355)	(12,306)	(66,259)
Loss (gain) on sales of investment securities		—	(8,536)	—
Loss (gain) on valuation of investment securities		1,054	102	9,502
System transfer cost		3,299	12,969	29,721
Decrease (increase) in trade and other receivables		(252,393)	(140,801)	(2,273,606)
Decrease (increase) in inventories		(13,898)	(4,305)	(125,202)
Decrease (increase) in operational investment securities for sale		(1,551)	(3,344)	(13,979)
Increase (decrease) in trade and other payables		18,248	55,813	164,387
Increase (decrease) in provision for point card certificates		3,643	7,286	32,821
Increase (decrease) in provision for loss on interest repayments		(5,352)	(7,453)	(48,211)
Increase (decrease) in financial guarantee liabilities		1,260	930	11,354
Other		(1,831)	6,303	(16,500)
Subtotal		(178,356)	(20,413)	(1,606,667)
Interest and dividends received		4,304	3,223	38,777
Interest paid		(9,325)	(9,137)	(84,006)
Income taxes refund		820	64	7,395
Income taxes paid		(9,882)	(13,759)	(89,024)
Net cash used in operating activities		(192,438)	(40,023)	(1,733,525)
Cash flows from investing activities				
Purchase of investment securities		¥ (5,673)	¥ (11,711)	\$ (51,110)
Proceeds from sales or redemption of investment securities		1,458	14,712	13,139
Purchase of property, plant and equipment, and intangible assets		(27,339)	(37,578)	(246,278)
Proceeds from sale of property, plant and equipment, and intangible assets		33	20	299
Purchase of investment property		(8,028)	(7,531)	(72,325)
Payments for acquisition of subsidiaries		—	(951)	—
Payments for loans receivable		(664)	(1,503)	(5,989)
Collection of loans receivable		27	17	251
Other		(126)	(609)	(1,138)
Net cash used in investing activities		(40,313)	(45,134)	(363,152)
Cash flows from financing activities				
Net increase (decrease) in short-term borrowings	36	¥ (8,000)	¥ 18,000	\$ (72,065)
Net increase (decrease) in commercial papers	36	121,500	31,500	1,094,495
Repayment of securitized borrowings	36	—	(20,000)	—
Proceeds from long-term borrowings	36	115,900	104,700	1,044,050
Repayments of long-term borrowings	36	(55,364)	(69,656)	(498,730)
Proceeds from issuance of bonds	36	94,547	84,694	851,706
Redemption of bonds	36	(20,026)	(50,000)	(180,398)
Repayments of lease obligations	36	(603)	(561)	(5,437)
Payments for acquisition of interests in subsidiaries from non-controlling interests		(23)	(10)	(207)
Proceeds from sale of treasury shares		0	—	0
Payments for purchase of treasury shares		(0)	(1)	(5)
Dividends paid		(5,719)	(5,719)	(51,521)
Net cash provided by financing activities		242,211	92,945	2,181,887
Effect of exchange rate changes on cash and cash equivalents		3	(72)	34
Net increase in cash and cash equivalents		9,462	7,714	85,244
Cash and cash equivalents at beginning of period	8	73,179	65,465	659,215
Cash and cash equivalents at end of period	8	¥ 82,642	¥ 73,179	\$ 744,460

Our History

As a leading service company, Credit Saison has resolutely been challenging itself to be the first in the industry for innovation creation, expanded its business domain, and working on a wide variety of alliances beyond the Company's affiliates. Look out for more things to come from Credit Saison.




News releases and latest topics are presented on our corporate website.



From 1951 Challenge to change common practices in the industry

1951	May	Company established as Midoriya Co., Ltd.
1968	Jun.	Listed on the First Section of the Tokyo Stock Exchange.
1976	Mar.	Formed a capital tie-up with Seibu Department Stores, Ltd. (currently Sogo & Seibu Co., Ltd.)
1980	Aug.	The Company's name was changed from Midoriya Department Stores to Seibu Credit Co., Ltd.
1982	Aug.	Started issuing Seibu Cards, instant credit and instant issuance. Started a nationwide network of Saison Counters. Started the lease business.
1983	Mar.	Seibu Card name changed to SAISON CARD.
1985	May	Started credit guarantee business.
1988	Jul.	Developed an international credit card with no membership fees through a tie-up with Visa and Mastercard. 
1989	Oct.	Company name changed to Credit Saison Co., Ltd.
1990	Apr.	Credit Saison began to issue Saison Postal Savings Cards, the first cards in Japan to support signatureless transactions (in Seiyu food outlets).
1991	Jan.	Affinity card business started.
1995	Jun.	Saison JCB Card issued in cooperation with JCB Co., Ltd. 
1997	Oct.	SAISON American Express® Card issued through an affiliation with AMERICAN EXPRESS®. 

From 2000 Diversified business and expanded alliances

2000	Aug.	"Net Answer," an Internet service, started.
2002	Feb.	Eikyufumetsu Points, which never expire, started. 
2003	Aug.	Agreement reached on a comprehensive alliance with Kosan Co., Ltd. (Idemitsu Card mydoplus issued in April 2004).
2003	Sep.	Launched Super Value Plus, exclusive insurance for members.
2004	Feb.	Decision made to form a strategic equity and business tie-up with Resona Holdings, Inc. (Resona Card+S (Resona Card Saison) was issued in October 2004).
2004	Apr.	Basic agreement reached with Takashimaya Company, Limited on a strategic alliance in the credit card business. (TAKASHIMAYA Saison Card issued in September 2004).
2004	Aug.	Basic agreement on forming a strategic alliance concluded with the Mizuho Financial Group, Inc., Mizuho Bank, Ltd. and UC CARD Co., Ltd.
2005	Apr.	New credit center Ubiquitous started operation.
2005	Oct.	Saison Platinum American Express® Card issued.
2006	Jan.	Credit Saison merged with UC Card Co., Ltd. (card issuance business). 
2006	Mar.	Saison Card Loan issued.
2006	Jun.	Comprehensive alliance formed with Yamada Denki Co., Ltd. (Yamada LABI Card launched in July of the same year).
2006	Jul.	Agreements to form a business alliance with The Shizuoka Bank, Ltd. (Shizugin Saison Card Co., Ltd. established in October 2006 and ALL-S Card issued in April 2007).
2006	Oct.	Points exchange website "Eikyufumetsu.com"(Current Saison Point Mall) launched.
2006	Nov.	Shareholder agreement signed with Daiwa House Industry Co., Ltd. and joint venture established. (Heart One Card issued in May 2007)
2007	Mar.	Saison Asset Management Co., Ltd. launched own investment trusts.
2007	Mar.	Agreement for comprehensive alliance with Yamaguchi Financial Group, Inc. (YM Saison Card issued in October 2007).
2007	Oct.	Established Qubitous Co., Ltd., the industry's first comprehensive processing service specialist. (Qubitous integrated by absorption-type merger in April 2020). 
2008	Jan.	Issued SAISON Platinum Business American Express® Card for individual proprietors and business owners.
2008	Jun.	Rental business launched (commencement of home appliance rental in an alliance with Yamada Denki).
2008	Oct.	Launched new credit operation center "Kansai Ubiquitous".
2009	Mar.	Started handling "Flat 35" loans.

From 2010 Scaled-up payment business and full-scale global business

2010	Mar.	Basic agreement reached on comprehensive business alliance with SEVEN & i FINANCIAL GROUP CO., LTD. (Apr. 2011, Sogo & Seibu Card business was split off into a new joint venture).
2010	Apr.	Started operation of Akagi Nature Park.
2010	Jun.	Strengthened alliance with AMERICAN EXPRESS® and extended card lineup to four card categories. 
2011	Jul.	Issued NEO MONEY, a prepaid card exclusively for use by Japanese travelers visiting other countries.
2011	Aug.	Tie-up with China UnionPay for affiliated store operations in Japan.
2011	Nov.	Started the first use of Eikyufumetsu points for net shopping in the industry.
2012	Apr.	Started handling "Flat 35 Plus" mortgage loan packages.
2012	Jun.	Established a representative office in Hanoi, Vietnam.
2013	Jan.	Started handling Saison Asset Formation Loans.
2013	Apr.	Established a local subsidiary in Vietnam to conduct consulting.
2013	Nov.	Entered alliance with Coiney, Inc. on smartphone settlements.
2014	Apr.	Opened a representative office in Jakarta, Indonesia.
2014	May.	Established a local subsidiary in Singapore.
2014	Jul.	Commenced Saison Portal and UC Portal that provide smartphone apps for cardmembers.
2014	Sep.	Saison Asset Management Co., Ltd. formed a capital and operational alliance with Japan Post Co., Ltd.
2014	Nov.	Formed a capital and operational alliance with Singapore-based MatchMove Pay Pte Ltd.
2015	May.	Formed a comprehensive capital and business tie-up with Vietnam's Ho Chi Minh Development Joint Stock Commercial Bank (HD Bank) and established HD SAISON Finance Company Ltd. 
2015	Jun.	Established Saison Ventures Co., Ltd., the first corporate venture capital established by Japanese credit card company. 
2015	Sep.	Established PT. Saison Modern Finance, a finance services company, in Indonesia. 

2016	Feb.	Commenced offering Saison "Home Assist Loans".
2016	May	Commenced offering "Saison Smart Money Transfer Service".
2016	Sep.	Started handling "Saison Property Investment Loan" for purchasing apartment for investment purposes.
2016	Dec.	"Point Investment Services" for long-term investment using Saison Eikyufumetsu points started.
2017	Jan.	Tied up Saison Eikyufumetsu Points Program with JP Bank's prepaid card "mijica."
2017	Apr.	Acquired 100% shares of Omnibus K.K., a digital marketing company.
2017	Jul.	"Saison Rent Guarantee Rent Quick" launched.
2017	Sep.	Abolished employee classifications and launched a common HR system under which all employees are on indefinite-term contracts.
2017	Dec.	Formed a capital tie-up with leading Southeast Asian ridesharing service operator Grab Holdings Inc. and established Grab Financial Services Asia Inc.
2018	Mar.	Established investment platform "Investment Accounts." Launched new point investment service.
2018	June	Established Kisetu Saison Finance (India) Private Limited in India 
2018	Nov.	Credit Saison Partners with SCG, Mitsui & Co. Agreeing on Establishment of SIAM SAISON Co., Ltd. in Thailand. 
2019	Jan.	Started handling Saison Reform Loan.
2019	Apr.	Launched the special class benefit program, Saison Classe.
2019	Jun.	Established Saison Capital Pte. Ltd. as an overseas venture capital vehicle 
2019	Sep.	Capital business partnership with Daiwa Securities Group Inc.
2019	Oct.	Started issuing "freee Saison Platinum Business American Express® Card"
2019	Nov.	Started "Saison Cardless Payment" for instant membership, instant usage via smartphones
2019	Nov.	Started providing "Saison Pocket" smartphone securities service.
2019	Dec.	Started recruiting the "Saison Cobalt Business American Express® Card" business card. 

Board of Directors / Audit & Supervisory Board Members / Executive Officer (As of March 1, 2020)

Board of Directors

 <p>Hiroshi Rinno Representative, Chairman and CEO Corporate strategy, global strategy, branding, affiliated companies affairs</p>	 <p>Masahiro Yamashita Representative, Executive President and COO Overall management execution, credit card joint ventures affairs Head of Public Relations Office, Payment Business Division, Sales Development Division</p>	 <p>Naoki Takahashi Representative, Executive Vice President and CHO Promotions of strategies, new businesses, Head of Audit Office, General Affairs Dept., Strategic Human Resources Dept., IT Strategy Dept.</p>	<p>N&R Nomination & Remuneration Committee member</p>		
 <p>Katsumi Mizuno Managing Director, Managing Executive Officer Head of Branding Strategy Dept., Processing Business Division, Global Business Division, In charge of Strategic Planning Dept.</p>	 <p>Tatsunari Okamoto Managing Director, Managing Executive Officer Head of Branding Strategy Dept., Processing Business Division, Global Business Division, In charge of Strategic Planning Dept.</p>	 <p>Yoshiaki Miura Managing Director, Managing Executive Officer General Manager, Payment Business Division, Sales Development Division, In charge of Solution Business Dept., Affinity Business Dept. No.1 & 2, Business Strategy Dept., Alliance Development Dept.</p>	 <p>Shingo Baba Director, Managing Executive Officer Head of Corporate Planning Dept., Corporate Risk Management Dept., Treasury & Accounting Dept.</p>	 <p>Kazutoshi Ono Director, Managing Executive Officer CTO Head of Digital Innovation Division, General Manager, Digital Innovation Division, General Manager, Technology Center</p>	 <p>Akihiro Matsuda Director, Executive Officer In charge of special role</p>
 <p>Yasuyuki Isobe Director, Executive Officer Head of Credit Division, General Manager, Credit Division, In charge of Card Finance Dept., Affiliated Store Planning Dept.</p>	 <p>Shunji Ashikaga Director, Executive Officer In charge of Saison AMEX Dept., Business Solution Dept., Credit Guarantee Dept., Corporate Sales in Sales Planning Dept.</p>	 <p>Kazue Yasumori Director, Executive Officer General Manager, Processing Business Division, In charge of Strategic Human Resources Dept.</p>	 <p>Kaoru Hayashi Outside Director (Independent)</p>	 <p>Naoki Togashi Outside Director (Independent)</p>	 <p>Nana Otsuki Outside Director (Independent)</p>

Audit & Supervisory Board Members Executive Officer

 <p>Haruhisa Kaneko Standing Audit & Supervisory Board Members</p>	 <p>Munehiro Harada Standing Audit & Supervisory Board Member (Outside)</p>	<p>Executive President</p> <p>Masahiro Yamashita</p> <p>Executive Vice President</p> <p>Naoki Takahashi</p> <p>Managing Executive Officer</p> <p>Katsumi Mizuno</p> <p>Tatsunari Okamoto</p> <p>Yoshiaki Miura</p> <p>Shingo Baba</p> <p>Kazutoshi Ono</p>	<p>Executive Officer</p> <p>Akihiro Matsuda</p> <p>Yasuyuki Isobe</p> <p>Shunji Ashikaga</p> <p>Kazue Yasumori</p> <p>Keitaro Shigemasa</p> <p>Naoki Nakayama</p> <p>Kaori Shimada</p> <p>Masaki Negishi</p> <p>Kosuke Mori</p>	 <p>Keitaro Shigemasa Managing Executive Officer CIO</p>	 <p>Naoki Nakayama Executive Officer</p>	 <p>Kaori Shimada Executive Officer</p>
 <p>Hiroaki Igawa Standing Audit & Supervisory Board Member (Outside)</p>	 <p>Chie Kasahara Audit & Supervisory Board Member (Outside)</p>			 <p>Masaki Negishi Executive Officer</p>	 <p>Kosuke Mori Executive Officer</p>	

*Six directors (and concurrently) executive officers, namely, Shingo Baba, Kazutoshi Ono, Akihiro Matsuda, Yasuyuki Isobe, Shunji Ashikaga, Kazue Yasumori, will have ended their tenure as of a general meeting of shareholders to be held on June 18, 2020. Consequently, they are scheduled to retire as directors.

Issued Cards-Examples

<p>Premium Cards</p>  <p>SAISON Platinum American Express® Card</p>  <p>SAISON Gold American Express® Card</p>  <p>SAISON Blue American Express® Card</p>  <p>SAISON Pearl American Express® Card</p>  <p>SAISON Platinum Business American Express® Card</p>	<p>For Individual proprietorships and small businesses</p>  <p>SAISON Platinum Business American Express® Card</p>	
<p>Main Retail Affiliate Cards</p>  <p>Walmart Card SAISON American Express® Card (Seiyu G.K. and Walmart Japan Holdings Co., LTD.)</p>  <p>PARCO Card (PARCO CO., LTD.)</p>  <p>Mitsui Shopping Park Card Saison (Mitsui Fudosan Co., Ltd. and Mitsui Fudosan Retail Management Co., Ltd.)</p>  <p>MUJI Card (Ryohin Keikaku Co., Ltd.)</p>  <p>Loft Card (THE LOFT CO., LTD.)</p>		
<p>Main Retail Affiliate Cards</p>  <p>TAKASHIMAYA SAISON Card (Takashimaya Company, Limited)</p>  <p>YAMADA LABI ANA MILEAGE CLUB Card SAISON American Express® Card (Yamada Denki Co., Ltd. and All Nippon Airways Co., Ltd.)</p>	<p>Airline and Railway Affiliate Cards</p>  <p>SEIBU PRINCE CLUB Card Saison (SEIBU HOLDINGS INC.)</p>  <p>JQ CARD Saison (Kyushu Railway Company)</p>  <p>MileagePlus SAISON Card (United Airlines, Inc.)</p>	
<p>Airline and Railway Affiliate Cards</p>  <p>Tokyo Metro To Me CARD (Tokyo Metro Co., Ltd.)</p>	<p>Other Affiliate Cards</p>  <p>MIZUHO Mileage Club Card Saison (Mizuho Bank, Ltd.)</p>  <p>Cinemileage-card Saison (TOHO CINEMAS LTD.)</p>	<p>Social Contribution Cards</p>  <p>JAPAN CARD Saison (Japan Football Association)</p>  <p>Japan Leukemia Research Fund Card Saison (Japan Leukemia Research Fund)</p>
<p>Non-affiliate Cards (Proper Credit Cards)</p>  <p>SAISON CARD International</p>  <p>UC Card</p>	<p>Corporate Card</p>  <p>UC Card Gold for SMEs</p>  <p>UC Corporate Card (Gold)</p>	<p>Prepaid Card</p>  <p>COCOKARA CLUB CARD (cocokara fine inc.)</p>
<p>Prepaid Card</p>  <p>NEO MONEY</p>  <p>PICOCA card with prepaid & loyalty points function (Alpico Holdings Co., Ltd.)</p>	<p>Prepaid Card with Saison Eikyufumetsu Points Program</p>  <p>mijica (online edition) (Japan Post Bank)</p> <ul style="list-style-type: none"> Online editions Sapporo Sendai Chiba Kumamoto 	<p>House Prepaid Card</p>  <p>Azalea card (Kawasaki Azalea)</p>  <p>KAWATOKU Parc Card (Kawatoku Co., Ltd.)</p>

Major Business Sales Based (As of April 1, 2020)

Head Office

Sunshine 60 Bldg., 1-1 Higashi-Ikebukuro 3-chome, Toshima-ku, Tokyo 170-6073, Japan

Hokkaido Branch Office

3F Sapporo Center Bldg., 2-2, Kita-5-jo Nishi 6-chome, Chuo-ku, Sapporo City, Hokkaido 060-0005, Japan

Tohoku Branch Office

7F Sendai Shogin Bldg., 1-24, Chuo 3-chome, Aoba-ku, Sendai City, Miyagi 980-0021, Japan

North Kanto Branch Office

3F ORE Omiya Bldg., 114-1, Miyacho 1-chome, Omiya-ku, Saitama City, Saitama 330-0802, Japan

East Kanto Branch Office

19F WBG Marive East Tower., 6-1, Nakase 2-chome, Mihama-ku, Chiba City, Chiba 261-7119, Japan

Tokyo Branch Office

2F Otowa NS Bldg., 10-2, Otowa 2-chome, Bunkyo-ku, Tokyo 112-0013, Japan

Kanagawa Branch Office

3F Nisso Dai-5 Bldg., 10-39, Kita-saiwai 2-chome, Nishi-ku, Yokohama City, Kanagawa 220-0004, Japan

Tokai Branch Office

4F NMF Nagoya Yanagibashi Bldg., 16-28, Meieki-minami 1-chome, Nakamura-ku, Nagoya City, Aichi 450-0003, Japan

Kansai Branch Office

4F Kansai Ubiquitous Bldg., 12-11, Minamisenba 1-chome, Chuo-ku, Osaka City, Osaka 542-0081

Chugoku/Shikoku Branch Office

5F Otemachi Center Bldg., 8-5, Otemachi 2-chome, Naka-ku, Hiroshima City, Hiroshima 730-0051, Japan

Kyushu Branch Office

9F Kyukan Hakata Ekimae Bldg., 19-27, Hakataekimae 2-chome, Hakata-ku, Fukuoka City, Fukuoka 812-0011, Japan

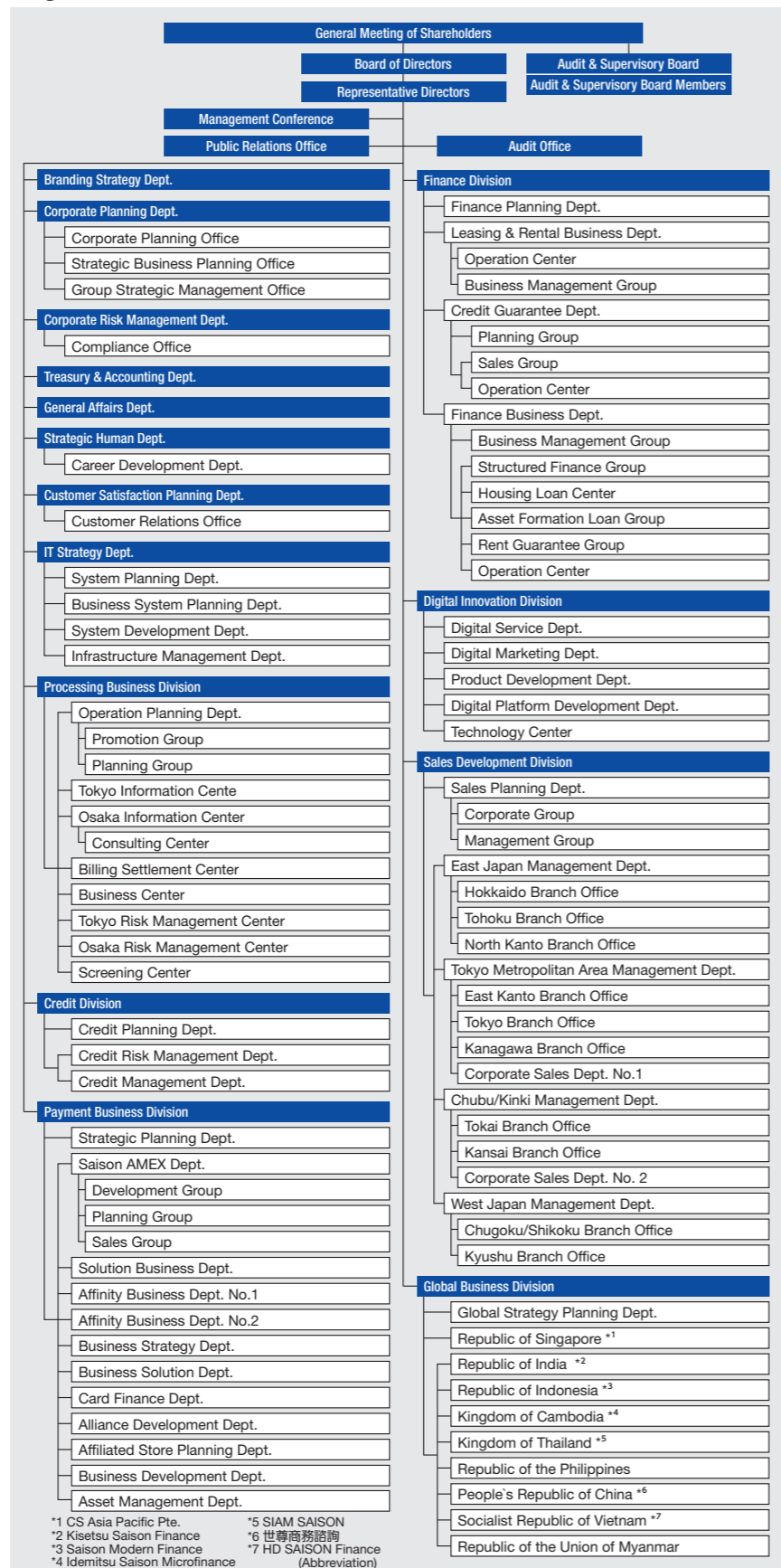
Shanghai, China

CREDIT SAISON CORPORATION (SHANGHAI) LIMITED
No. 909, 9F, No. 409-459 Landmark East Nanjing Rd. Shanghai, China

Singapore

Credit Saison Asia Pacific PTE. LTD.
16 Collyer Quay #21-01, Income At Raffles Singapore 049318

Organization Chart



List of Affiliated Companies (* In the order of the Japanese syllabary As of December 31, 2019)

Main Consolidated Subsidiaries		
	Atrium Co., Ltd.	Comprehensive real estate business, servicing business
	AIR Co., Ltd.	Cleaning, security, property maintenance services
	Omnibus K.K.	Internet advertisement agency business, marketing consulting business
	CASALAGO CO., LTD.	Import and sales of lifestyle goods
	Concerto Inc.	Amusement services, amusement business, real estate rental business
	SAISON ASSET MANAGEMENT CO., LTD.	Asset management
	Saison Personalplus Co., Ltd.	Temp staff and services
	Saison Fundex Corporation	Loans, real estate, credit guarantees
	Saison Ventures Co., Ltd.	Identification and investment in start-ups
	Saison Insurance Service Inc.	Life/non-life insurance agency business
	Credit Saison Asia Pacific Pte. Ltd.	Overseas business development and regional headquarters in Singapore
	PT. Saison Modern Finance	Digital lending, payments, points business, and lease business in Indonesia

Total of 34 companies

Major Equity-Method Affiliates

	Eplus Inc.	Tickets sale
	Idemitsu Credit Co., Ltd.	Credit card business, prepaid card business, finance business
	Shizugin Saison Card Co., Ltd.	Credit cards and credit guarantees, prepaid card business
	Saison Information Systems Co., Ltd.	Information processing services
	Seven CS Card Service Co., LTD.	Credit card business
	Daiwa House Financial Co., Ltd.	Credit card business
	Takashimaya Financial Partners Co., Ltd. (See Note)	Credit card business
	Yamada Financial Co., Ltd.	Credit card business
	Resona Card Co., Ltd.	Credit cards and credit guarantees
	HD SAISON Finance Company Ltd.	Finance business in Vietnam

Total of 30 companies

Note: Having merged with Takashimaya Hoken Co., Ltd., Takashimaya Credit Co. Ltd. changed its name to Takashimaya Financial Partners Co., Ltd. (March 1, 2020)

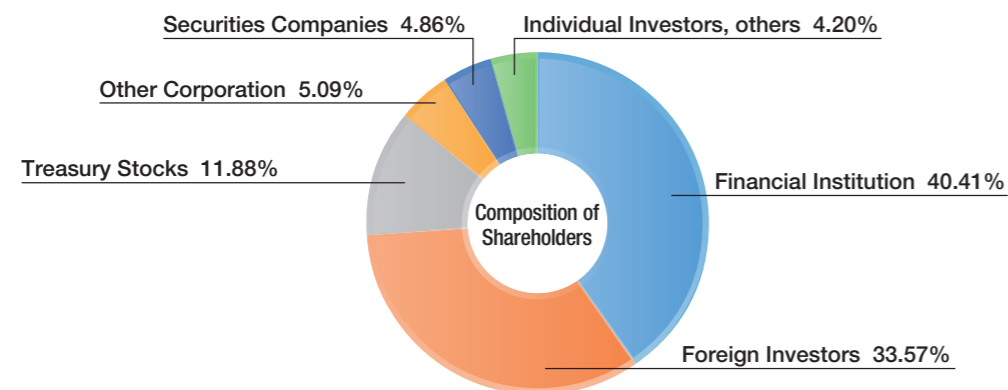
Stock Information (as of March 31, 2019)

Common Stock Authorized 300,000 thousand shares Common Stock Outstanding 185,444 thousand shares Number of Shareholders 14,391

Major Shareholders (Top 10)

Institution	Equity stake	
	Number of Shares (thousand)	Ownership Percentage (%)
The Master Trust Bank of Japan Ltd. (trust account)	28,801	17.63
Japan Trustee Service Bank Ltd. (trust account)	14,872	9.10
BNYMSANV AS AGENT/CLIENTS LUX UCITS NON TREATY 1	8,516	5.21
Japan Trustee Service Bank Ltd. (trust account 9)	6,345	3.88
Trust & Custody Services Bank, Ltd.(Securities Investment Trust Account)	4,692	2.87
Mizuho Bank, Ltd.	3,000	1.84
Japan Trustee Service Bank Ltd. (trust account 5)	2,719	1.66
STATE STREET LONDON CARE OF STATE STREET BANK AND TRUST, BOSTON SSBTC A/C UK LONDON BRANCH CLIENTS - UNITED KINGDOM	2,680	1.64
JPMorgan Securities Japan Co., Ltd.	2,613	1.60
JP MORGAN CHASE BANK 385151	2,511	1.54

* The 22,034,232 treasury shares held by Credit Saison are not included in the above list of major shareholders. * Ownership percentages are based on the number of outstanding shares excluding treasury shares.



Shareholders Memo

Fiscal Year	Period beginning on April 1 and ending on March 31 of the following year
Ordinary General Meeting of Shareholders	Convened each year in June
Record Date	Ordinary general meeting of shareholders and year-end dividend payments - March 31 Should any other record date be required, a public notice will be issued in advance.
Transfer Agent and Administrator of Special Accounts	Sumitomo Mitsui Trust Bank Limited, 1-4-1, Marunouchi, Chiyoda-ku, Tokyo, Japan
Administrative Office of Transfer Agent	Stock Transfer Agency Business Department, Sumitomo Mitsui Trust Bank Limited, 1-4-1, Marunouchi, Chiyoda-ku, Tokyo, Japan
Mailing Address	Stock Transfer Agency Business Department, Sumitomo Mitsui Trust Bank Limited, 2-8-4, Izumi, Suginami-ku, Tokyo 168-0063, Japan
Telephone Inquiries	0120-782-031 (9:00-17:00 excluding weekends and holidays)
URL	https://www.smtb.jp/personal/agency/index.html
Method of Public Notice	Electronic notice (Credit Saison website) https://corporate.saisoncard.co.jp/en/public_announcement/
Stock Listing	Tokyo Stock Exchange
Securities code	8253

[Notice of Address Change, etc. and Inquiries Relating to Shares]
Shareholders who have an account with a securities company are asked to contact the relevant securities company regarding address change and other notices, as well as inquiries. Shareholders who do not have an account with a securities company are asked to call the number indicated above for telephone inquiries.

[Special Accounts]
For shareholders who were not using the "Hofuri" system (Japan Securities Depository Center, Inc.) prior to the introduction of the electronic share certificate system, an account (special account) has been opened at Sumitomo Mitsui Trust Bank Limited above as the transfer agent. Inquiries on special accounts should be directed to the transfer agent at the number indicated above for telephone inquiries.

Corporate Profile

Name	Credit Saison Co., Ltd.
Incorporated	May 1, 1951
Head Office	Sunshine 60 Bldg., 1-1 Higashi-Ikebukuro 3-chome, Toshima-ku, Tokyo 170-6073, Japan
Representative	Hiroshi Rinno, Representative, Chairman and CEO Masahiro Yamashita, Representative, Executive President and COO Naoki Takahashi, Representative, Executive Vice President and CHO
Paid-in Capital	¥75,929 million
Listed Stock Exchange	Tokyo (First Section)
Business	① Payment Segment (credit card business, servicing (loan collection agency) business, etc.) ② Lease Segment (lease business) ③ Finance Segment (credit guarantee business and finance-related business) ④ Real Estate-Related Segment (real estate business and real estate leasing business, etc.) ⑤ Entertainment Segment (amusement business, etc.)
Number of regular employees	3,239

Note: In addition to our regular employees, we employ temporary and part-time employees, with the average number of non-regular employees per term at 647 (based on conversion to a 7.5-hours workday)
Note: Employee data is as of March 31, 2019.

Editor's postscript

The Credit Saison Vision and Strategy Report 2019 is our first integrated report and is intended to provide a greater understanding of the Company to all our stakeholders, both inside and outside the Company.

Fiscal 2019 was a transformational year for Credit Saison, with the Company seeing its first new president in 19 years, announcing its new Medium-term Management Plan (FY19-FY21), establishing its Nomination and Remuneration Committee, and announcing a capital and business tie-up with Daiwa Securities Group Inc. Project members have been working toward the publication of this report since September 2019, maintaining a strong desire to help even more people understand the Company's efforts toward creating a new Credit Saison.

Looking ahead, we will continue to seek the honest opinions of our readers so that we can further deepen communication with all stakeholders while upgrading and expanding the content of the report.