

# 67<sup>th</sup>

## Business Report

Credit Saison Co., Ltd. Business Report  
67th Fiscal Term (April 1, 2016 - March 31, 2017)

時代を超えて受け継がれる、永久不滅の輝き。



PLATINUM 20,000円(税抜)/Invitation Only



GOLD 10,000円(税抜)



BLUE 3,000円(税抜)



PEARL 1,000円(税抜)/カードご利用で無料

SAISON AMERICAN EXPRESS® CARD  
至高のサービス・圧倒的なポイントプログラム セゾンカード革新のラインナップ

SAISON  
CARD  
INTERNATIONAL



永久不滅  
ポイント



# Changing the business model by creating new innovation to continue being a growth company for the next decade

June 2017

Hiroshi Rinno, President and CEO

Dear Shareholders:

In our business vision, we aim to become a “Neo Finance Company in Asia.” Based on our management philosophy of striving to always be a leading-edge service company, and by leveraging our corporate assets, i.e., our strengths in the form of expertise in the card business accumulated for over three decades, our customer base of 36 million people, our innovative products and services as well as a vast array of alliance partners, we will continue to provide optimum solutions to all individuals and companies through the development of diverse business segments and that of strategic products and services centering on financial services.

As for the business results for the 67th fiscal term (April 1, 2016 – March 31, 2017), we promoted cashless payments in personal consumption focusing on credit cards and prepaid cards, as well as introducing new settlement services including “Apple Pay,” in addition to expanding our customer base by acquiring new cardmembers.

As for initiatives to lock in settlements in the corporate market, we worked to support the cashless settlements of various transactions made by companies and improve the efficiency of back-office operations by providing optimal solutions that match company size and corporate needs.

In addition, we undertook the development of new economic areas by enhancing the platform for Eikyufumetsu Points, including the launch of the Point Investment Service that enables the simulated experience of long-term investment using Eikyufumetsu Points, and the provision of Eikyufumetsu Points to prepaid cards for the first time for the Visa Prepaid Cards issued by or partnered with JAPAN POST BANK Co., Ltd. and JAPAN POST Co., Ltd.

Furthermore, we accelerated the development of a business model that will become a new earnings source by developing new businesses with leading Internet companies, including building Saison DMP, a marketing platform utilizing big data held by Credit Saison, and establishing DG Lab, an open-innovation-type research and development organization. We will also offer asset management services optimized for each individual customer by initiating services such as discretionary asset management (robo-advisor) services for individuals called MSV LIFE, which utilizes cutting-edge IT technologies and global-standard financial literacy offered through Monex-Saison-Vanguard Investment Partners, Inc.

On the other hand, we are pushing ahead with the diversification of our earning capacity to include sources that are not dependent on the card business, through the promotion of lease, credit guarantees, Flat 35, asset formation loans and other financial products. In Asia, we worked to expand the retail finance business through strategic partnerships with local companies in Vietnam and Indonesia.

As a result of the foregoing, consolidated operating revenue was up 3.3% year on year to ¥278.944 billion, consolidated ordinary income increased 21.1% year on year to ¥53.065 billion and profit attributable to owners of parent increased 61.5% year on year to ¥42.253 billion.

Looking ahead, we will continue to pursue “collaborative management” that helps improve customer convenience and expand partner merchants’ sales and strive to expand our business segments that translate into sustainable growth, and thereby maximize corporate value.

Lastly, I would like to ask for our shareholders’ continued use of a wide range of Saison cards—including Saison American Express® Card as a groundbreaking card with prestige—and UC Cards, as well as their unchanging support for Credit Saison.

Photo by Motoyuki Ishibashi

## Midterm business vision (Neo Finance Company in Asia)

We will recreate ourselves into a company that can permanently grow by providing optimum solutions that meet customers’ needs on an ongoing basis as a leading-edge service company. We will ensure competitiveness by making changes to the existing business model through innovation with a sense of urgency instead of continuing along the current lines, and take on the challenge of becoming a “Peerless New Finance Company in Asia.”

## Midterm business target

By putting the slogan “Realize innovation and business model change” into practice, we will aim to achieve consolidated ordinary income in the amount of ¥60 billion for fiscal 2018.

Indonesia

Thailand

Singapore



## Card Business



### Expanding Customer Base and Increasing Transaction Volume

We continuously endeavored to solicit enrollment for affinity cards such as Saison American Express® Card and Mitsui Shopping Park Card Saison, and worked on structural reform of solicitation methods utilizing web channels and tablets. As a result, our customer base expanded to a total 26.46 million cardmembers, up 3.3% from the previous fiscal year-end. We also undertook initiatives to increase card transaction volume including executing campaigns to revitalize card use mainly targeting partner merchants and pitching diverse payment methods including revolving credit repayment plans and seasonal bonuses to pay down outstanding debts. Consequently, card shopping transaction volume grew 5.1% year on year to ¥4,476.6 billion and the card shopping revolving credit balance increased 12.4% from the previous fiscal year-end to ¥380.8 billion.

### Promoting Cashless Payments through Prepaid Cards

We started to issue prepaid cards in 2011, in addition to credit cards, and now offer a diverse range of prepaid cards including NEO MONEY for travelers which can be used both in Japan and abroad, and COCOKARA CLUB CARD with an international brand name which can be used for shopping both in Japan and abroad. We entered into a partnership with PARCO CO., LTD. and issued PARCO PRICA in December 2016. In addition, in January 2017, we accepted the contract for the development and operations of systems for the "mijica" Visa prepaid card issued in Sendai City and Kumamoto City by JAPAN POST BANK Co., Ltd. and JAPAN POST Co., Ltd. As a result of the aforementioned enhanced product functions and increased lineup, the total number of prepaid cards issued exceeded 38 million, thus strongly promoting cashless payments.

### Promoting Cashless Settlements in the Corporate Market

Having formed an operation tie-up with Concur Japan, Ltd., the provider of cloud-based expense settlement solution Concur, we worked to substantially reduce expense settlement workloads by combining our corporate cards and corporation cards with Concur. In addition, we expanded the marketing of Saison Platinum Business American Express® Card, a business card tailored to meet individual proprietors' needs for the settlement of business expenses, and started offering of Saison Smart Transfer Service, which reduces transfer fees for the purpose of improving the efficiency of indirect operations in companies, especially small and medium-sized enterprises and individual proprietors. As a result of providing such optimum solutions matching company size and corporate needs, corporate card transaction volume grew 20% year on year.

transaction volume steadily by deploying the installment credit business centering on loans for motorcycles and home appliances. In Indonesia, PT. Saison Modern Finance is mainly engaged in the leasing business for the group companies of PT. Modern Internasional Tbk., a joint venture partner, whereas it now also promotes the development of new partners and the expansion of the product lineup including service provision to non-group companies. We will continue to promote entry into finance markets in neighboring Asian countries such as the Philippines, Malaysia, Thailand, Myanmar and India.

## Internet Business

### Challenging Transformation of Business Models by Leveraging Big Data Platform

We endeavored to increase Internet members continuously from the previous year; as a result, the number of Internet members grew 10.8% from the previous fiscal year-end to 13.86 million. The number of smartphone app downloads is also increasing, promoting the use of Internet services overall. In May 2016, we established Saison DMP (Data Management Platform), a big data platform for facilitating the data accumulated so far, in an effort to enhance the value-added business model, including the timely distribution of information to cardmembers and the expansion of the advertisement business. Furthermore, we established DG Lab, an open-innovation-type research and development organization, in July to promote the change of the existing business model. We are also making ongoing efforts to build a new business model by leveraging our corporate assets, including making agile investments in and forming business alliances with venture companies through our corporate venture capital fund Saison Ventures Co., Ltd.



## Investment



### Establishing a Position in the Asset Management Market

In December 2016, we launched the Point Investment Service that enables the simulated experience of long-term investment using Eikyufumetsu Points. With strong support for the innovative aspect of said service where the balance of Eikyufumetsu Points fluctuates according to actual investment performance of mutual funds, the number of users of said service exceeded 40,000 with the balance of investment exceeding ¥304 million (as of May 22, 2017). We aim to provide an opportunity for users to experience the price fluctuation of long-term investment and thereby take a step forward to actual investment. Saison Asset Management Co., Ltd. is supported by over 120,000 customers after a decade since its launch of operations. Last year, it launched product distribution at JAPAN POST BANK Co., Ltd., in addition to the offering of a defined contribution pension plan for individual customers. On the other hand, Monex-Saison-Vanguard Investment Partners, Inc., which was established in 2015, has shown steady growth, as it has launched MSV LIFE, a robo-advisor service for individual customers, as well as started asset management services for institutional investors.

## Finance Business

### Lease & Rental

We provide finance leases, business-use installment sales, and rentals mainly for office automation (OA) equipment, communication equipment, LED lighting and the like in accordance with the capital investment plans of business operators. While leveraging to the fullest our strengths of credit assessment know-how and speed in setting credit limits, we worked to reinforce our trust-based relationships with existing mainstay partners through implementation of joint campaigns, etc. and to strengthen our marketing to new priority partners. This resulted in the balance of receivables held to increase 1.2% from the previous fiscal year-end to ¥285.1 billion. Going forward, we will take on the challenge of drawing on business trends such as those in the POS cash register peripherals market based on the expansion of cashless settlements, as well as creating new earnings sources.

### Credit Guarantee

Centering on guarantees for non-secured personal multi-purpose loans, we work in close cooperation with partner financial institutions in terms of both sales and administration, while endeavoring to establish a meticulously planned collaboration structure, including implementing financial product study sessions, for the promotion of personal loans. In addition to simple application procedures completed via the website and quick screening, these loans are popular because of their versatility, as they can be used for business finance and a range of other purposes. The business is expanding with the number of partner financial institutions standing at 403, up 11 from the previous fiscal year-end, and the balance of credit guarantees increased 12.2% from the previous fiscal year-end to ¥334.1 billion.

### Finance

Flat 35 provides support in purchasing a home as Home Loan Packages including Saison Home Assist Loan which meets financing needs of various costs upon purchasing a home. Rapid credit screening, flexibility in responding to customer needs, and the sense of reassurance we have cultivated through our card businesses were recognized, resulting in the loan balance after the transfer of receivables to the Japan Housing Finance Agency (JHF) climbing 26.6% from the previous fiscal year-end to ¥450.2 billion. As for Saison Asset Formation Loans, the strengthening of collaboration with our partners through study sessions and product features customized to market needs resulted in the loan balance surging 71.8% from the previous fiscal year-end to ¥216.9 billion.

## Work Life Design

### Realizing an Organization where Everyone Plays an Active Role

We promote diversity and inclusion with the aim of realizing an organization where every employee takes an active role. As major initiatives, we have undertaken support activities for women to take active roles, self-development support for the growth of every employee, and reform of the mode of work to improve productivity. We have provided career development measures in supporting women to take active roles and introduced CANVAS, a development support program utilizing a cafeteria plan, in self-development support. Also, we have introduced telework on a trial basis at several sections in the reform of the mode of work which also led to expanding the employment of persons with disabilities. In addition, the Saison Work-life Design Section—a cross-divisional department consisting primarily of volunteering employees—is promoting mode-of-work reforms from the bottom up, namely in operating the web media SAISON CHIENOWA.



## CSR

### Our Unique Social Contribution Activities

Credit Saison has developed an environment that enables cardmembers to participate in social contribution activities through donations by way of the exchange of Eikyufumetsu Points or card settlement, such as the provision of aid to large-scale disasters, donations to the Animal Protection Center Construction Fund in collaboration with Kanagawa Prefecture and donation activities for the iPS Cell Research Fund run by the Center for iPS Cell Research and Application (CiRA). In addition to nature conservation activities for children to appreciate the magnificence authentic natural environments through the operation of Akagi Nature Park, we also participate in education programs for the students who will lead the next generation, including education programs that support the growth of junior high and senior high school students or programs that aim to deepen mutual understanding between Japanese companies and Vietnamese students.

## Asia Business

### Full-scale Entry into Retail Finance Business

We are speeding up our overseas business expansion in the rapidly-growing ASEAN market, which is expected to become a key earnings base in the future, and promoting full-scale entry into retail finance business. In Vietnam, HD SAISON Finance Company Ltd. has been expanding its

# Change for Progress.

Targeting all kinds of corporations and individuals as customers, we will achieve growth while playing a leading role in our ever-changing society by leveraging the combination of our diverse strategic resources.

Shanghai

Japan

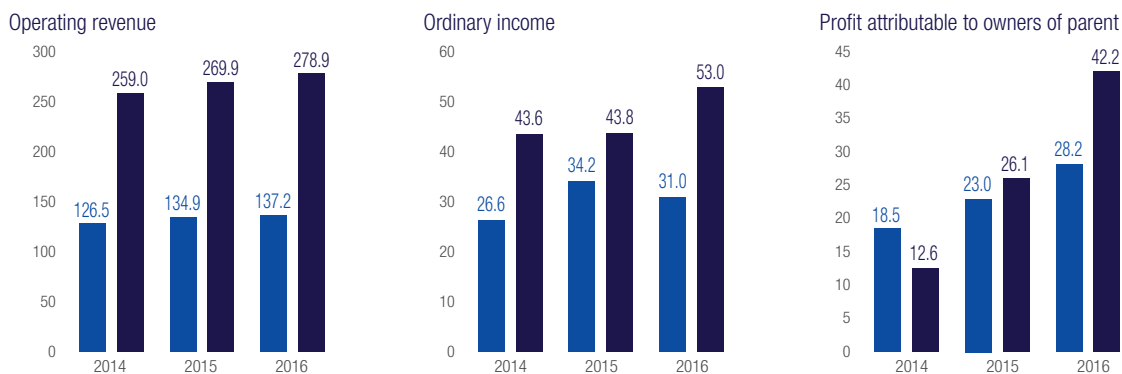
Vietnam

Malaysia

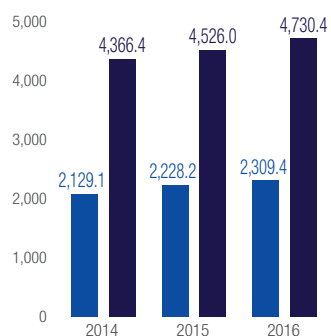


## FINANCIAL DATA

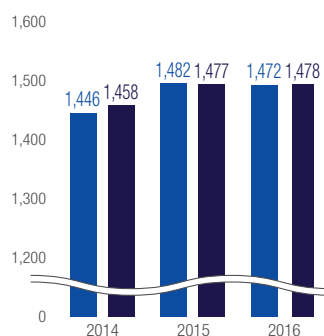
### Operating Results



### Card transaction volume (Non-consolidated)



### Active cardmembers (Non-consolidated)



During the 67th fiscal year (fiscal 2016) in Japan, Credit Saison sought to realize a cashless society through initiatives designed to offer a broader selection of settlement methods that match both individual and corporate needs. In Asia, we worked on building foundations that enable sustainable growth through efforts which included promoting the retail finance business by utilizing the know-how gained in Japan.

As for operating revenue, thanks to our efforts including the promotion of solicitation for enrollment for affinity cards in close collaboration with partner merchants and revitalization of card use focusing on partner merchants, card shopping transaction volume grew 5.1% year on year to

¥4,476.6 billion and the card shopping revolving credit balance increased 12.4% from the previous fiscal year-end to ¥380.8 billion. Further, in the finance business, due to such factors as the steady performance in terms of the balance of credit guarantees and the contribution of Flat 35 and Saison Asset Formation Loans to revenue, operating revenue increased 3.3% year on year to ¥278.9 billion.

Reflecting operating expenses, which include an increase in costs linked to growth in card transaction volume, ordinary income increased 21.1% year on year to ¥53.0 billion and profit attributable to owners of parent increased 61.5% year on year to ¥42.2 billion.

## Supporting Company

### Credit Saison will continue to support Japanese national soccer teams

Since 2001, Credit Saison has been a corporate supporter of the Japanese national soccer teams that compete on the world stage. We support SAMURAI BLUE men's team, U-23 Japan National Team, and various other national soccer teams through efforts which include joint promotions with Japan Airlines Co., Ltd. (JAL) and offers of special items available only to cardmembers in exchange for Eikyufumetsu Points. We also help children who aspire to be future representatives on Japan's national soccer teams by implementing "national flagbearer," "Welcome Kids," and other youth programs.



Starting lineup in the Men's National Team playing Oman in the ©JFA/Kirin Challenge Cup 2016 (November 11, 2016)



Starting lineup in the Men's U-23 National Team playing South Africa in the ©JFA/Kirin Challenge Cup 2016 (June 29, 2016)



Credit Saison is a supporter of Japanese national soccer teams.

## C O R P O R A T E D A T A

### Stock Information

(As of March 31, 2017)

Common Stock Authorized	300,000,000 shares
Common Stock Outstanding	185,444,772 shares
Number of Shareholders	11,782

#### Major Shareholders (Top 10)

Name	Equity stake	
	Number of Shares (thousands)	Ownership Percentage (%)
The Master Trust Bank of Japan Ltd. (trust account)	23,238	14.22
JP MORGAN CHASE BANK 385632	11,593	7.09
Japan Trustee Service Bank Ltd. (trust account)	10,479	6.41
BNYMSANV AS AGENT/CLIENTS LUX UCITS NON TREATY 1	6,694	4.10
Japan Trustee Service Bank Ltd. (trust account 9)	5,234	3.20
Mizuho Bank Ltd.	4,675	2.86
HSBC BANK PLC A/C CLIENTS 1	4,407	2.70
STATE STREET BANK AND TRUST COMPANY	3,927	2.40
THE TACHIBANA SECURITIES CO., LTD.	3,900	2.39
Trust & Custody Services Bank, Ltd. (securities investment trust account)	3,198	1.96

\*1. 22,033,143 treasury shares held by Credit Saison are not included in the above list of major shareholders.

\*2. The ownership percentage is calculated based on the number of shares outstanding excluding treasury shares.

### Corporate Information

(As of March 31, 2017)

#### CREDIT SAISON CO., LTD.

Incorporated:	May 1, 1951
Paid-in Capital:	¥75,929 million
Number of Employees:	2,289 In addition, Average Number of Non-regular Employees: 1,549 (in 7.75 hours/day equivalent)
Head Office:	52F Sunshine 60 Bldg., 1-1, Higashi-Ikebukuro 3-chome, Toshima-ku, Tokyo 170-6073, Japan
Major Businesses:	<ul style="list-style-type: none"> <li>① Credit Service Segment (credit card business, servicing (loan collection agency) business, etc.)</li> <li>② Lease Segment (lease business)</li> <li>③ Finance Segment (credit guarantee business and finance-related business)</li> <li>④ Real Estate-Related Segment (real estate business and real estate leasing business, etc.)</li> <li>⑤ Entertainment Segment (amusement business, etc.)</li> </ul>

#### Board of Directors and Audit & Supervisory Board Members

Chairman and Representative Director	Teruyuki Maekawa	Director	Masako Takeda
President and CEO	Hiroshi Rinno	Director	Yoshiaki Miura
Executive Vice President and Representative Director	Naoki Takahashi	Director	Shingo Baba
Senior Managing Director	Hiroshi Yamamoto	Director (Outside)	Yasuhiro Ueno
Senior Managing Director	Masahiro Yamashita	Director (Outside)	Reiko Yonezawa
Managing Director	Sadamu Shimizu	Director (Outside)	Kaoru Hayashi
Managing Director	Katsumi Mizuno	Standing Audit & Supervisory Board Member (Outside)	Yoshitaka Murakami
Director	Kazuhiro Hirase	Standing Audit & Supervisory Board Member (Outside)	Masaru Sakurai
Director	Akihiro Matsuda	Audit & Supervisory Board Member	Yoshiro Yamamoto
Director	Yoshihisa Yamamoto	Audit & Supervisory Board Member (Outside)	Chie Kasahara
Director	Tatsunari Okamoto		

### Shareholders' Notes

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

#### [Notice of Address Change, etc. and Inquiries Relating to Shares]

Shareholders who have an account with a securities company are asked to contact the relevant securities company regarding address change and other notices, as well as inquiries. Shareholders who do not have an account with a securities company are asked to call the number indicated above for telephone inquiries.

#### [Special Accounts]

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

