



Credit Saison Co., Ltd.

Financial Results of First Half of FY2022

November 10, 2022

Presentation

Moderator: Ladies and gentlemen, thank you for taking time out of your busy schedules to participate in Credit Saison Co., Ltd.'s conference call for H1 of FY2022.

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

Managing Executive Officer Baba will explain the results for H1 of FY2022 and our financial and capital policy for about 10 minutes. President Mizuno will then explain our business strategies for H2 of FY2022 for about 20 minutes. Following that, we will have a question-and-answer session. The entire meeting is expected to last one hour.

The materials used in today's presentation can be downloaded from the IR Information section of our corporate website.

Managing Executive Officer Baba will now begin the presentation.

Financial Results Digest

- In our **payment business**, in addition to the **recovery trend**, which includes double-digit growth in card shopping transaction volume, there was **steady growth in all business segments** including **solid growth in our finance business** as a 2nd pillar, and **expanding income contributions of our global business** as a 3rd pillar.
- The first half business results **exceeded** the previous forecast due to **business growth and income contributions from domestic and overseas affiliates** in addition to **cost reductions that placed greater emphasis on cost-effectiveness** and a **decrease in costs related to bad debt resulting from improved credit quality**.
- The full-year business results forecast has been **upwardly revised** from the initial forecast based on **recent business conditions, unrealized gains on the fair value of funds held**, and other factors.
- As a result of implementing a **review of the risk capital allocation model**, **surplus capital will be around ¥50.0 billion**, which will be used to **continue appropriate shareholder returns and aggressive investment in growth**.
(The basic policy on profit distribution has been changed. See page 5 of the Financial Results Summary for details.)

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Baba: I am Baba, Managing Executive Officer of Credit Saison. I will explain our financial results for H1 of FY2022, our forecast for the full year of FY2022, as well as our financial and capital policy.

Please see page four for the performance highlights.

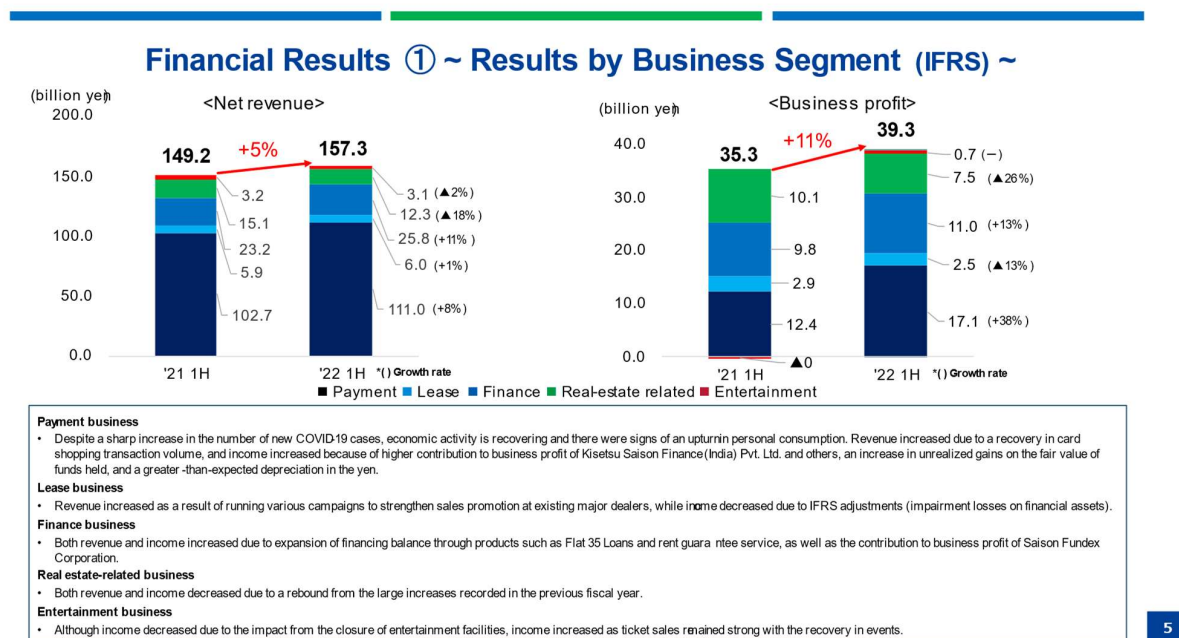
As you can see from the financial results, we are steadily growing in all of our businesses, including the payment business, finance business, and global business.

With regard to H1 results, in addition to business growth in the parent company, domestic and overseas affiliates contributed to profits. Furthermore, cost reductions and a decrease in bad debt-related costs resulted in a better performance than previously forecast.

We have revised our full-year forecast upward, taking into account H1 results, unrealized gains from the fair value of our fund holdings, and other factors. We have issued a release on the revised forecast, so please refer to it for details.

I think the fourth point is the one you are most interested in. As a result of a review of our risk capital allocation model, we have a surplus capital of approximately JPY50 billion.

Basically, we have not changed our policy, but we have changed our basic policy on profit distribution, which is shown in parentheses here, as explained on page five of the financial results. I will explain this again later.

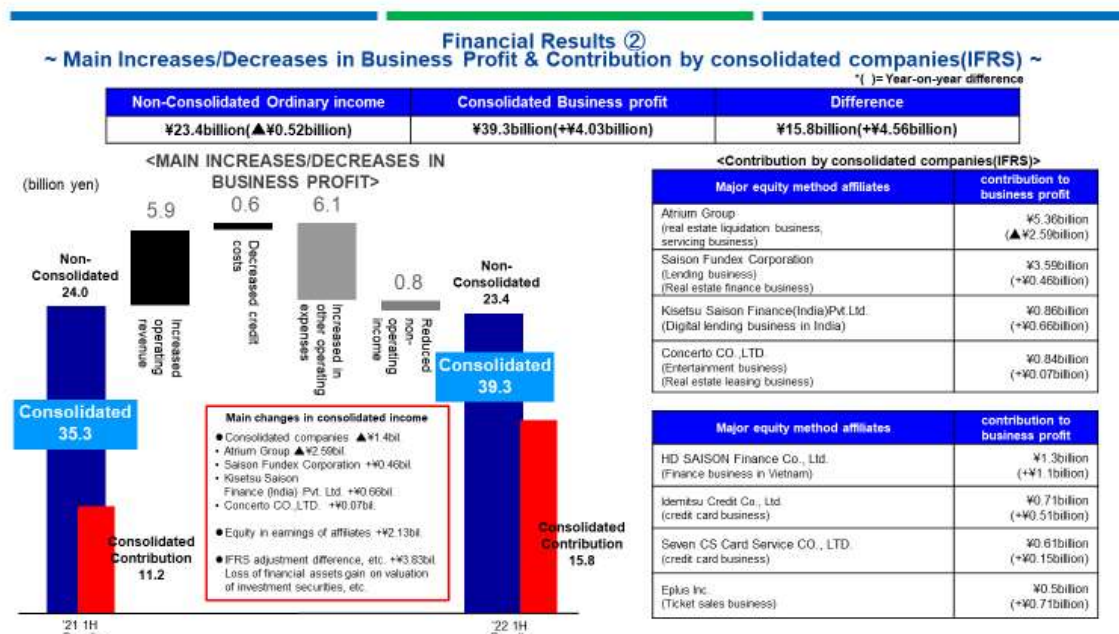


Please see page five for the management results in H1.

Net revenue increased 5% to JPY157.3 billion, and business income increased by 11% to JPY39.3 billion. Please read the rest of the information described here on your own.

In the real estate-related business, both net revenue and operating income declined. This is a reactionary decrease from the significant increase in net revenue and operating income in the previous fiscal year. In addition, there were some items that were originally to be transferred during H1 of the fiscal year, but some of which were pushed back. As a result, the net revenue for H1 declined compared to the same period last year. However, we are still well on track to achieve our initial forecast.

In addition to this, in the finance business, we transferred about JPY40 billion in asset-building loans during Q2.



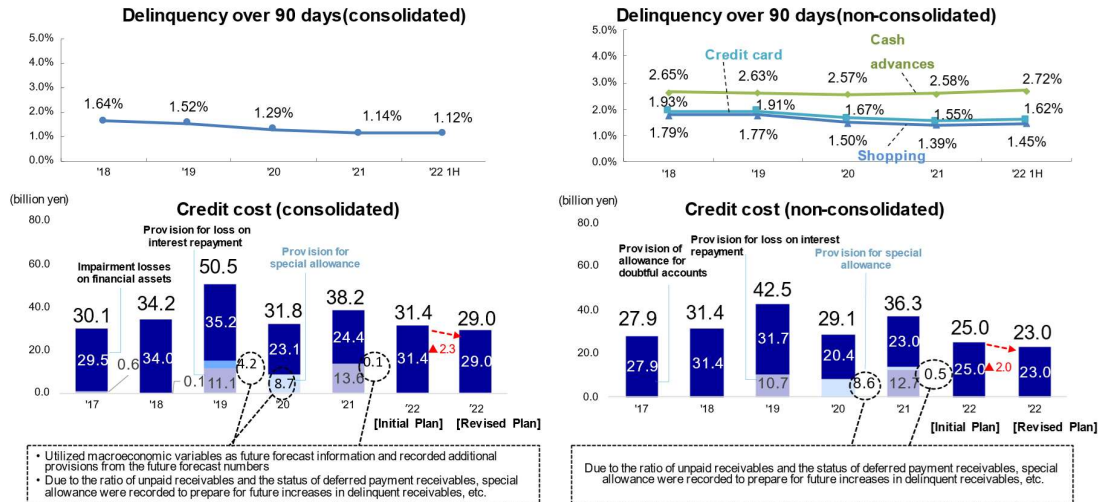
On page six are the main changes in business profit and the contribution of consolidated companies.

Non-consolidated ordinary income was JPY23.4 billion, down JPY520 million from the previous year. The difference between consolidated and non-consolidated income was JPY15.8 billion, an increase of JPY4.56 billion over the previous year.

The breakdown is shown in the red box on the left under main changes in business profit.

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 seven discusses receivables risk.

We continue to have historically low delinquency rates. As a result, if you look at the non-consolidated bad debt cost on the right, we lowered our forecast by JPY2 billion from the original plan to JPY23 billion.

Interest Repayment Claims

Additional provision of ¥13.6 billion on the consolidated basis and ¥12.7 billion on the nonconsolidated basis in fiscal 2021

Level of provision adequate at present

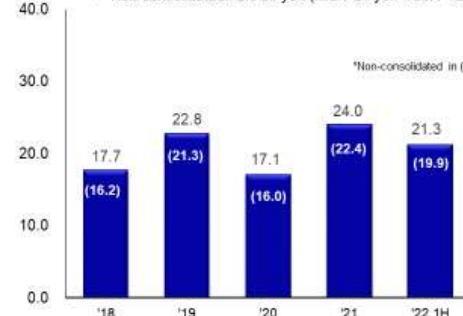
No plans for additional provision
Monitoring future trends

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



■ Balance of provision for loss on interest repayment

- <Provision reversal in FY2022 1H>
- Consolidated: 2.7 bil yen (▲0.7 bil yen from FY21)
 - Non-consolidated: 2.5 bil yen (▲0.7 bil yen from FY21)



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Please turn to another page. This page is about interest repayment claims.

The unit processing cost has remained high. On the other hand, the number of new overpayment cases has slightly decreased.

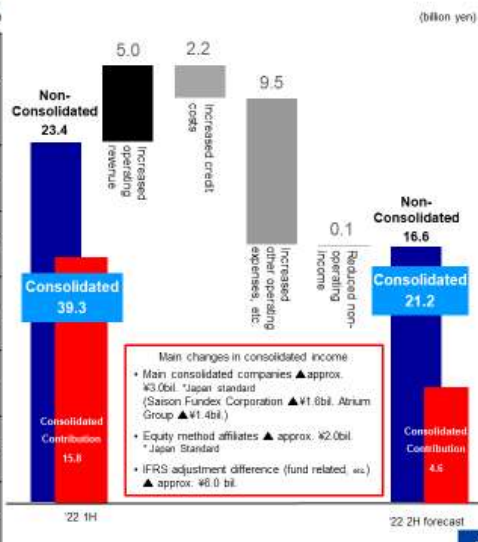
As you can see in the graph next to that, the amount of reversal in H1 of this fiscal year was JPY2.7 billion on a consolidated basis, which is JPY700 million less than the same period in the previous year, so there has been a steady decrease.

Revision of Business Results Forecast for FY2022

<MAIN INCREASES/DECREASES IN BUSINESS PROFIT IN 2H FY2022>

		Previously announced forecast (Announced May 13) (A)	Current forecast (Announced November 10) (B)	Amount of increase (decrease) (B - A)
Consolidated	Net revenue	312.0	319.0	+7.0
	business profit	53.0	60.5	+7.5
	Profit attributable to owners of parent	35.5	40.5	+5.0
Non-Consolidated	Operating revenue	260.0	265.0	+5.0
	Ordinary profit	37.0	40.0	+3.0
	Profit	24.0	26.0	+2.0

	1H results (C)	2H forecast (B - C)
Net revenue	157.3	161.7
business profit	39.3	21.2
Profit attributable to owners of parent	27.4	13.1
Operating revenue	130.0	135.0
Ordinary profit	23.4	16.6
Profit	17.2	8.8



Please turn to the next page, page nine. This page describes our financial forecast for FY2022.

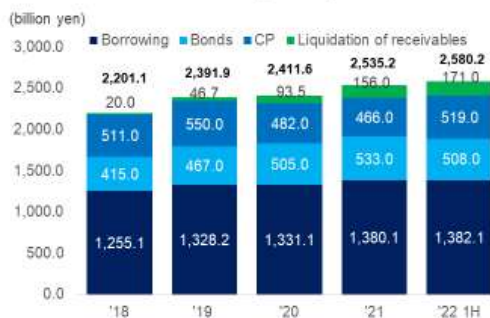
We have revised our previous forecast and expect both non-consolidated and consolidated revenue and income to increase.

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

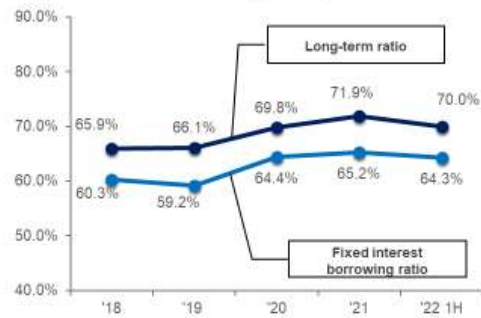
Balance of interest-bearing debt (non-consolidated)



■ 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

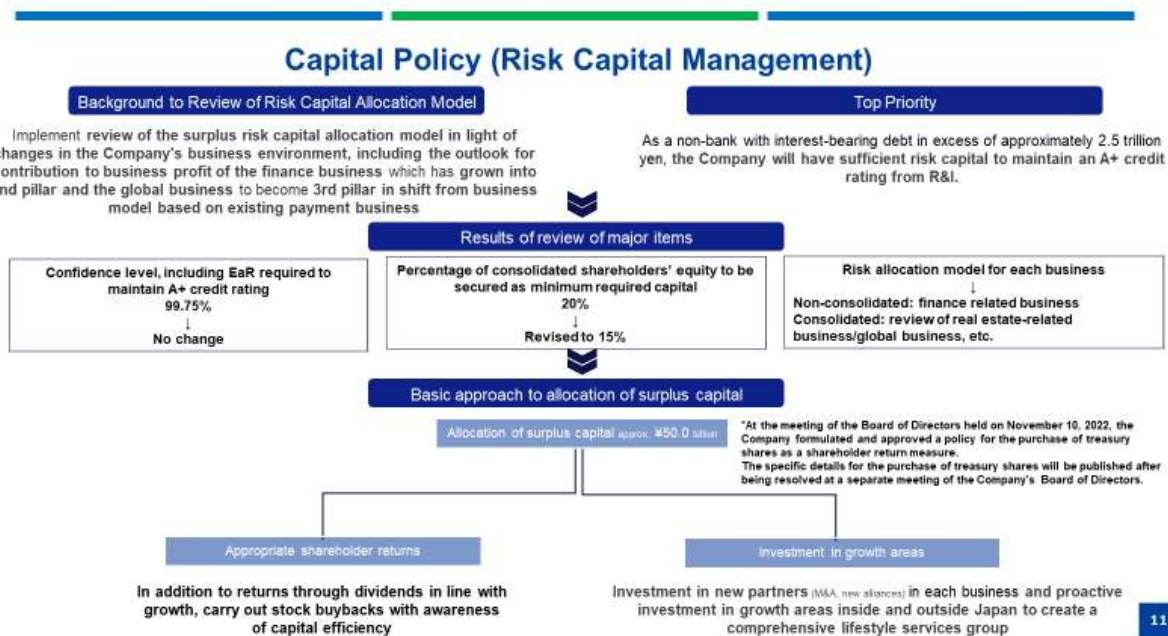
Long-term / fixed borrowing ratio (non-consolidated)



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Please turn to the next page, page 10. This page describes our financial policy.

This is the structure of interest-bearing debt. To date, we have kept our long-term debt ratio around 70%, and our fixed interest rate debt ratio around 60%. However, we expect interest rates to rise in the future, and we will continue to ensure the soundness of our finances. Even if interest rates rise, we expect rates to rise in stages because of our existing policy. Therefore, we hope you will understand that our financial structure is such that we will not be affected that much even if interest rates suddenly rise.



Lastly, please turn to page 11.

This is a description of our capital policy. The main revision is shown in the middle. We have lowered the minimum required capital from 20% to 15%, and we further refined the modeling of finance, real estate-related, and global operations, respectively.

As I mentioned at the beginning of this presentation, our surplus capital is approximately JPY50 billion. Our policy of providing appropriate shareholder returns and investing in growth areas remains unchanged. At the Board of Directors' meeting held today, we resolved to implement a share repurchase program as part of our shareholder return policy. The specific timing and details of the share repurchase will be disclosed after a separate resolution by the Board.

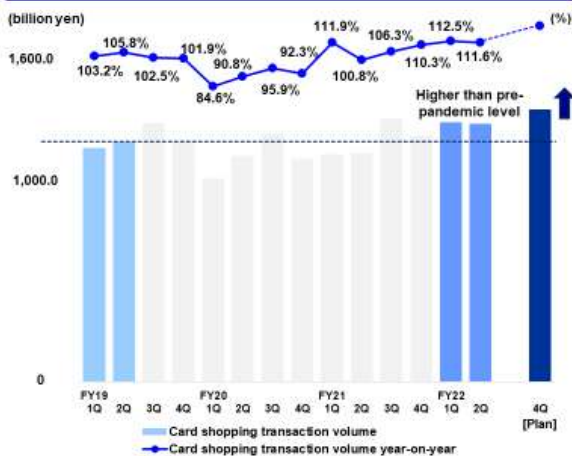
This concludes my section of the presentation.

Moderator: Thank you. We will now move on to President Mizuno's presentation on our business strategies for H2 of FY2022.

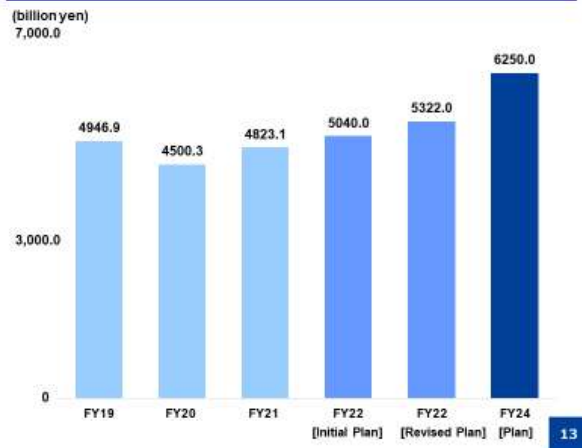
Recovery in card shopping transaction volume

Card shopping transaction volume has recovered to higher than the pre-pandemic level and has maintained double-digit growth rate year on year
Annual plan revised up based on current conditions

Card shopping transaction volume and year-on-year



card shopping transaction volume/annual plan



Mizuno: This is Mizuno. I would now like to explain our business strategies for H2 of FY2022.

Please see page 13. As Baba explained earlier, there is a clear recovery trend in our shopping transaction volume. The recent October transaction volume was also up by double digits due to the easing of COVID-19 restrictions. Although the number of people infected with COVID-19 has been increasing recently, the government's policy of not restricting activities will probably be followed. If this is the case, I believe we can achieve double-digit growth in shopping transaction volume in H2.

This fiscal year, in particular, we had expected that the top line would be very difficult due to the departure of Seiyu. However, the departure of Seiyu has conversely led to an improvement in profitability. As expected, travel & entertainment, T&E, consumption has been booming. In addition, demand for airline tickets and railroad tickets for travel has been very strong. These factors are supporting the growth in transaction volume.

Expansion of young members

New product releases since FY2020 have achieved a certain level of success in attracting young members.

Percentage of new members by age group



Products designed for young people

<SAISON CARD Digital>
Started issuing in November 2020.



Smartphone complete credit card

<Saison Gaming Card Digital>
Started issuing in December 2020.
Revamped in September 2022



Concept card targeted at game users

<LikemeUby saison card>
Started issuing in March 2021.



Concept card targeted at young people

< Collaboration with SHEIN >
Started collaboration in October 2022.



Big impact in various media, including the Nikkei

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Please see page 14.

Originally, we had planned to focus on the Gen Z, affluent, women, and SME segment as our payment target in our current mid-term plan. This page is an explanation of our progress. As you can see in the chart, the percentage of young customers in their 20s, which was 20% in FY2012, has increased to 30% in H1 of this fiscal year, as we are using the various products shown on the bottom to capture this segment.

The industry average for FY2021 was about 10%. In comparison, the ratio is about 30% in our current membership portfolio. We are looking to actively develop partnerships with companies that attract such young people, such as through our recent collaboration with SHEIN, a hot topic in recent years.

New GOLD Card Strategy

Started invitations for **SAISON GOLD Premium**, a New Royalty Service (from July 29, 2022)
 Partnering with **GOLD AMEX** to increase customer spending by promoting usage as main card



Please turn to page 15. Once we attract this younger generation, we want to increase customer spend. Therefore, we have launched a new Gold Card strategy.

Since last year, we have been promoting this kind of loyalty service, focusing on the development of GOLD AMEX, and in July, we began accepting applications for SAISON GOLD Premium.

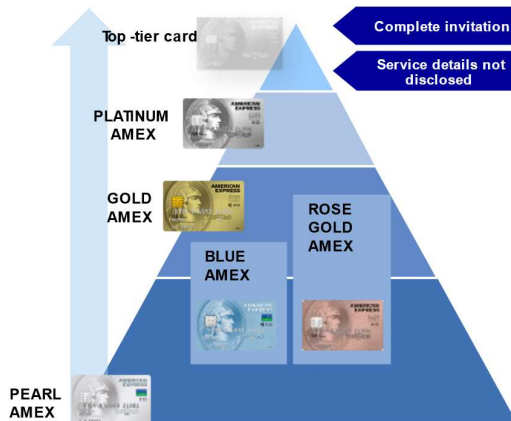
The data shows that the transaction volume of GOLD AMEX members is actually three times higher than that of regular members. Although the GOLD Premium program has only been running for about two or three months, the actual results indicate that we have steadily increased the number of transactions by more than three times. We will continue to strongly promote this initiative in H2 of the fiscal year.

AMEX Strategy (1) - Expand the Affluent Segment

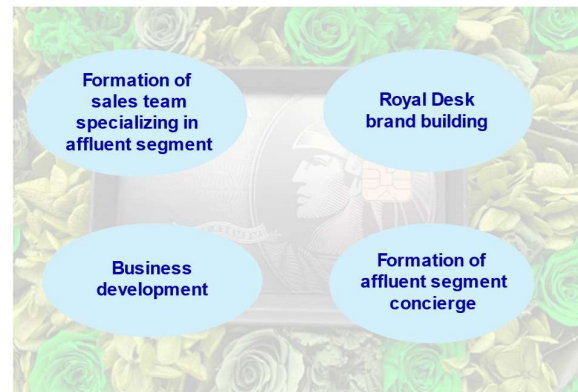
Issue a top-tier card for the affluent segment that exceeds PLATINUM AMEX and is completely invitation-only

Full-scale operation of affluent segment business

<Product lineup for individual members>



<Initiatives for affluent segment business>



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Please turn to page 16.

As you can see here, we have prepared a lineup for each tier of the AMEX brand, which is celebrating its 25th anniversary. Although we will not market this to the masses, we will start issuing a top tier card for the ultra-wealthy, which will exceed the PLATINUM AMEX, around this summer.

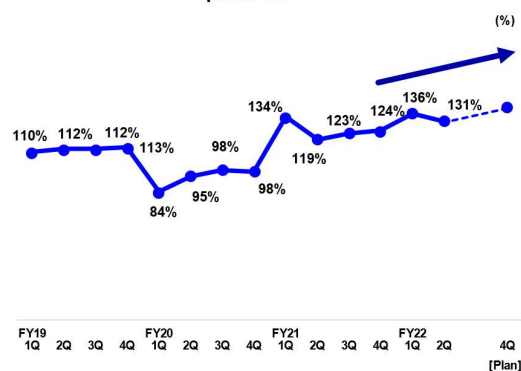
We have created a dedicated team for this area, as well as a dedicated team for business development and service development. The usage trends of this segment are quite unique, so we would like to develop a program to attract this group of customers through secret marketing, while maintaining a dedicated team for this purpose.

AMEX Strategy (2) - Expansion of Business in the BtoB Field

Growth rate of card shopping transaction volume in the BtoB field remained over 30% even during the pandemic
Work to further expand market share in BtoB field by launching new products

Year-on-year card shopping transaction volume in BtoB field

BtoB transaction volume remained high even during the pandemic



New products

Business partnership with UPSIDER in BtoB payment field

Started service in April 2022



Issued credit card specifically for the construction industry

Started accepting applications in July 2022

SORABITO ×



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Next, please turn to page 17. This page describes our second AMEX strategy.

As I mentioned earlier, we are aggressively developing our business for small and medium-sized businesses, and as the graph below shows, B2B shopping transaction volume has increased by more than 30% YoY, even under COVID-19. This trend has remained unchanged in H1 of FY2022.

In this area, we have a program in place to handle high-range customers through flexible credit settings by combining the brand power of AMEX and our credit capacity. For example, we can flexibly manage credit for customers who make monthly payments of JPY10 or JPY20 million, even among B2B customers. We expect this field to grow very rapidly in the future.

In terms of new products, we are developing a service called shiharai.com in cooperation with UPSIDER, a startup company. We intend to gradually expand these B2B services in H2.

Expand processing revenue

Work to expand revenue in processing business through existing and new contractors

Existing contractors

Further expand revenue of existing contractors

- Expand the top line through contracted development of new products
- Reduce costs based on DX
- Collaboration between Group companies



New contractors

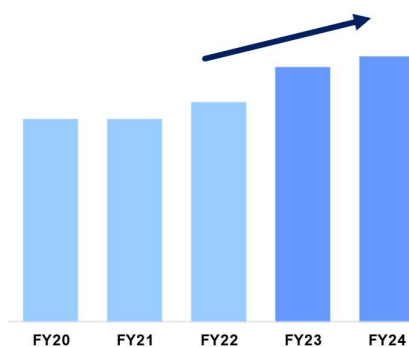
Proposals for processing and new development tailored to partners

- Full and partial contracting of processing
- BIN sponsor

[FY2022 results for new contracts]
Contracted operations for major information and communications company

Processing revenue outlook

Further expand revenue in the future by acquiring new contractors



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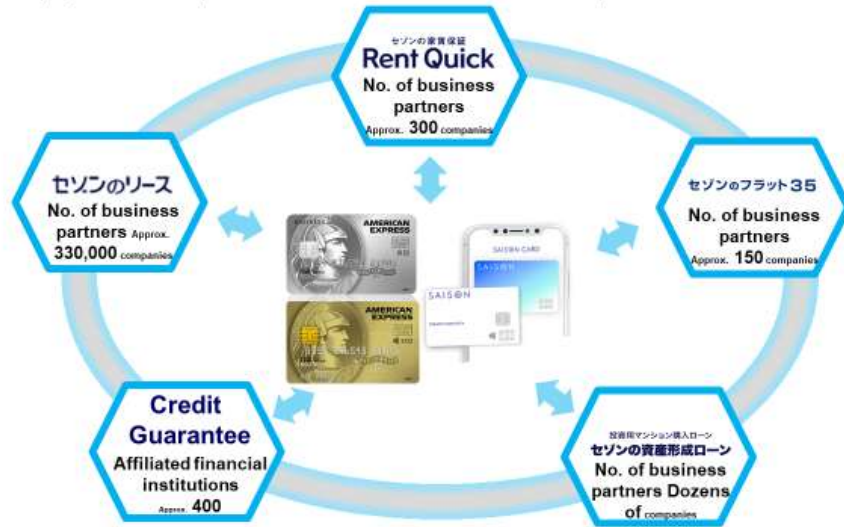
Please turn to page 18. This page describes the expansion in processing revenue.

As for existing clients, Idemitsu Credit, in particular, has been acquiring new members very favorably after the merger with Shell. We will continue to make proposals to existing clients to actively introduce our new products, and at the same time, we will start cost reduction efforts centered on DX.

In addition, we have been making processing proposals to our business partners, and in FY2022, we were able to secure a new operation contract. We also expect to sign an agreement with one more company in the future. We have a good prospect for further expansion of our processing business during this mid-term period.

Integrate payment business × finance business

Expand sales of payment-related products to individual customers and corporate customers of finance business



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Next, please turn to page 19. This page describes the integration of the payment and finance businesses.

Until now, we have developed our business in the form of finance for finance and payment for payment. However, we are now in the process of integrating each of the businesses listed here, removing financial barriers such as rent guarantees, leases, credit guarantees, asset-building loans, and Saison's Flat 35. For example, we would like to promote the acquisition of members by integrating the customers in each finance business with payments, such as Generation Z for rent guarantees, SME for leases, SME for credit guarantees, wealthy customers for Saison's asset-building loans, and power couples for Flat 35. We hope to promote the acquisition of new members by integrating the customers of each finance business with our payment system.

Integrate payment business × finance business - rent guarantee

セゾンの家賃保証
Rent Quick

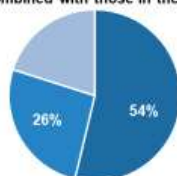
Since rent guarantee users can pay their monthly rent and guarantee commission with a Saison Card, cross-sell Saison Card membership when they apply for a rent guarantee.

Benefit for payment business

Retention of young people

Composition by age of credit card members enrolled via rent guarantee

In terms of age groups, 50% of credit card members aged in their 20s or younger are enrolled via rent guarantee, rising to 80% when combined with those in their 30s



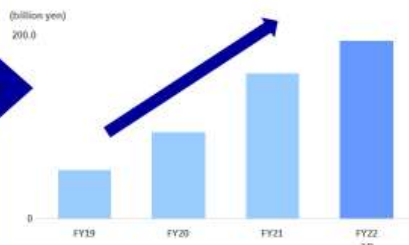
20s and younger 30s 40s and older

Benefit for finance business

Realization of instant credit screening using credit cards

Accumulated balance of rent guarantees

Increase outstanding balance by differentiating from other companies, such as instant credit screening using credit cards



Synergy

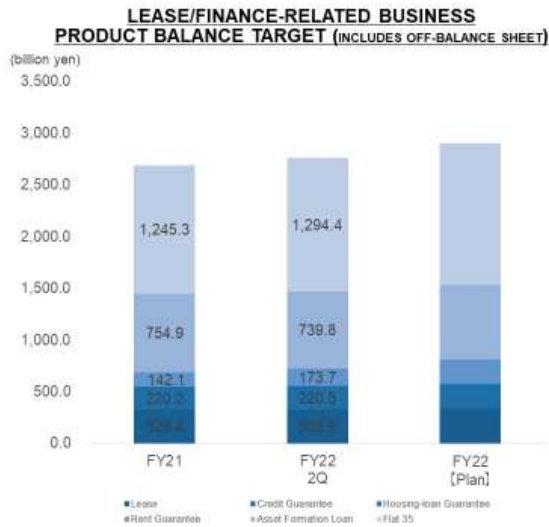
20

An example of this is shown on page 20. We are already making significant progress in integrating our payment and finance businesses, particularly in the area of rent guarantees.

We have launched services that allow customers with a credit card to receive speedy rent guarantees with no screening. One of the benefits of this payment business is that many of the customers who receive the rent guarantee are young people. As you can see in the chart here, about 80% are in their 20s and 30s, and this can be one of the channels for acquiring members here. In doing so, we will integrate the screening logic between rent guarantee and credit card screening. The realization of immediate screening through effective use of card screening in this area has started this November.

We believe that there will be considerable synergy in this area in the future, as we have moved from the individual screening by other companies to our comprehensive credit.

Strong accumulation of balances in the finance business



Asset Formation Loan

Sell receivables to improve asset efficiency

Lease

Promote corporate merchandise sales to 330,000 lease users

Flat 35

Promote DX, including improvements in credit screening speed, etc.

Housing-loan Guarantee

Started providing housing-loan guarantees to financial institutions in April
 Gradually expand new partners

Credit Guarantee

Started providing simple online loans in April

Please turn to page 21. This page shows the steady increase in outstanding balance in the finance business.

As Baba explained earlier, we have been selling assets to improve the content of our asset-building loans. We plan to continue to sell bonds to improve asset efficiency in H2 of this fiscal year.

As for leasing, we already have 330,000 end users. We will sell our AMEX and SBS PLATINUM products to them. Also, for Flat 35, there is a lot of communication with the Japan Housing Finance Agency, and there is a lot of paper-based operations. Therefore, we will reform this operation. We are also thinking of making a more efficient change by promoting DX.

Acceleration of global business expansion

Establishment of operating companies in India and five Southeast Asian countries to accelerate the development and expansion of the lending business in Asia



The next page describes our efforts to accelerate global business expansion.

We are currently developing these two businesses, the lending business and the investment business, overseas. In order to accelerate the speed of decision-making in controlling and managing these businesses, we have changed Singapore to our international headquarters from April 2022.

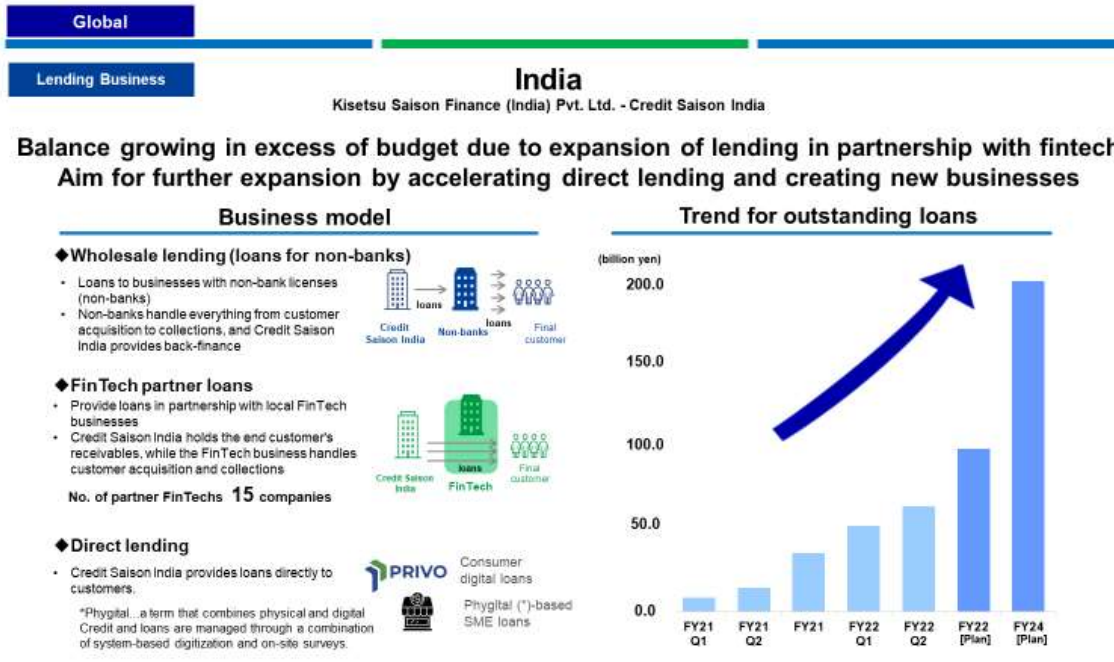
The people running this office are local personnel. We would like to accelerate the speed of decision-making by appointing personnel who are more rooted in the local community and more in tune with local marketing.



Next, please turn to page 23. This page describes the business profit trend in our global business.

For the current fiscal year, we plan to achieve the same level and amount of profit as the previous year. However, as will be explained later, our business in India and other countries are growing quite rapidly, and this has caused some costs to be shifted ahead of schedule.

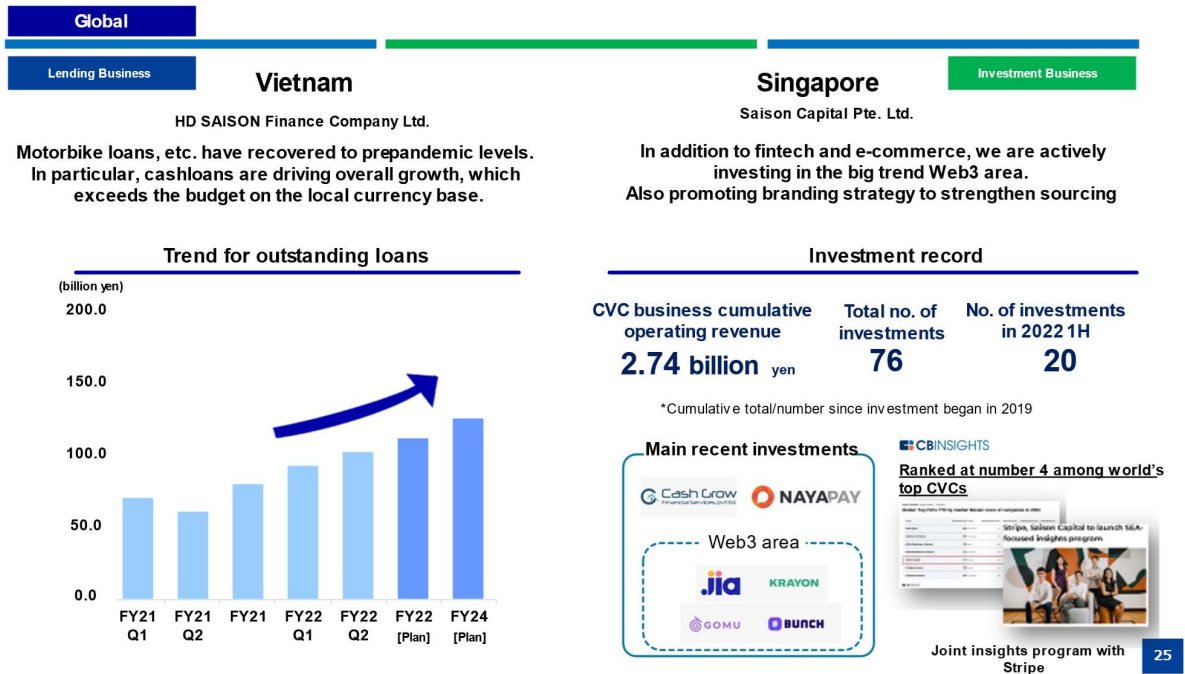
However, we will not slow down the pace of our growth, and will continue to operate our business with an emphasis on future value creation rather than immediate profits.



Next, please see page 24.

In India, we offer three types of lending products: wholesale lending, lending in partnership with fintech companies, and direct lending, in which we lend directly.

Currently, the planned balance for the end of this fiscal year is approximately JPY100 billion, and we are working to grow this to approximately JPY200 billion by FY2024. We are making steady progress, with a balance of just over JPY60 billion. Therefore, we would like to build a stronger operating base in H2 of this fiscal year by accelerating the development of this business or injecting funds into it.

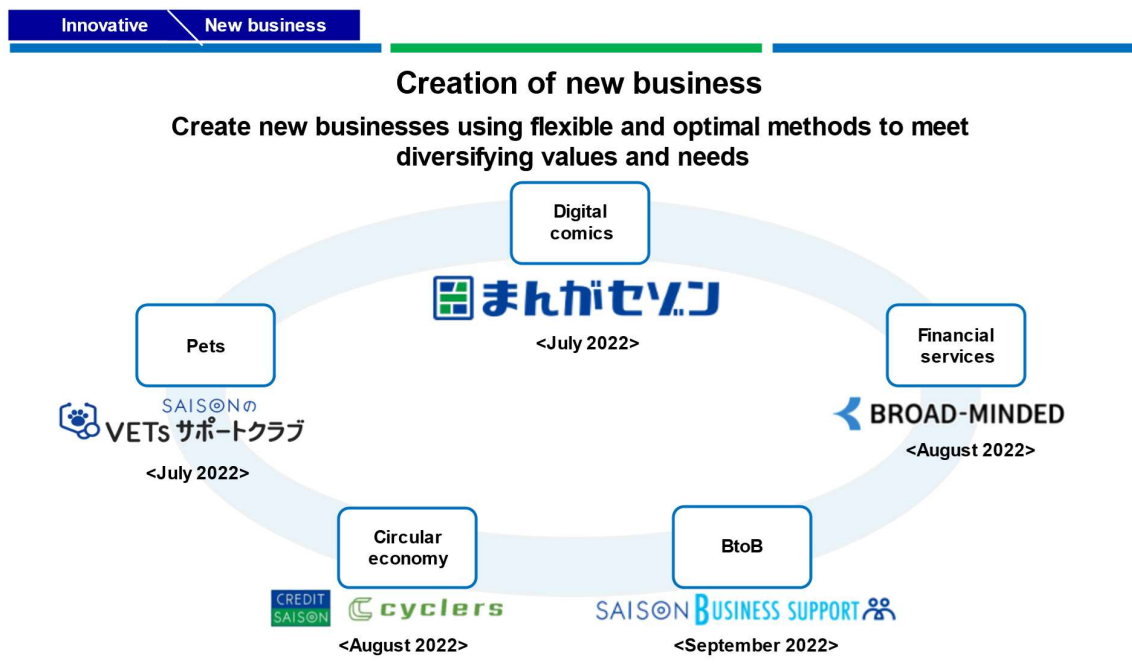


The next page is about our operations in Vietnam and Singapore.

As for Vietnam, there was a lockdown last year, but this year, consumer spending has come back strong. As shown in the chart, we expect the balance in Vietnam to reach JPY100 billion this fiscal year, and in FY2024, we will aim for steady growth while maintaining good control of current risks. In the meantime, we believe that Vietnam will grow steadily as long as COVID-19 remains contained.

Next, in Singapore, we operate an investment business. We are investing in existing areas including fintech and SaaS startups. In addition to this, we would like to actively expand our investments in the Web3 area.

However, since there is still some [Inaudible] regarding Web3, we would like to continue to invest in areas where we think there is potential, while putting a certain cap on the amount of investment.



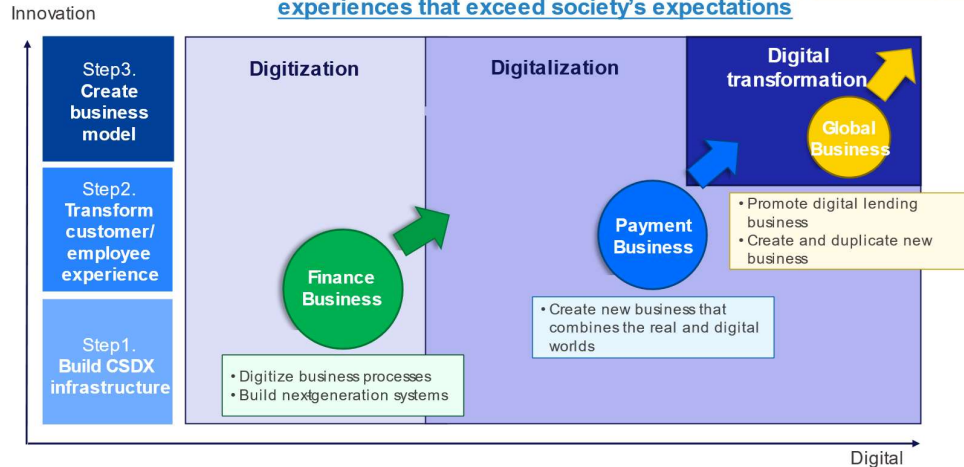
Next, please turn to page 26. This page describes our efforts to create new businesses.

Our style is to start small and grow large. In the case of India, we started from scratch and brought the business to its current state as explained earlier.

In H1, we invested in Manga Saison, pet service, and ReSAISON, which is responsible for the circular economy, as well as in Broad-minded, which provides financial services. In the B2B business, we have formed a joint venture with number one to sell directly to end-users of leases. We are experimenting with these businesses and will continue to provide sales support and work with lease sales companies in this way.

Promote innovation using digital technology

Use digital technology in line with digital penetration rate of business to transform customer/employee experience, create innovative business models, and provide inspiring experiences that exceed society's expectations



Please turn to the next page. This page is about our digital strategy and CSDX strategy. We will be holding a separate briefing on the details of this strategy, and we will be happy to explain it to you in detail at that time.

Our CSDX strategy started last year, and we are working to promote the use of digital technology in accordance with the digital penetration rate of each business. As you can see here, however, there is still a lot of work to be done, especially in the finance business. I have visited the operations in person, and the real estate industry has a culture of widespread usage of paper, so if anything, rather than digitalization, we need to start with something more rudimentary like IT. Unless we start by eliminating paper and moving to paperless data, it will be difficult to achieve DX in one go.

We are first reviewing our business processes and working to build next-generation systems as a form of digitalization. We are working to lay the foundation to prepare us for digitalization, while aiming to implement low-cost IT and digital technology by producing these systems in-house.

In the area of payments, we would like to focus on the IT department and the technology center, especially as it relates to the digital transformation that will take place in the future. This includes the data business that we are currently promoting as part of our digitalization efforts.

On the other hand, for our global business, our tech team, especially in India, is very good. If anything, they have already reached a point that is close to the state of DX. Therefore, we would like to expand the business in the future, including through sales expansion.

Create digital human resources

Increase the number of digital human resources to 1,000 by FY2024 to accelerate the shift to a digital organization by nurturing digital human resources through enhancement of human resource development systems and a digital certification system

Create 1,000 digital human resources



*Percentage of digital human resources in FY2024 calculated based on number of employees in FY2020

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Please turn to page 28. This page describes our efforts to create digital professionals.

Originally, our CSDX strategy called for the creation of 1,000 digital professionals by 2024. This page describes our progress as of now.

In FY2022, the number of digital professionals was approximately 260. We will continue to expand this number, especially by recruiting from the public or hiring outside personnel. Therefore, we are now hurrying to expand the system with the aim of increasing the number to 1,000 by FY2024.



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.



Next, please turn to page 30. This page describes our approach to sustainability.

I would like to explain our basic approach to sustainability. Our main focus is to contribute to social development and problem solving through our business, in areas that can only be through our company. Credit cards themselves are the payment infrastructure of society, and we believe that one of the first pillars of sustainability is to create a safe and secure environment in which they can be operated and used safely.

In addition, we will continue to make donations in exchange for points and provide support for sports promotion. In particular, we are also working on the operation of the Akagi Nature Park and reducing CO2 emissions, which I will explain later.



First, I will explain our initiatives for climate changes.

This year we have expressed our support for the TCFD recommendations and have joined the TCFD consortium in May. We also started disclosing information based on the TCFD's disclosure framework in June, and we are hoping to gradually develop a plan to reduce measured CO2 emissions.

Business development aimed at contributing to environmental issues (June and August 2022)

CREDIT
SAISON



■ SAISON CARD Digital for becoz
Began issuing (June 2022)*1

Realization of carbon neutral lifestyle
Creation of new circular networks and new value
to realize a recycling-oriented society

Re SAISON

■ Established Re Saison Co., Ltd. (August 2022)*2

- *1... Japan's first credit card to enable visualization of CO2 emissions based on payment data in partnership with DATAFLUCT Inc. and incorporating CO2 visualization technology from Doconomy
- *2... A joint venture company aimed at realizing a recycling-oriented society through the construction of reuse schemes
- <Business overview>
- Recycle and reuse resources through salvage, sales, and material recycling of leased goods, mainly office automation equipment, when leases expire
 - Develop a new secondary distribution market by valuing the residual value of products and circulating them in a highly efficient manner

SAISON CARD Digital for
becoz
Register here



becoz wallet
Register here



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Please turn to page 32. This page describes our business development aimed at contribution to the solution of environmental problems.

Some of our initiatives are partly being implemented as test marketing measures for environmental issues. The first is the SAISON CARD Digital for becoz. This is the first card in Japan that can visualize CO2 emissions based on card usage data. We developed this card in cooperation with a startup called DATAFLUCT. This is the first credit card of its kind in Japan.

The other is ReSAISON. This is a joint venture with cyclers for the realization of a circular economy. This joint venture recycles and reuses properties that have been built under a so-called reuse scheme, such as leased OA equipment and other leased-up properties. Operations have already started in October.

Contribution to society

■ Operate the Akagi Nature Park



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



With the theme of “coexistence of humanity and nature” and the concept of providing lush natural scenery to pass on to future children, Credit Saison has been operating Akagi Nature Park in Gunma Prefecture since 2010. Park entry is free of charge for card holders.

■ Various fundraising activities through Eikyufumetsu Points and card payments (Ukraine emergency assistance fund)



Donation to Embassy of Ukraine (52.54 million yen)

■ Supporting Sports and Cultural Activities



Supporting company of Japan's National Soccer Teams



Co-sponsor of Japanese performance by Jose Carreras
Donations and support for activities of Josep Carreras Leukemia Foundation

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The next page is about our social contribution efforts.

As mentioned earlier, we are involved in the operation of the Akagi Nature Park, and we are also raising funds to support Ukraine.

This November, the Japanese national soccer team will begin its matches in the World Cup. The match against Germany is on the 23rd, and the entire company is eager to support the team.



Next, please turn to page 34. This page explains about our social bonds.

We have issued social bonds for the purpose of achieving financial inclusion overseas, especially in Southeast Asia and India.

We have some very talented people who are involved in this kind of development, especially in Singapore, and we would like to make the most of this initiative, especially overseas.

Diversity, Equity, and Inclusion

- Credit Saison's Diversity Declaration -

Credit Saison aims to be a company where we acknowledge and harness each other's capabilities so all employees can actively contribute and thrive as individuals.



■ Diversity mark determined through internal application

-Concept-

Each person spreads their wings and takes flight in their own way.
They express their strengths, their environment, and their
individuality, which differ from each other but are more amazing when
they come together.
The birds carry flowers, fruits, songs, hope, and love.



■ Credit Saison official note page "Saison no mirai kaigi"

-Concept-

<A forum to think about the happy future that lies ahead>
We will carefully deliver our large-as-life daily efforts and thoughts in
our own words.

<https://note.saisoncard.co.jp/>

The next page is about diversity, equity, and inclusion.

We decided on our diversity mark through an internal public contest. We also started a kind of initiative to think a little further into the future on our official website.

-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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Next, we will introduce a financial bonus aimed at increasing employee motivation.

This is a system whereby a certain percentage of the excess amount over the annual plan for non-consolidated ordinary income is paid as a bonus in the event that the actual results in the current fiscal year exceed the annual plan. This payment will be made in cash. This is, of course, also a measure against recent inflation. In addition to the cash payment, we would like to utilize another system called phantom stock.

Originally, this is a system to virtually grant share ownership in a company. We would like to use this as an incentive for employees to make medium- and long-term efforts to create value in the future, especially by enhancing their sense of belonging. In this regard, we would like to grant phantom stock to all employees, who we refer to as "mate employees," including part-time employees and contract employees.

Financial education for the next generation

- Education for the Next-Generation and Financial Education
“Business trip class~SAISON TEACHER ~”
Hold financial education for children to become independent consumers



<Results> No. of classes: 204/No. of participants: 10,081*Results from December 2019 to September 2022

Signing ceremony for education partnership agreement at Reitaku University (August 2022)



< Activities >

1. Participation and cooperation by our employees in open college courses, project planning and management experience, active learning, problem-based learning (PBL), etc.
2. Introduction of “Business trip class ~SAISON TEACHER~”
3. Implementation of “Reitaku University original credit card project”
* Faculty of Economics and Business Administration class for planning and issuing a Reitaku University original credit card
Promotion of marketing, sales promotion, and advertising, etc. with Credit Saison employees

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The next page describes our next-generation financial education activities.

We already have a program called SAISON TEACHER, in which our employees go directly to schools to provide financial education, mainly to middle and high school students. So far, about 10,000 students have already participated in this program.

We have also concluded an educational collaboration agreement with Reitaku University in August 2022.

We promote this type of education for the next generation, particularly in the field of financial education, which has recently been called for. Our main focus through this initiative is to realize safe and secure payments by credit card. In this context, we would like to expand this education, especially in the area of payments, with our own employees actively going to schools and teaching students.

You can find the rest of the information in the reference pages.

This concludes our presentation.

Moderator: Thank you very much.