

70th

Business Report

CREDIT SAISON CO., LTD. Business Report
70th Fiscal Year (April 1, 2019 – March 31, 2020)

**Becoming a finance company advancing
with customers for 50 years**

Challenge to become a finance company advancing with customers for 50 years

Dear Shareholders:

I would like to express my appreciation for your continued support and patronage.

Let me report on the business results for the 70th fiscal year (April 1, 2019 - March 31, 2020).

Credit Saison has formulated a medium-term management plan to be carried out until the fiscal year ending March 2022 (72nd fiscal year), upholding the mission statement “Becoming a finance company advancing with customers for 50 years” in addition to our long-cherished management philosophy of being a “Leading-edge service company.” In an era of centenarians, we aim to become a true finance company that moves forward with each of our customers to continuously make dedicated proposals in line with changing customer life stages.



In the 70th fiscal year, we experienced various events in Japan, including the change to the “Reiwa Era” upon the new Emperor’s coronation, the reports of the requirement of “¥20 million in savings for retirement,” the consumption tax hike, severe typhoons and heavy rain damage, the global success of Japanese athletes, etc.

Furthermore, the global spread of coronavirus disease (COVID-19) just after the beginning of 2020 led to the declaration of a pandemic, leaving concerns about the serious impact on the global economy.

On the other hand, Credit Saison has implemented various initiatives to achieve its medium-term management plan, including the establishment of the Nomination & Remuneration Committee to ensure the fairness and transparency of personnel affairs, the consideration and introduction of the executive officer system with the aim of the prompt recruitment of talented persons and the development of management candidates, share buybacks, the revision of IR strategies and financial briefing materials, effective organizational management by changing the timing of organization and personnel changes from spring to autumn, the capital and business alliance with Daiwa Securities Group Inc., “Saison Classe,” a service that offers users class-based benefits according to their usage results, etc., and “Saison’s Otsukidama” campaign in which we give away ¥10,000 in cash to 10,000 members each month.

As a result of the foregoing, net revenue was up 2.2% year-on-year to ¥311.410 billion, business income decreased by 30.7% year-on-year to ¥36.184 billion and profit attributable to owners of the parent decreased by 25.1% year-on-year to ¥22.863 billion.

Furthermore, we will continue to improve corporate value and contribute to society by practicing the ESG management that we have been working on since the 1980s and contributing to the development of a more prosperous and convenient society.

Lastly, I would like to ask for shareholders’ continued support and encouragement for Credit Saison.

June 2020
Masahiro Yamashita
Representative, Executive President and COO

A handwritten signature in black ink, reading “山下昌史” (Yamashita Masahiro).

Payment Payment Business

New Initiatives to Increase Transaction Volume

Credit Saison has promoted growth strategies and initiatives for structural reforms in the payment business. As a result, the total number of card members decreased by 1.5% from the previous fiscal year-end to 26.39 million and card shopping transaction volume grew by 3.3% year-on-year to ¥4,946.9 billion.

In April 2019, we launched "Saison Classe," a service that rewards Saison and UC card members using the smartphone apps "Saison Portal" and "UC Portal," who were previously offered uniform services, with user class-based benefits according to their usage results. From September 2019, we commenced the "Saison's Otsukidama" campaign in which we give away ¥10,000 in cash to 10,000 members each month. As such, we endeavored to enhance our services for card users. In addition, we launched in October 2019 "Saison Cardless Payment," which allows immediate enrollment and card use via smartphone, and moreover, plan to provide a more advanced new payment service this autumn.

Furthermore, through the capital and business alliance with Daiwa Securities Group Inc. announced in September 2019, we will develop and provide "next-generation comprehensive financial services" utilizing and combining finance business know-how and customer networks based on the credit card and securities businesses.



Solution Solution Business

Aiming to Expand Transaction Volume in the Corporate Settlement Field

Credit Saison has been promoting efforts toward cashless settlement in the corporate settlement field, as well as greater efficiency in back-office operations. As a result, our shopping transaction volume in the corporate settlement field increased by 13%. In the affiliated store field, we joined the "Project for Encouraging Businesses to Introduce Cashless Payment



Systems and Pass on Benefits to Consumers" run by the Ministry of Economy, Trade and Industry in October 2019, and have been promoting initiatives toward spreading cashless settlement. Furthermore, we have been rolling out aggressive marketing measures to capture the small- and medium-sized enterprise and sole-proprietor market by launching the issuance of the "freee Saison Platinum Business American Express® Card," which builds on a credit model utilizing corporate financial and transaction data based on an alliance with freee K.K., in October 2019, as well as the issuance of the "Saison Cobalt Business American Express® Card," a business card featuring preferential services for corporate settlement, in January 2020. As for initiatives to expand our business consignment, we were commissioned by JAPAN POST Co., Ltd. in June 2019 with the system development of "Post Office Club," a nationwide membership service, and the administration of its call centers and membership information.

Digital Marketing Digital Marketing

Creation of Businesses that Contributes to the Improvement of Customers' Quality of Life

Credit Saison is further expanding the number of Internet-based members and users of smartphone apps, while promoting new business models that combine the big data/customer base owned by Saison with the resources owned by outside firms through flexible collaboration with leading companies with excellent content platforms and venture companies with new technologies. Furthermore, we are striving to enhance the Quality of Life of our card members by efficiently and effectively offering "optimum content" and "highly-convenient payment functions" through digital technology.

Our major initiatives include the expansion of the product lineup offered through "Eikyufumetsu Points," "STOREE SAISON," an E-commerce site that enables users to settle by card the shortage if their number of points falls short of the purchase, and the enhancement of our health platform by investing in Brain Activation Research Institute, Inc., which conducts brain health checkups for the elderly.

Finance Finance Business

Offering Finance Functions that Match Market Needs

Utilizing its sales capabilities and nationwide network built up in the credit card business, Credit Saison is working to build its business foundation as a non-bank resilient to environmental changes with a diversified range of revenue streams by strengthening relationships with partner companies and providing finance services tailored to market needs.



Lease & Rental

We are conducting marketing mainly for office automation (OA) equipment, kitchen equipment, etc., in accordance with the capital investment plans of business operators. We worked to reinforce our trust-based relationships with existing mainstay partners through the implementation of joint campaigns, etc., and to capture the last-minute demand before the consumption tax increase in October. This resulted in the balance of receivables held increasing to 6.4% from the previous fiscal year-end to ¥328.1 billion.

Credit Guarantee

Centering on guarantees for non-secured personal multipurpose loans, we are focused on capturing sound loan transactions by working in close cooperation with partner financial institutions in terms of both sales and administration. We strove to build a finely-tuned system to collaborate with regional financial institutions through multipurpose loan products that were expanded to include business purposes. As a result, the total number of partner financial

institutions decreased by three year-on-year to 400, and the balance of credit guarantees increased by 0.6% from the previous fiscal year-end to ¥348.9 billion.

Finance

Backed by the Saison brand's sense of trust and security resulting from the preferential services for card members and the credit card business, "Flat 35 Loans" provided support for purchasing homes by offering "Saison Home Loan Packages" including "Flat 35 Loans PLUS," "Flat 35 Bridge Loans," "Saison Reform Loans" and "Flat 35 Loans (guarantee type)," which was launched in June 2019. As a result, the loan balance (including the balance of receivables transferred to the Japan Housing Finance Agency (JHF) in the amount of ¥945.3 billion) increased by 25.7% from the previous fiscal year-end to ¥960.9 billion. As for "Saison Asset Formation Loans," thanks to our efforts to increase sound receivables in collaboration with our partners, the loan balance increased by 22.9% from the previous fiscal year-end to ¥622.1 billion.

Investment Asset Management Business

Aiming at Dedicated Customer Support for Asset Formation and Life Planning

The number of users of the "Point Investment Service," investment simulation using Eikyufumetsu Points that was launched ahead of other companies in December 2016, has reached 500,000. We have endeavored to improve the usability of the service by expanding the lineup of investment courses, etc. In November 2019, we launched the offering of "Saison Pocket," a smartphone securities service for Saison Card and UC Card members. We support customers' smooth transition to actual investment by eliminating the hurdles caused by the "scary, troublesome and unclear" image that investment beginners may have and providing "simple, easy and user-friendly" investment services using smartphones. In addition, customers can feel free to give us concerns and inquiries about money through the "Saison Financial Advice Service" that was launched in June 2019 for the referral of

reliable financial planners to customers.

We will continue to support our customers' daily lives and future through financial products and services that support asset formation and life planning.



Global Global Business

Expanding the Revenue Base of Global Business with an Eye on the Future

Credit Saison has been positioning the global business as one of the pillars of its future revenue base and deploying retail finance businesses tailored to each country in the rapidly growing Asian region. In addition to businesses deployed in Vietnam, Indonesia and Thailand, "Kisetsu Saison Finance (India) Private Limited" ("KSF") established in India acquired a business license in September 2019 and launched the digital lending business. Utilizing the expertise Credit Saison has fostered in the retail finance business in Japan, KSF aims to play a role in the economic growth of India by rapidly developing a wide range of businesses through partnerships with start-up companies that have

lending expertise in India. Saison Capital Pte. Ltd., a corporate venture capital established in June 2019 in Singapore, has made investments in startups and funds in Africa, South America, etc., as well as Asia. We will continue to strengthen and promote investment and financing for promising startups around the world based on swift decision-making. Furthermore, we made a new loan in January 2020 to Gojo & Company, Inc., which provides microfinancing through local subsidiaries and affiliates in the four countries of Cambodia, Myanmar, Sri Lanka and India, for the purpose of funding microfinance projects in emerging countries.

We will continue to take on the challenge of becoming an

"unprecedented finance company in Asia" by accelerating the development of our medium- to long-term overseas strategic base and business deployment.



Mission Statement
Becoming a finance company
advancing with customers for 50 years:
Providing peace of mind and
discovering potentials in money

ESG

Creating a Sustainable Society in the Manner of Credit Saison

Based on our "leading-edge service company" management philosophy, Credit Saison aims to create a sustainable society that is much more convenient and prosperous by contributing to the advancement of society and solving social problems in our own way through our daily operations.

We are engaged in the promotion of a cashless society, donation activities through point exchange and credit card settlement, education for the next-generation/financial education, and support for sports and cultural activities. In March 2020, we launched a full-scale financial education program for junior high school and high school students called "School Visit: SAISON TEACHER," which was born from an in-house venture program. Akagi Nature Park, which we manage since 2010, has promoted initiatives for environmental conservation, the next generation, regional revitalization and welfare. As a result, the accumulated total number of visitors to the park reached 520,000. In addition, we have promoted initiatives to enhance our corporate governance, including the establishment of the Nomination & Remuneration Committee in June 2019 and the introduction of the executive officer system in March 2020.

Diversity & Inclusion

Creating an Organization that Allows Each Employee to Unleash His or Her Potential

In order to realize a variety of organizational operations as a company, Credit Saison aims to become a diversified organization where each employee can have his/her form of active involvement, contribution and career path with many choices.

To draw out greater capabilities and potential of each employee, we promote the establishment of career development support systems, including one-on-one meetings and human resource development conferences, and encourage the use of various systems such as flex work that enhance workstyle flexibility. In addition, "SWITCH SAISON," an in-house venture program, has had more than 300 applicants this year, with some cases being commercialized, contributing to fostering a culture of innovation. Furthermore, we have renovated the head office with the aim of changing the workstyle. We will continue to promote initiatives that support the active involvement of employees in both systems and the environment.

■ Midterm business vision

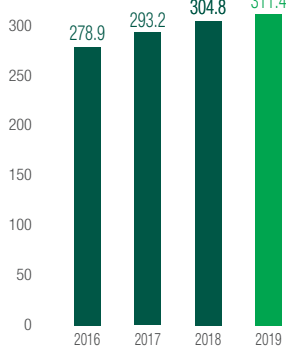
Credit Saison has established a medium-term management plan to be carried out until the fiscal year ending March 2022. Titled “Neo Finance Company in Asia,” the plan outlines the following mission statement: “Becoming a finance company advancing with customers for 50 years: Providing peace of mind and discovering potentials in money.”

To achieve the goal of becoming a “Neo Finance Company in Asia,” Credit Saison will transform itself into a finance company that provides customers with optimum services for each financial event in their lives, focusing on settlement services such as credit cards and prepaid cards. Through these efforts, Credit Saison seeks to achieve consolidated business income of ¥60 billion in the fiscal year ending March 2022.

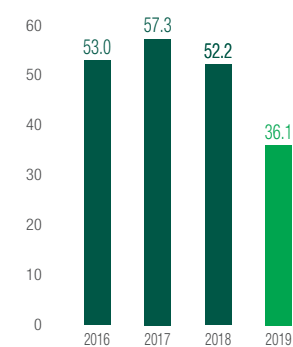
■ FINANCIAL DATA

Operating Results

Net revenue

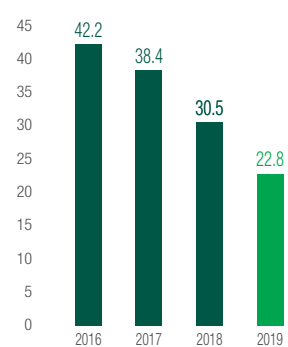


Business income

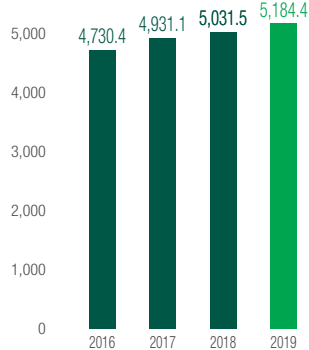


(Billions of yen, 10 thousand persons)

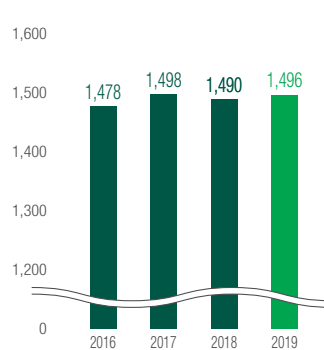
Profit attributable to owners of the parent



Card transaction volume (Non-consolidated)



Active card members (Non-consolidated)



(Notes)

1. Credit Saison has adopted International Financial Reporting Standards (IFRS) in place of the traditional JGAAP since the fiscal year ended March 31, 2019. The figures for 2016 in the above graphs are based on the JGAAP, while those for 2017 and thereafter are based on IFRS.

2. Operating revenue, ordinary income and profit attributable to owners of parent according to the JGAAP are replaced with net revenue, business income and profit attributable to owners of the parent, respectively.

Supporting Company



We will continue to support the desire to always take on challenges.

Since 2001, Credit Saison has been a corporate supporter of the Japanese national soccer teams, backed by our passion to keep growing hand in hand with them. And since 2014, Credit Saison has also supported Asian soccer, which is of great popularity in Asia in recent years, through the sponsorship agreement with the Asian Football Confederation (AFC). Just as the Japanese national soccer teams bear the Japanese flag and continue their feat on the world stage, we, at Credit Saison, hope to take on various challenges as a leading-edge service company.

Credit Saison is a supporter of Japanese national soccer teams.



CORPORATE DATA

Corporate Information (As of March 31, 2020)

CREDIT SAISON CO., LTD.

Incorporated: May 1, 1951
 Paid-in Capital: ¥75,929 million
 Number of Employees: 2,981 In addition, Average Number of Non-regular Employees: 538 (in 7.5 hours/day equivalent)
 Head Office: 52F Sunshine 60 Bldg., 1-1, Higashi-Ikebukuro 3-chome, Toshima-ku, Tokyo 170-6073, Japan
 Major Businesses: ① Payment Segment (credit card business, servicing (loan collection agency) business, etc.)
 ② Lease Segment (lease business)
 ③ Finance Segment (credit guarantee business and finance-related business)
 ④ Real Estate-Related Segment (real estate business, real estate leasing business, servicing (loan collection agency) business, etc.)
 ⑤ Entertainment Segment (amusement business, etc.)

Board of Directors and Audit & Supervisory Board Members

Representative, Chairman and CEO	Hiroshi Rinno	Director, Executive Officer	Shunji Ashikaga
Representative, Executive President and COO	Masahiro Yamashita	Director, Executive Officer	Kazue Yasumori
Representative, Executive Vice President and CHO	Naoki Takahashi	Director (Outside)	Kaoru Hayashi
Managing Director, Managing Executive Officer	Katsumi Mizuno	Director (Outside)	Naoki Togashi
Managing Director, Managing Executive Officer	Tatsunari Okamoto	Director (Outside)	Nana Otsuki
Managing Director, Managing Executive Officer	Yoshiaki Miura	Standing Audit & Supervisory Board Member	Haruhisa Kaneko
Director, Managing Executive Officer	Shingo Baba	Standing Audit & Supervisory Board Member (Outside)	Munehiro Harada
Director, Managing Executive Officer	Kazutoshi Ono	Standing Audit & Supervisory Board Member (Outside)	Hiroaki Igawa
Director, Executive Officer	Akihiro Matsuda	Audit & Supervisory Board Member (Outside)	Chie Kasahara
Director, Executive Officer	Yasuyuki Isobe		

Stock Information (As of March 31, 2020)

Common Stock Authorized 300,000,000 shares Common Stock Outstanding 185,444,772 shares Number of Shareholders 13,781
 Major Shareholders (Top 10)

Name	Equity stake	
	Number of Shares (thousands)	Ownership Percentage (%)
The Master Trust Bank of Japan Ltd. (trust account)	29,572	18.92
Japan Trustee Services Bank Ltd. (trust account)	14,084	9.01
Daiwa Securities Group Inc.	8,050	5.15
Japan Trustee Services Bank Ltd. (trust account 9)	7,367	4.71
BNYMSANV AS AGENT/CLIENTS LUX UCITS NON TREATY 1	5,085	3.25
Trust & Custody Services Bank, Ltd. (securities investment trust account)	3,964	2.54
HSBC BANK PLC A/C CLIENTS 1	3,014	1.93
Mizuho Bank, Ltd.	3,000	1.92
Japan Trustee Services Bank Ltd. (trust account 5)	2,812	1.80
JP MORGAN CHASE BANK 385151	2,761	1.77

*1. 29,134,926 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.

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) <https://www.smb.jp/personal/agency/index.html>
 Method of Public Notice: Electronic notice (Credit Saison website <https://corporate.saisoncard.co.jp/>)
 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.