



CSDX Strategy

Credit Saison Co., Ltd.

Customer Experience

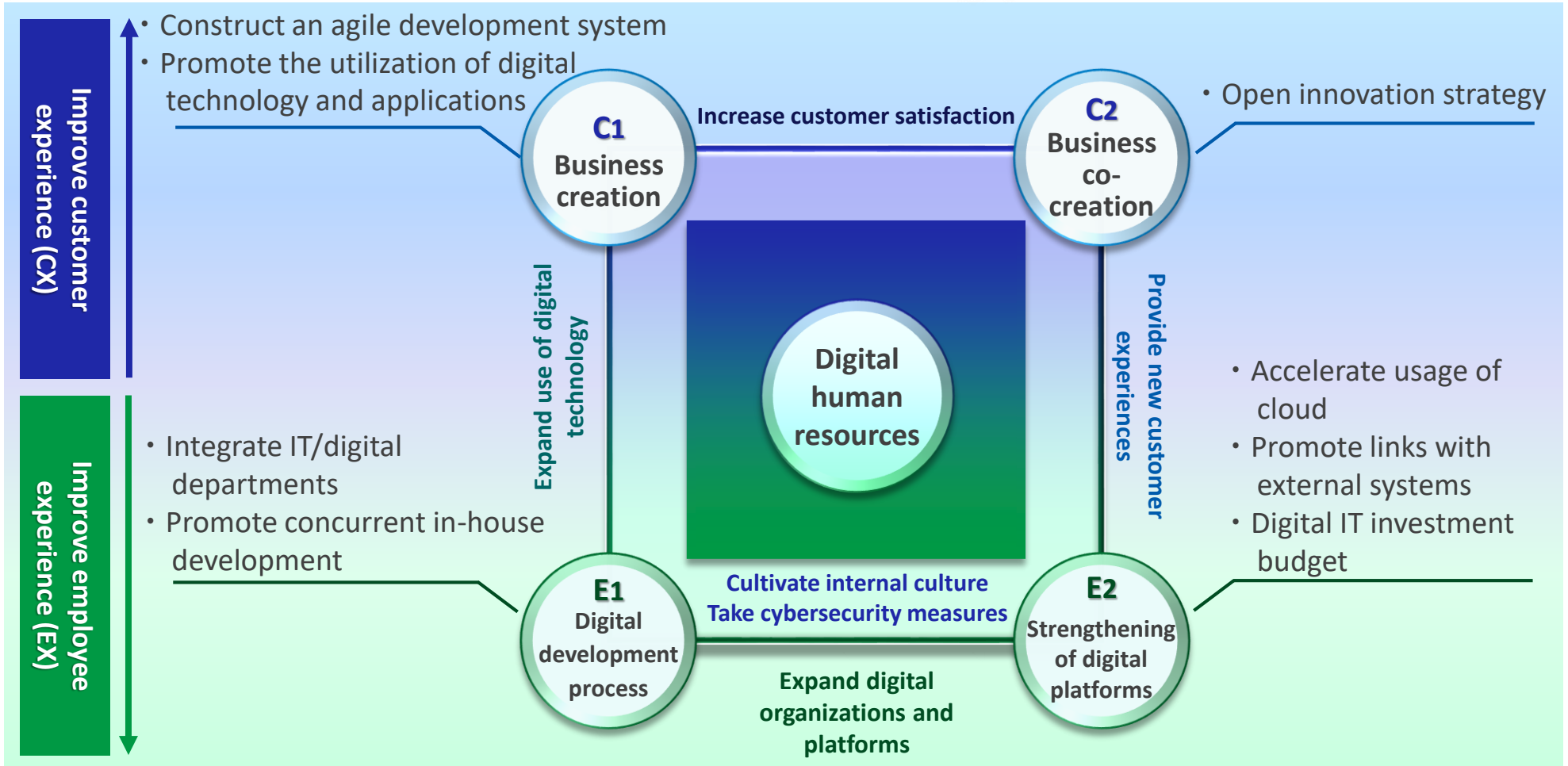
Create a thrilling experience for customers

Employee Experience

Convert the experience of employees

Aim to be a corporation that leads the digital era by using digital technology to transform/convert businesses and provide thrilling experiences that exceed expectations

CSDX Strategy



Promote Bimodal Strategy

- Promote a **bimodal strategy** that coordinates both the development of **Mode 1, which emphasizes stability** appropriate for areas where failure is not tolerated, and the development of **Mode 2**, which emphasizes speed and **responds quickly** to the changing times.

	Mode 1	Mode 2
Timing	Post facto	Advance
Characteristics	Emphasizes stability	Emphasizes speed
Development Method	Waterfall	Agile
Application Example	ERP, SCM	CRM, MA
Managing Department	Centralized management by IT department	Decentralized management by user department
Target Work	Forecastable work	Exploratory work
Metaphors	Samurai: Defends territory and compensation to death	Ninja: Search for some sort of advantage
For Who?	Operators	Innovators
Items of Emphasis	Efficiency, ROI	Novelty, large return
Compared to Driving	Safe driving that minimizes risks	Driving that emphasizes speed
Management	Top-down	Bottom-up
Scale	Large	Small
Advantage	Leadership, execution	Mobility, flexibility

Partially excerpted from ZDNet "Aim of Corporate IT 'Bimodal' Brought by Digitalization of the Economy"
<http://japan.zdnet.com/article/35075658/>



Why Promote In-House Development?

- In the past, system development at operating companies was often outsourced to external vendors. This creates the issue of development that relies on external vendors.

Issues of Development Relying on External Vendors

1. Slow speed, high cost

- Multiple subcontracting structure for development and occurrence of large amount of indirect work

2. Rigidity of requirements

- Unable to flexibly respond to reconfiguration of requirements, editing of policies, etc.

3. Know-how does not remain

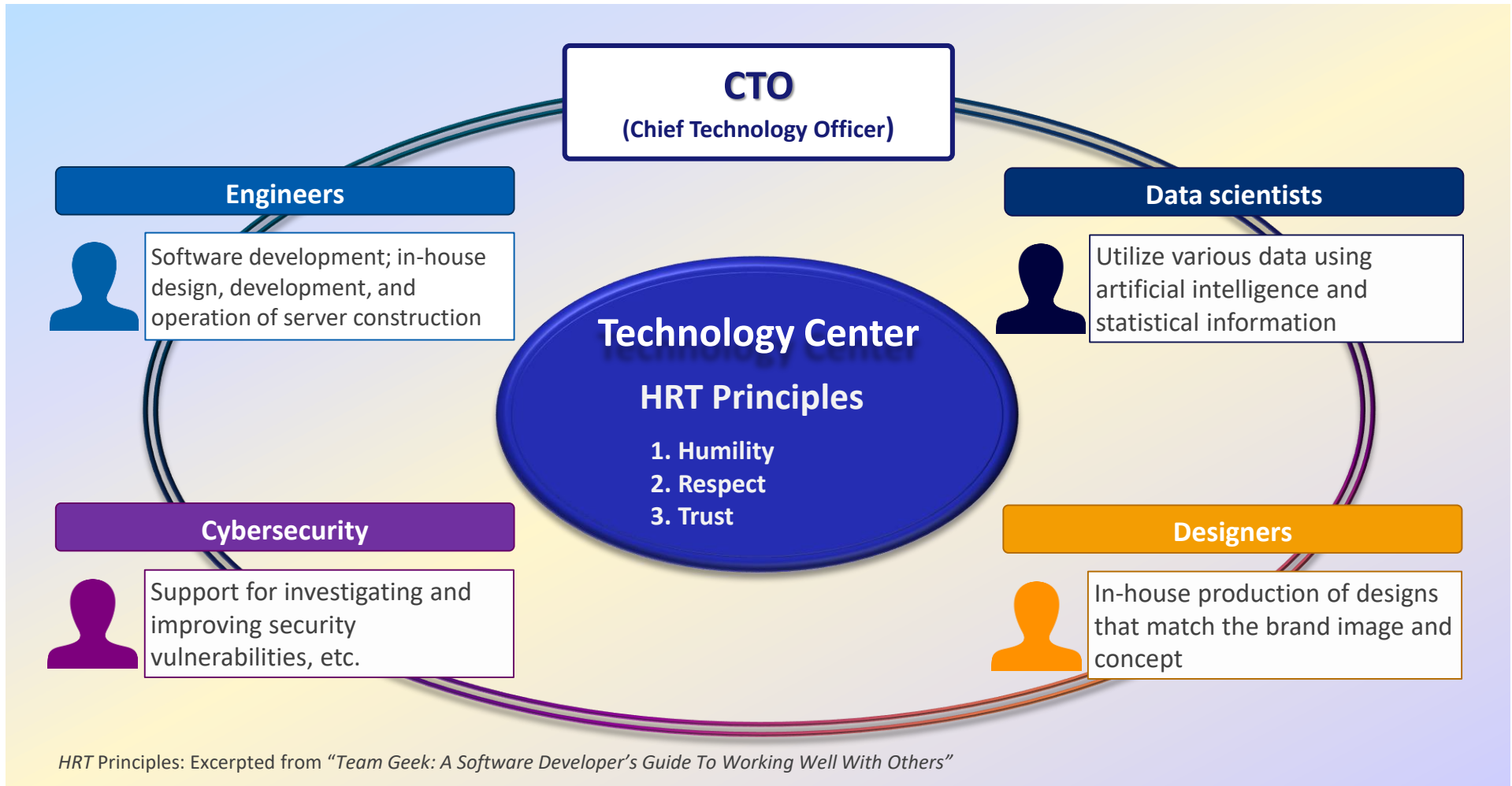
- Development knowledge is not internalized in the Company



Digital Human Resource

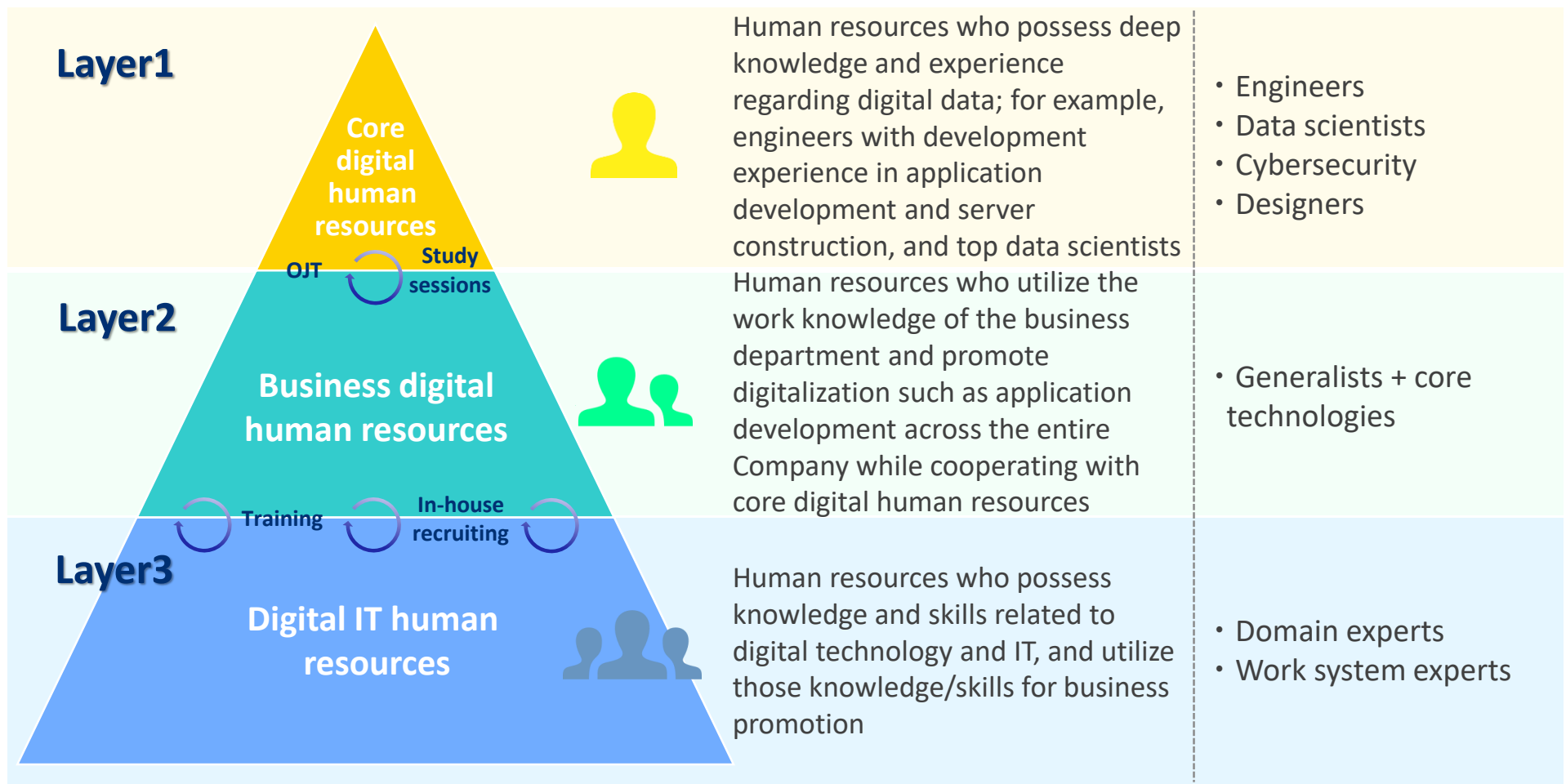
Establish Technology Center to Promote CSDX

- Internally hire digital human resources such as engineers from venture companies and data scientists
- With the CTO in charge, establish a Technology Center to promote CSDX across the entire Company



Promote the Cultivation of Digital Human Resources

- Define digital human resources in three levels according to knowledge/skills related to digital technology and data
- Promote the **cultivation of digital human resources** by expanding the training system and reforming the organizational structure



CSDX Strategy

E1. Digital Development Process

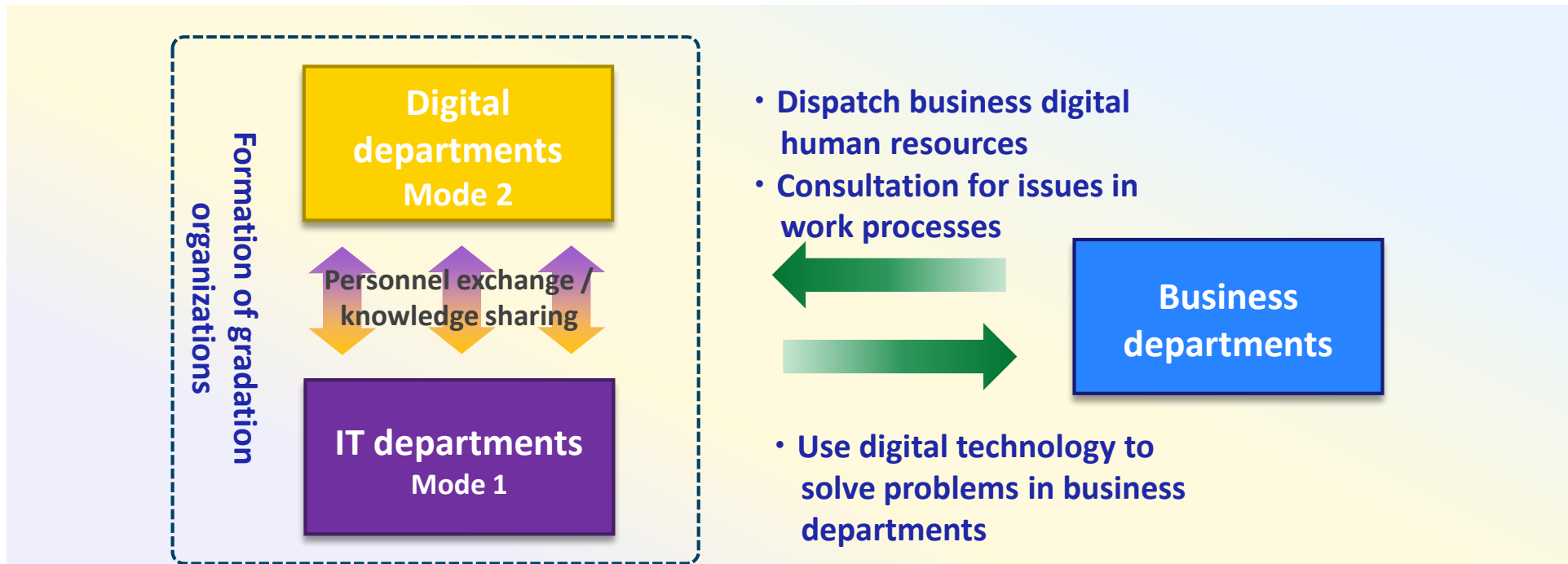
E2. Strengthening of Digital Platforms

C1. Business Creation

C2. Business Co-Creation

E1: Integration of IT and Digital Departments

- Formulate gradation organizations that integrate digital departments and IT departments
- Achieve an IT/digital organization that supports both Mode 1 and Mode 2 in a bimodal system



Personnel system for expanding/strengthening gradation organizations and digital human resources

Open Challenge

Recruit transfers to digital departments on a request basis and cultivate digital skills from scratch

CS Academy

CTO holds seminars for all employees to share digital strategies and digital skills

SWITCH SAISON

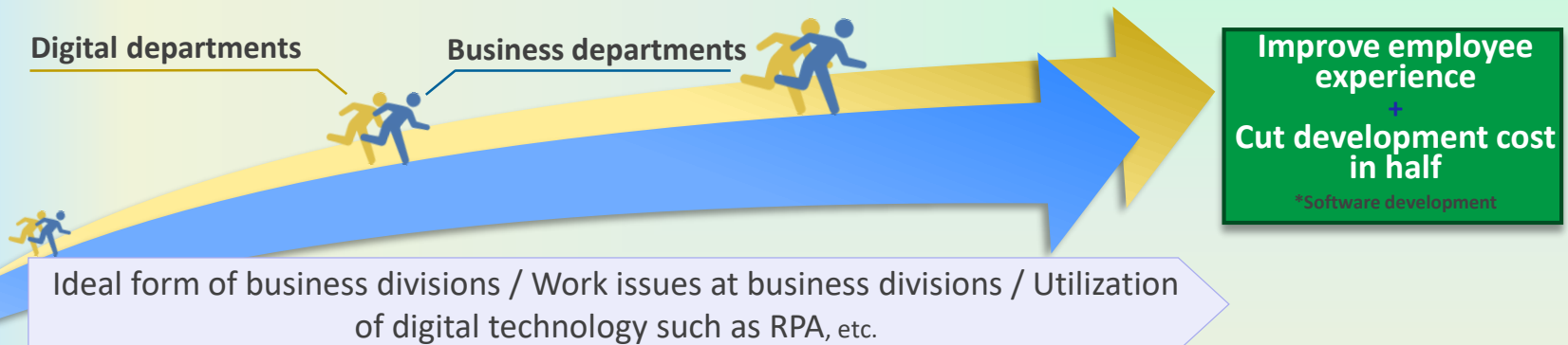
Implement an in-house venture system that allows employees to freely propose new businesses

E1: Achieve Concurrent In-House Development

- By utilizing the business knowledge possessed by business digital human resources and the acquired digital technology, and by incorporating this knowledge/technology into the field, **achieve concurrent in-house development in which development is integrated with business departments.**

Development that completely integrates creators (digital departments) and those who wish to use the creation (business departments)

Concurrent in-house development



What is concurrent in-house development?



A system in which human resources at digital departments in charge of software development and business departments that promote each business are united to promote development while exploring the form of systems that will lead to problem solving.

E1: (Example of Concurrent In-House Development)

In-House Development of Internal Systems

- In concurrent in-house development, we quickly construct systems that lead to problem solving in business departments, and promote system development while repeatedly reviewing the development content with business departments

Examples

Issues	The work knowledge in each department is personalized to specific individuals, and inquiries are responded to verbally	The number of manuals related to credit cards is enormous. This makes it difficult to search for the required manual
Concurrent In-House Development	Construct an FAQ system that aggregates work knowledge FAQ System 	Construct a manual system that can be searched easily Knowledge System 
Effect	<ul style="list-style-type: none">Free up work assigned to specific individuals by aggregating work knowledgeSimplify sharing of work knowledge across departments	<ul style="list-style-type: none">Shorten manual search timeImprove response to customers when handling inquiries

Development period: 3 months

CSDX Strategy

E1. Digital Development Process

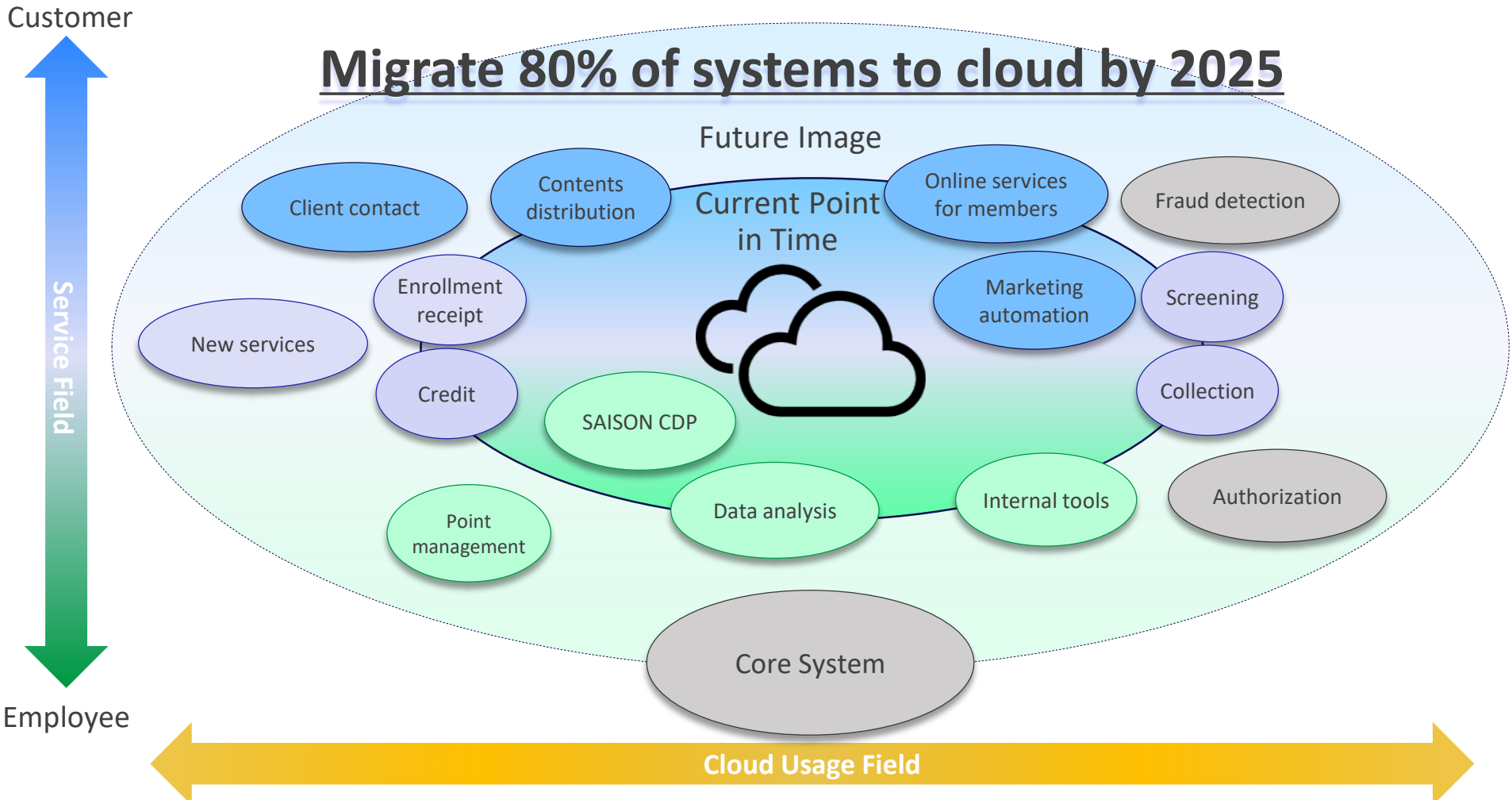
E2. Strengthening of Digital Platforms

C1. Business Creation

C2. Business Co-Creation

E2: Accelerate Usage of Cloud

- Actively use cloud technology such as AWS and promote the development of new cloud-first services
- Moving forward, we will carry out systematic migration and **migrate 80% of systems by 2025**



E2: Promote Links With External Systems

- Promote cooperation with external systems for the purpose of communication, data utilization, etc.



- Introduced Slack, a message platform for businesses, company-wide with the aim of promoting open communication among employees.
- Digitally construct an environment where it is possible to freely speak and give opinions across affiliations and departments



- Use Treasure Data CDP to construct private DMP
- Provide corporate marketing solutions as "SAISON CDP"



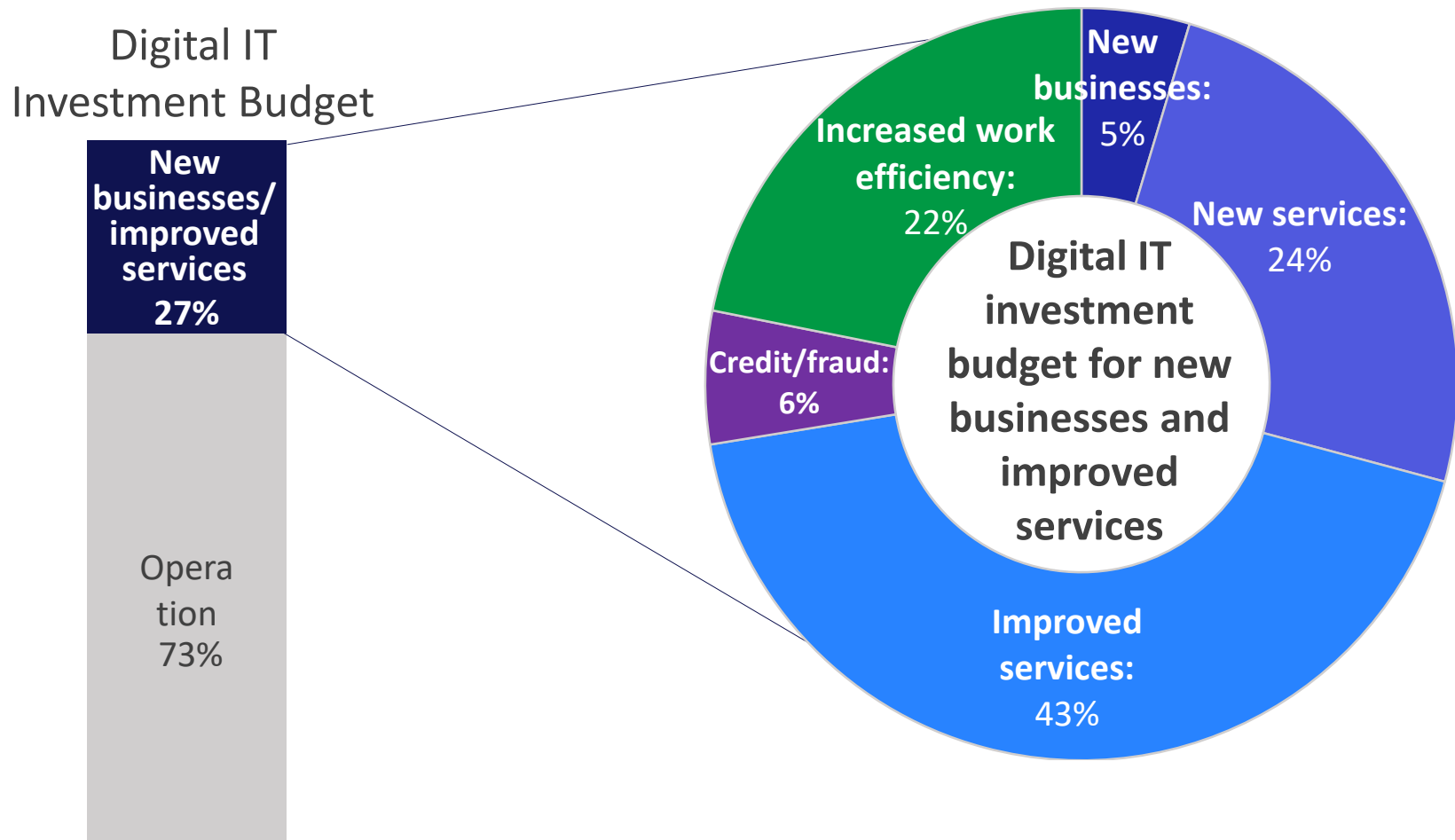
- Introduce DataRobot to increase the sophistication of credit for card credits, etc.
- Use AI to predict good customers and risk concerns from among cardholders



- Introduce a data analysis platform in the cloud to improve system linkage and data freshness
- Achieve real-time data ascertainment when utilizing data

E2: Digital IT Investment Budget

- Manage digital IT investment budget across business divisions and plan investment budget
- Secure an investment budget for flexible investment in new businesses and improved services



CSDX Strategy

E1. Digital Development Process

E2. Strengthening of Digital Platforms

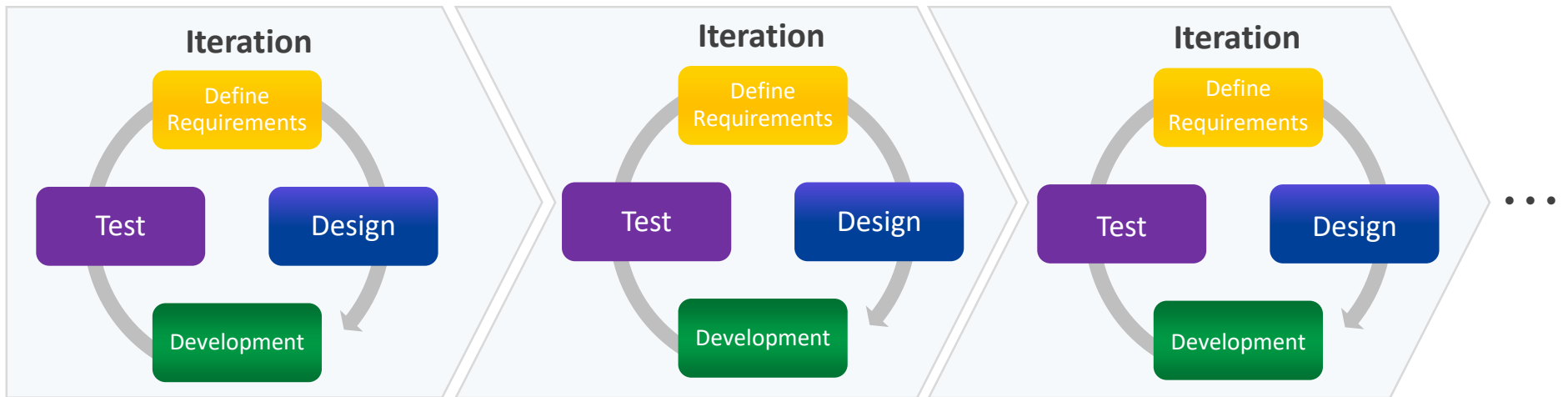
C1. Business Creation

C2. Business Co-Creation

C1: Construction of Agile Development System

- For services and products that heighten the customer experience by making quick improvements, form a team with the business departments and Technology Center to **construct an agile development system**

Agile Development



Agile Development System: Representative Services

Saison Portal



Exceed 7 million downloads

Saison's Otsukidama



Increase official Twitter followers by 20 times

SAISON CARD Digital



Exceed 150 partners within 9 months of release

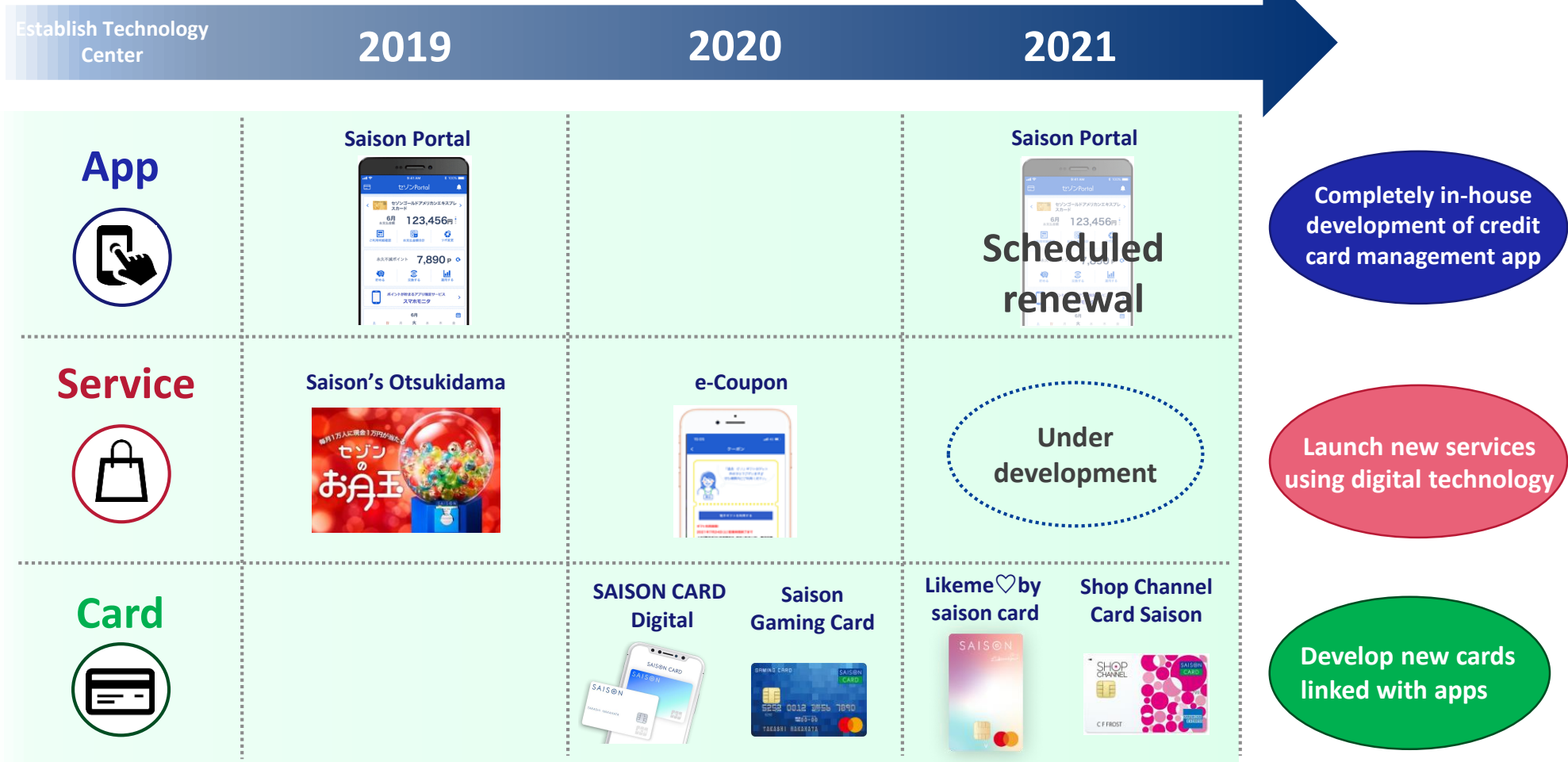
e-Coupons



Expand awareness of benefits

C1: Promote the Utilization of Digital Technology and Applications

- By achieving complete in-house development of credit card management apps, we will launch in a short period of time new services and credit cards that use apps and digital technologies in order to improve the customer experience



C1: Saison's Otsukidama

- App is used to issue lottery tickets in conjunction with card use and hold lotteries. 10,000 yen in cash is sent to winners.
- Create a customer experience that uses digital technology to provide ease of use and speed, and cash to provide a fun and happy experience

Digital customer experience

≡ Ease of use/speed



Use the app for lottery tickets and lottery confirmation

Saison's Otsukidama



Real customer experience

≡ Fun/happy

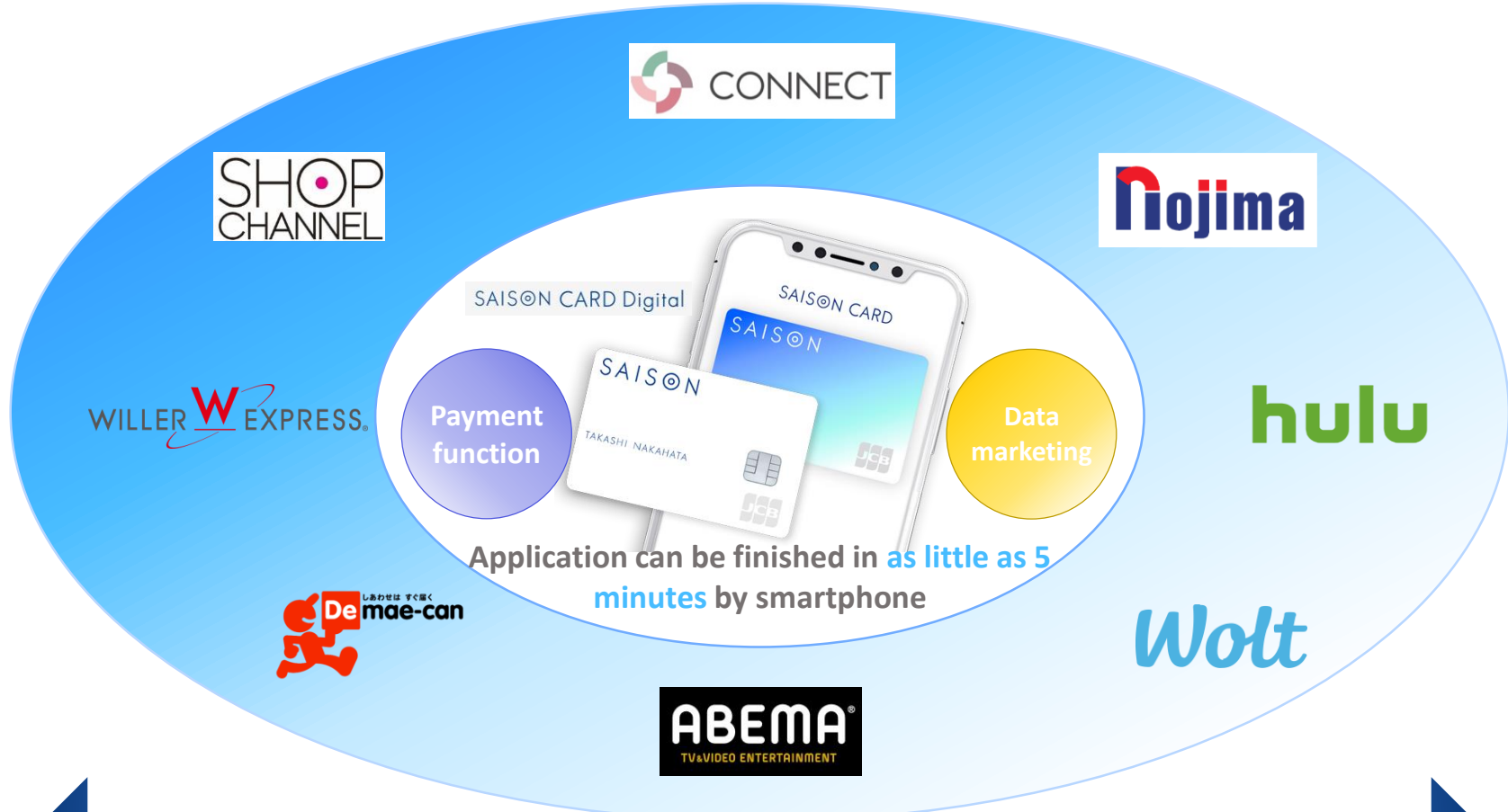


Send cash to provide thrills to our customers

Integration of digital and real customer experiences

C1: SAISON CARD Digital

- Launch SAISON CARD Digital, which makes it possible to complete application by smartphone and make immediate payments, and promote alliances by providing payment functions and data marketing to corporations in different industries



Conclude and expand alliances with more than 150 companies *As of August 31, 2021

CSDX Strategy

E1. Digital Development Process

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C2: Open Innovation Strategy

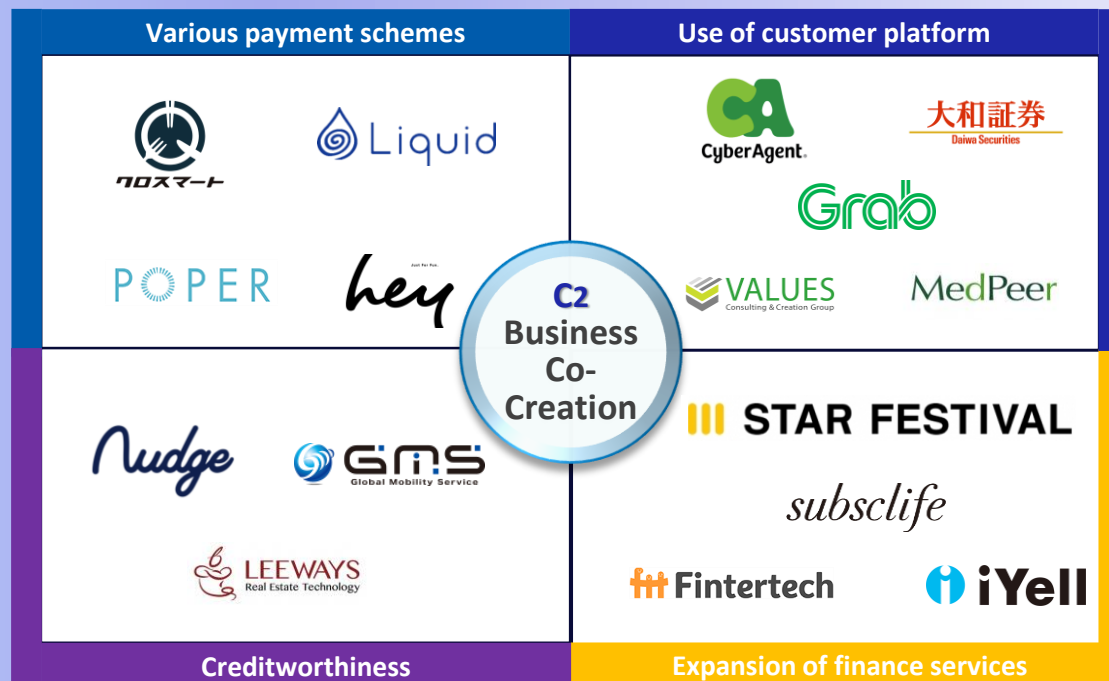
- Promote an open innovation strategy aimed at building an ecosystem with venture companies; for example, establishing corporate venture capital (CVC) at domestic bases and overseas bases

Open Innovation Strategy

Domestic Investment



Overseas Investment

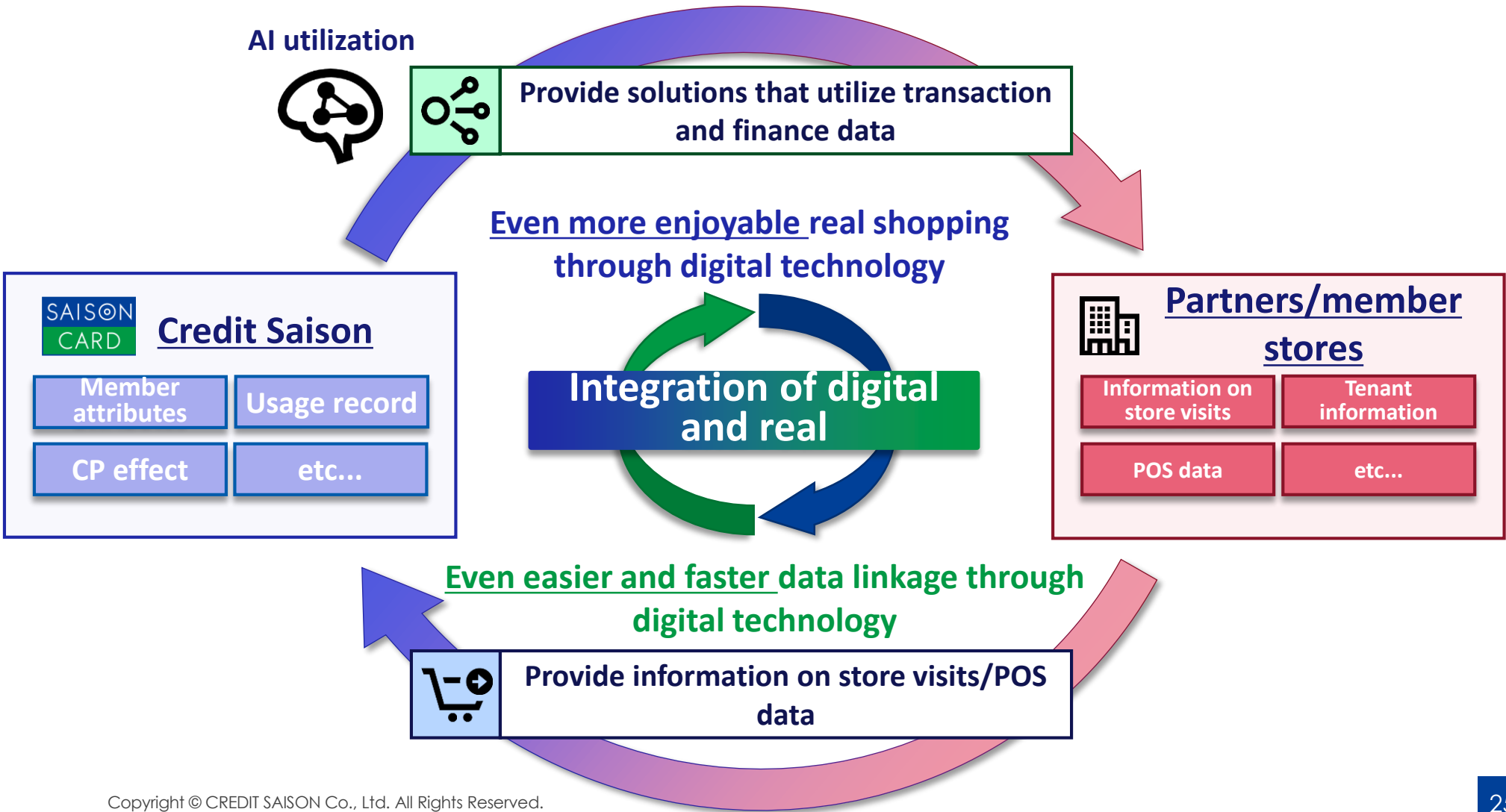




Ideal Form of Using Digital Technology

Construct Data Ecosystem

- Construct a data ecosystem that fuses digital technology and real products in order to create innovative customer experiences

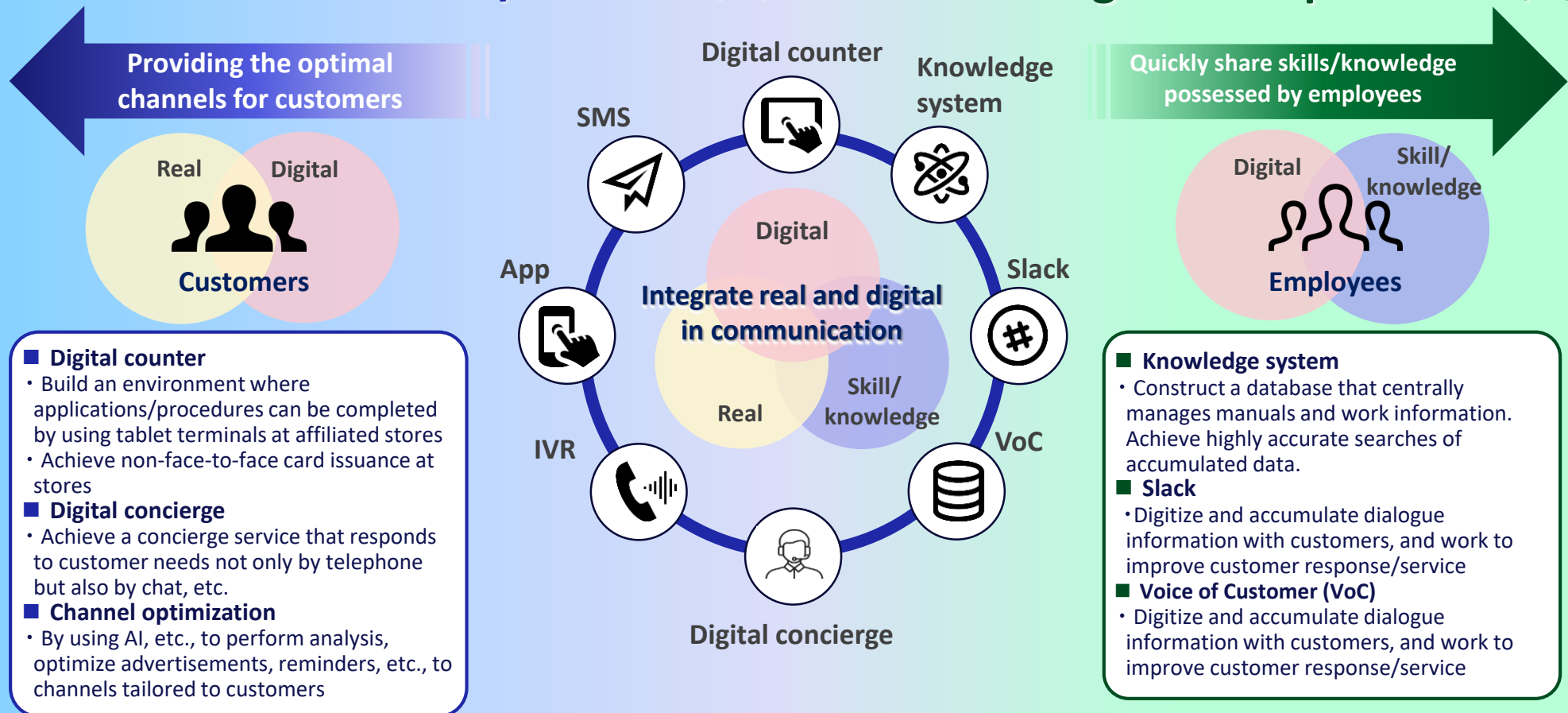


Achieve Omnichannel Communication

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

Maximize customer experiences (CX)

Maximize growth experiences (EX)



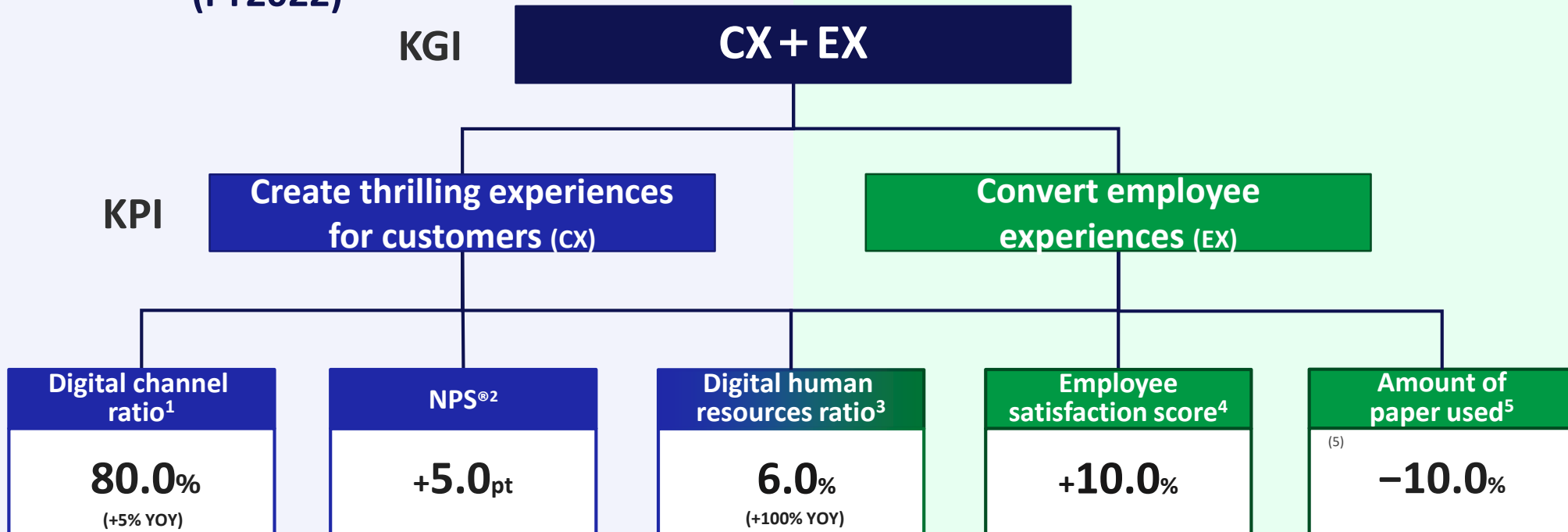


Promote CSDX

CSDX Promotion Indices (FY2022)

- Set CSDX promotion indices to create thrilling experiences for customers (CX) and convert employee experiences (EX)
- Achievement status of the CSDX promotion index is confirmed twice a year (September/March) at the CSDX Promotion Meeting

CSDX Promotion Indices (FY2022)



Notes:

1. Digital channel support ratio in credit card and finance businesses

2. NPS® is a registered trademark of Bain & Company, Fred Reichheld, and Satmetrix Systems.

Source: NTT Com Online NPS (R) Benchmark Survey 2021 Credit Card Division, Benchmark Survey 2020 Credit Card Division, etc.

3. Number of digital human resources (Layer 1 to Layer 3) ÷ Total number of employees

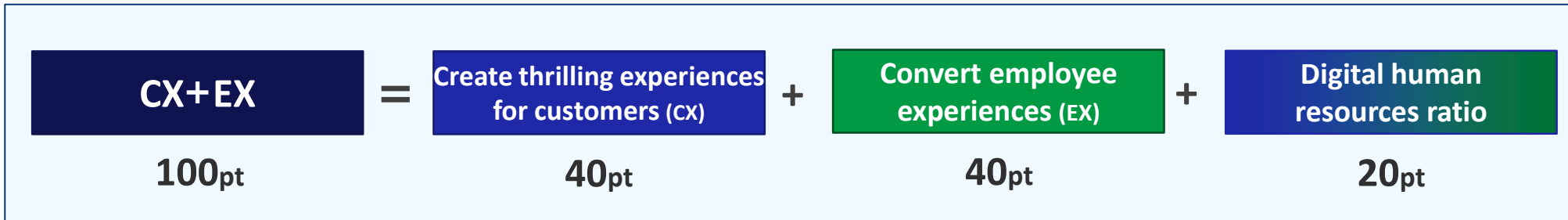
4. Investigate satisfaction with questions about sense of cooperation, motivation, and information sharing

5. Paper usage in credit card and finance business operations

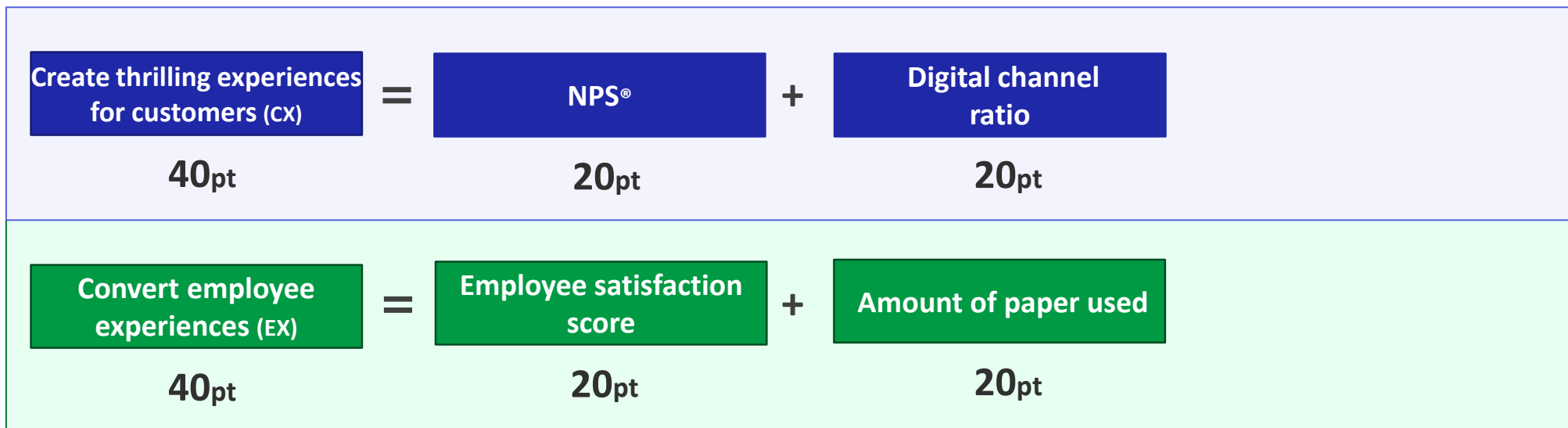
CSDX Promotion Indices: Evaluation Criteria

- The achievement level of CSDX promotion indices is evaluated using a maximum score of 20 points according to the achievement level in contrast to the target value
- KGI is evaluated with a maximum of 100 points, which represents the total achievement of KPIs

KGI

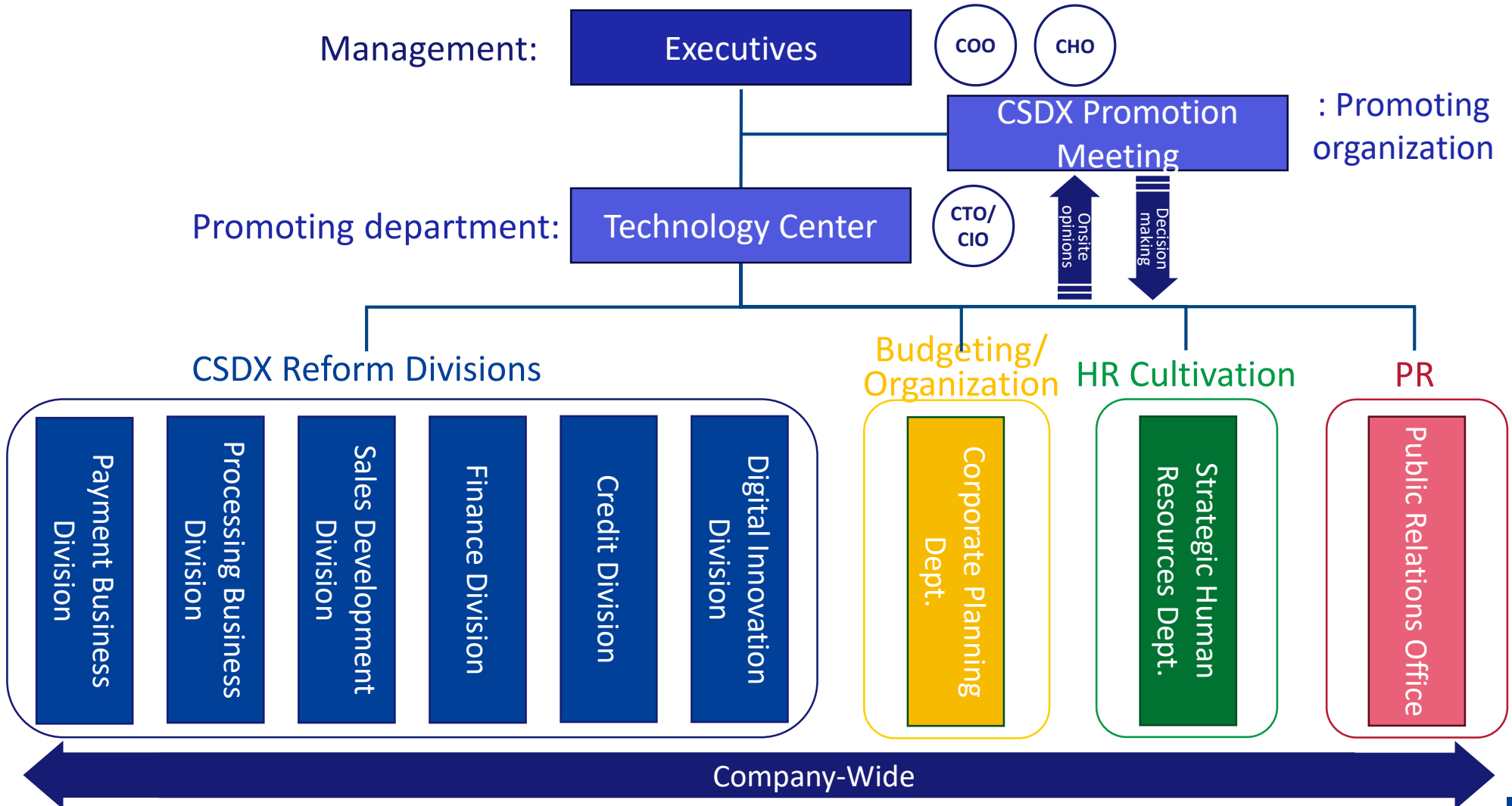


KPI

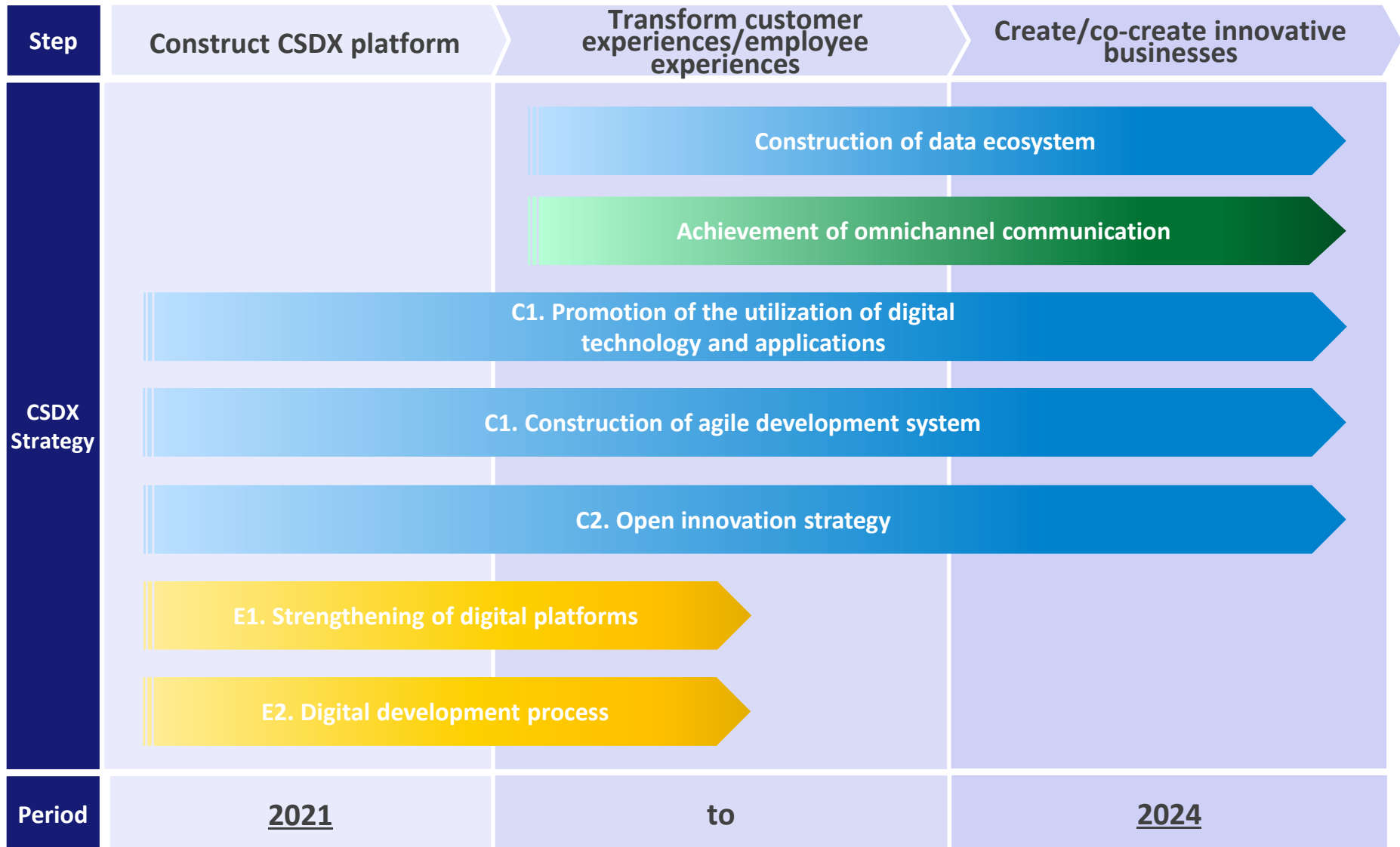


CSDX Promotion System

- Use the following system to promote CSDX Company-wide in order to achieve the CSDX VISION



Road Map for CSDX VISION





CSDX Promotion Indices: Explanation



CX + EX

: Create thrilling experiences for customers (CX) + Convert employee experiences (EX) + level of achievement for digital human resources ratio

Create thrilling experiences for customers (CX)

: Digital channel ratio + Degree of achievement for NPS

Digital channel ratio

: Number of supported digital channels ÷ Number of inquiries from customers

NPS®

: Improvement of indices that quantify the degree of attachment and trust in companies and brands

Digital human resources ratio

: Composition ratio of digital human resources (Layer 1 to Layer 3) among all employees

Convert employee experience (EX)

: Level of achievement for “level of employee satisfaction + amount of paper used”

Employee satisfaction score

: Investigate level of employee satisfaction with questions about sense of cooperation, motivation, and information sharing

Amount of paper used

: Paper usage in credit card and finance business operations

Reference: Cost Reduction Effect of In-House Development

- If software development is switched from vendor outsourcing to in-house development (including some vendor support), development cost can be reduced to less than half
- Switch from vendor outsourcing to in-houses development according to the priority and importance of development projects

[Example]

	Vendor outsourcing (1)	In-house development (2)		Difference (1) – (2)
		Vendor support	In-house development	
Software Development A	¥7.0 million	¥2.0 million	¥4.0 million	-
Software Development B	¥27.0 million	¥8.0 million		
Total	¥34.0 million	¥14.0 million		-¥20.0 million



Software development costs can be reduced to less than half
in areas that have been switched to in-house development