



Credit Saison Co., Ltd.

Financial Results of First Half of FY2021

November 9, 2021

Presentation

Moderator: Hello, everyone. Thank you for taking time out of your busy schedule today to participate in Credit Saison Co., Ltd.'s conference call for the financial results for the first half of FY2021.

Katsumi Mizuno, Representative, Executive President and COO, and Shingo Baba, Managing Executive Officer CFO, are participating in today's conference call. Managing Executive Officer Baba will report on the financial results for the first half of FY2021 and explain the financial and capital policies for about 10 minutes, and President Mizuno will explain the business strategy for the second half of FY2021 for about 20 minutes, followed by a question and answer session.

As in the previous financial results briefing, there will be plenty of time for questions and answers. The materials for the financial results briefing are available on the Financial Announcement section under IR Information on our website.

Let's begin. Managing Executive Officer Baba, please go ahead.



Financial Results Digest



- **The payment business is still recovering due to the effects of shortened business hours and voluntary restraint on unnecessary outings and travel in order to prevent the spread of the COVID-19 pandemic.**
- **On the other hand, the real estate-related business grew significantly due to rebound from the business contraction in the previous fiscal year.**
- **The delinquency over 90 days remained at a low level. Although credit cost continued to be suppressed, the amount of reversal for provision for loss on interest repayment trended higher than the previous fiscal year. Therefore, it is necessary to review additional provisions after ascertaining future trends.**
- **We will actively invest the investment allowance (excluding the minimum required capital) in high-growth global businesses by focusing on future growth investment. Furthermore, we will expand growth opportunities through management investment in new businesses, including M&A.**

Baba: This is Baba. Thank you. I would like to report on the financial results for the first half of FY2021 and explain our financial and capital policies.

Please look at page 4 of the slides. This slide shows the digest of financial results.

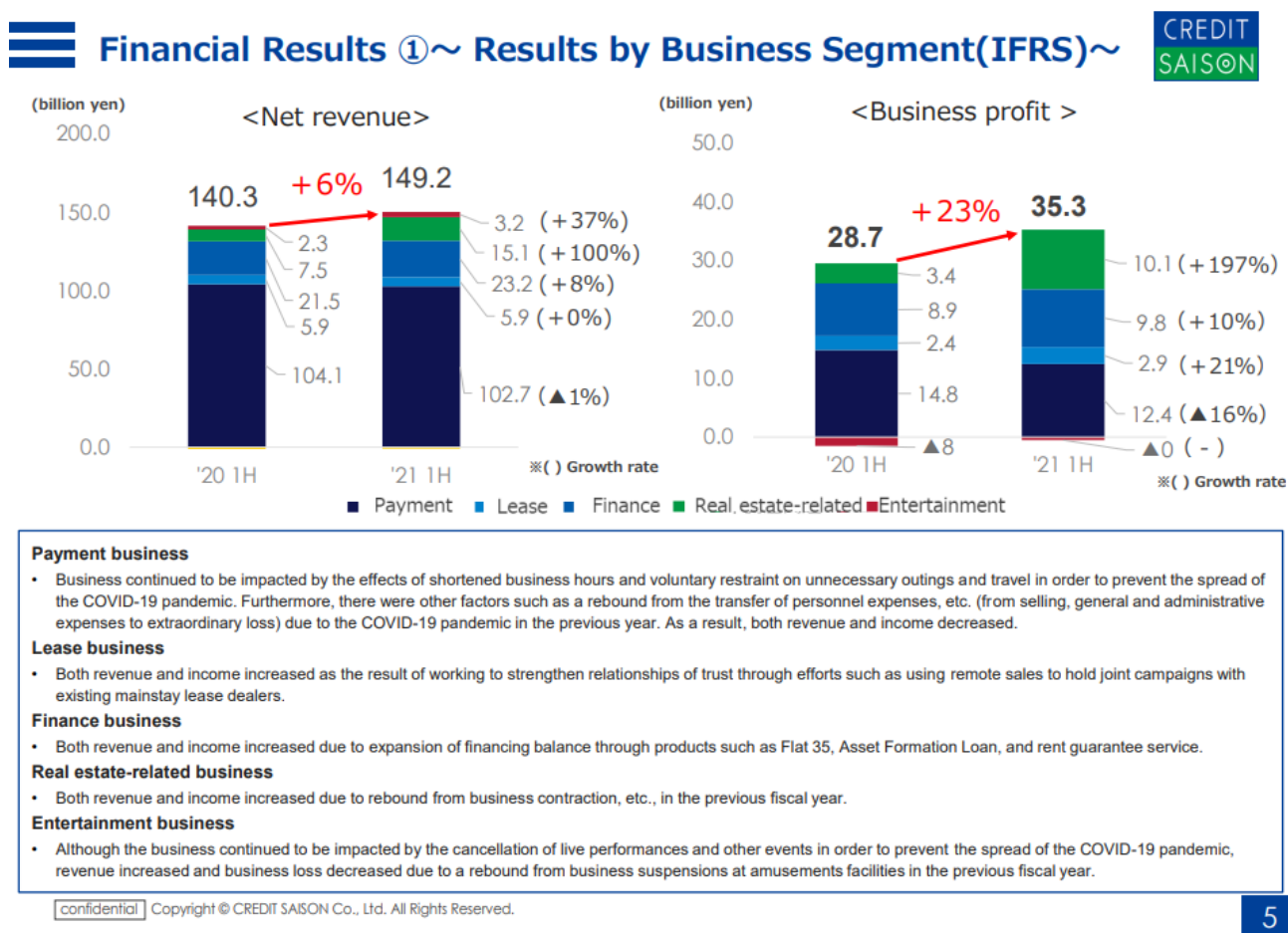
First of all, the payment business is still in the process of recovery from the effects of the new coronavirus.

On the other hand, the real estate-related business grew substantially due to the reactionary effect of the business contraction in the previous fiscal year.

Thirdly, regarding the payment business, the lease business, and the finance business, the delinquency rate has remained at a low level for 90 days or longer. As a result, doubtful accounts cost is trending downward.

On the other hand, the reversal of the allowance for losses on interest repayments has changed to a trend that is higher than the previous year, and we would like to pay attention to the future trend.

As for the fourth point, we will use the available investment amount, excluding the minimum capital requirement, to invest management resources in new businesses, including M&As, to expand high-growth global businesses and growth opportunities.



On page 5 of the slides, you can see the business results and the overview of business performance by segment.

First of all, from an overall perspective, net revenue increased by 6% YoY to JPY149.2 billion. Business profit for the next fiscal year increased by 23% to JPY35.3 billion.

In the payment business, as I mentioned at the beginning of this report, there was a decrease in both revenue and profits due to the impact of the coronavirus.

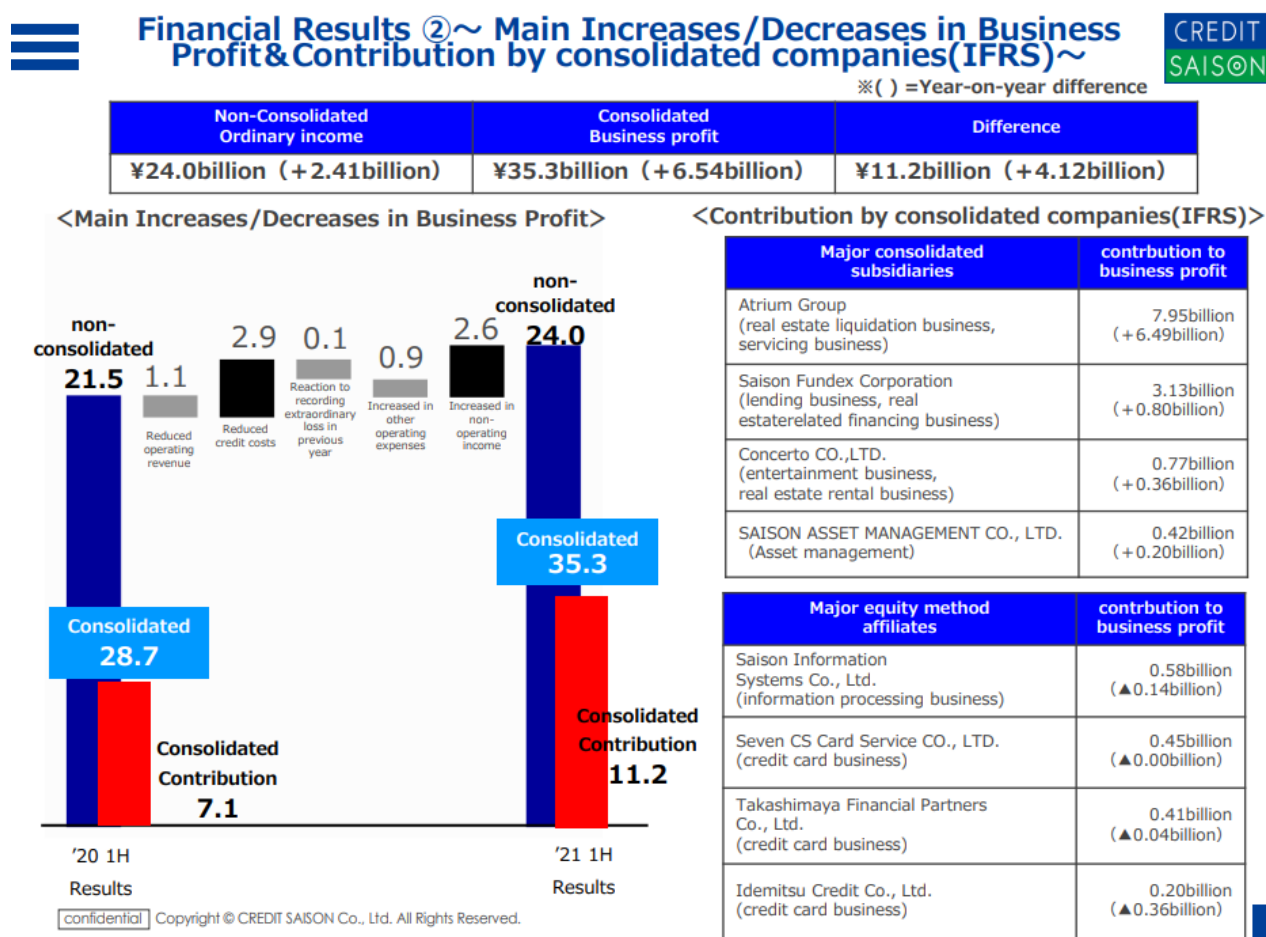
1 of the reasons for the decrease in profit is the reaction to the transfer of some of the personnel expenses to extraordinary losses in the previous fiscal year, which has resulted in a decrease in profit.

Next, in the lease business, the finance business, and the real estate-related business, we were able to achieve increases in both revenue and profits in all 3 of these businesses, even in the coronavirus crisis.

In particular, the real estate-related business, which posted a profit of about JPY3.4 billion last fiscal year, recorded JPY10.1 billion this fiscal year, a 197% increase over the previous year. Asset prices are relatively maintained, and this is a business segment that has contributed significantly to this fiscal year.

The entertainment business at the bottom of the list is the business segment that was most affected by coronavirus last year.

In the first half of the current fiscal year, we were able to secure an increase in revenue, but on the other hand, business losses decreased, and I believe that we can expect further business growth after the coronavirus recovers.



Page 6 of the slides shows business performance.

The non-consolidated ordinary income on the left is JPY24 billion, an increase of JPY2.4 billion from the previous year. Consolidated operating income increased by JPY6.5 billion to JPY35.3 billion. The difference between the 2 figures is JPY11.2 billion, an increase of JPY4.1 billion from the previous year.

Below that, there are consolidated subsidiaries and affiliates accounted for by the equity method, but as I have already mentioned, Atrium was the driving force behind our business in the first half of this fiscal year.

As a result, we have reached a level where the difference between non-consolidated results and consolidated results is much higher than the previous year.

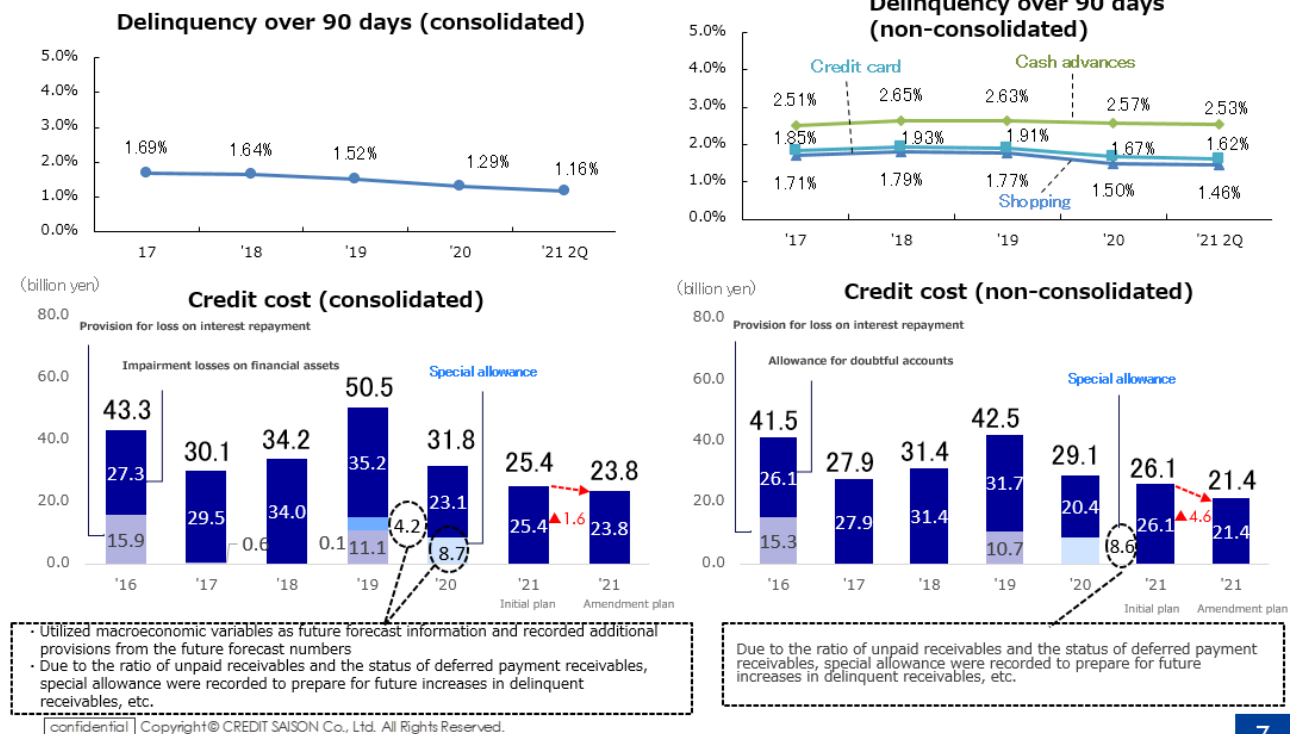


Credit Risk



Delinquency over 90 days remained at a low level.

Revised full-year forecast in consideration of credit cost being lower than initially expected.



Page 7 of the slides shows credit risk.

The line graph above shows the consolidated delinquency rate over 90 days on the left and the non-consolidated delinquency rate over 90 days on the right. You can see that they are both at a low level.

Below that is the doubtful accounts cost. Regarding consolidated figure, we expected it to be JPY25.4 billion in the initial plan. However, in the revised plan, we expect it to decrease by JPY1.6 billion to JPY23.8 billion, as the debt is improving.



Interest Repayment Claims

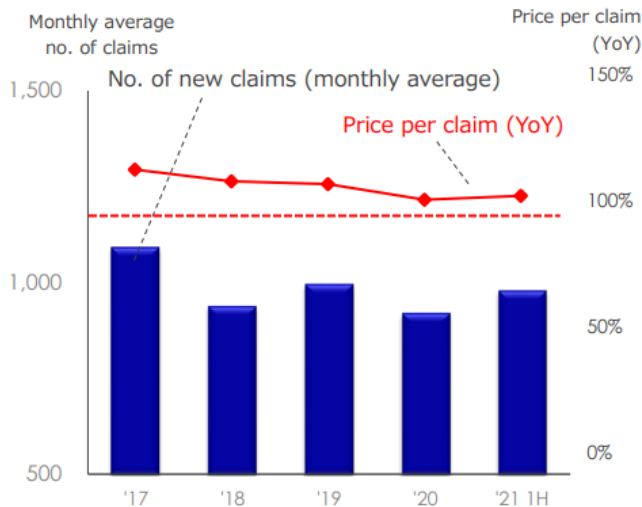


Amount of provision reversal trended higher than previous year



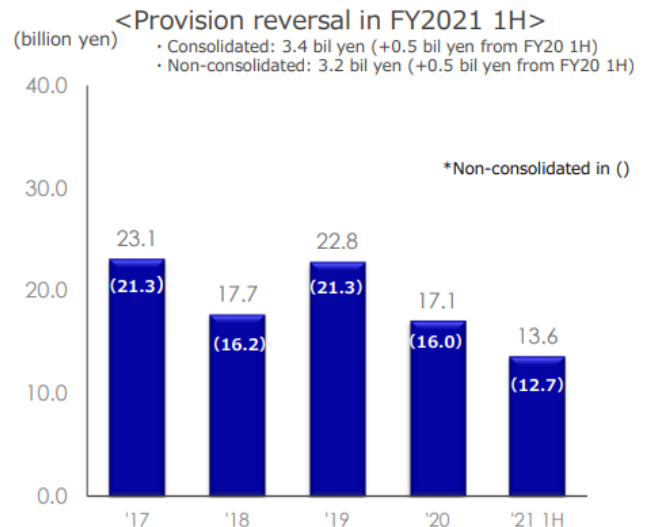
Review necessity of additional provision after ascertaining future trends

■ No. of new claims and price per claim (monthly average)



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■ Trend of provision balance due to interest repayment losses



8

Page 8 of the slides shows interest repayment claims.

Here, the amount of reversal has changed to a level exceeding that of the previous year. As you can see from the slide below, both the number of new overpayment cases and the processing unit price have been higher than the previous year.

As a result, the balance of provision for loss on interest repayment was JPY3.4 billion in the first half of this fiscal year, an increase of JPY500 million from the previous year. On a non-consolidated basis, the reversal of JPY3.2 billion was JPY500 million more than the previous year, so we will pay close attention to future trends.



Revised Business Results Forecast for FY2021 (non-consolidated_Operating revenue only)



(billion yen)

		Previous forecast (announced in May 14) (A)	Revised forecast (announced in November 9) (B)	Differences (B – A)
Consolidated	Net revenue	299.5	299.5	±0
	Business profit	52.0	52.0	±0
	Profit attributable to owners of parent	36.5	36.5	±0
Non- consolidated	Operating revenue	259.7	253.0	▲6.7
	Ordinary income	39.0	39.0	±0
	Net income	26.0	26.0	±0

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9

Page 9 of the slides shows the revised forecast for FY2021.

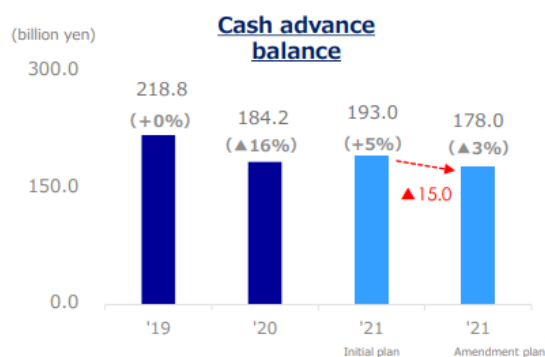
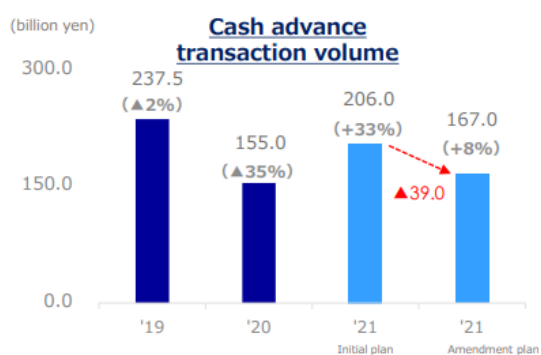
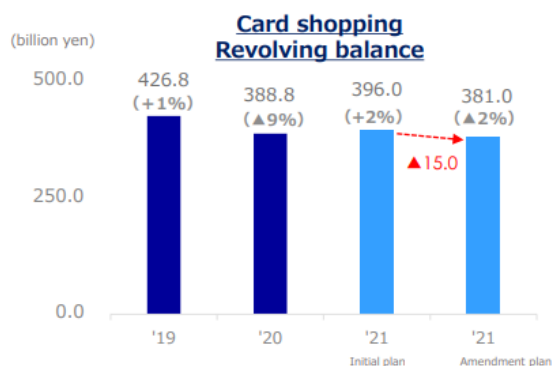
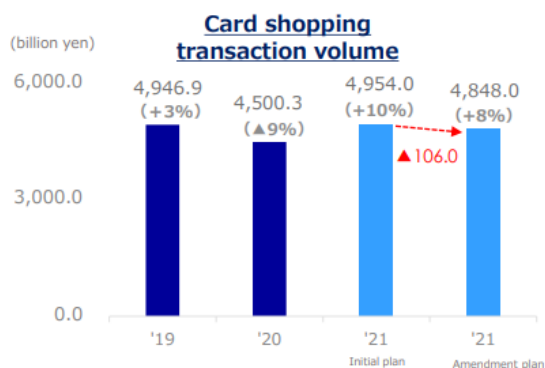
In conclusion, I would like to explain that we have revised downward our non-consolidated operating revenue by JPY6.7 billion, from JPY259.7 billion to JPY253 billion.

As for other profits, we have maintained the figures we announced at the beginning of the year.



Main Indices of Payment Business

※ () = Year-on-year difference



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10

Page 10 of the slides. This is a key indicator for the payment business.

The shopping transaction volume, shopping revolving balance, cash advance transaction volume, and cash advance balance are all revised downward in the revised plan compared to the initial plan.

We had originally expected that coronavirus would converge at an earlier time, but it has been pushed back slightly.

On the other hand, if we look at the months of October and November, the state of emergency has been lifted, and we believe that the situation is gradually recovering, which is why we are making this plan.



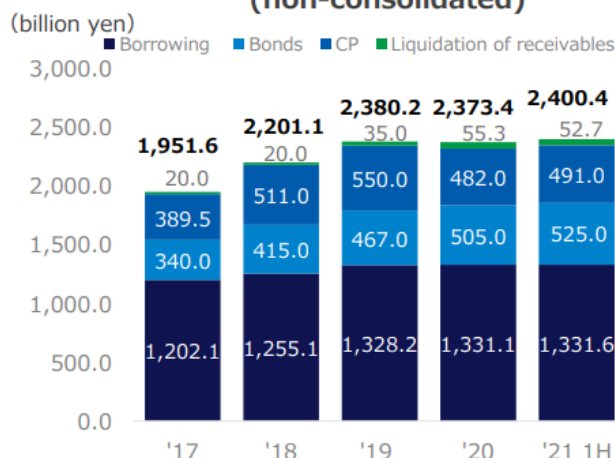
Financial Policy (Structure of Interest-bearing Debt)



■ About a sound financial base

- Credit Rating R&I A+
- Issuance of 20 years bonds, first in card companies
June 2017 10billion yen, April 2018 15billion yen
April 2019 12billion yen, January 2021 8billion yen
October 2021 13billion yen

Balance of interest-bearing debt (non-consolidated)



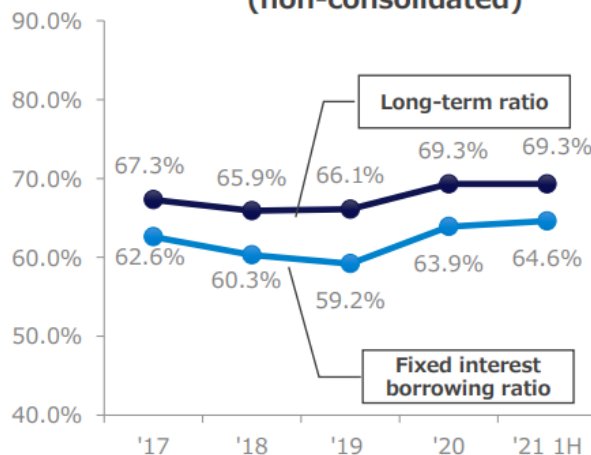
※Securitized borrowings coinciding with the Flat 35 home loan business are calculated after excluding the interest-bearing debt balance and long-term/fixed ratio estimate

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■ Regarding structure of interest-bearing debt

- Almost **70%** of the interest-bearing debt is composed of long-term funds
- Fixed interest rate procurement accounts for about **60%** of the total
- Committed credit line and etc. of **480 billion yen** is secured in terms of liquidity facility

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



Page 11 of the slides. Financial policy.

As you can see from the usual slide, last month we issued JPY13 billion in 20-year bonds as a credit card company.

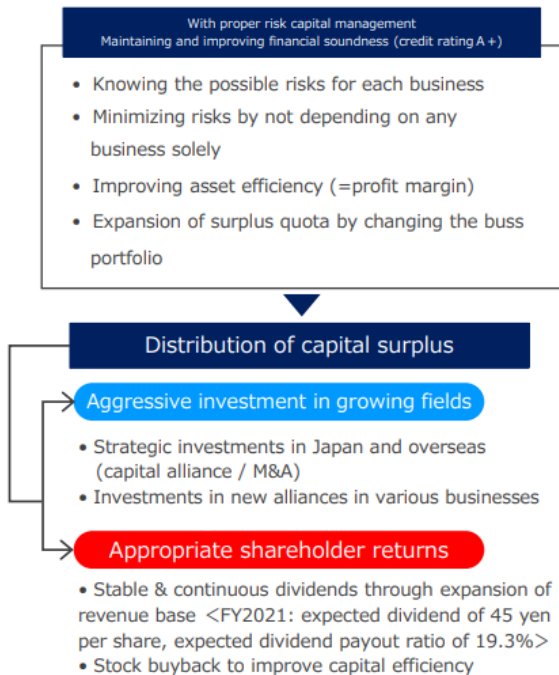
As for the structure of interest-bearing liabilities, long-term funds account for less than 70% of total interest-bearing liabilities, fixed-rate funding accounts for about 60% of total interest-bearing liabilities, and we have set aside JPY480 billion in the supplementary liquidity quota, including commitment lines. We will continue to manage our financial operations in a solid manner.



Management indicators & Shareholder returns

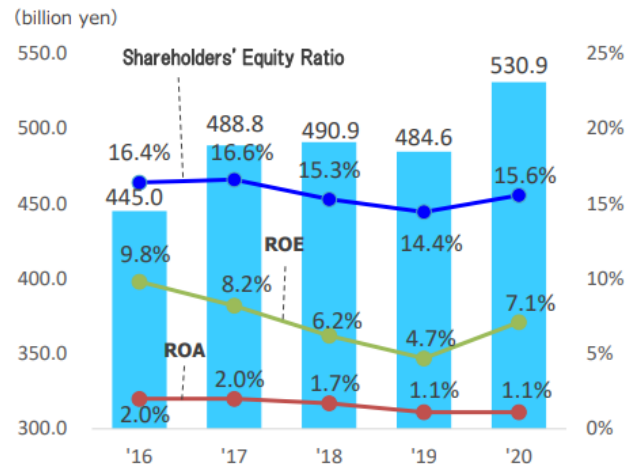


Maintaining and improving financial soundness as a priority, aiming to improve asset efficiency by realizing sustainable growth through strategic investments in Japan and overseas, expanding business with excellent asset efficiency, and reducing inefficient assets.



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<Trends of Shareholders' Equity Ratio, ROA & ROE>



Medium to long term management indicators

Shareholders' Equity Ratio	About 15%
ROE	Over 10%

12

On page 12, you will find the management indices and shareholder returns.

This is also the usual slide, so I would like to talk briefly. We will continue to aim to maintain and improve our financial soundness and single-A plus credit rating through appropriate risk capital management.

On the other hand, while managing risk capital, we will continue to allocate surplus capital by aggressively investing in growth areas and returning profits to shareholders, while maintaining a good balance between them.

In terms of medium- to long-term management indicators, we would like to achieve an equity ratio of around 15% and ROE of over 10%.

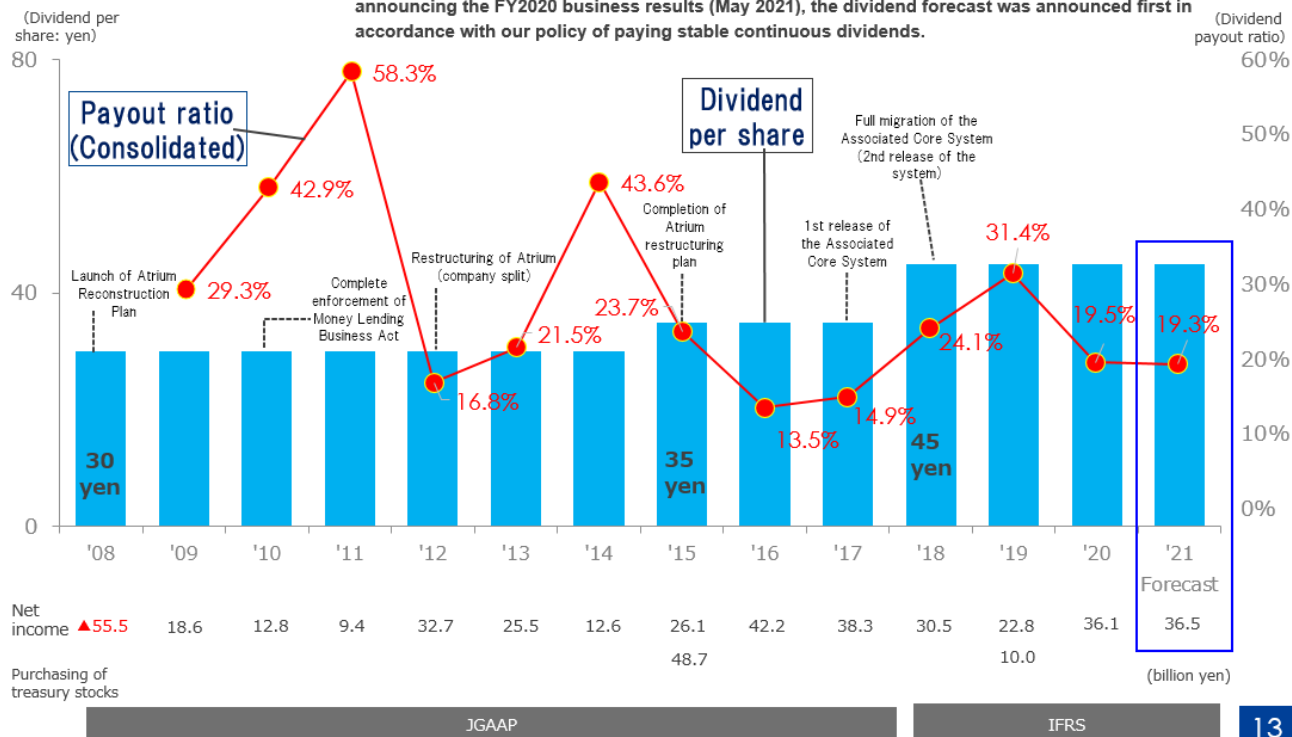


Status of Shareholder Returns



**<Basic policy>
Maintaining stable payout**

- When the financial crisis triggered by the collapse of Lehman Brothers occurred, the dividend was not be reduced even though a loss of ¥55.5 billion was incurred.
- Although the announcement of the FY2020 business results forecast was made at the time of announcing 1Q business results (August 2020) due to the COVID-19 pandemic, at the time of announcing the FY2020 business results (May 2021), the dividend forecast was announced first in accordance with our policy of paying stable continuous dividends.



Page 13 of the slides shows the status of shareholder returns.

We would like to continue with our basic policy of stable and continuous dividends.

As you can see in the bar graph on the far right, the dividend payout ratio of JPY45 per share announced at the beginning of this year is 19.3%, which is relatively low compared to other companies listed on the same stock exchange. On the other hand, despite the Lehman shock and the impact of last year's coronavirus crisis, we have been able to continue to pay dividends in the form of stable and continuous dividends, so we will continue to follow the same policy.



Capital policy (Risk capital management)

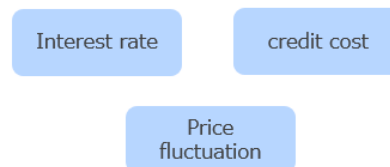


- ALM management is introduced to measure risk and allocate risk capital for each business
- Profit & loss fluctuation risks are measured by aiming at a confidence level of 99.75% using EaR※ model in order to maintain A+rating. (※Earnings at Risk)
- Re-measurement is performed regularly to reflect track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

【Assets categorized by business】



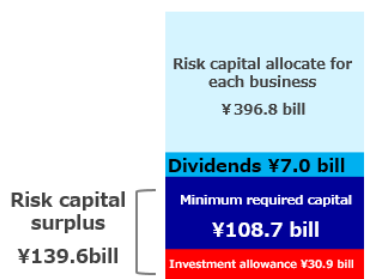
【Risk factors】



【Consolidated capital: ¥543.5 billion】
(excludes the impact of adopting IFRS 9)
(by end of March, 2021)

【Risk capital allocation policy】

1. From among the surplus risk capital, **20%** of consolidated shareholders' equity is secured as the minimum required capital (¥108.7 billion)
2. We will **actively invest** the investment allowance of **30.9 billion yen** (excluding the minimum required capital) in **high-growth global businesses**. Furthermore, in order to expand growth opportunities, we will actively **invest management resources in new businesses, including M&A**. Also, **in the payment business**, which was significantly impacted by COVID-19, we will **invest resources in efforts to maximize LTV**.
3. In order to realize future growth investment and sustainable growth of existing businesses, we will review the business portfolio by considering the cost of capital and will promote the optimization of the business portfolio by re-investing the generated management resources.



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14

Moving on to page 14, which shows the status of capital policy and risk capital management.

The details are as I have already told you.

The bar graph on the left at the bottom shows that consolidated equity capital of JPY543.5 billion, surplus risk capital of JPY139.6 billion, and the available investment amount of JPY30.9 billion.

Regarding the risk capital allocation policy on the right side, the first item is to secure 20% of consolidated equity capital as the minimum required capital out of surplus profit capital, and this time, regarding [inaudible] we will use JPY30.9 billion available for investment to invest in high-growth global businesses and new businesses, including M&As, to expand growth opportunities.

Third, we will review our business and portfolio with an awareness of capital costs, and we will continue to optimize our portfolio as well.

This is the end of my explanation. Thank you very much.

Moderator: Thank you. I would now like to move on to the business strategy for the second half of FY2021. President Mizuno, please go ahead.



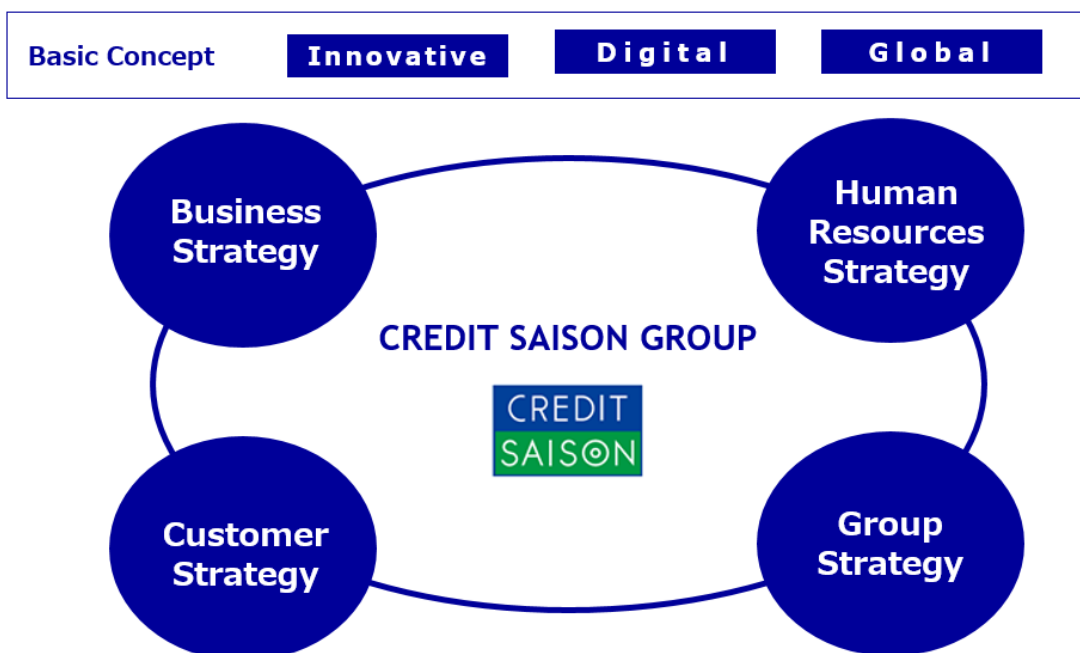
Diagram of Overall Management Strategy (FY2021)



Transforming ourselves into a comprehensive life services corporate group

I. Creation of new business (M&A, capital participation, business tie-ups, etc.)

II. Achievement of customer success through fusion of real and digital



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16

Mizuno: This is Mizuno. Thank you. This is our business strategy for the second half of FY2021 on page 16.

This is the overall concept of our management strategy for FY2021, which we set forth at the beginning of the fiscal year. In the first half of the fiscal year, we continue to develop several initiatives to transform ourselves into a comprehensive lifestyle services group. Our basic concepts are innovative, digital, and global, with the aim of creating new businesses and achieving customer success through the integration of real and digital technologies.

In particular, our business strategy for this fiscal year is to respond to the needs of Generation Z, women, seniors, and the affluent, and to provide payment products for SMEs, as well as global business, as I will explain later.

In terms of our customer strategy, as we announced the other day, under the CSDX strategy, that, in addition to digitizing the interface to customers, we are also proceeding with EX, which is digitalization for employees, as needed. In particular, we would like to aim for DX that is unique to us, as we make effective use of our real locations.

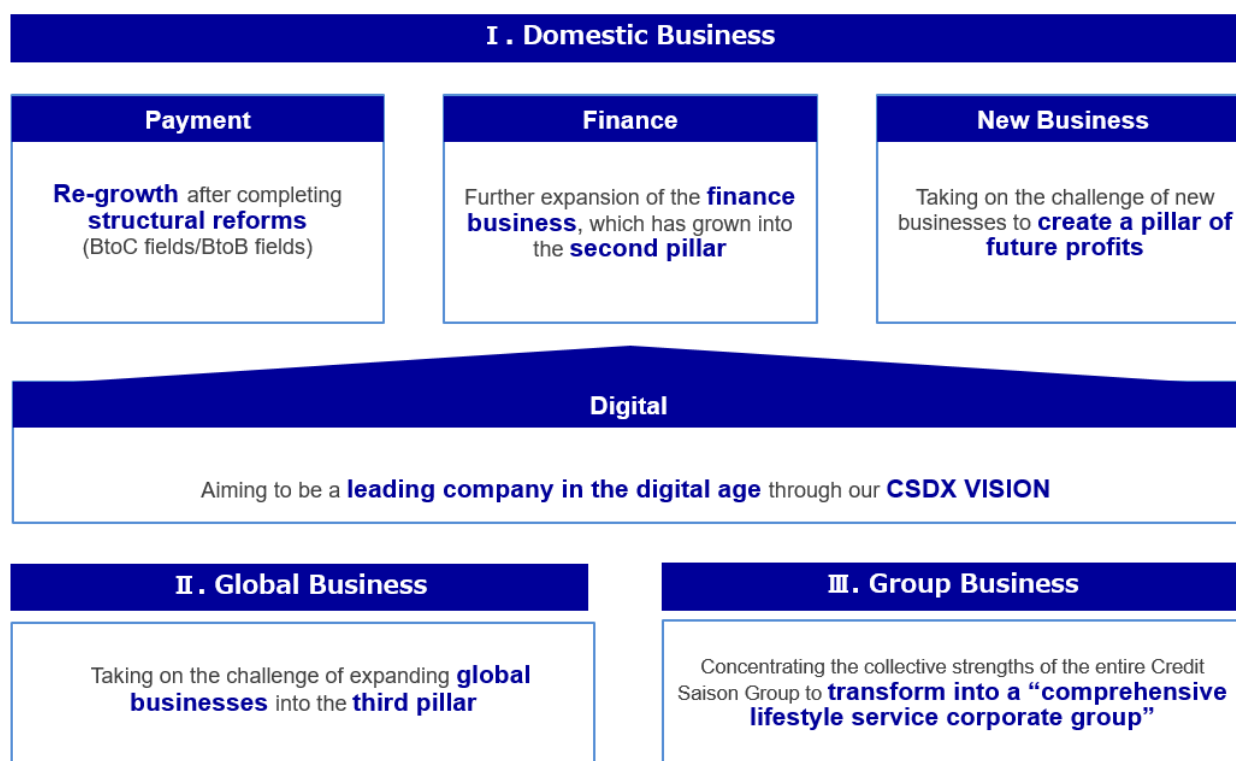
This is our human resources strategy. For the domestic network, we made significant changes to our domestic network, concentrating on the Tokyo, Osaka, and Kyushu regions where we worked on in the first half of the fiscal year. In addition, the development of digital human resources and the acquisition of external human resources, which I will explain in more detail later, are now well underway.

This is a Group strategy. As part of our transformation into a comprehensive lifestyle services group, we have strengthened the strategies of each Group company, established new joint ventures, and set up open

innovation through M&A and venture investment as part of our group strategy. I believe that we have made several milestones toward the realization of the concept I mentioned earlier.



Specific Measures That Credit Saison is Currently Attempting to Implement



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17

Next, page 17. The specific things that Credit Saison is currently trying to accomplish are shown here.

First, let's look at our domestic business. In the area of the payment business, as I mentioned earlier about the domestic network, we will strengthen the areas of 2C and 2B, in order to achieve renewed growth after the structural reform.

The finance business is already growing as the second pillar of our business, but we will develop measures including DX for further expansion.

In terms of new business, we continued to establish joint ventures and take on new business challenges in the first half of the fiscal year, and we have made several milestones.

In terms of digitalization, under the CSDX VISION, we aim to be a company that leads the digital age. We have professional human resources, and among them, we have set a goal of developing 1,000 digital human resources.

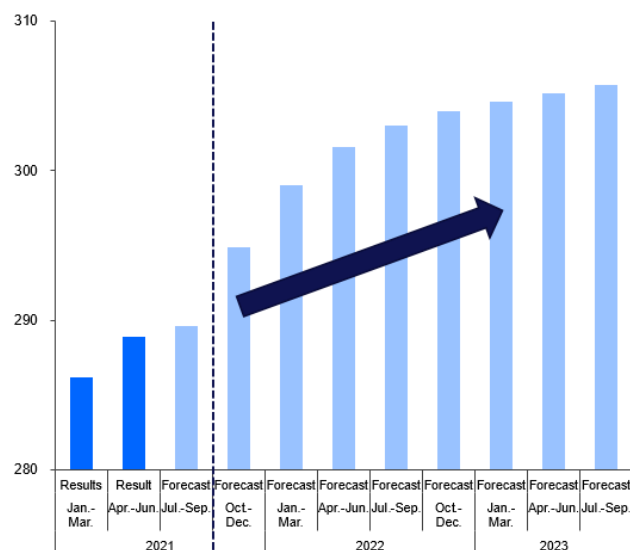
The second is the global business. As for the third pillar of our business, we are continuing to take on the challenge of steadily expanding our global business, despite the impact of coronavirus.

In terms of the Group business, as I mentioned earlier, we will be transforming ourselves into a comprehensive lifestyle services group, and we will do this by mobilizing the collective strength of the Group.



Outlook for final private consumption spending

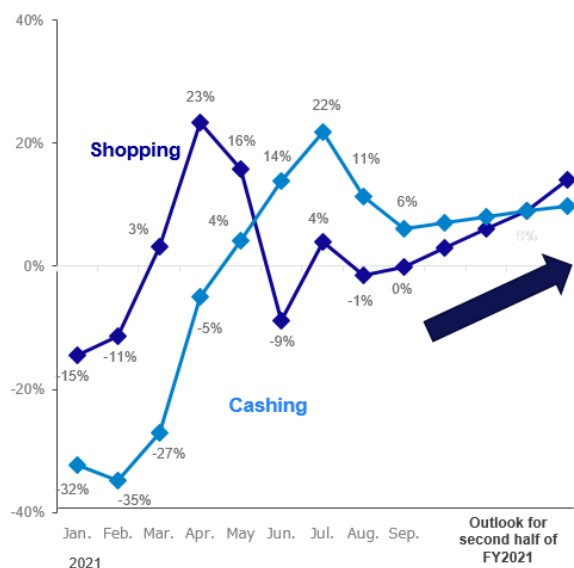
(Trillion yen)



Source:
Created by the Company based on sources such as the following.
Cabinet Office: Statistical Table (Quarterly GDP Bulletin)
Nomura Securities: Japan—Revised Economic Outlook for FY2021 to FY2023 (September 8, 2021)
SMBC Nikko Securities: "Nikko House View" Quarterly Japan Economic Forecast (Revised Edition from September 2021)

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Card shopping・Cash advance transaction volume (YoY)



Please go to the next page, page 18, which is the outlook for the current business environment.

As Mr. Baba explained earlier, in the first half of the fiscal year, we were greatly affected by coronavirus. Initially, we did not anticipate that the delta variant would spread in this way, so I think we misjudged the situation.

However, since the beginning of October, as reported in the media, demand for T&E, especially for air travel and travel, from affluent customers, such as Platinum and Gold customers, has been remarkable, with transaction volume doubling compared to the previous year. Although we will place a certain amount of emphasis on the convergence of coronavirus, we are basically expecting a large return in transaction volume toward the end of this fiscal year.

Changes in products (BtoC field)

Promotion of proper card strategy
Utilizing the smartphone self-contained service “SAISON CARD Digital”

SAISON CARD Digital (New Proper card)

Alliance partners
Approx. 150 companies

最短 **5分** で、
スマホを財布に。
SAISON CARD Digital



＜アライアンス先（一例）＞






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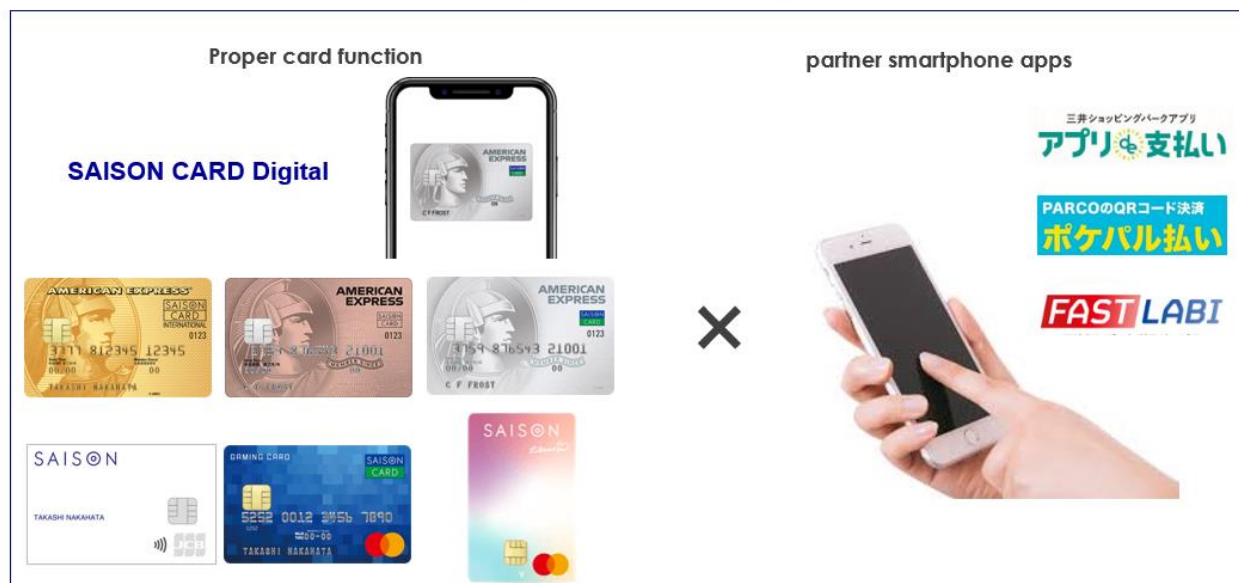
Please go to the next page, which is page 19.

This is about product change. We have been a credit card company with strong real locations, but we have set up structural reforms in this area to promote a proper card strategy. The number of alliance partners for SAISON CARD Digital, which was issued in the year before last, was 100 in early spring, but it has been steadily expanding in the first half of the year, and currently stands at 150.

In particular, the alliance card with SHOP CHANNEL, which you can see in this page, was launched in August, and we were able to acquire 50,000 deals in about 2 months. This is a very successful example of an alliance using SAISON CARD Digital. We are currently making efforts to increase the number of such alliances on a daily basis.

Changes in products (BtoC field)

Promotion of proper card strategy
Realizing a new partnership style



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20

Please go to the next page, which is page 20.

You will see this proper card strategy and the applications of our partners. We are now promoting a style of linking to the payment schemes behind such applications as Mitsui Fudosan's application and Parco's application.

In the first half of the fiscal year, we made a major effort to liquidate unprofitable alliance cards. Among some of the large payment providers, there are some affiliated cards that are difficult to make profitable, so we would like to discuss with them to promote switching to proper cards and improve the profitability of the payment business as a whole.

I. Domestic Business

Payment

Changes in products (BtoC field)

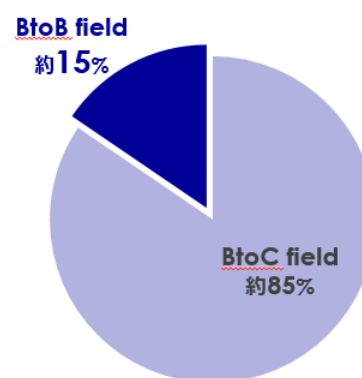
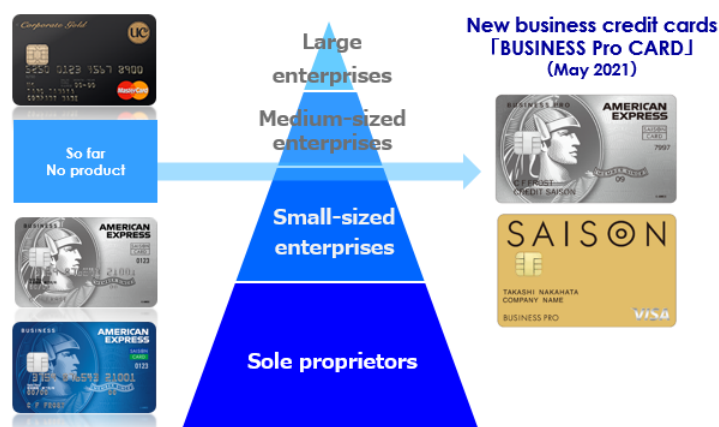
Maximize our share of card payments in the Small and Medium Enterprise (SME) market

Launch of new products

Completion of product lineup for all corporations

Transaction volume for BtoB products

Remained at a high level approx. 30% higher than the previous fiscal



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21

Please go to the next page, which is page 21.

In order to maximize the share of card payments in the SME market, we issued a new business card, BUSINESS Pro CARD, in the first half of the fiscal year.

In the first half of the fiscal year, we were able to achieve 130% growth in this corporate product compared to the previous year.

Although the situation for consumer spending has been quite difficult, we have been able to significantly expand the corporate market for payments such as tax payments and AWS cloud usage fees. In the second half of the fiscal year, we will continue to promote the acquisition in this business.

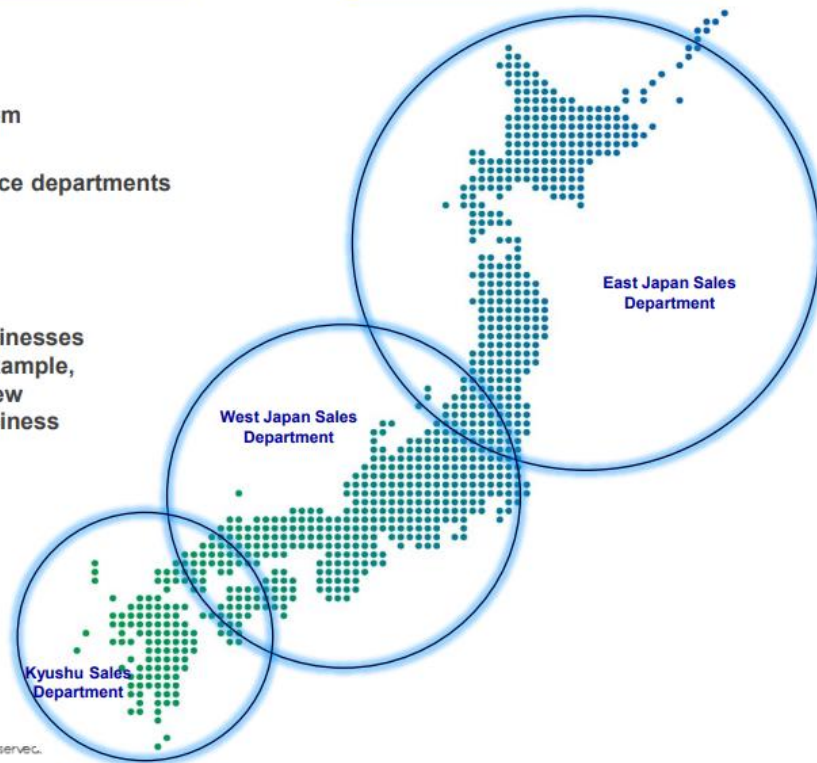
I . Domestic Business

Payment

- (1) Change the management system
- (2) Increase efficiency of back office departments



Reassignment of personnel to businesses aimed at expanding profits; for example, new processing contracts, new businesses, and the finance business



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22

Please move on to page 22.

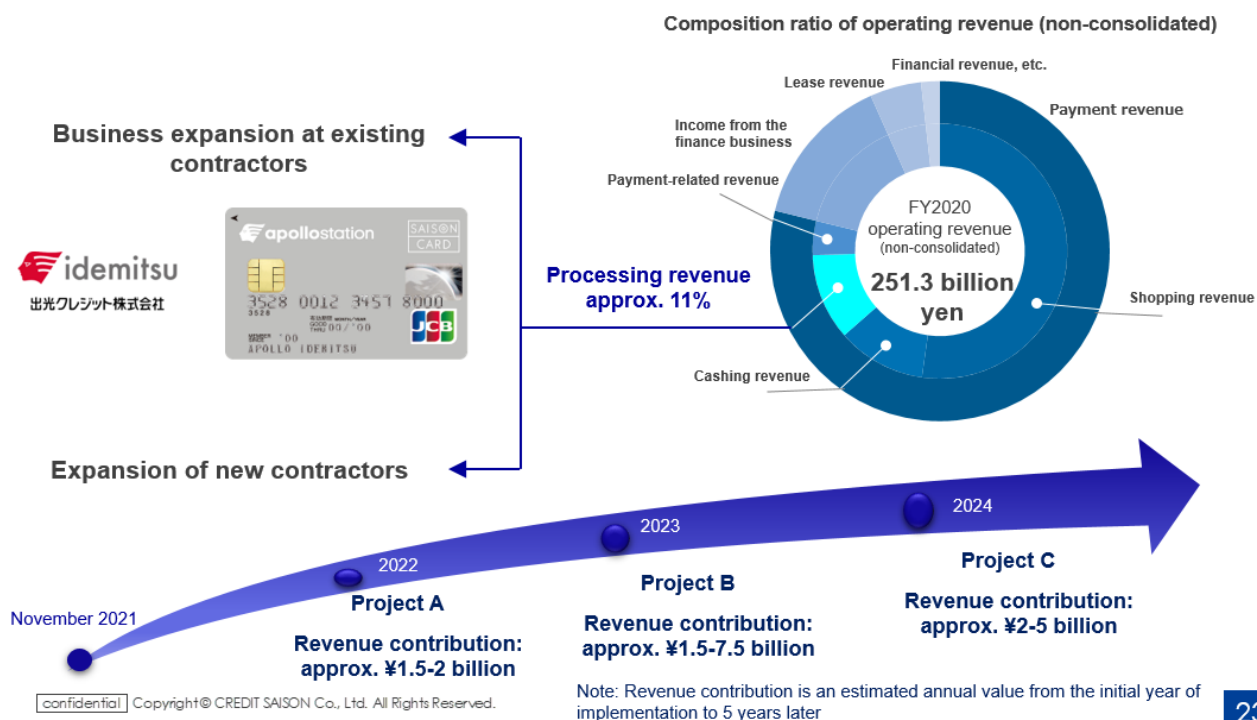
As part of the reorganization of our domestic network, we have consolidated and eliminated our branch offices throughout Japan.

As for the personnel who were here, we promoted the sales system, including work style reforms such as satellites and shared offices. The back office divisions have been consolidated into 3 divisions, and the personnel in these divisions have been reallocated to the new processing business, which I will explain later, or to the new finance business, which is currently expanding, in order to make effective use of existing resources.

I . Domestic Business

Payment

Expansion of processing revenue by acquiring new contractors



Let's move onto the next page. This is a part of the expansion of processing revenue.

Especially in the first half of the year, Idemitsu Kosan Co., Ltd. merged with Showa Shell Sekiyu K.K. to expand the sales of apollostation card.

This part is making a great contribution to acquiring customers in the future, rather than boosting the profits of the entire processing, so although we are currently in the coronavirus situation, we basically have a policy of continuing to expand sales with the other party.

Due to confidentiality restrictions, I can't tell you the names of individual projects, but we are already working on several.

The development of the new core system for the processing business was completed, and for 2022, 2023, and 2024, we are currently negotiating with the client to obtain a new processing contract for this part of the business. Basically, we believe that we will be able to achieve this level of processing revenue.

I . Domestic Business

< Formulated digital transformation strategy "CSDX strategy">



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24

The next page, page 24.

As part of the CSDX strategy, our digital human resources are steadily expanding, as explained by Senior Managing Executive Officer Ono to investors the other day.

The concept is CX, EX, to deliver an emotional experience for both customers and employees, to transform the experience of employees, and to promote digitalization.

I . Domestic Business



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25

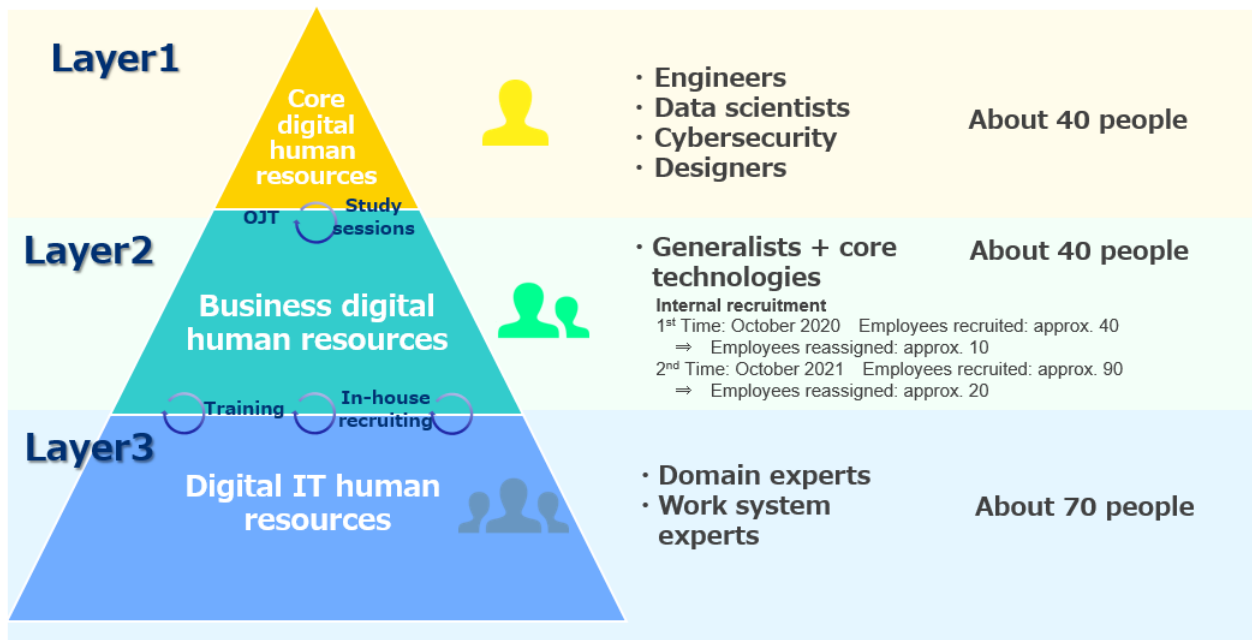
Please go to the next page, which is page 25.

With this CSDX strategy, we will basically create new businesses, build an agile development system, and promote the use of digital technology and applications, which we hope to release in the second half of the year.

In terms of business collaboration, as I mentioned earlier, we would like to develop a form of open innovation, open innovation with venture companies, including large companies, in which digital technology can be a catalyst for continued expansion.

It is about improving the employee experience. We have already integrated the IT and digital divisions in the second half of the fiscal year.

I . Domestic Business



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About 150 people in total

26

Especially regarding digital human resources, in terms of a companion type in-house development, if you look at the next page, you will see that we have divided digital human resources into 3 layers: Layer 1, Layer 2, and Layer 3.

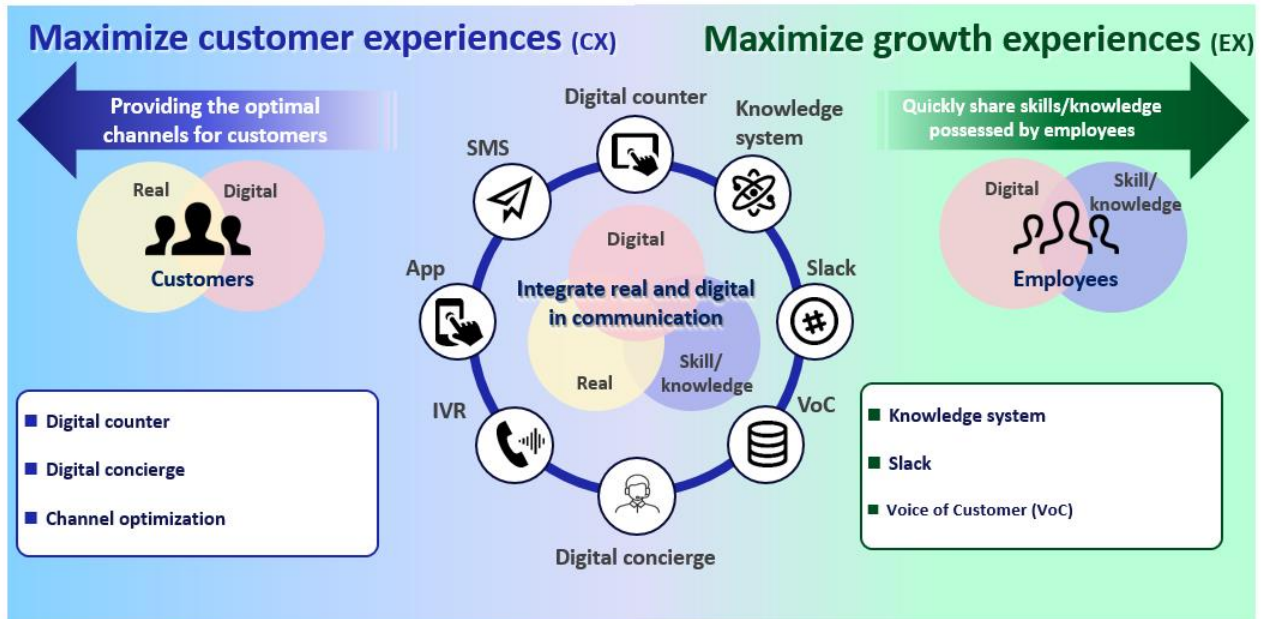
Layer 1, which consists of specialized professional personnel, currently has 40 people.

The digital business human resources on Layer 2 are generalists, plus core human resources, which means human resources with core technologies, and we are working to develop them internally. Currently, we have 40 people here.

Layer 3 consists of domain experts for each business entity, and we have about 70 people. Accordingly, we currently have 150 people, but we would like to increase this number to 1,000 by FY2024.

I . Domestic Business

< Achieve omnichannel communication that integrates real and digital in communication such as contact with customers and sharing of skills/knowledge among employees >



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27

Please move on to page 27.

We would like to use digital devices for all communication, such as contact with customers, skill and information sharing among employees, and knowledge sharing.

For our customers, we will continue to promote digital counters, digital concierges, and diversification and optimization of channels. For employees, we would like to promote the construction of knowledge systems, Slack, and information sharing using VoC.

Digital




Innovative



I . Domestic Business

Finance

Further growth of the finance business that has grown into one of our main businesses

Credit Saison's Flat 35	Rent Quick Credit Saison's rent guarantee service	Credit Guarantee
<p>Striving to become No. 1 in the industry</p> <p>夢の実現、まるごと安心。</p> <p>セゾンの住宅ローン</p>  <p>Credit Saison's Flat 35</p> <ul style="list-style-type: none">• Increased screening speed by starting to provide (August 2021) products such as the Electronic Contract Service and Tablet Pre-Screening Application System• Expansion of sales network	<p>Striving to become No. 1 in the industry</p> <p>Rental support based on peace of mind and trust</p> <p>セゾンの家賃保証</p>  <p>Rent Quick</p> <ul style="list-style-type: none">• Expansion of card subscription and rent payment using SAISON CARD Digital for users of rent guarantee products• Strengthening of sales system	 <ul style="list-style-type: none">• Started offering Dream Passport (internet-only small-scale loan), a guaranteed product for financial institutions (as of June 2021) <p>この日のホームドクター 大阪信用金庫《だいしん》 碧海信用金庫</p>

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28

Please go to the next page, which is page 28, the finance business.

Our finance business has already grown into the second pillar of our business. For Flat 35, as I mentioned earlier, we are in the process of accelerating the development of DX, including the introduction of electronic contract services and the introduction of a tablet pre-screening application system.

We would like to expand our business while improving the quality of this service to be competitive with our competitors.

Next to that, we have Rent Quick.

As it is a challenge to become the number 1 in the industry, for this rent guarantee, we are currently using the SAISON CARD Digital scheme, where we issue a card to the contractor immediately and have him/her pay the rent with it. This 1 is now expanding steadily.

It's a partnership with our SAISON CARD Digital, and as a development route, we can expect a very high transaction volume, and there are also places where we can expect continuous use. So we would like to focus on investing in human resources and building systems.

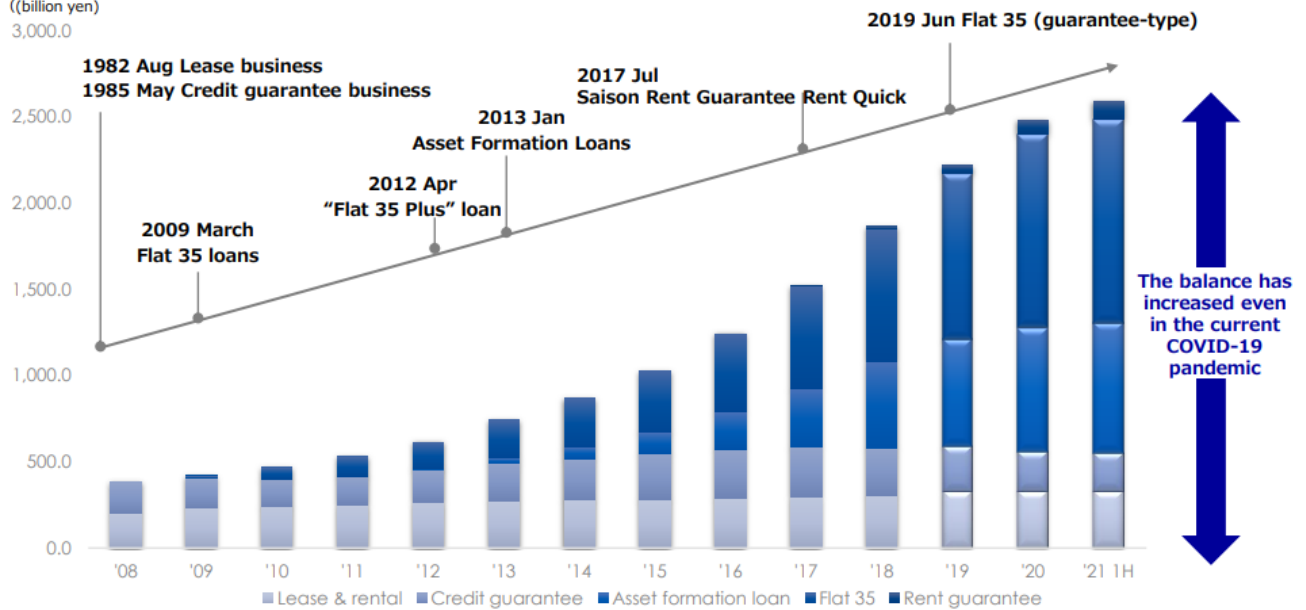
I. Domestic Business

Finance

<Further growth of the finance business that has grown into one of our main businesses>

< Asset Balance (including off-balance)>

((billion yen)
3,000.0



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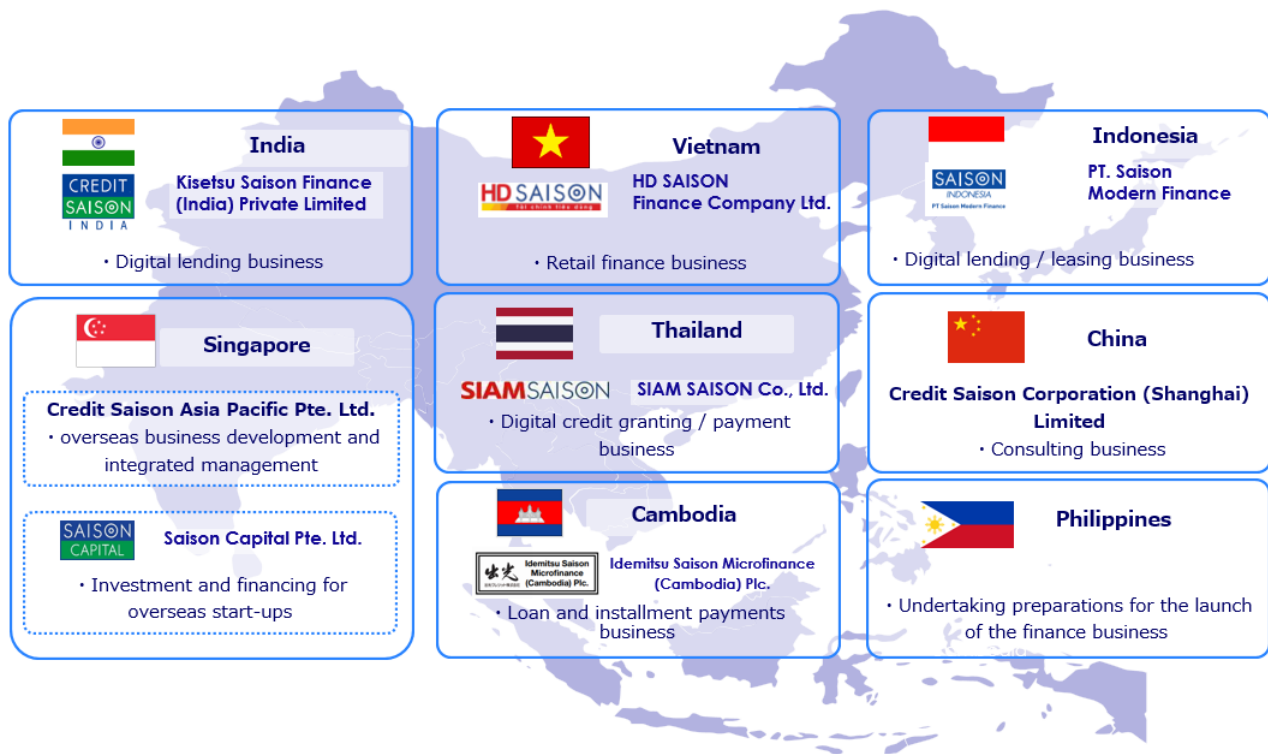
29

Next, page 29.

As for the finance business as a whole, the balance is steadily expanding in the midst of coronavirus.

As for the balance of operating assets, including off-balance sheet assets, as you can see in the graph here, we are making good progress in terms of steady growth.

II. Global Business



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30

Next, on page 30, is our global business.

As you can see from the list of countries where we are operating, our 4 main countries are Vietnam, India, Singapore, and Indonesia.

II. Global Business

Main countries being entered for global business

Profit contribution in first half of FY2021: approx. ¥0.2billion

Vietnam





HD SAISON
Finance Company





- Expanded credit card business throughout Vietnam in addition to the individual installment and loan business
- Despite the impact of lockdown from July, we built a system to expand card issuance with a focus on business in the post COVID-19

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31

For more details, please go to the next page, and let's start with Vietnam.

In the first half of the year, Vietnam was 1 of the countries where they were able to successfully suppress coronavirus, but in the first half of the year, due in part to the impact of the delta variant, there was a lockdown in commercial cities, mainly Hanoi and Ho Chi Minh City.

This part of the business was very difficult for us to read, but since July, even with the impact of the lockdown, we have basically achieved a contribution of JPY200 million in profit for FY2021. As described here, we have already introduced credit cards last year, and our operations are expanding steadily.


Once coronavirus is settled, I think we will be able to greatly expand this area. First of all, I explained about Vietnam as the first pillar.


II. Global Business

Main countries being entered for global business


Profit contribution in first half of FY2021: approx. ¥0.2billion

India









**Kisetsu Saison Finance
(India) Private Limited**



• Started full-scale expansion of affiliated lending from Q2, and acquired an external credit rating (long-term AA+)

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32

Next is page 32, which is about India.

At the beginning of the year, or rather in March and April of this year, the delta variant was very widespread, and the number of infected people per day exceeded 400,000, and we were greatly affected by the impact of coronavirus. However, in the second quarter, people seemed to acquire herd immunity against coronavirus, and the situation there has calmed down considerably.

There are about 150 local Indian members for Kisetsu Saison. In the second quarter, we received an external credit rating from a local rating agency and started local procurement.

With the background of the capital increase from the Japanese side, we are now in the process of accelerating the expansion of partner lending here. We believe that this will be the second major pillar of our overseas business in the future.

II. Global Business

Increasing lines of business in order to expand global business

Singapore



Saison Capital

< Impact financing business >

Transition to full-scale implementation phase

- Transition from pilot implementation to full-scale implementation phase
- Expand structuring to connect with external investors
- Promote social bonds, etc., that use impact investment business as funding



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33

Next is page 33, which is about Singapore.

In fact, we started the experimental development of the impact investment business within Saison Capital in the second half of last fiscal year. Now that we have almost completed the verification of the effectiveness of the pilot project, we are ready to start the full-scale deployment phase.

At the moment, we are actually developing our business within Saison Capital as a pilot project, but we will soon be moving to another vehicle for full-scale development.

In addition, we are also considering the issuance of social bonds, which will be in the form of impact investment.

We believe that this will become a major pillar of our business in the future.

II. Global Business

< Increasing lines of business in order to expand global business >



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34

Next is page 34.

Another aspect of Saison Capital is its CVC business. Through overseas venture investment, we are naturally seeking returns on our investment projects, but we are also developing our antenna function to find out what kind of business can be done in that country.

Of course, we may invest in LPs or invest directly in local venture companies. In addition, as I mentioned earlier, we have a network of subsidiaries in various countries, and we have a multi-layered pipeline that can be confirmed.

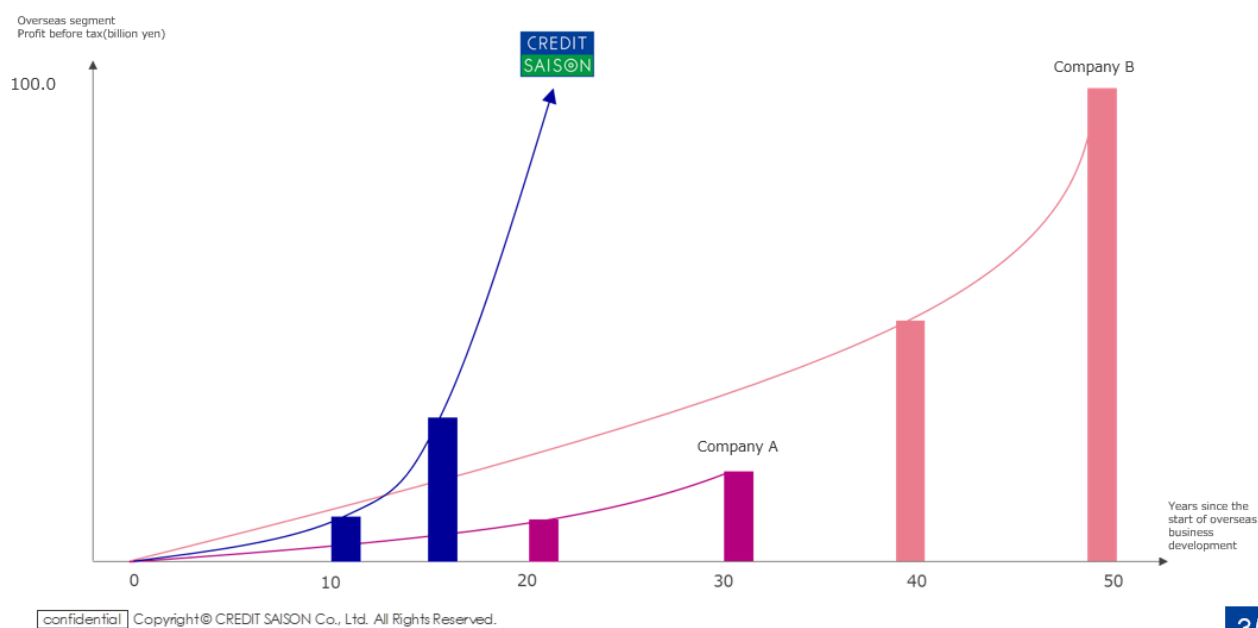
In particular, we would like to invest funds in seed, early-stage, and late-stage companies, and some of the companies listed here have already raised funds and are expected to become unicorns soon.

We would like to aggressively invest capital in this area, and in the future, we would like to greatly expand this area.

II. Global Business

Global business roadmap for a third pillar

Grow our global business into a third pillar by developing proprietary businesses tailored to each country



35

Page 35 is about our forecast of the overseas business as a whole, or the scale of business we are targeting.

We are now in the process of making preparations with the aim of turning each country's business into a JPY100 billion-scale business.

I . Domestic Business

New Business

<Taking on the challenge of new businesses to create a pillar for future profits>

For women

< July 2021>

SAKURA
Japan Women's Wine Awards



Expand services for women; for example, the premium card Saison Rose Gold AMEX which available only for women for a limited time

< October 2021>

Grace Bank



Supporting women who choose embryo freezing as an initiative for social issues such as promoting women's advancement and taking measures against the declining birthrate



Started offering special loan services available only to users of Grace Bank

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36

Next is page 36.

Earlier, I mentioned that we are taking several steps to transform ourselves into a comprehensive lifestyle services group, and here are some of the companies that we have actually acquired through M&A in the first half of this fiscal year.

For 1 thing, we are now issuing a Gold card for women called Rose AMEX, and we have invested in a wine company called SAKURA AWARD JAPAN because we thought it would have a high affinity with this card.

In October, we started investment in our business collaboration with Grace Bank, a company that promotes egg freezing.

I . Domestic Business

New Business

< Taking on the challenge of new businesses to create a pillar for future profits >

For Generation Z

< June 2021 >

CyberAgent®


CASM



Aiming to create new businesses and financial DX businesses that satisfy the diverse values of customers by combining the knowledge of both companies

< October 2021 >

Motion Picture



As a platformer for experiential consumption, we aim to improve a customer experience that combines "real" and "digital"

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37

Next, page 37.

CASM, a joint venture with CyberAgent, Inc., was launched in June to develop the advertising business by using the marketing data from the cards and integrating it with Cyber's sales network. In the first half of the fiscal year, we are currently earning much higher profits than originally planned, and we hope to grow this business significantly as well.

You can see Motion Picture next to it, and this is for reservations. With the coronavirus crisis, movie theaters, aquariums, and other commercial facilities, such as [inaudible] facilities, are experiencing restricted admission, and the need for this is increasing. I think we can make good use of such a scheme for using cards. In October, we also made this company a subsidiary.

I . Domestic Business

New Business

< Taking on the challenge of new businesses to create a pillar for future profits >

For the elderly generation



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38

The next page is about the business development.

As we announced in May of 2021, as a joint project with MedPeer in the field of home healthcare, we have started a hospital discharge support service, which is called YoriSoi Care, and the actual business development started last month with a limited start in some areas of Tokyo.

On the page to the right, we have a portal site for the entire Credit Saison Group, called Saison No Kurashi Daikengyu, which focuses on money, health, and family, and is more of a portal site for seniors. We would like to actively work in these categories as well.

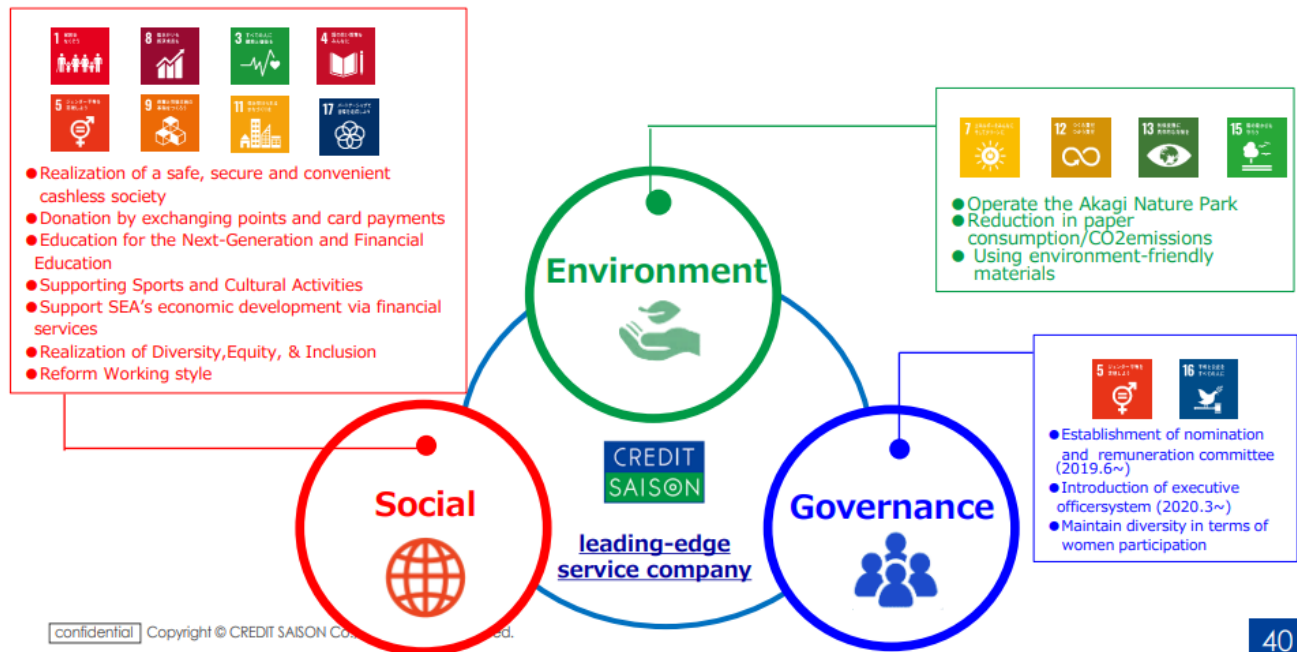


Basic approach to Sustainability



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 knowhow, 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.

SUSTAINABLE DEVELOPMENT GOALS



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40

The next item is sustainability-related information.

If you go to page 40, you will find our basic approach to sustainability.

Our basic philosophy is to create a sustainable society by contributing to the development of society and the resolution of issues through our business on a daily basis, while making good use of our know-how, management resources, and the experience of our employees.

In terms of social issues, the realization of a safe and secure cashless society, impact investing as mentioned earlier, and contributing to economic development through financial services in Southeast Asia can be included in this category of ESG.

In terms of the environment, we have been operating the Akagi Nature Park for more than 10 years now, and I think that this kind of business related to consideration for the natural environment and DX, which I mentioned earlier, is a very important part of our efforts to reduce paper consumption and CO2 emissions, and to promote a paperless society. So we would like to promote these things.

In the area of governance, we have already introduced the nomination and compensation committee and the executive officer system in FY2019 and FY2020, and in the area of women’s activities, we are promoting women’s activities in a manner similar to what we have been doing since our founding.

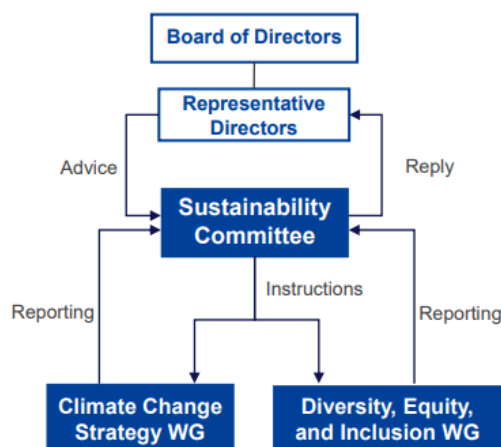


Establishment of Sustainability Committee (as of August 2021)



Established the **Sustainability Committee** to strengthen efforts by the entire Credit Saison Group to address social issues through business; for example, supporting TCFD proposals and financial inclusion for the realization of a sustainable society

Structure of Sustainability Committee



- Strengthen efforts to combat global warming, for example; supporting TCFD recommendations

Support for the TCFD recommendations on climate-related financial disclosures			
Governance	Strategy	Risk management	Indicators and targets

- Promote Diversity, Equity, and Inclusion

- Reflect into medium-term management plan

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41

Next is page 41.

In fact, we established the sustainability promotion committee in the first half of the fiscal year, because we thought it would be better to develop a form that would allow us to provide investors with a proper explanation of our activities.

The sustainability committee agrees with TCFD's recommendations and is currently discussing the governance, strategy, risk management, indicators, and targets in this document. As soon as possible, we would like to reflect this in our mid-term management plan.

On pages 42 and 43, you can read about the Akagi Nature Park, which we are currently working on, and the development of a supporting company for the Japanese national soccer team.

We will publish a series of information in this area on our corporate IR website and in our integrated report, and we hope that you will read them as well.

That's all from me.

Moderator: Thank you.