



72_{nd}

Business Report

CREDIT SAISON CO., LTD. Interim Business Report
72nd Fiscal Year (April 1, 2021 – September 30, 2021)

Transforming ourselves into
a comprehensive life services corporate group

Dear Shareholders:

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

Let me report on the business results for the first half of the 72nd fiscal year (April 1, 2021 – September 30, 2021).

The Japanese economy during the first half of the 72nd fiscal year remains in severe circumstances due to the impact of the spread of the coronavirus disease (COVID-19).

The business environment for the industry we operate in also continues to be severe, affected by the persistent trend of frugal spending by consumers and the impact of natural disasters in addition to the negative effects of the economic downturn caused by restrictions on activities and self-quarantining amid the COVID-19 pandemic.

In these circumstances, starting from the 72nd fiscal year, we are accelerating our efforts toward a second start based on the three concepts of “Innovative,” “Digital,” and “Global,” with a new management vision of “transforming ourselves into a comprehensive life services corporate group.” We have been working on initiatives such as implementing new growth strategies and structural reforms in the payment business, formulating CSDX strategy and accelerating a wide range of initiatives to achieve the strategy, and expanding the global business base. We also established the Sustainability Promotion Committee in August 2021 to practice management that is conscious of the Environment, Social, and Governance. In order to contribute to the realization of a more convenient and enriched society, we will establish new strategies that aim to achieve sustainable improvement of our corporate value.

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



December 2021

Katsumi Mizuno Representative, Executive President and COO

CSDX Strategy

In September 2021 we established the digital transformation strategy (CSDX Strategy).

We will work to build a company-wide system for the promotion of DX and transform/convert businesses by using digital technology.

We will aim to be a company that leads the digital era by providing customers and employees with thrilling experiences that exceed expectations (“Create a thrilling experience for customers” and “Convert the experience of employees”).



Customer Experience
Create a thrilling experience for customers



Employee Experience
Convert the experience of employees

Transforming ourselves into a comprehensive life services corporate group

In the 72nd fiscal year, the Credit Saison Group is taking on the challenge of “transforming into a comprehensive life services corporate group” that aims to realize customer success through the fusion of real-world and digital services, with “Innovative,” “Digital,” and “Global” as the basic concepts of our management strategy.

We are using digital technology to transform/convert businesses and provide new customer experiences across our services, with the aim of becoming a digital leader that provides thrilling experiences that exceed customer expectations.

“Saison’s Lifestyle Research” website

In September 2021, we launched “Saison’s Lifestyle Research,” a website for middle-aged and senior citizen customers in their 50s and older to provide information that helps them enjoy a good and enriched life. We will provide hints and ideas for solving problems and concerns with life in the future, considering that people live to the age of 100 years. By graciously providing helpful information to customers and continuing to support an enriched lifestyle, we will aim to evolve into a corporate group that is essential to their lives.



SAISON BUSINESS Pro CARD

In May 2021, we began to offer the SAISON BUSINESS Pro CARD, a new strategic product that aims to maximize the share of credit card payments in the SME (Small and Medium Enterprise) market. We are working to expand BtoB payments by shifting to cashless payments in the corporate market and improving back-office efficiency, including setting credit limits that enable business expenses to be paid via credit card and allowing payment grace periods of up to 84 days in order to improve cash flow.



Marketing company: CASM, Inc.

In June 2021, we established CASM, Inc. a joint venture with CyberAgent, Inc., to provide marketing solutions using credit card payment data. We will work to develop highly unique marketing businesses and new businesses using payment data and provide efficient marketing methods for many companies in domains such as advertising and retail.



YoriSoi Care, hospital discharge support service

In May 2021, we began partnering with MedPeer, Inc. and started offering YoriSoi Care, a hospital discharge support service in October as a joint venture in the home healthcare sector. We will streamline and support the hospital discharge coordination operation with patients, their families, and their nursing care facilities and home healthcare service providers, which is usually handled by hospitals. We will provide new value in the home healthcare sector by helping to solve issues that businesses face in a super-aged society.



Innovative

Wine business: Wine and Spirits Culture Association

In June 2021, the Wine and Spirits Culture Association and its operating entity became our wholly-owned subsidiaries. They engage in activities to vitalize the wine market mainly by holding the SAKURA Japan Women’s Wine Awards, an international wine competition led by Yumi Tanabe, a representative Japanese wine professional. The competition is known for the panel of female sommelier judges, which is the first of its kind in Japan. With Ms. Tanabe, we will make efforts to expand wine consumption and promote the success of women working in the wine industry.



Mitsui Shopping Park App for payment by QR code: Pay By App

In April 2021, we began offering instant registration and instant use of the Pay By App, a Mitsui Shopping Park App for payment by QR code, to new Mitsui Shopping Park Card <Saison> and LAZONA Kawasaki Plaza Card <Saison> members. From the day of enrollment, new members can use this for payments in Mitsui Shopping Park Point facilities throughout Japan operated by the Mitsui Fudosan Group. We will continue to work with Mitsui Fudosan Co., Ltd. to enhance services and improve customer convenience.



SHOP CHANNEL Card Saison American Express® Card

In August 2021, we began issuing the first SHOP CHANNEL original point credit card in collaboration with Jupiter Shop Channel Co., Ltd. The SHOP CHANNEL Card Digital Saison American Express® Card is popular mainly among customers who watch the SHOP CHANNEL. Digital cards can be issued via smartphone in five minutes at the shortest after completing application process, and these can be used to shop online immediately after issuance.



Digital

Expansion of the retail finance business in Asia

We are working to establish a business base to position the global business as a major pillar of our business. In addition to running the installment credit and loan businesses, HD SAISON Finance Company Ltd. is expanding its credit card business in Vietnam. Kisetu Saison Finance (India) Private Limited in India and PT. Saison Modern Finance in Indonesia are increasing loan balance mainly for their digital lending through partnerships with various Fintech players.



Investment and lending business overseas

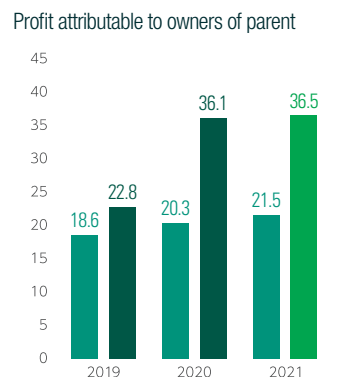
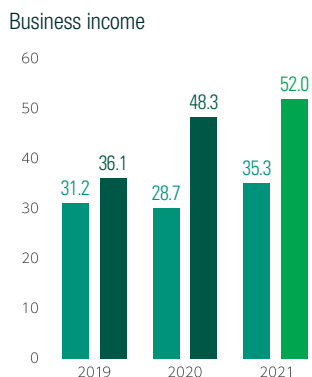
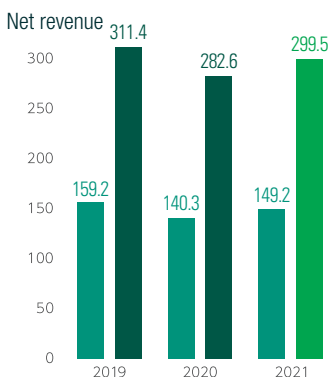
Singapore subsidiary Saison Capital Pte. Ltd., which primarily invests in and lends to early stage startups overseas, is expanding investment while closely monitoring the COVID-19 situation, and it also began an impact investment business for enterprises, extending necessary loans to underbanked unincorporated enterprises and small and medium enterprises mainly in Asia. Through these businesses, we will continue to take on further challenges as we promote financial inclusion and efforts to achieve the UN’s Sustainable Development Goals (SDGs).



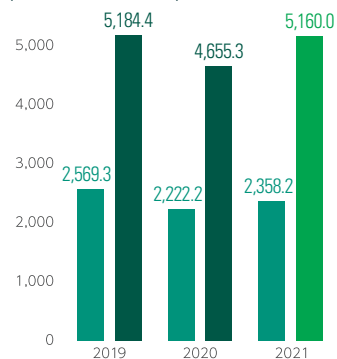
Global

FINANCIAL DATA

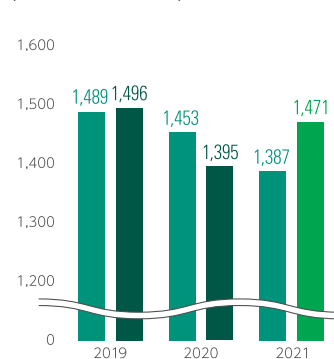
Operating Results



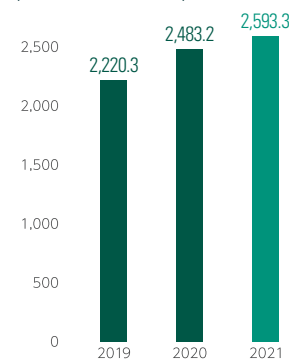
Card transaction volume (Non-consolidated)



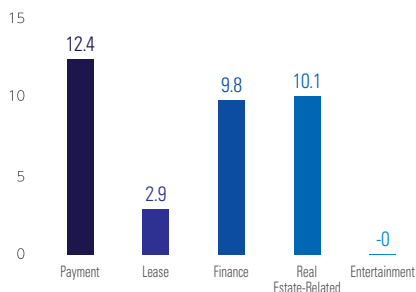
Active card members (Non-consolidated)



Finance-related balance (Non-consolidated)



Business income by segment for the first half of the 72nd fiscal year



*The Entertainment Segment recorded a business loss of ¥14 million due to the impact of the spread of COVID-19.

Sustainability

Creating a Sustainable Society in the Manner of Credit Saison

Leveraging Credit Saison's proprietary know-how, management resources, and the individual knowledge of our employees, we are pursuing efforts for sustainable social development and problem-solving in a manner that is uniquely Credit Saison-style. To this end, we used "Eikyufumetsu Points" to support disaster recovery and highly socially conscious activities, implemented a financial education program for junior and high school students called "School Visit: SAISON TEACHER" to support the education of the next generation (adopting online classes, etc. to fulfill needs during the pandemic), and managed Akagi Nature Park as part of our environmental conservation and regional revitalization activities. In addition, through an impact investment program by our Singapore subsidiary, we are promoting financial inclusion and SDGs initiatives in emerging markets, especially in Southeast Asia.

SUSTAINABLE DEVELOPMENT GOALS



We manage Akagi Nature Park as part of our social contribution activities.

CORPORATE DATA

Corporate Information

(As of September 30, 2021)

CREDIT SAISON CO., LTD.
 Incorporated: May 1, 1951
 Paid-in Capital: ¥75,929 million
 Number of Employees: 4,288 In addition, Average Number of Non-regular Employees and Temporary Employees: 1,598 (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) 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) business, etc.)
 ⑤ Entertainment Segment (amusement business, etc.)

Board of Directors and Audit & Supervisory Board Members

Representative, Chairman and CEO	Hiroshi Rinno	Standing Audit & Supervisory Board Member	Haruhisa Kaneko
Representative, Executive President and COO	Katsumi Mizuno	Standing Audit & Supervisory Board Member (Outside)	Munehiro Harada
Representative, Executive Vice President and CHO	Naoki Takahashi	Standing Audit & Supervisory Board Member (Outside)	Hiroaki Igawa
Director, Senior Managing Executive Officer	Yoshiaki Miura	Audit & Supervisory Board Member (Outside)	Chie Kasahara
Director, Senior Managing Executive Officer and CTO, CIO	Kazutoshi Ono		
Director, Managing Executive Officer	Tatsunari Okamoto		
Director (Outside)	Naoki Togashi		
Director (Outside)	Nana Otsuki		
Director (Outside)	Hitoshi Yokokura		

Stock Information

(As of September 30, 2021)

Common Stock Authorized 300,000,000 shares Common Stock Outstanding 185,444,772 shares Number of Shareholders 19,265

Major Shareholders (Top 10)

Name	Equity Stake	
	Number of Shares (thousands)	Ownership Percentage (%)
The Master Trust Bank of Japan Ltd. (trust account)	34,535	22.09
Custody Bank of Japan, Ltd. (trust account)	14,212	9.09
Daiwa Securities Group Inc.	8,050	5.15
HSBC BANK PLC A/C M AND G (ACS)	5,988	3.83
BNYMSANV AS AGENT/CLIENTS LUX UCITS NON TREATY 1	4,453	2.85
THE BANK OF NEW YORK 133972	4,440	2.84
Custody Bank of Japan, Ltd. (securities investment trust account)	3,786	2.42
Mizuho Bank, Ltd.	3,000	1.92
Custody Bank of Japan, Ltd. (pension specified money trust account)	2,337	1.49
STATE STREET BANK AND TRUST COMPANY 505103	2,056	1.32

*1. 29,070,289 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.smtb.jp/personal/procedure/agency/>
 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.

