

# Financial Results Briefing of FY2022

May 15, 2023

Credit Saison Co., Ltd.



**Credit Saison Co., Ltd.**

FY2022 Financial Results Briefing

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## Presentation

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**Moderator:** Good afternoon, ladies and gentlemen. Thank you for taking time out of your busy schedule today to participate in the conference call for the FY2022 financial statements of Credit Saison Co., Ltd.

Present on today's conference call are Representative, Executive President, and COO, Mizuno; Managing Executive Officer, CFO, Baba; and Executive Officer, Kimura.

Baba, Managing Executive Officer, will report on the FY2022 financial results and financial and capital policies for about five minutes, and Mizuno, President, will explain the FY2023 business strategy for about 15 minutes, followed by a Q&A session. The entire meeting is scheduled to last 45 minutes. Please refer to the financial results presentation materials available on our IR site.

Let us begin our explanation. Executive Director Baba, please go ahead.

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### Financial Results Digest

- **In our payment business, in addition to** double-digit growth in the card shopping transaction volume **and the return of** card shopping revolving balance **to** an upward trend, our finance business as a 2nd pillar expanded steadily, **and** our global business as a 3rd pillar **contributed to income stably. In total, all business segments grew in a steady manner.**
- Both revenue and income expanded **partly due to** unrealized gains on the fair value of funds held **while** we increased the provision with an eye on the future **in order to deal with uncertainties, such as a deterioration in financing that would be caused by the commencement of repayments of effectively interest-free and unsecured loans that were implemented as measures against the COVID-19 pandemic.**
- **As the business profit target of ¥70 billion for the Medium-term management plan will be achieved a year earlier than planned, profit attributable to owners of parent is expected to reach ¥49 billion, a record high.**
- We plan **a dividend increase for three years in a row** given that business results are on a firm trend, although there are some temporary factors, etc.

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**Baba:** My name is Baba. Thank you for your cooperation.

Please see page four of the document on the financial slides. A digest of the financial results is available here.

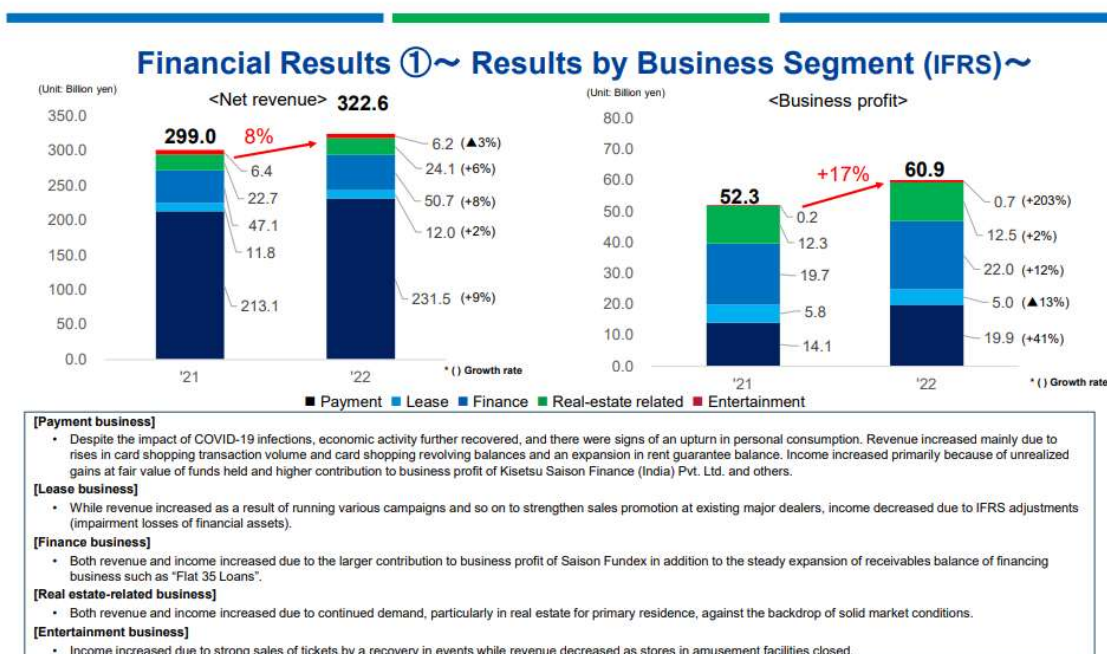
The first point is that our payment, finance, and global businesses are all growing steadily.

Second, given that COVID-19 is gradually calming down and the repayment of the so-called "zero-zero" loans will start, we expect a deterioration in cash flow, so we have increased our allowance for the future this time to cope with the uncertainty. We will explain this in more detail later.

In addition to this, there were valuation gains from the fair value of funds held, et cetera, resulting in an increase in revenue and profit in FY2022, the previous fiscal year.

Third, we expect to achieve the consolidated business profit target of JPY70 billion we announced in the medium-term management plan a year ago, one year ahead of schedule, and if we can achieve the announced final profit of JPY49 billion, it will be the highest profit ever.

Regarding the fourth point, we plan to increase the dividend for the third consecutive fiscal year, based on the fact that our business performance has remained strong, despite transitory factors and other factors.

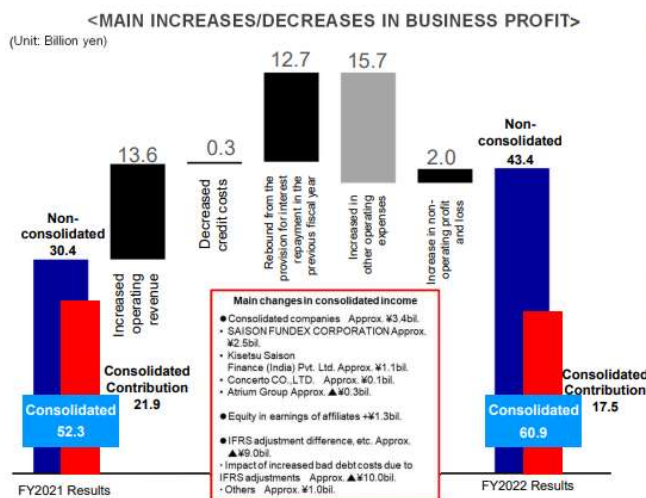


Page five. These are the results for FY2022.

Net revenue increased 8% to JPY322.6 billion, and business income increased 17% to JPY60.9 billion.

## Financial Results ②~Main Increases/Decreases in Business Profit & Contribution by Consolidated Companies(IFRS)~\* ( ) =Year-on-year difference

Non-Consolidated Ordinary income	Consolidated Business profit	Difference
¥43.4 billion (+¥13.00 billion)	¥60.9 billion (+¥8.64 billion)	¥17.5 billion (▲¥4.36 billion)



### <Contribution by consolidated companies (IFRS)>

Major consolidated subsidiaries	Contribution to business profit
Atrium Group (Real estate liquidation business) (Servicing business)	¥8.28 billion (▲¥0.38 billion)
SAISON FUNDEX CORPORATION (Lending business) (Real estate finance business)	¥7.83 billion (+¥2.55 billion)
Kisetsu Saison Finance(India)Pvt.Ltd. (Digital lending business in India)	¥1.79 billion (+¥1.18 billion)
Concerto CO.,LTD. (Entertainment business) (Real estate leasing business)	¥1.23 billion (+¥0.10 billion)

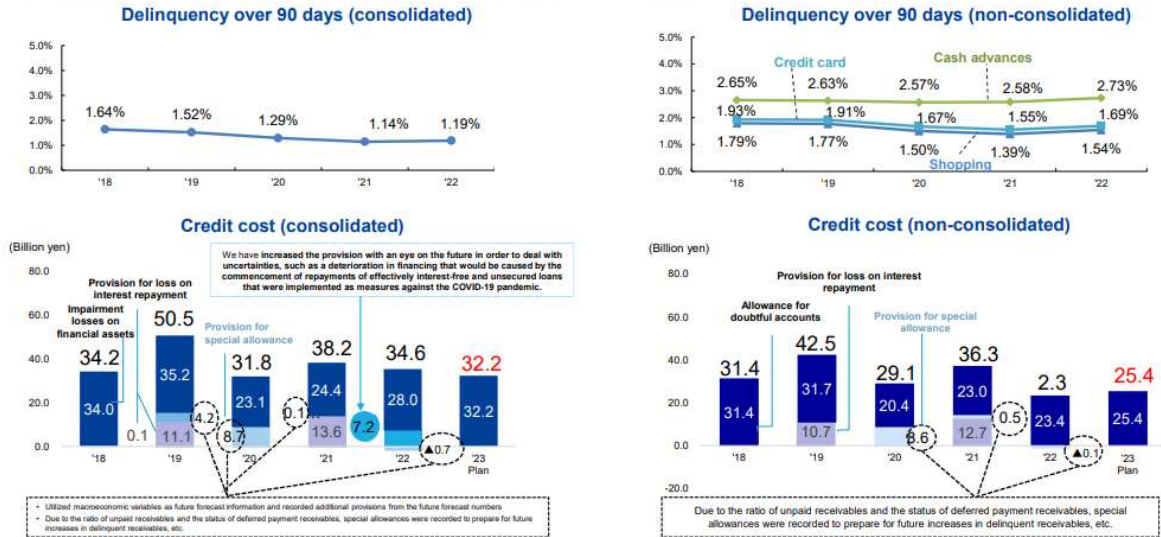
Major equity method affiliates	Contribution to business profit
HD SAISON Finance Co., Ltd. (Finance business in Vietnam)	¥1.83 billion (+¥0.63 billion)
Seven CS Card Service CO., LTD. (Credit card business)	¥1.10 billion (+¥0.17 billion)
Takashimaya Financial Partners Co., Ltd. (Credit card business)	¥0.88 billion (+¥0.04 billion)
Saison Information Systems Co., Ltd. (Information processing services)	¥0.84 billion (▲¥0.28 billion)

Page six. This is the status of consolidated contributions.

The slide on the right shows the main contributors to the consolidated and equity contributions of each company. Atrium Group contributed JPY8.28 billion on a consolidated basis, Saison Fundex increased by JPY2.55 billion to JPY7.8 billion, and Kisetsu Saison in India increased by JPY1.18 billion to approximately JPY1.8 billion. Both consolidated subsidiaries and equity method affiliates are further increasing their profit contributions.

## Credit Risk

Delinquency over 90 days remained at a low level.  
However, the provision has been raised with an eye on the future in order to deal with uncertainties down the road.



Page seven. This is the allowance I mentioned at the beginning of this presentation.

The JPY7.2 billion shown on the left-hand side of the consolidated financial statements for FY2022 is an allowance reserved for uncertainties that we accumulated in FY2022. This is the main reason for the discrepancy between the figures announced in Q3 and the actual results.

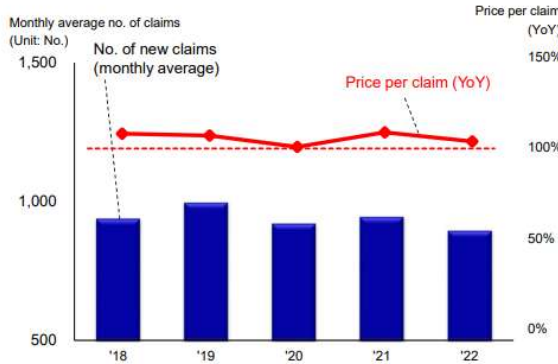
## Interest Repayment Claims

Additional provision of ¥13.6 billion yen on a consolidated basis and ¥12.7 billion yen on a non-consolidated basis in the fiscal closing of FY 2021

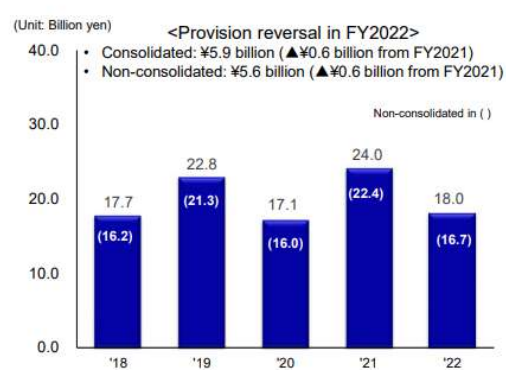
Level of provisions adequate at present

No plans for additional reserves  
Monitoring future trends

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



### ■ Trend of provision balance due to interest repayment losses



Page eight, interest reimbursement claim.

The graph on the right shows that the amount of reversal in FY2022 has decreased by JPY600 million on both a consolidated and nonconsolidated basis, but the current situation is that the decrease is larger than we had expected.

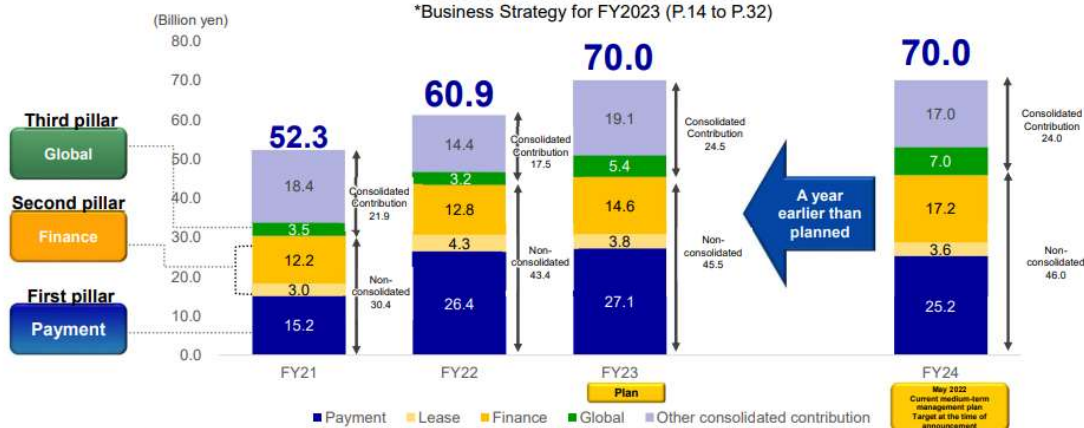
## Business Results Forecast for FY2023 – <By Major Business> Business Profit Target (Approximate value)-

The business profit target of ¥70 billion for the Medium-term management plan is expected to be achieved a year earlier than planned

We will announce a new medium-term management plan in May 2024

**Key achievement points: “Growth in consolidated contribution including global business” + “Growth in each non-consolidated business”**

\*Business Strategy for FY2023 (P.14 to P.32)

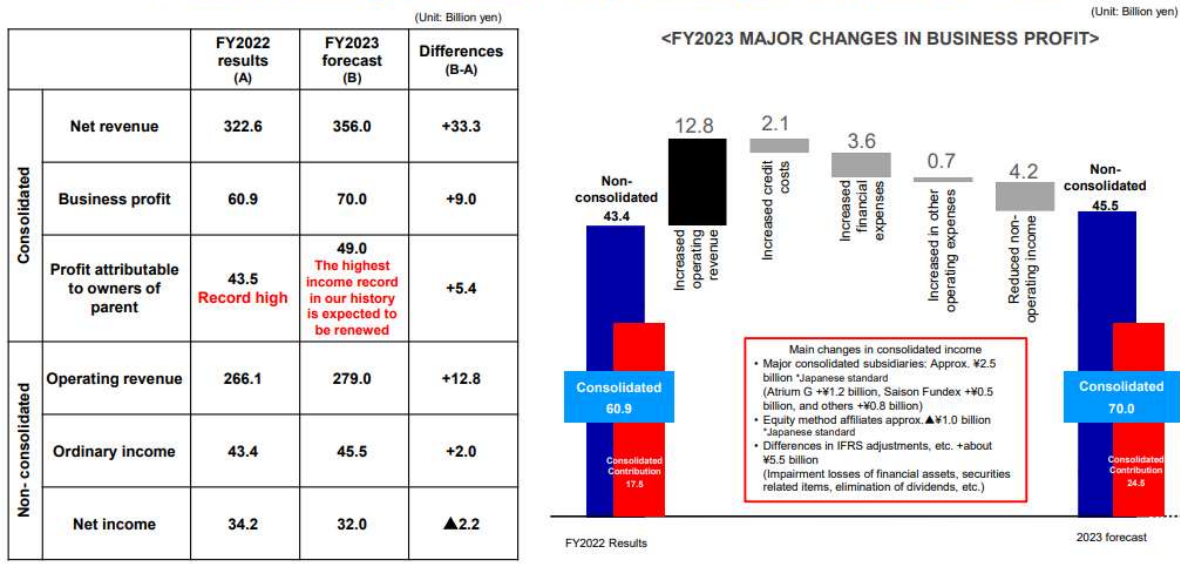


\*(1) Non-operating profit and loss included in payment business \*(2) Included in payment business, aside from payment/leasing/finance \*(3) Global is accumulated profit for each country's business

Continued on page nine.

As I mentioned at the beginning of this presentation, we had projected consolidated business profit of JPY70 billion for FY2024 in our forecast for FY2023, but we would like to achieve JPY70 billion in FY2023, one year ahead of schedule, in the current progressing period. In conjunction with this, we plan to announce a new medium-term management plan exactly one year later, in May 2024.

## FY 2023 Earnings Forecast - Major Changes in Business Profit -



Page 10.

We plan to increase both consolidated and nonconsolidated revenues and profits in our forecast for FY2023.

Although nonconsolidated net income is projected to decrease, this is due to a onetime factor resulting from the sale of strategic shareholdings in the previous fiscal year of FY2022 and would have increased without this factor.

In addition, the consolidated final profit for FY2022 is JPY43.5 billion, which is the highest ever. If we can achieve this JPY49 billion figure for the current fiscal year, we expect to renew our highest profit.

## Financial Policy (Structure of Interest-bearing Debt)

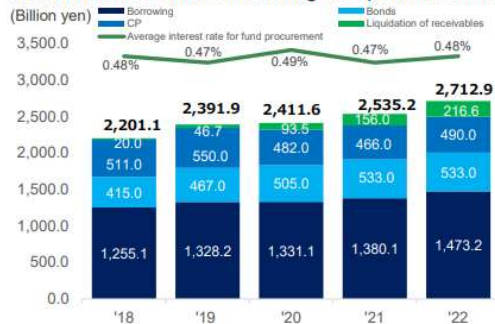
### ■ About a sound financial base

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

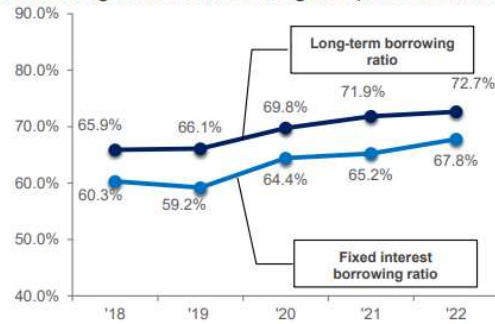
### ■ Regarding structure of interest-bearing debt

- 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, etc., of **480 billion** yen is secured in terms of liquidity facility

Trend in balance of interest-bearing debt (non-consolidated)



Trend in long-term / fixed borrowing ratio (non-consolidated)



## Management indicators

Medium to long-term management goals

<Shareholders' Equity Ratio>

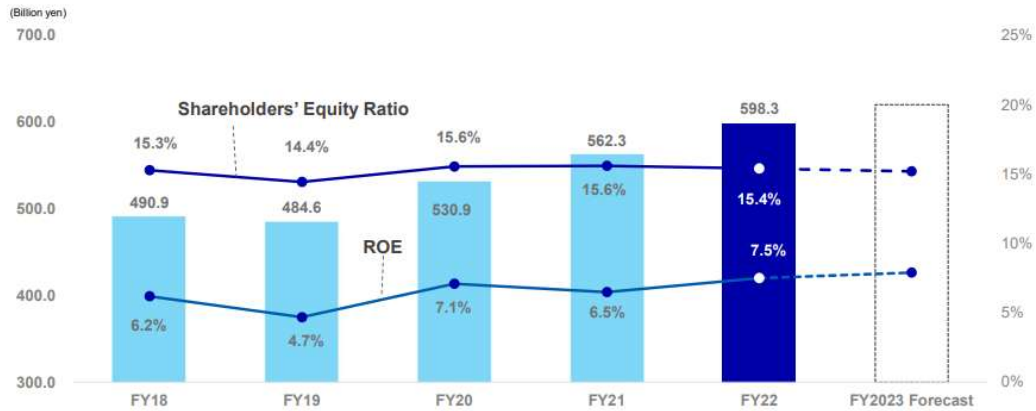
Shareholders' Equity Ratio  
**About 15%**

► Progression following  
indicators

ROE  
**Over 10%**

< ROE >

FY22 Recovered up to 7.5%  
FY23 About 8%  
We aim to achieve the goal in the next medium-term plan and beyond.



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If you turn to page 12, you will see the management indicators.

We will continue to aim for an equity ratio of approximately 15%. We have achieved ROE of 7.5% in the previous fiscal year, FY2022, and we expect 8% in the ongoing fiscal year and ROE of 10% in the next midterm management plan and beyond.

## Fundamental Capital Policy and Shareholder Returns

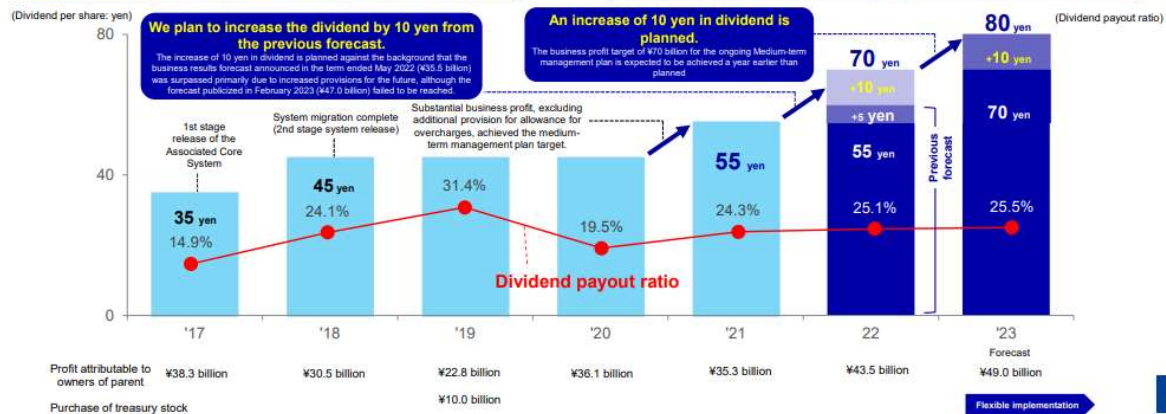
- ✓ Maintaining and improving “financial soundness” is important for our group, which is expanding nonbank business globally.
- ✓ Aggressive investment in domestic and overseas growth fields aimed at transforming the group into a Comprehensive Lifestyle Services Group

### <Dividends>

- ✓ No change to Basic dividend policy “Stable and continuous dividends”
- We plan to **increase dividends for third consecutive year.**

### < Treasury stock >

- ✓ There is no change to the resolution on the policy to purchase our own stock (passed in November 2022).
- The Board of Directors of the Company will make a resolution on this matter separately as soon as we have a good prospect of an environment surrounding the Company.



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Finally, on page 13, capital policy and shareholder return.

This means that we will continue to maintain our financial soundness and aggressively invest in growth areas in Japan and overseas, as has been our policy to date.

However, as I mentioned, we have increased the dividend for three consecutive years, and at next month's general meeting, we will raise the dividend by JPY10 to JPY70, although we had originally planned to deliver JPY60. We have announced a dividend forecast of JPY80 per share, an increase of JPY10 per share over the previous forecast.

Finally, there is no change in our treasury stock policy, which will be announced as soon as the Company's business environment becomes more promising, based on a separate resolution by the Board of Directors.

That's all I have to say.

**Moderator:** Thank you very much. We will now move on to the FY2023 business strategy. President Mizuno, please go ahead.

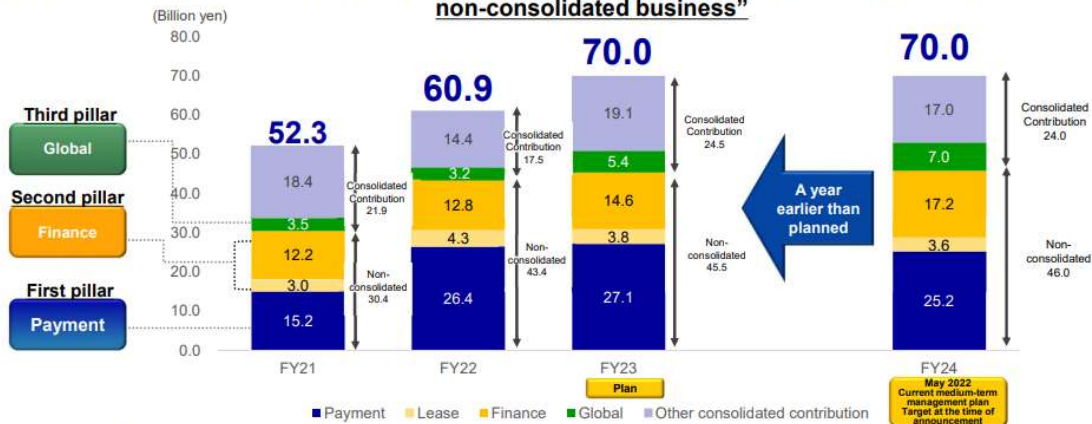
## Business Results Forecast for FY2023 – <By Major Business> Business Profit Target

(Approximate value)\*

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We will announce a new medium-term management plan in May 2024

**Key achievement points: “Growth in consolidated contribution including global business” + “Growth in each non-consolidated business”**



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**Mizuno:** My name is Mizuno. Thank you very much for your cooperation.

I will now explain our business strategy for FY2023, page 15.

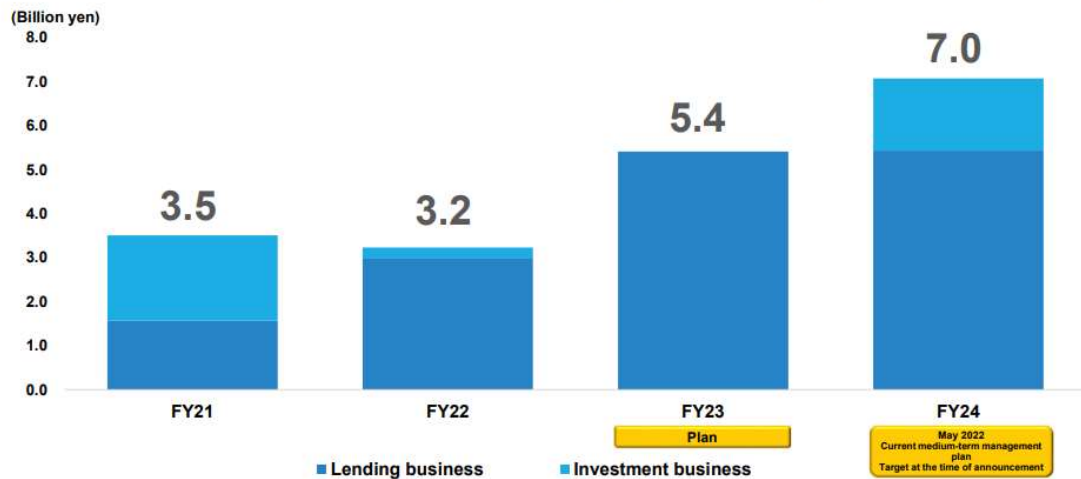
Again, as Baba explained earlier, we are planning to achieve the business profit of JPY70 billion in the medium-term management plan in FY2023, one year ahead of schedule.

The growth of the consolidated business, including global business, and the growth of each nonconsolidated business have been very strong. We will complete the announced medium-term management plan in the current fiscal year and start a new management plan in FY2024.

## Global Business Trends in Business Profit

Lending business has made solid growth, driven by business in India.

On the other hand, investment business is planned to make a stable contribution to business profit through the continuation of its business although it was temporarily affected by the macroeconomic impact.



Page 16, in which, again, the performance of the global business is growing very remarkably.

In FY2022, consolidated business profit was JPY3.2 billion, and we expect consolidated business profit of JPY5.4 billion in FY2023. The medium-term management plan calls for JPY7 billion in FY2024, details of which will be explained later.

## Status of Global Business Expansion

Under the theme of “(Fin) Tech-led INNOVATION and INCLUSION,” we have expanded into seven countries, pivoting on the two legs of investment business and lending business.



Page 17, the status of our global business development.

We are currently present in seven countries. We are attacking both the investment and lending businesses.

As announced this fiscal year, the establishment of companies in Brazil and Mexico was completed in April, and we are now in the process of starting operations in those countries.

In addition, we are expanding our business in other Asian countries, such as Vietnam, Thailand, Indonesia, and India, including the investment business in Singapore, with a particular focus on the lending business.

## Credit Saison India's Strategy ① - Business Side -

Accelerate the shift from a senior fund provision model to direct lending



### Two-step strategy of the B2B2C model to the B2C model

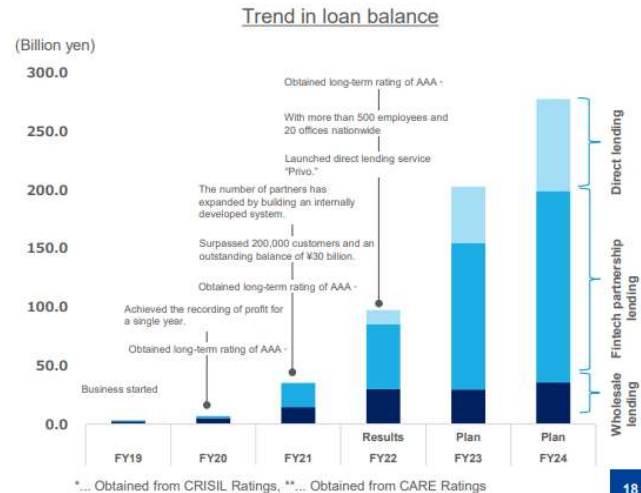
- **B2B2C model:** Is expanding loans steadily through coordination with fintech business operators in wholesale lending and partner lending.
- **B2C model:** Is selling products based on the two areas of individuals and MSME. Plan to increase the share to nearly 20% of the total loan balance.
  - **For individuals:** Under consideration are loans with the maximum amount through apps and inclusion of non-bank players as embedded finance.
- **For MSME:** Sell two products in accordance with ticket sizes. Diversify industries as loan recipients, regions and sizes, thereby performing risk management. Utilize branch offices to seek regional expansion.



Branch office  
**20** locations

Number of wholesale partners  
**51** companies

Number of customers (cumulative)  
Over **1** million people



Page 18, regarding India, which is growing considerably among them, we started our business in FY2019, and we have already been earning business profits from the following fiscal year.

We have been operating under the B2B2C model until now, but this year, we will finally start the B2C model. I also visited India in April and conducted an inspection tour. This fiscal year, we are planning to expand our current 20 or so branches throughout India to 40 branches and to develop our business in a way that successfully combines real and digital operations.

## Credit Saison India's Strategy ② - Fund Procurement -



Has expanded assets in a stable manner by leveraging external borrowing by capitalizing on credit ratings.  
Has considered various methodologies that will further advance diversification including issuance of NCD\*, adoption of external capital, and IPO

\*... Non-convertible debentures

### Financial condition

- Achieved the recording of profit for a single year in the second year of business start and continued to deliver good results steadily thereafter.
- The financial results for FY2022 also ended up slightly exceeding the budget.
  - Total assets have reached the level of over 100 billion yen.
  - Operating revenues are approximately ¥10 billion, and business profit is approximately ¥1.8 billion.

(Billion yen)

	2021 results	2022 results
Total assets	38.9	110.5
Liabilities	20.6	81.8
Net assets	18.3	28.7
Net revenue	2.3	10.0
Business profit	0.6	1.8
Profit attributable to owners of parent	0.5	1.3

### Diversification of fund procurement methods

- Obtained long-term rating of AAA from two Indian credit rating agencies
- Is procuring funds of about ¥80 billion from 25 foreign and local banks by leveraging credit ratings.
- To continue expanding its business in the future, the company considers diverse methodologies such as issuance of NCD, adoption of external capital, and IPO in recognition of the need to diversify ways of fund procurement.

### Long-term rating

March 2021	Obtained AA+/CRISIL Ratings
March 2022	Obtained AAA+/CARE Ratings
March 2023	Obtained AAA+/CRISIL Ratings

Page 19, status of our funding activities.

As already announced, we are currently considering an IPO for Kisetu Saison in India.

Currently, we have obtained a long-term rating of AAA from an Indian rating agency, and we are in a position to procure local funds. Based on the current business progress, the current balance of loans receivable is approximately JPY100 billion, and we plan to double this amount this fiscal year. Given the speed of this growth, we decided that it would be best to consider an IPO as well, and we are expanding very steadily here.

## Global Lending Business Strategy

Develop business in new markets by applying the India model as a playbook.  
Share and utilize knowledge and resources that have been nurtured in each country as a robust framework that holds these efforts up.



Page 20, global business strategy. We plan to expand the model developed in India to other countries onshore.

As for Brazil and Mexico, which I mentioned earlier, we have plans to bring the know-how we have cultivated in India to these countries and develop lending in a similar style. We would like to promote the development of this kind to other countries.

## Status of Global Business

While expanding the business of lending and investment in each field,  
steadily develop the system of IHQ to support each business

### Development of other lending business

- Brazil and Mexico
  - Develop business in new markets by applying the India model as a playbook.
  - First, start with the provision of senior funds through local operators.
  - Consider the next step after gaining experience and knowhow in the local market and establishing the organization and structure.



- Vietnam
  - Achieved a stable contribution to business profit by controlling business according to market conditions although the entire economy continued to slow rapidly.



- Indonesia
  - Expanding into the market through the finance operator Saison Modern Finance and the P2P operator Julo.



### Expansion of the fields of investment business

- Continuing to invest primarily in the Fintech field while also beginning to invest in the Web3 field from a long-term perspective, and established **Saison Crypto Pte. Ltd., an investment company dedicated to token investment.**
- Maintain investment in better destinations and aim to be a long-term partner for the market.



### Establishment of a flexible supportive system at IHQ

- Since the decision to make IHQ (International Headquarters) in April 2022, we have **expanded its functions** and improved the quality of the functions of accounting, human resources, legal affairs, audits, etc. and the size of staff doubled.



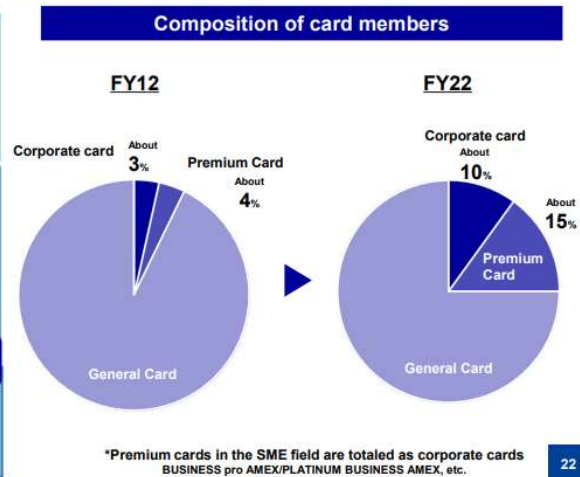
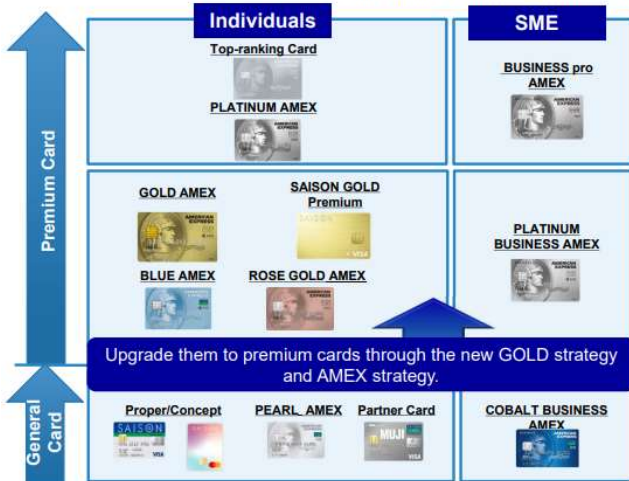
On page 21, we have written about other situations here. We hope you will read it.

Since the establishment of IHQ, we have strengthened our structure and are hoping to successfully create a system that can manage governance and other aspects of the two-sided competition.

## Revitalization of Payment Business - Change to the composition of members

The composition of card members has changed due to the new GOLD Card strategy and AMEX strategy. Corporate card and premium card segments (\*) are expanding.

(\*) PREMIUM CARD: A card with special services with an annual membership fee (including preferential annual fees under some conditions)



Page 22, payments business, domestic business.

In the payments business, the Premium Card segment, including the new GOLD and AMEX strategies that I have been talking about since last year, as well as corporate cards and cards for SMEs, are growing very rapidly.

In 2022, we have steadily increased the share of corporate cards to approximately 10% and the share of Premium Cards to 15%. Through these efforts, we are aiming to secure a stable revenue base in the payments business.

## Revitalization of Payment Business – Average spending per customer

Corporate: Average spending per customer is **about three times** that of individuals. Average spending per customer has continued to rise even during the pandemic

Individuals: Recovered to levels exceeding pre-pandemic years

### Shopping transactions: Average spending per customer YoY



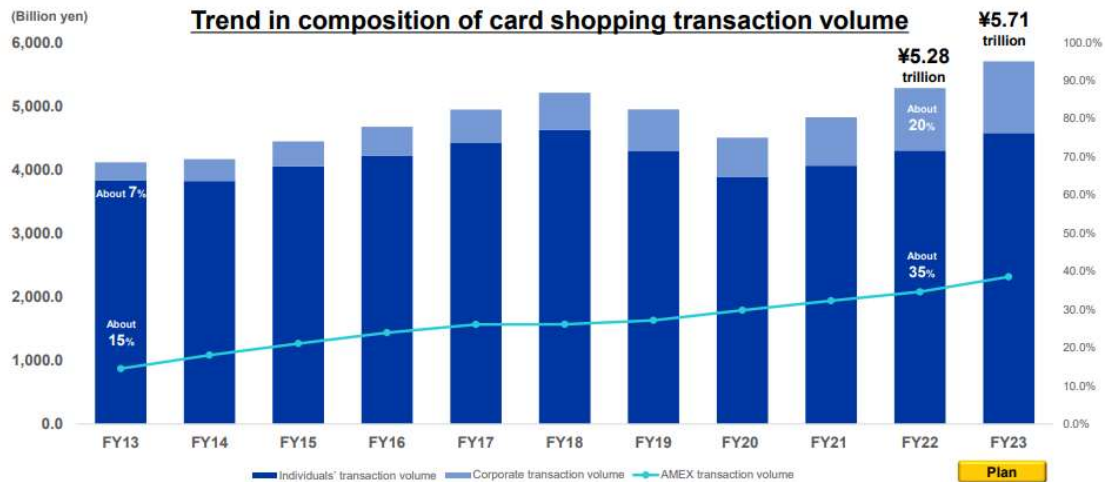
The next page is the cost per customer section.

For corporations, it is about three times that of individuals. Even during the pandemic, the unit price has expanded, and I believe that this will be a growth driver for us.

On the other hand, the number of individual customers has also recovered to a level exceeding that of the pre-COVID-19 period, which we believe is a positive result of the Premium Card and GOLD strategy.

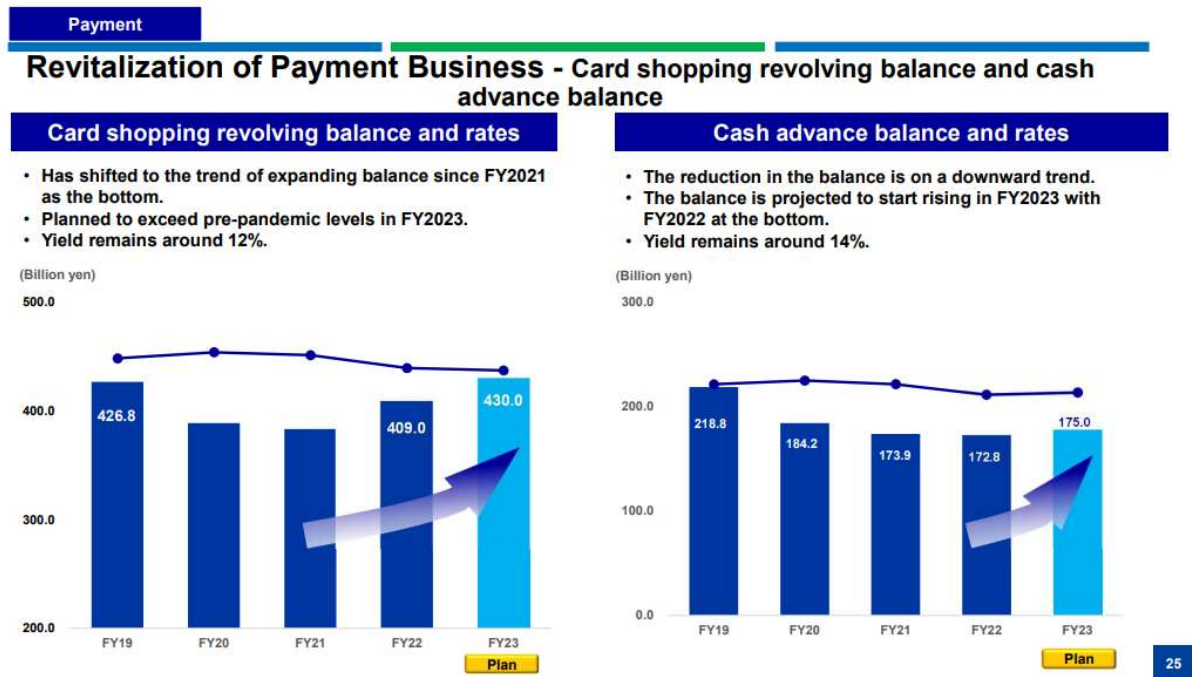
## Revitalization of Payment Business - Card shopping transaction volume

AMEX share nearly doubled and the corporate share almost tripled by continuously stepping up “Sales expansion of the AMEX brand” and “Expansion of transaction volume in the corporate field.”



Page 24, the composition of the current shopping transaction volume.

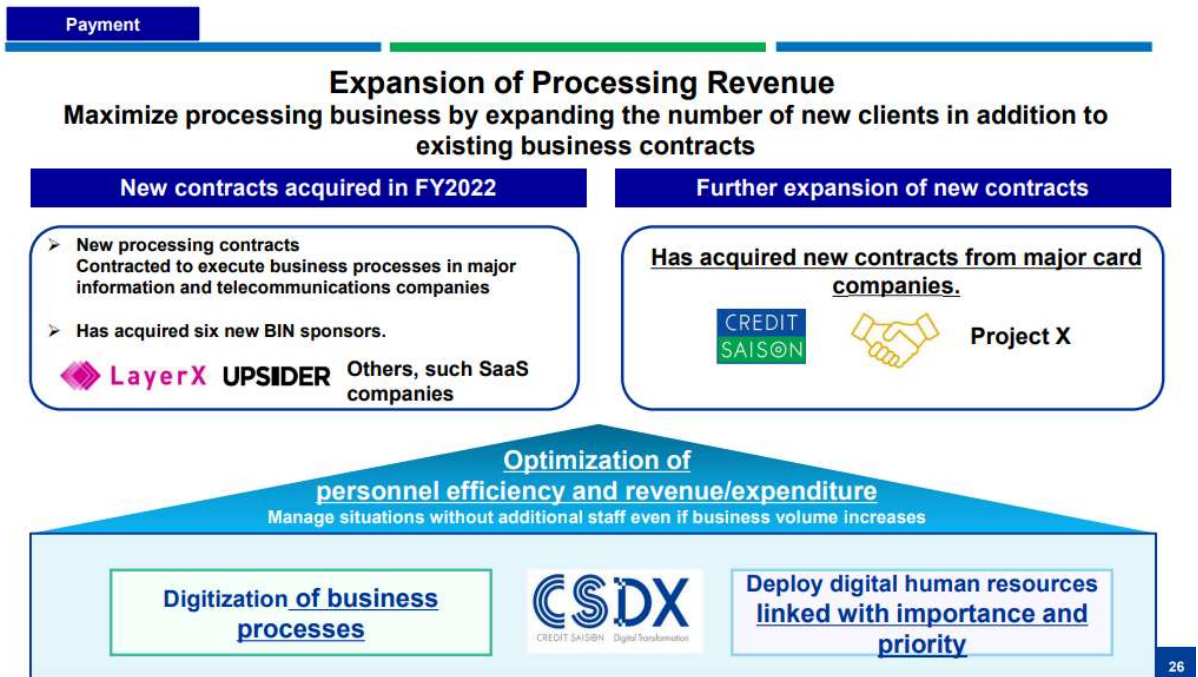
With the expansion of sales of the AMEX brand and the increase in the corporate market share, AMEX's share is now about 40%, about double that of FY2013, and the corporate market share is also about triple. We are committed to finding a winning strategy for distinctive payments, and we believe that our strategy is currently making good progress in this area.



The next page, page 25, is the status of shopping revolving credit.

As for revolving credit, the balance is already recovering after bottoming out in FY2021. We believe that our plan for the current fiscal year is to increase the balance by a little over JPY20 billion, to a total of JPY430 billion.

As for cash advances, we expect that the balance will probably reverse as of May, in fact, at the current time. The plan was to reverse this trend in FY2023, and this situation is now making significant progress.



On page 26, expansion of processing revenues.

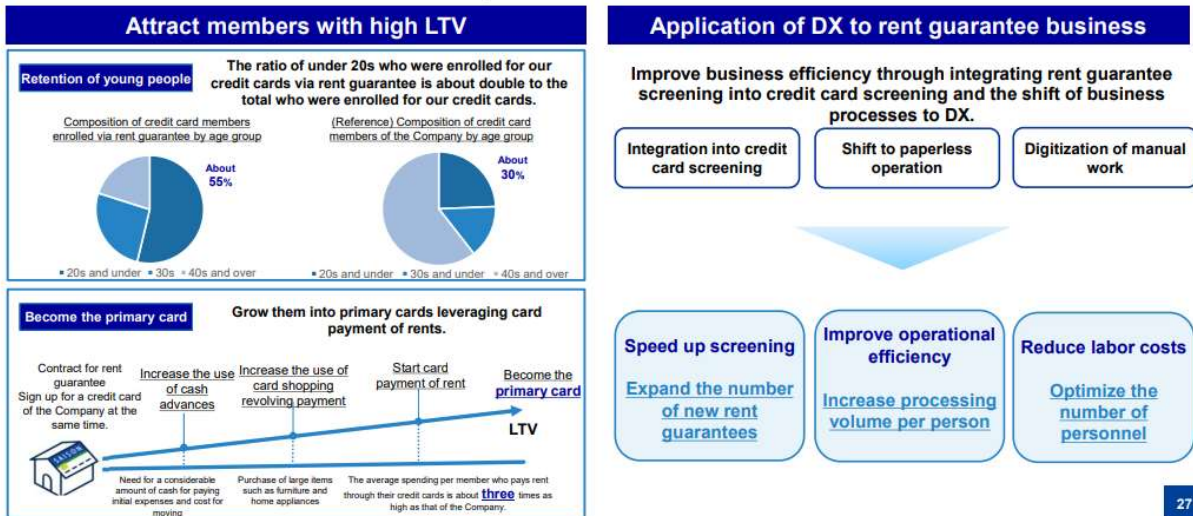
We have one new processing project from October 2022, and this is a very remarkable achievement. In addition, we have been entrusted with new major cards as a result of further expansion of new contracts. Due to confidentiality obligations, we cannot disclose this information yet, but one company is currently working hard on it.

In the processing business, we are aiming to develop the business without using human resources, by digitizing business processes and deploying digital human resources, while replacing tasks that were previously performed by manpower with digital technology as much as possible.

In fact, we are handling this new processing contract, which started in October 2022, without increasing the number of staff, and we intend to increase processing revenues while further improving efficiency.

## Integrate Finance x Payment - Rent guarantee

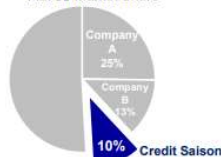
### Expand revenue through “Integration with payment business” and “Shift of business processes to DX.”



## Healthy Growth and Expansion into New Fields for Finance Business

### Flat 35 Loans

Although the market is stagnant as long-term interest rates rise, the servicing receivables balance of the Company remains firm.  
< Flat 35 Market Share >



#### Major Initiatives

- Realize the industry's fastest operations through DX
- Expand the agency division
- Reform the directly managed channel

\*Based on the number of cases of Flat 35 loans executed in the fiscal year ended March 2022 (researched by Credit Saison)

### Asset formation loan

Embark on new markets by developing and providing products for the wealthy.  
Major Initiatives

- Release of products for the wealthy
  - Sale of receivables to improve asset efficiency
- セゾンの資産形成ローンプレミア  
<Provide start in February 2023>
- セゾンの不動産フリーローン  
<Provide start in March 2023>
- FY2022 amount executed: Approximately ¥80 billion yen  
\*Cumulative total of about ¥110 billion

### Credit guarantee

Guarantee balance reversed the trend as the volume handled expanded



#### Major Initiatives

- Expand the number of housing loan guarantee partners and balances
- Develop new products
- Increase operational efficiency by driving DX

### Lease

Lease balance increased in FY2022 due to higher transaction volume



#### Major Initiatives

- Expand sales of payment products in cooperation with the corporate sales team
- Secure transaction volume through new products and schemes
- Improve business processes and raise efficiency through DX

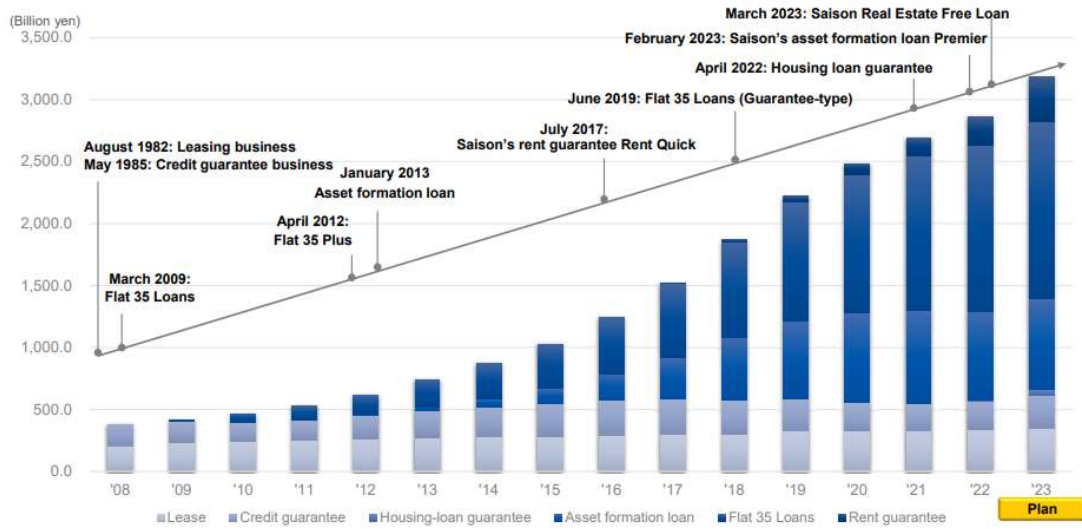
On the next page, page 28, the finance business is experiencing healthy growth and has started to expand into new business areas.

In particular, with regard to asset formation loans, while we have taken steps to improve asset efficiency through the sale of some loans, we are now working hard to change the actual content of the balance by releasing products for high net-worth individuals on the other hand.

In addition, the volume and balance of credit guarantees and leases are reversing after the pandemic in FY2022, so we hope that we can proceed without any slackening.

## Finance Business has Built Up Balances Steadily

**Trend in operating assets balance** (including off-balance sheet assets)



The next page shows the results of the accumulation of balances in the finance business.

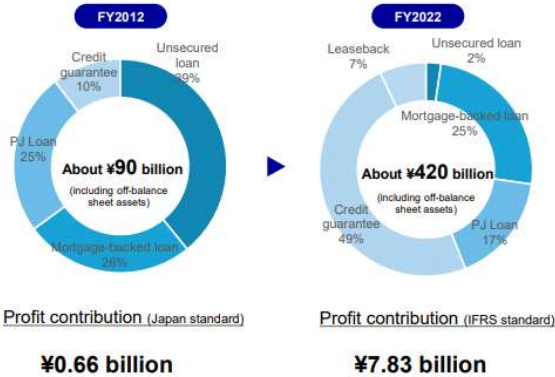
## Promotion of Integrated Group Management



Saison Fundex Corporation

Shift from unsecured loans (credit card loans) to a business portfolio centered on real estate finance

### Trend in composition of assets balance

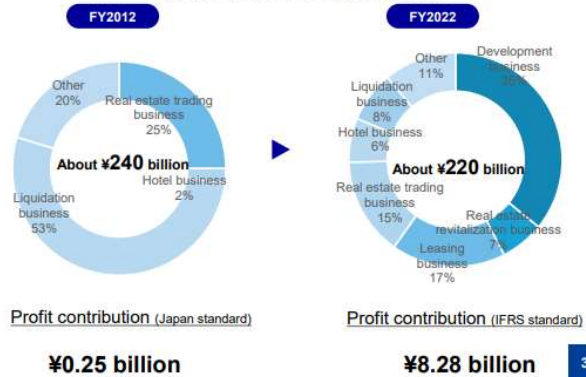


Saison Realty (formerly Atrium)

Changed its focal business to development business and leasing business

Assets of liquidation business are on a downtrend  
The company name was changed with the aim of boosting a sense of unity as a group (April 2023)

### Trend in asset composition



As Baba mentioned earlier, we believe that Saison Fundex and Saison Realty have achieved remarkable results in the promotion of integrated group management as described on page 30 of the new medium-term plan.

In particular, with regard to Saison Fundex, first of all, we believe that it has been able to change its business model very successfully by shifting its business portfolio from the old unsecured loans to a focus on real estate finance.

We would like to use this as a successful example to promote this kind of business model change within our group as a whole.

## Create Digital Human Resources ①

Expand and reinforce digital human resources to the level of 1,000 people by FY2024 through measures such as development of digital personnel by upgrading a HR development system, and a digital certification system, thereby speeding up the shift to a digitalized organization.

### Creation of 1,000 People as Digital Human Resources



\*The ratio of digital personnel for FY2024 is calculated based on the number of employees in FY2020

We believe that DX will support the promotion of these reforms. We have announced our CSDX strategy, which calls for efficient business operations through the creation of digital human resources and the promotion of IT and digitalization, rather than the manpower tactics we used to use in the past.

We have set the goal of creating 1,000 digital human resources in FY2022 as part of our medium-term management plan. We have about two years to go until FY2024, and we hope to increase the number of digital personnel to 1,000 so that we can establish a business structure that can be operated without investing human resources.

## Create Digital Human Resources ②

### - Taking the Lead and Setting Examples by Top Management -

**Aim to deploy, throughout the Company, no-code/ low-code development that enables employees without programming knowledge to build systems.**

**Top management took training as promoters (April 2023).**

**No-code/low-code development: A technology that enables people to develop systems using apps even if they have no knowledge of IT or programs**



Sixteen corporate officers led by Representative, Executive President and COO Mizuno took on the challenge of developing a sample app for notification for change in our products by using a low-code development tool provided by U.S. Microsoft.

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Next page, page 32.

As a part of such efforts, we, as a management team, took the initiative in trying out this DX approach, and almost all of the Board members, including myself, have actually experienced no-code and low-code development.

This year, we would like to accelerate the development of a system that allows DX to be promoted from both the bottom-up and top-down perspectives by establishing a system that allows each division and business unit to develop their own applications, et cetera, on a no-code, low-code basis, rather than just us.

Please read on for sustainability-related information.



## 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 moving society forward in ways only Credit Saison can by leveraging our unique knowhow, management resources, and the experience of each of our employees. We will create a sustainable society that is even more convenient and prosperous than today's.



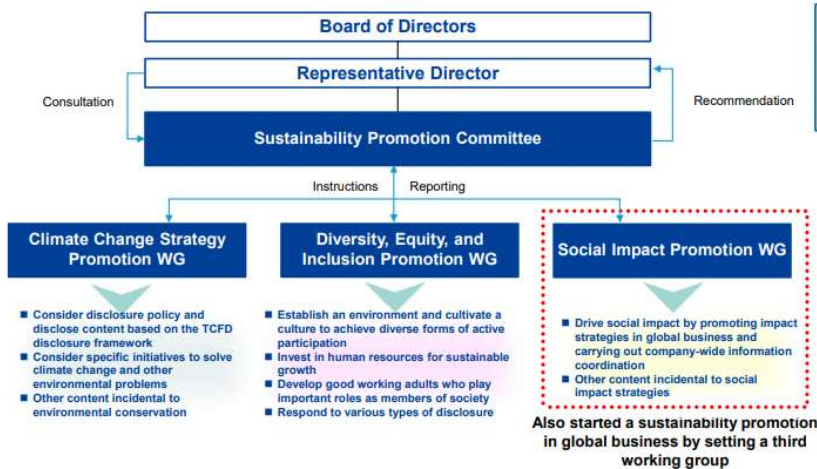
Please read from page 34 onward regarding sustainability-related issues.

That's all from me.



## Report on the Activities of the Sustainability Promotion Committee

### Structure of Sustainability Promotion Committee



### DE&I Declaration 2.0

- We are all citizen's of Earth, aren't we? -

We take the lead and set examples in establishing an environment for the growth and active participation of our diverse employees and in implementing initiatives to reform the mindset of all employees.

Katsumi Mizuno

### Continued endorsement of EARTH HOUR 2023

クレディセゾン (CREDIT SAIJON)  
@credit\_saison

WWF主催の世界的な環境啓発イベント  
EARTH HOUR 2023

9/25(土)19:30~21:30に  
内(ア)リーが開催されます！

60分間電気を消灯し  
地球や環境のことを考えてみましょう！

※アースアワー  
※アースアワー2023  
※終了 60分

▼ EARTH HOUR詳細  
wwf.jp/campaign/earth...



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## Environment

## Response to "TCFD Recommended Information Disclosure Items"

Realized information disclosure in line with TCFD recommendations (June 2022)



TASK FORCE ON  
CLIMATE-RELATED  
FINANCIAL  
DISCLOSURES



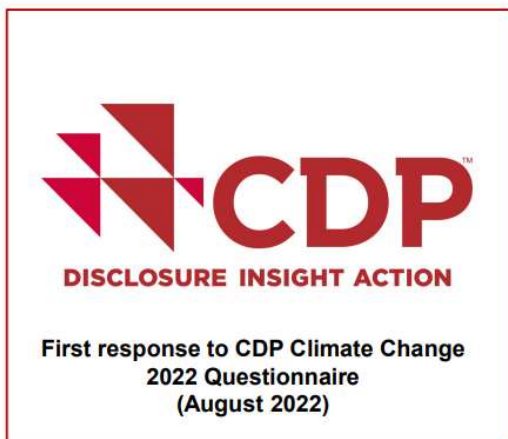
TCFD  
Consortium

### Trends in Targets for Scope 1, 2 and 3



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## Response to CDP Climate Change Program



<Score publicized in December 2022>

Earned **B** rating with our first response



F: CDP気候変動質問書の回答評価を行うのに十分な情報を提供していない!

## Business Expansion Aimed at Contributing to Environmental Issues

<In March 2023, Credit Saison won two awards at the same time in recognition of our efforts>

Grand Prix in the Project Category of the NIKKEI Decarbonization Award 2022



Grand Prix in Japan Financial Innovation Award 2023



■ SAISON CARD Digital for becoz  
Started issuing (June 2022)

SAISON CARD Digital for  
becoz  
Register here



becoz wallet  
Register here



## Diversity, Equity, and Inclusion

### ■ Realized a personnel system that enables diverse human resources to play an active role

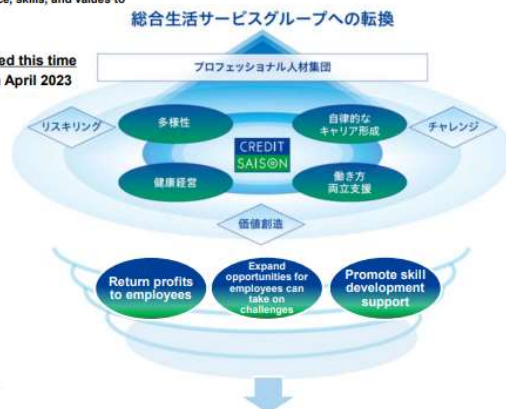
Since the 1980s, Credit Saison has promoted proactive hiring, enabled female employees to work in a diverse range of positions and posts, and set various systems in place for helping employees to continue working and avoid giving up their careers in the course of their lives. In addition, we continue to update the personnel system, aiming to enable human resources with diverse experience, skills, and values to find it attractive to work at our company and keep playing important roles by capitalizing on their uniqueness.

Revised from September 2017: Introduced the "Common Personnel System for All Employees"

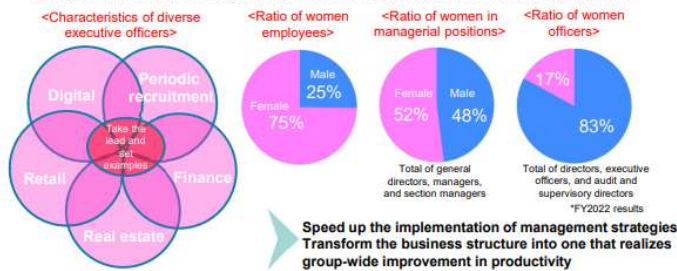
In September 2022, the System re-revised

Partial revision of the personnel system with the goal of achieving a company (Credit Saison) where each individual employee can utilize their uniqueness and strengths, enabling diverse human resources to play an active role, and anyone can take on new challenges without fearing failure

Revised this time  
From April 2023



### ■ Diversification of directors, executive officers, and audit and supervisory directors



**Broaden areas in which all employees can be active through the expanded and reinforced system and go for sustainable corporate growth**

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## Diversity, Equity, and Inclusion

### -Introduction of end-of-financial year bonus system-

Realization of "third foundation" growth strategy by increasing employee motivation

If the **actual results for fiscal year exceed** the amount of ordinary profit (non-consolidated, annual plan), a **certain percentage of the excess amount** will be paid as an "end-of-financial year bonus".

Cash payment



Phantom stock payment



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## Financial Education for Next Generations

- Education for the Next-Generation and Financial Education  
"Business Trip Class - SAISON TEACHER -"  
Hold financial education for children to become independent consumers



<Results> Number of classes held: 335 times/ Numbers of attendees in classes: 15,400 people \*Results from December 2019 to March 2022

- Started inviting applications for "Reitaku University Original Credit Card"  
First digital card in Japan conceived by university students for their own use (January 2023)



### "Digital Card for Reitaku University students by Reitaku University students"

Initiatives with Reitaku University, with which the Company concluded the "Education Partnership Agreement" in August 2022  
Developed an original card that Reitaku University students wanted to have  
Students of the Faculty of Economics and Business Administration took the lead in marketing, sales, advertising, etc., with the support of our employees in the process up to the issuance of the card.

## Contribution to Society

- Operation of the Akagi Nature Park



### A forest unique to Japan, a country with four beautiful seasons A one-of-a-kind forest

Launched a project for restoration of forests for increasing biodiversity and the CO2 fixation amount

Forest degradation not only invites destruction of ecosystems but also sets off a series of changes, such as difficulty in water supply, occurrences of landslides and other natural disasters, and a decline in CO2 fixation ability, causing massive impacts on our lives.

By regenerating the forest, we aim to improve the carbon dioxide fixation amount and conserve biodiversity.

- Various fundraising activities through Eikyufumetsu Points and card payments (Emergency fundraising campaign supporting Ukraine)



Donation to the Embassy of Ukraine (52.54 million yen)

- Supporting Sports and Cultural Activities



Major partner of Japan's national soccer team



Cosponsor of José Carreras' recital in Japan  
Donations to and support for José Carreras International Leukemia Foundation

## (Reference) Information on Corporate/IR Website and Integrated Report

**Issuance of integrated report to enhance disclosure of financial and non-financial information**

**Received an award at the “International ARC Awards” for two years in a row (FY2021 and FY2022)**



**“Credit Saison Integrated Report 2022” (Issued in December 2022)**



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## (Reference) Major External Certifications

 GPIF-adopted ESG index for the status of information disclosure and carbon efficiency level	<p>Selected for five consecutive years</p> <p><b>2022 CONSTITUENT MSCI日本株女性活躍指数 (WIN)</b></p> <p>GPIF-adopted ESG index for companies with superb gender diversity</p>	 Japan ex-REIT Gender Diversity Tilt Index <b>TOP CONSTITUENT 2022</b> GPIF-adopted ESG index consisting of assessment of gender equality initiatives	 CDP Climate Change Questionnaire 2022 Certified as “B Rating”
 Project sponsored by Nikkei Shimbun SAISON CARD Digital won award	 NIKKEI Decarbonization Award 2022 Project Category SAISON CARD Digital for becoz won Grand Prix	 Project sponsored by FINOLAB Inc. Japan Financial Innovation Award 2023 SAISON CARD Digital for becoz won Grand Prix	 Ministry of Economy, Trade and Industry certification system based on the “Act on Facilitation of Information Processing”
 Private sector project recognizing companies carrying out initiatives for the problem of “cancer and employment”	  2023 健康経営優良法人 Health and productivity Certification of the Ministry of Economy, Trade and Industry and the Japan Health Conference	 健康優良企業 Certification of the National Federation of Health Insurance Societies	 SLACK SPOTLIGHT AWARDS 2022 Won International Digital HQ Award (Japan)

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