



FY2014 2nd Quarter Management Report

2014. 11.10 CREDIT SAISON CO., LTD.



AGENDA

- ◆ FY2014 First Half
Business Highlights
- I. FY2014 First Half
Financial Report
- II. FY2014 Management
Strategies
- III. Social Contribution
Activities



This report contains forward-looking statements that reflect our plans and expectation. These forward-looking statements are not guarantees of future performance and known and unknown risks, uncertainties and other factors that may cause our actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements.

Main Topics of the First Half of 2014 Fiscal Year

Key phrases in
government strategy

Cashless

Venture

Big data

Small and
medium sized
enterprise

Emerging
country

Card Business



- Started offering LIXIL Home Renovation Settlement Service using mobile terminals
Launched by the nationwide LIXIL home-renovation chain in partnership with Coiney
- Presented the Town Card Festivals, a nationwide effort to revitalize local communities (total of 20 times in 15 areas)
(Sapporo, Aomori, Omiya, Ikebukuro, Kichijoji, Yokohama, Karuizawa, Nagoya, Shiga, Kagoshima)

Solution Business



- Deployed strategic weapons to construct a corporate sales system for all employees
- Corporate-card issuance rose 20% year-on-year (YoY) and transaction volume rose 22% YoY

Internet Business



- Strengthened ties with venture companies, including partnership with Clipix
- Began offering Saison Portal, a smartphone app for members

Finance Business



- Balance in credit guarantee business topped 228 billion yen (12% increase YoY)
- Asset formation loan balance soared 250% YoY to 47.6 billion yen

Overseas Business



- Accelerated deployment of operations in overseas strategy
Established overseas subsidiaries in Shanghai, Hanoi and Singapore and opened a resident office in Jakarta

Group Management



- Entered into an investment and operating partnership with Japan Post Co., Ltd. and Saison Asset Management Co., Ltd.

I . FY2014 First Half Financial Report

1. Financial Results
2. Results by Business Segment
3. Contributions by Consolidated Companies
4. Main Indices (Non-Consolidated)
5. Trends in the credit business
6. Credit risk / Credit cost
7. Interest repayment claim
8. Financial Indices
9. Revisions to forecast of Business Results



1. Financial Results

(¥ billion)

		FY2013 2 nd Quarter	YoY (%)	FY2014 2 nd Quarter	YoY (%)	FY2014 (Estimate)	difference from the previous year	YoY(%)
Consolidated	Operating Revenues	123.9	101.2	126.5	102.1	256.0	+3	103.4
	Ordinary Income	27.3	97.8	26.6	97.4	49.0	+9	110.3
	Quarter Net Income	17.6	99.8	18.5	105.0	32.0	+9	125.1
	Earnings per Share (¥)	96.19	99.8	100.89	105.0	174.26	-	125.1

Non-consolidated	Operating Revenues	101.2	99.4	106.2	105.0	217.0	+4.5	105.4
	Ordinary income	20.2	92.9	21.9	108.5	40.8	+6.8	117.0
	Quarter Net Income	11.8	89.7	13.5	114.2	25.0	+7.5	134.1

2. Results by Business Segment

(¥ billion)

	Operating Revenues			Operating Income		
	FY2013 2 nd Quarter	FY2014 2 nd Quarter	YoY (%)	FY2013 2 nd Quarter	FY2014 2 nd Quarter	YoY (%)
Credit Service	93.8	96.4	102.8	9.9	9.6	96.8
Lease	6.9	7.0	101.5	2.8	3.0	107.9
Finance	9.0	10.7	118.2	4.5	6.0	133.8
Real Estate-related	7.8	7.2	92.1	3.3	3.0	89.6
Entertainment	6.8	5.6	82.8	1.1	0.7	62.6
Total	124.5	127.0	102.0	21.8	22.5	102.9
Inter-segment Transactions	(0.6)	(0.5)	—	0	0	—
Consolidated	123.9	126.5	102.1	21.8	22.5	102.9

4. Contributions by Consolidated Companies

Ordinary income: Difference between consolidated and non-consolidated figures

Contribution to consolidated results

	Non-consolidated	Consolidated	Difference
Ordinary income	¥21.9 billion	¥26.6 billion	¥4.6 billion

Major consolidated subsidiaries	Contribution to ordinary income
Atrium Group ▪ Atrium Co., Ltd. (liquidation of real estate) ▪ Atrium Servicing Co., Ltd. (servicing business)	¥1.94 billion
Concerto Inc. (entertainment business)	¥1.17 billion
Saison Fundex Group ▪ Saison Fundex Corp. (loans) ▪ House Planning Co., Ltd. (real estate)	¥0.74 billion

Major equity-method affiliates	Contribution to ordinary income
Idemitsu Credit Co., Ltd. (credit card business)	¥0.74 billion
Takashimaya Credit Co., Ltd. (credit card business)	¥0.41 Billion
Saison Information Systems Co., Ltd. (information processing)	¥0.39 billion

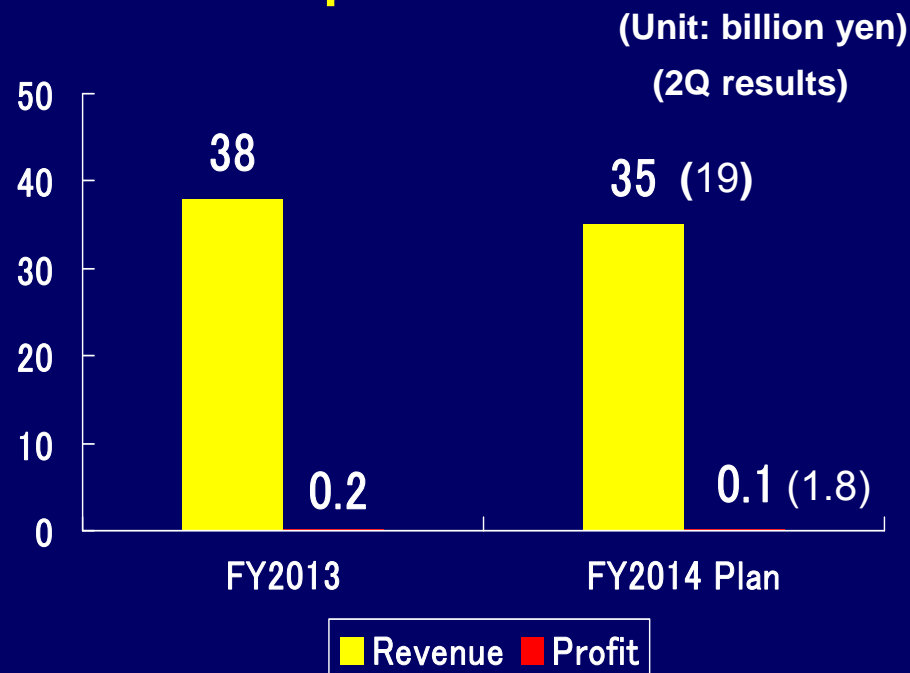
(Reference) Progress of the Real Estate Business (Atrium Group)

Promoting reduction of assets according to plan, with a keen eye on market trends

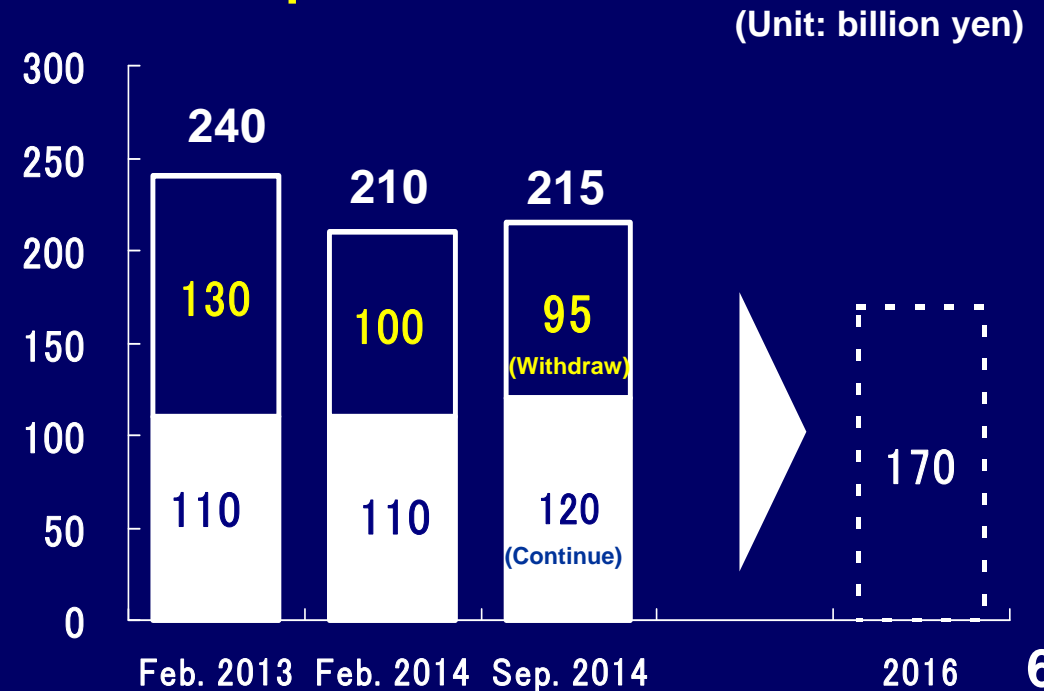
<Stabilization of the management base, and improvement in profitability>

- Business to be adjusted
 - Started selling off and developing large assets
- Continuing business
 - Purchasing of small and medium size real estate, and offering it for sale in a short time with added value
 - Retaining small profitable housing to ensure rent income

■ Business plan



■ Assets plan



6. Main Indices (Non-Consolidated)

	FY2013		FY2014		FY2014		
	2nd Quarter	YoY(%)	2nd Quarter	YoY(%)	(Estimate)	difference from the previous year	YoY(%)
New Applications (millions)	1.77	109.3	1.49	84.4	3.55	0.15	106.9
New Card Issued (millions)	1.28	105.0	1.17	92.0	2.60	0.10	102.8
Total Cardholders (millions)	24.81 (△0.01)	100.3	24.80 (0.05)	100.0	25.25 (+0.50)	0.10	102.2
Active Cardholders (millions)	13.96 (0.34)	106.3	14.46 (+0.26)	103.6	15.00 (+0.80)	0.05	105.6
Transaction Volume (¥ billion)	1,973.1	106.3	2,129.1	107.9	4,431.0	55.0	107.6
Card Shopping	1,842.6	106.7	1,989.3	108.0	4,151.0	50.0	107.7
Cash Advances	130.5	100.5	139.8	107.1	280.0	5.0	106.0

Figures in parentheses are changes from the previous year 7

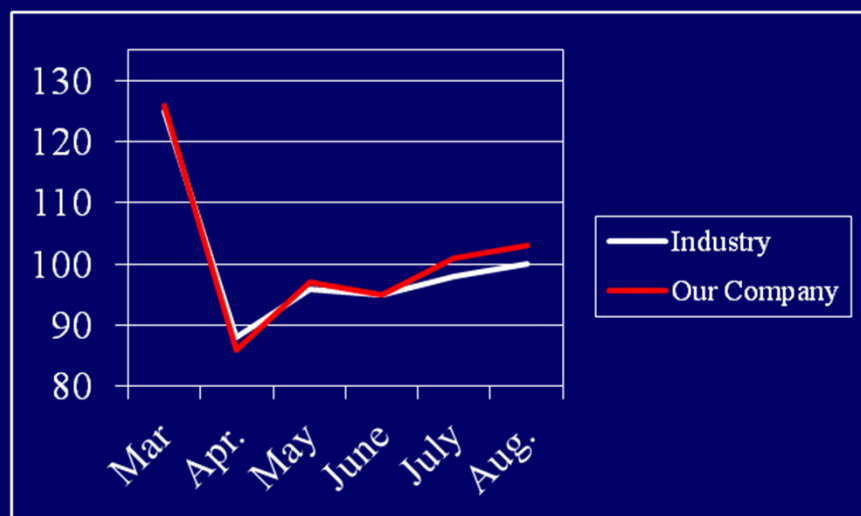
5-①. Trend of Credit Business (Shopping)

Impact from reaction to the increase in the consumption tax is limited to a few industries, such as department stores and household electric appliances

- Our results are outstripping the industry average in sectors such as supermarkets
- and shopping centers

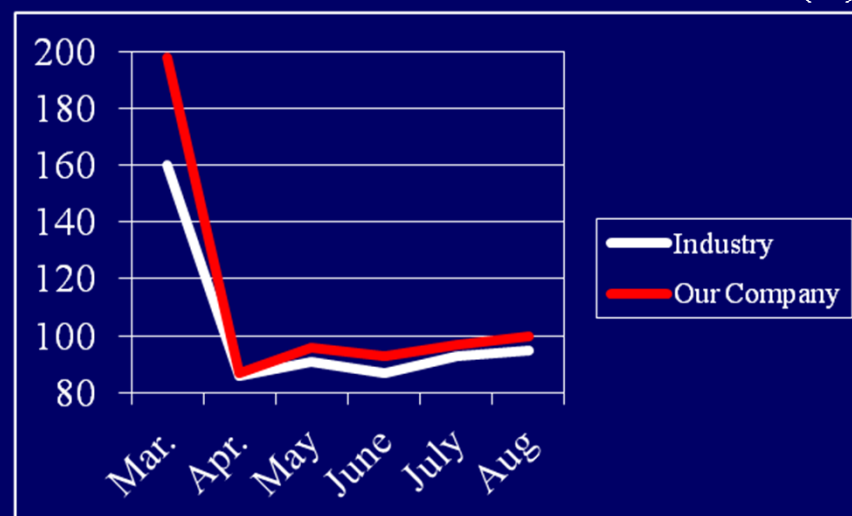
■ Department stores

YoY (%)



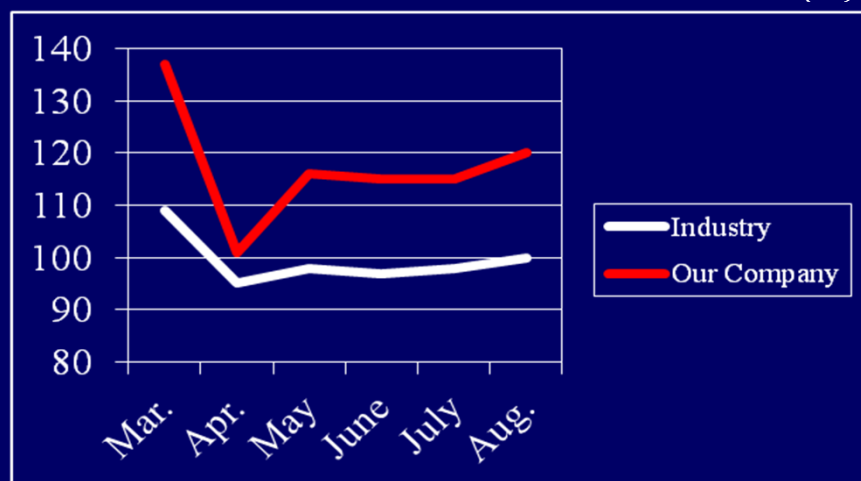
■ Household electric appliances

YoY (%)



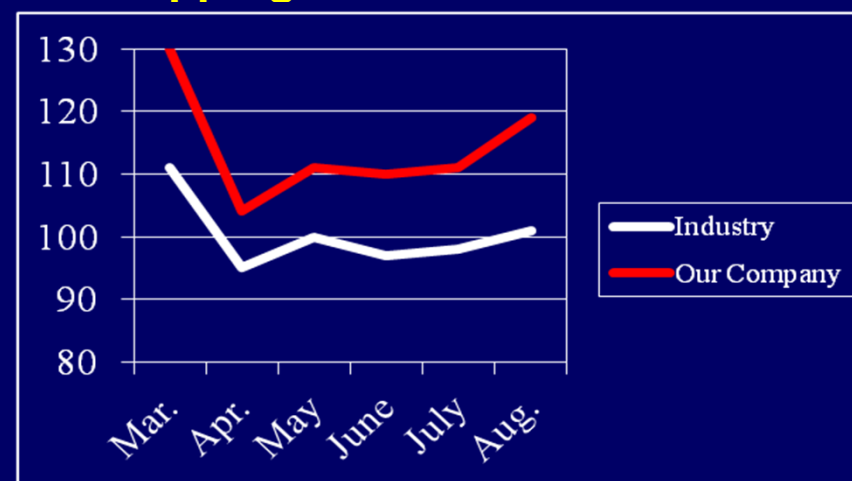
■ Supermarkets

YoY (%)



■ Shopping centers

YoY (%)

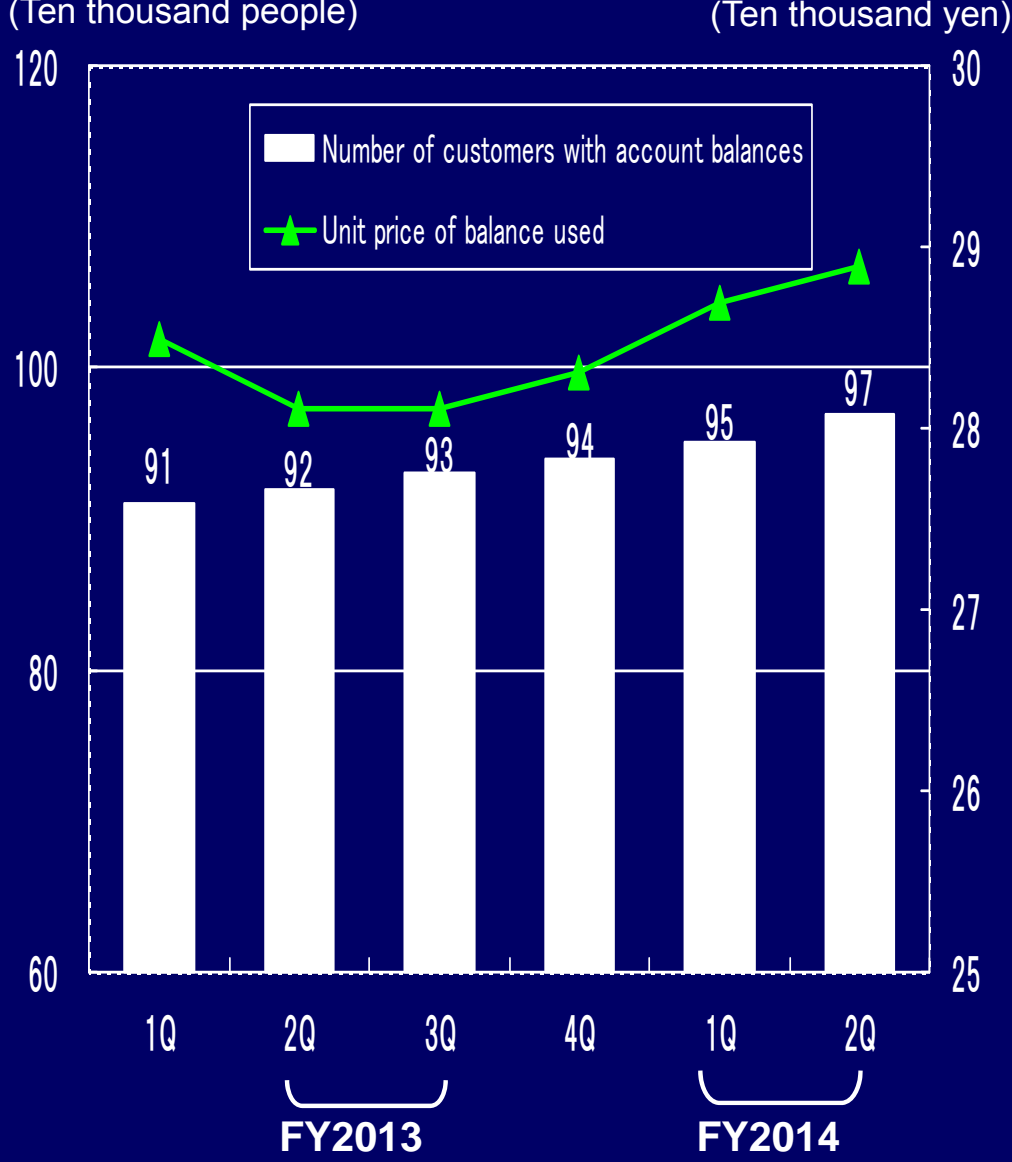


Sources: Department stores: Japan Department Stores Association, Household electric appliances: Estimate of three major companies, Supermarkets: Japan Chain Stores Association, Shopping centers: Japan Council of Shopping Centers

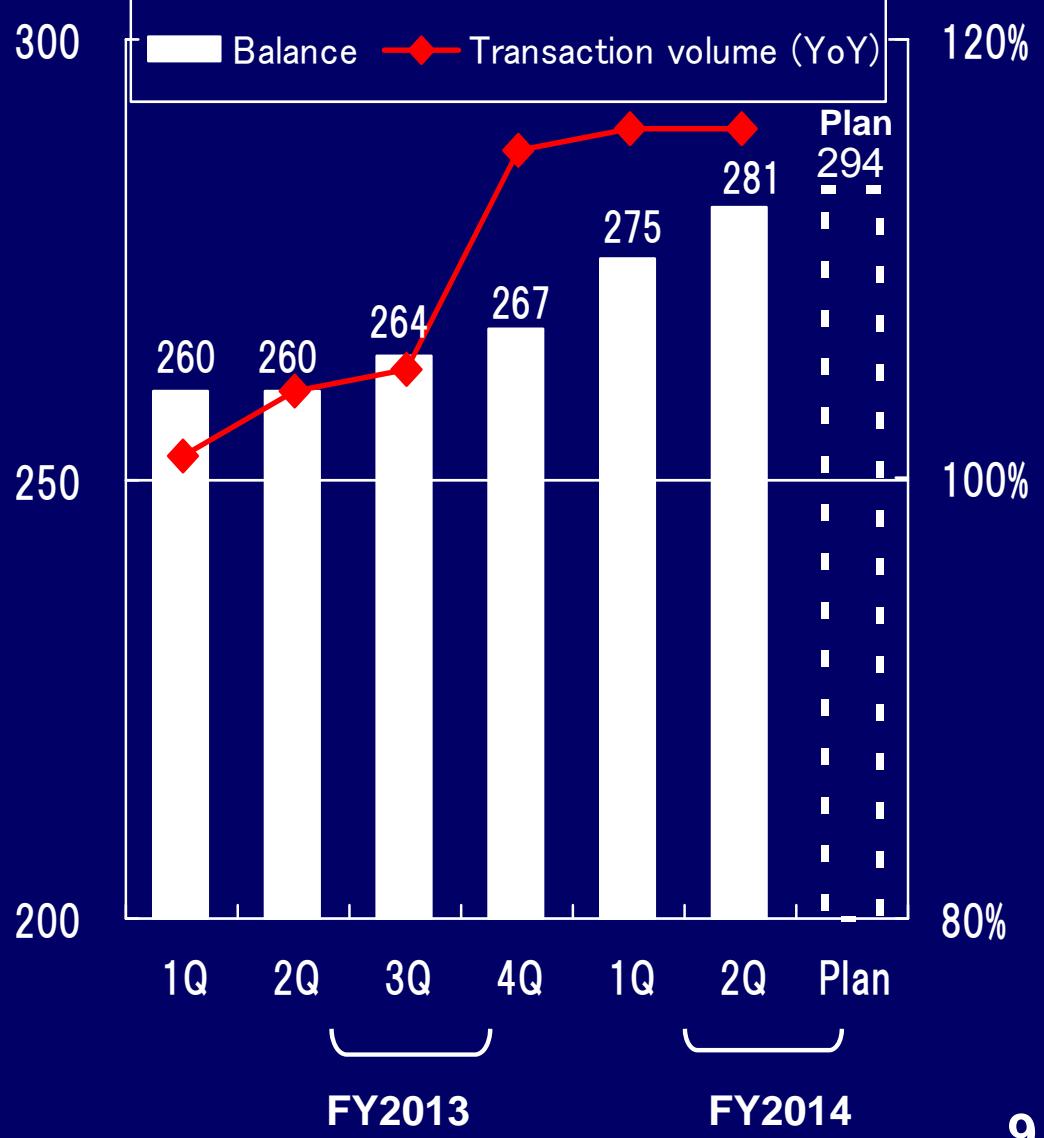
5-②. Trend of Credit Business (Shopping Revolving)

Transaction volume and balance are both trending higher than the annual plan
(4.3 billion yen above plan at start of fiscal year)

■ Trends in the number of customers with account balances and unit price of balance used
(Ten thousand people) (Ten thousand yen)



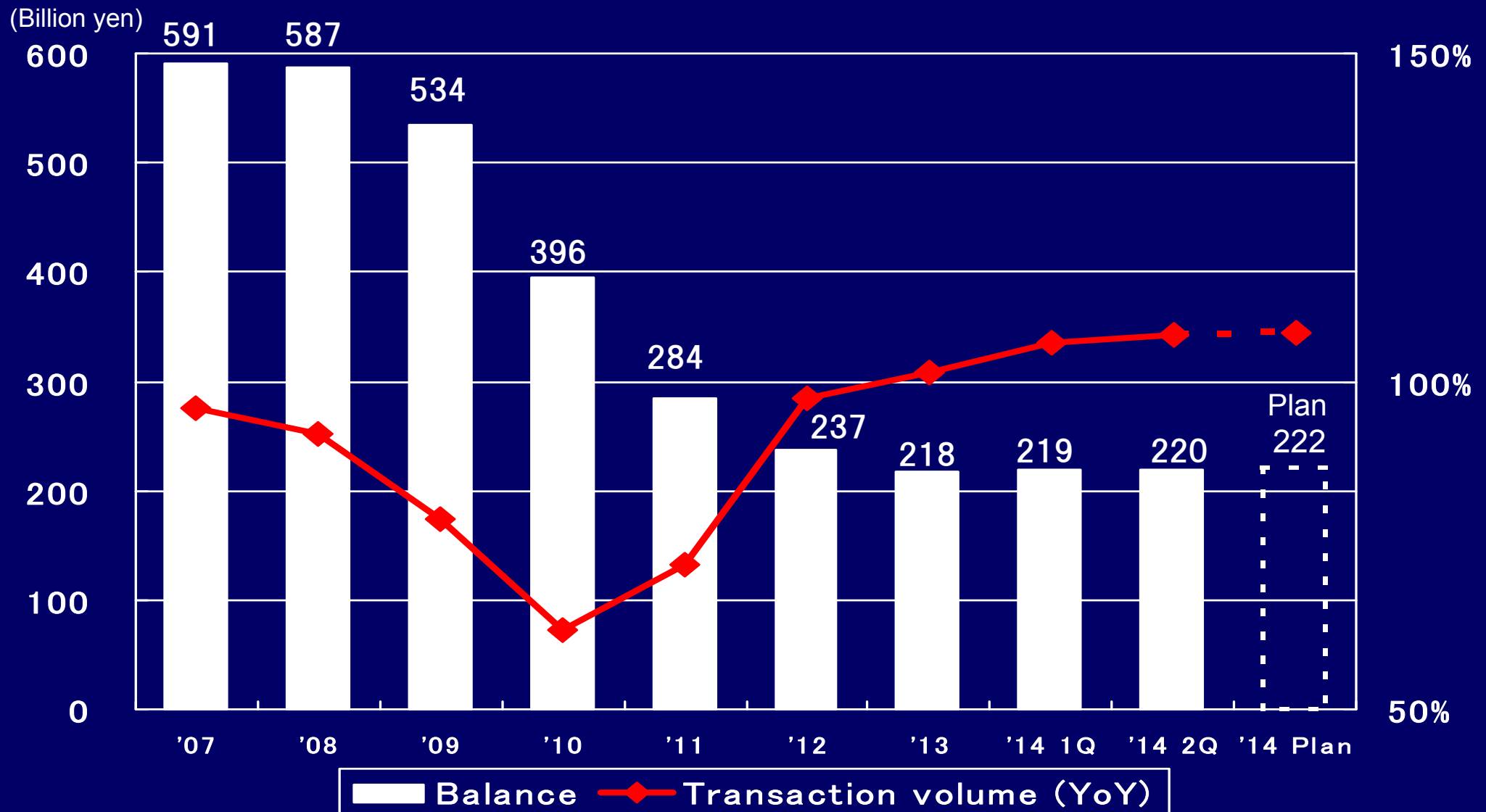
■ Trends in transaction volume and balance
(Billion yen)



5-③. Trend of Credit Business (Cash Advance)

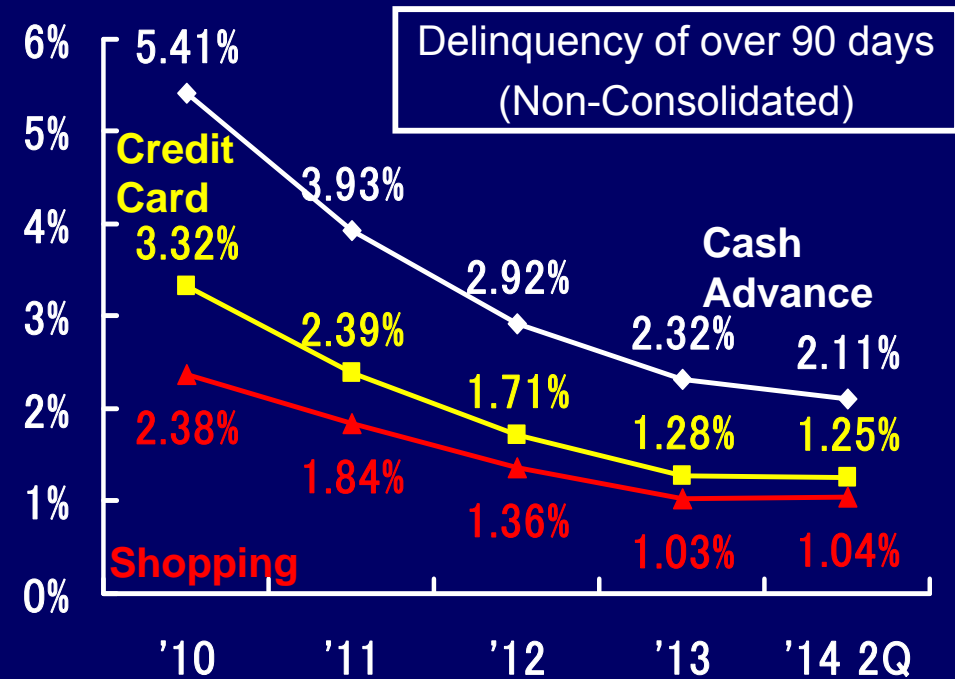
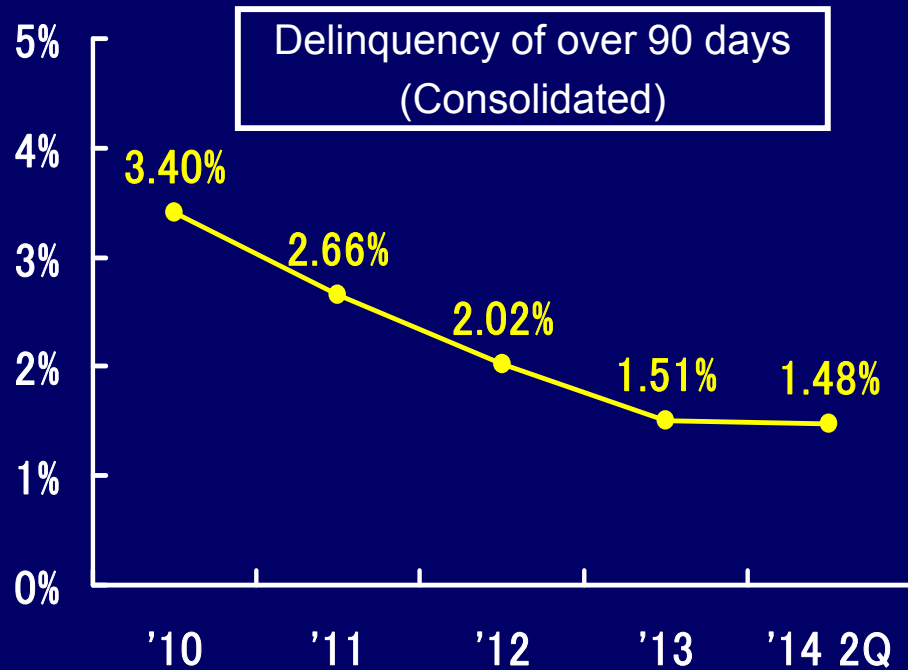
Transaction volume is on a firm trend. Cash advances balance has turned a corner and are trending upward from this year

- Increases in credit-limit grant rates and desired credit limits are driving both an expansion in new customers and continuing increases in credit limits for existing using customers



6. Credit Risk / Credit Cost

■ Trends in Credit Risk



■ Credit Cost Results / Estimate

(¥Billion)

(¥Billion)

[Consolidated]		2Q Results		Estimate	
			Previous difference		Previous difference
Credit Cost		9.2	0.2	19.7	(5.1)
General		9.1	0.4	19.7	5.7
Interest Repayment		0.1	(0.2)	0	(10.8)

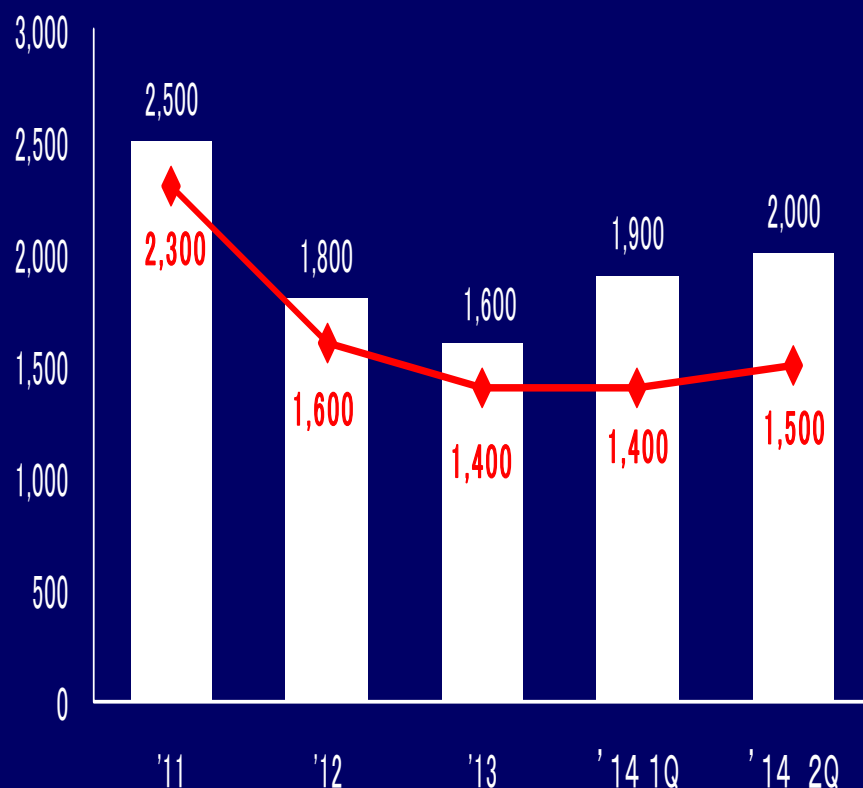
[Non-Consolidated]		2Q Results		Estimate	
			Previous difference		Previous difference
Credit Cost		8.3	0.2	18	(4.9)
General		8.3	0.5	18	5.2
Interest Repayment		0	(0.3)	0	(10.1)

7. Interest Repayment Claims

Aggressive advertising and public-relations efforts by some judicial scriveners, the trend this year for loans requiring intervention by a third party exceeds that of the previous year

■ Trends in new claims handled by lawyers and other proxies

(Unit: number of cases handled)

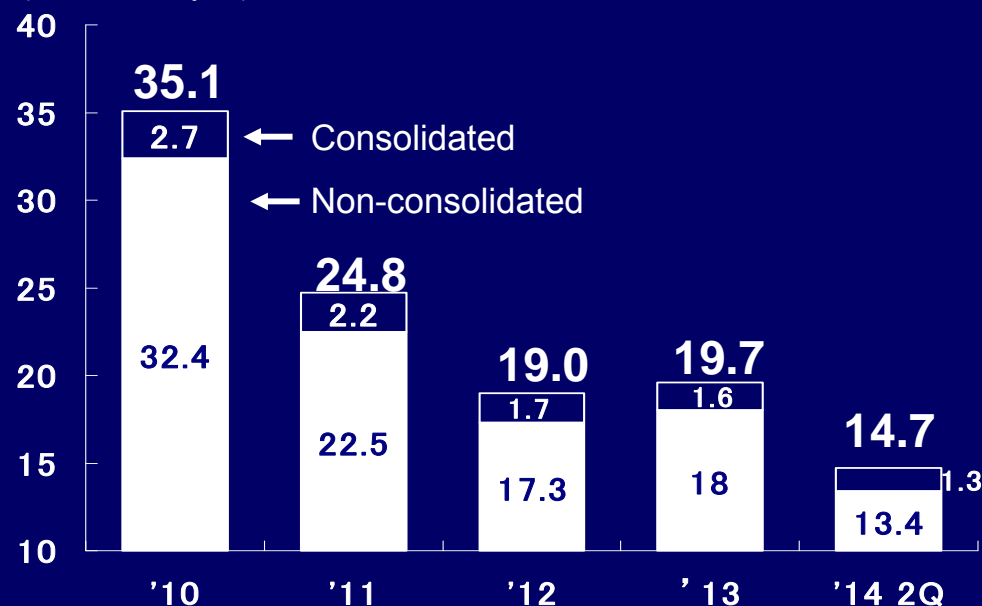


Trends in new claims handled by lawyers and other proxies
◆ Settlements of interest repayment claims

■ Trend of provision for loss on interest repayment

2Q Results	Consolidated	Non-consolidated
Reversal	(5)	(4.6)
Provision	0.1	0
Balance change	(4.9)	(4.6)

(Unit: billion yen)





8. Financial Indices

	Consolidated		Non-consolidated	
		change from end of FY2013		change from end of FY2013
Shareholders' Equity	436.8 billion	+17.6	380.0 billion	+12.2
Total Assets	2,318.1 billion	+32.2	2,230.9 billion	+30.4
Shareholders' Equity Ratio	18.8%	+0.5%	17.0%	+0.3%

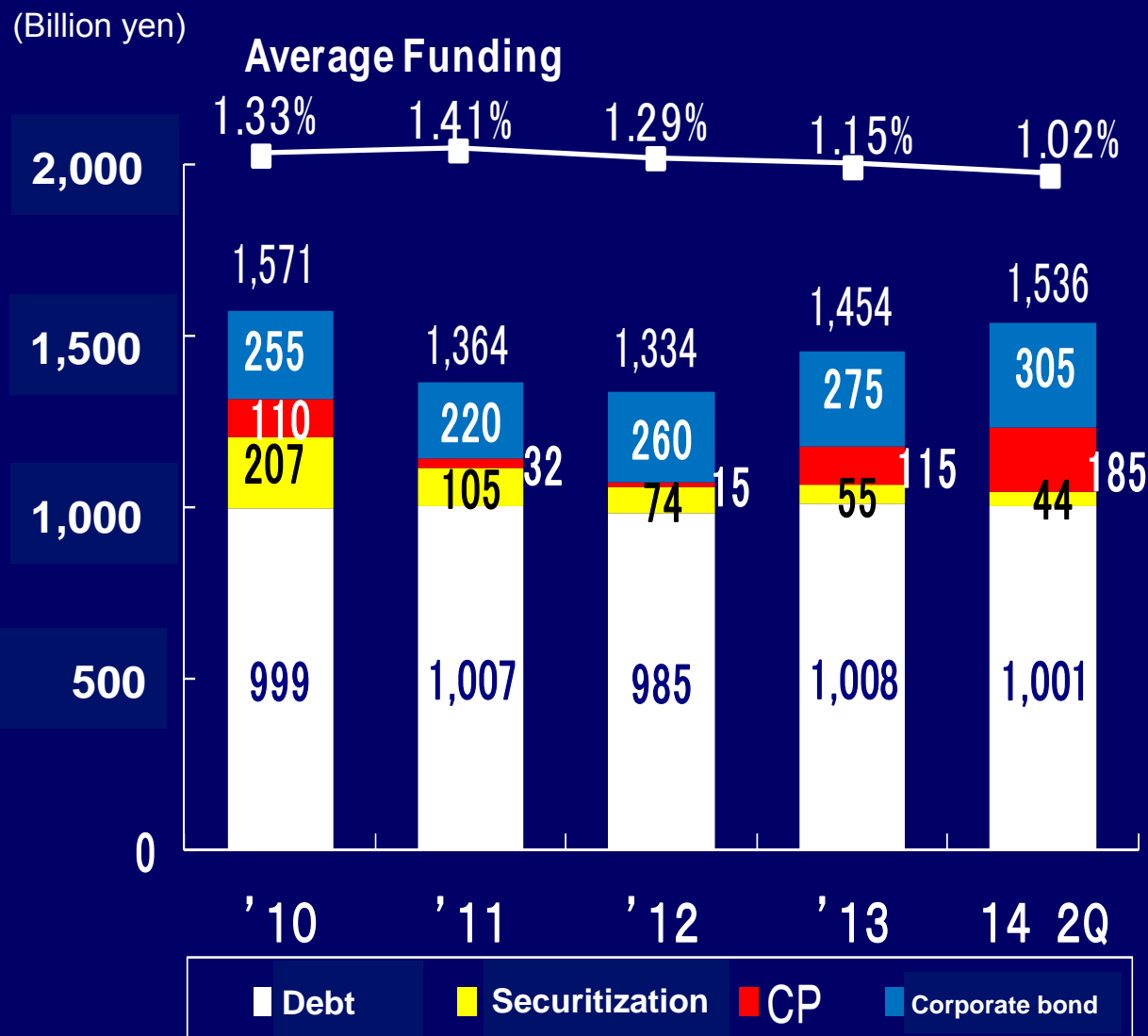
9. Revisions to Forecast of Business Results

(¥Billion)

		Estimate (Published on May 14) (A)	New estimate (B)	Difference (B-A)	Reasons for the revision
Consolidated	Operating Revenues	253.0	256.0	+3.0	[Factors in top-line increases] ◆ Operating revenues - Growth in the shopping revolving balance accounts for a 2.4 billion yen increase - Growth in the cash advances balance accounts for a 600 million yen increase
	Ordinary Income	40.0	49.0	+9.0	
	Net Income	23.0	32.0	+9.0	
Non-consolidated	Operating Revenues	212.5	217.0	+4.5	[Cost factors] ◆ Depreciation expenses - Decrease of 4.5 billion yen non-consolidated (5.5 billion yen consolidated) ◆ 500 million yen increase in up-front investment to expand the customer base
	Ordinary Income	34.0	40.8	+6.8	
	Net Income	17.5	25.0	+7.5	

(Reference) Fund Structure Changes in Interest-bearing Debt (Non-Consolidated)

Diversification of fund raising strategies to prepare for future risk of rise in interest rates and asset expansion



[Rating]

R&I A+

FY2014 bond issue

Total: 55 billion yen

April: Issuance volume of 10 billion yen

Period: 10 years

Interest rate: 0.904%

June: Issuance volume of 10 billion yen

Period: 10 years

Interest rate: 0.884%

July: Issuance volume of 20 billion yen

* For individuals

Period: 10 years

Interest rate: 0.826%

October: Issuance volume of 15 billion yen

Period: 7 years

Interest rate: 0.435%

Long-term Ratio: 75%

Fixed Ratio: 64%

II. FY2014 Management Strategy

- ◆ Management vision
- ◆ Priority Policies, FY2014 Second Half
- ◆ Management strategy

■ Comparison of ASEAN (10 countries) with Japan

- Population: 4 times that of Japan
- Area: 12 times that of Japan
- GDP: 49% of Japan's
- Trade volume: 1.5 times that of Japan
- GDP per capita: 10% of Japan's

Economic indices for the 10 countries of ASEAN

(2013)	Population (million people)	GDP (billion dollars)	GDP per capita (dollars)	Growth rate	Average age	Average life expecta ncy
Indonesia	248.0	870.3	3,510	5.8%	27	71
Thailand	68.2	387.3	5,676	2.9%	35	75
Malaysia	29.9	313.2	10,457	4.7%	26	74
Singapore	5.4	297.9	55,182	3.9%	37	83
Philippines	97.5	272.1	2,791	7.2%	22	69
Vietnam	89.7	170.6	1,902	5.4%	28	76
Myanmar	51.0	56.8	1,113	8.3%	28	66
Brunei	0.4	16.1	39,659	▲1.8%	29	77
Cambodia	15.1	15.5	1,028	7.4%	23	72
Laos	6.8	10.8	1,594	8.0%	20	66
ASEAN total	611.9	2,410.4	3,939	-	-	-
(Reference) Japan	127.3	4,898.5	38,468	1.5%	45	84
(Reference) China	1,360.8	9,469.1	6,959	7.7%	35	75
(Reference) Hong Kong	7.2	274	37,955	2.9%	41	81
(Reference) Taiwan	23.4	489.1	20,925	2.1%	38	78

◆ Management Vision and Priority Policies, FY2014 Second Half

Taking on a challenge of **changing the business model through strengthening of corporate sales** under the motto of "**Strategic products x All kinds of corporations and individuals in and outside the country x Diverse domain identities**"

Also, while **employing efficiently the present strengths of the Company** on a mid- and long-term basis such as its ability to solicit new card holders, developing into a **nonbank which can always respond to change.**

1. Tackling the corporate business sector
2. Expanding the customer base using Saison's ability to open new card accounts
3. Strategy for expanding transaction volume / Breaking into the cash market
4. Further development of the Internet business
5. Expansion of the finance business
6. Multi-collaboration in the ASEAN market

Business Strategy: Business Model Change

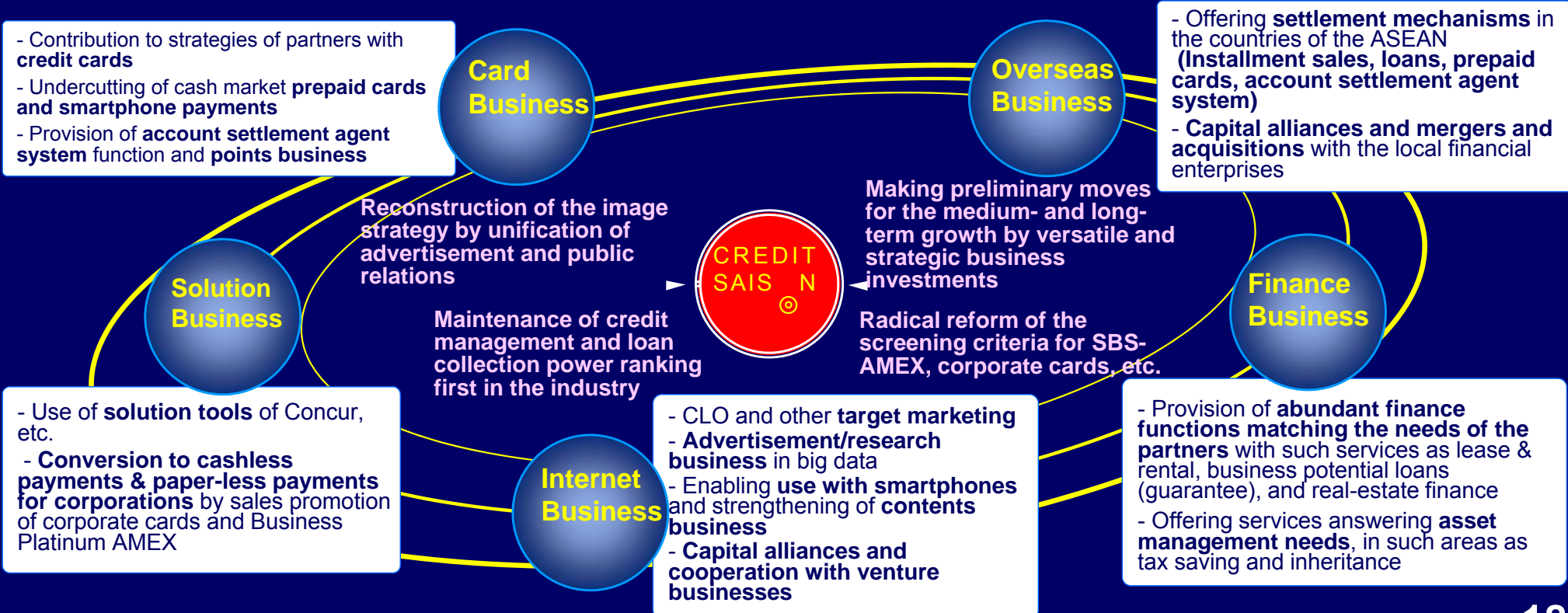
- Only companies that change the society can grow = let's change Credit Saison

In FY 2013, as a result of "collaborational management", the Company created on a bottom-up basis many "strategic weapons", resulting in the present capability to engage in "complex sales activities" reaching both corporate customers and individuals

While preserving the current business model aiming at expansion of the number of individual card holders, converting into an enterprise, in which all of the employees can engage in corporate sales using the Company's overwhelming power for attracting new card holders

Becoming a non-bank that can respond to change

By offering complex packages of all kinds of cashless payment functions to all kinds of corporations and individuals in Japan and in the ASEAN, implementing a sales strategy maximizing the merits for the partner enterprises



Provide Customer Solutions Through Collaboration of Strategic Products

1 Credit Business

2 Settlement Service

3 Net business, Processing

4 Finance business

① Credit card customer base



Group 35 million members
Consolidated shopping transaction volume 6 trillion yen

② Saison American Express® Card



High status members with high usage volume and high usage amount

③ Eikyufumetsu Points



Point balance 80 billion yen

④ High onsite capability "Store/Counter Network"

SAISON COUNTER



10 stores and more than 130 counters domestically

⑤ Visa Prepaid Card (domestic general-purpose)



First prepaid type settlement tool in Japan

⑥ Special Overseas Prepaid Card NEO MONEY



Annual chargeable amount 3 million yen

⑦ Card payment by smartphones Coiney



When using smartphone with Coiney, **no initial fees at card payment device, payment processing fee of 3.24%**

⑧ Cloud management expense payment system Concur



Streamline control of corporate expenses through collaboration with corporate card **Implement at 22,000 companies worldwide**

⑨ Point Website Eikyufumetsu.com



Net members 10 million
Annual sales 52 billion yen

⑩ Card payment link coupon Saison CLO



Information on incentives transmitted to web statement
Click rate is approx. 10 times higher than normal banner

⑪ Analysis of website browsing behavior eMark+ Lite



ASP tools for attracting customers to company website
Site behavior of 260 thousand monitor members

⑫ Business processing



Improve efficiency through business consignment of call centers, staffing, debt collection etc.

⑬ Lease & rental

Lease receivables balance 278 billion yen

In conjunction with a facilities investment plan for businesses, **provide finance leases, business installment payments, and rentals (operating leases)**

⑭ Credit guarantee (certified loan)

Specializing in certified free loan guarantees for private individuals
Guarantee balance 228 billion yen.
Partner financial institutions 371

⑮ Saison Home Loan Packages

Flat 35/Flat 35 Plus/Flat 35 Bridge Loans

Flat 35 (institution) balance 253 billion yen

⑯ Asset Formation Loan (investment-type condominium, etc.)



With low interest, loan balance 47 billion yen



Tackling the Corporate Sector

Using all strategic products to promote cashless settlement in corporate business

Card issuance: up 20% YoY

Transaction volume: up 22% YoY

■ Expanding operations with corporate and individual businesspeople using a wide range of business contact points

- Use of business contact points such as affiliated shop networks and exchange with other industries

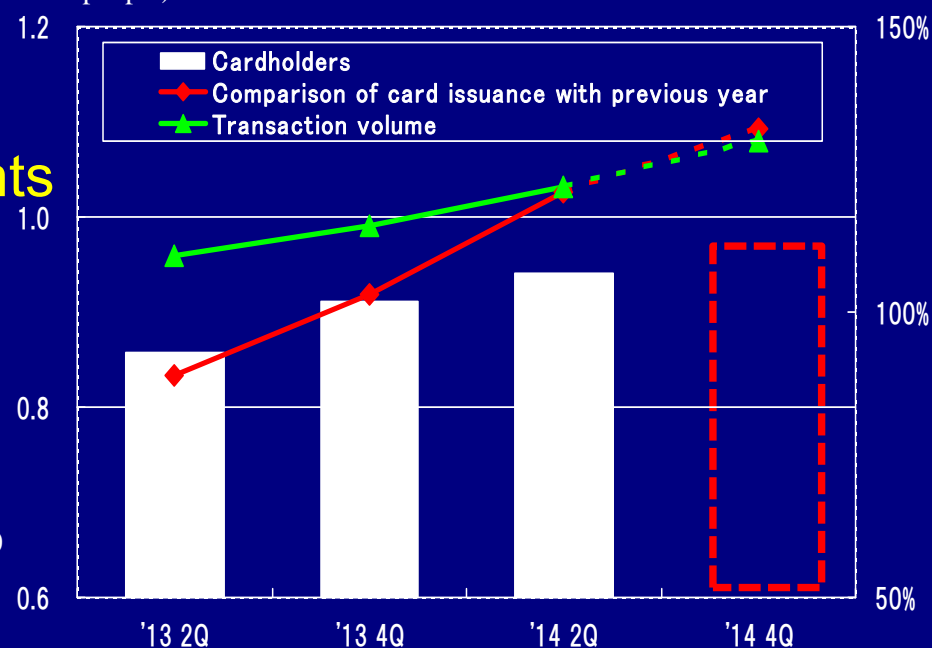
■ Move to cashless settlement for corporate customers

- Understanding companies' settlement methods and flow of funds, and then promoting the use of cards to settle accounts among companies
(Number of companies introducing Concur + 5 companies)

■ Preparing the environment for improving the accuracy of sales efforts

- Deployment of composite operations by all segments and all employees, using strategic products
(Neo Money, Coiney)

(Million people)



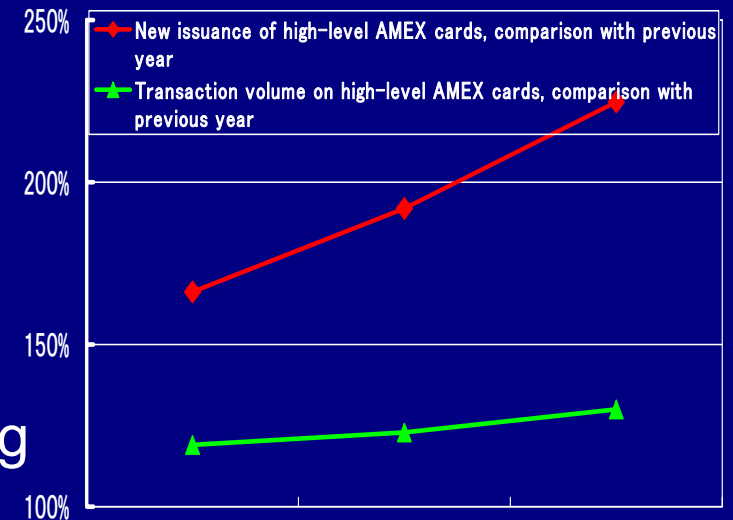
Expanding the customer base with focus on cards with high usage volume

Expansion of Saison American Express® Card

- Capturing business with focus on high-level cards such as Platinum, Gold, Saison Platinum Business AMEX
- Participatory sales through meetings with business owners
- Expansion of customers in the fields of work

Expanding the customer base by concentrating on sales resources

- Opening new card business in tandem with shop openings by partner retailers
 - > Mitsui Shopping Park Card Saison
- Strengthening new card business through service renewal
 - > Increasing the Walmart Card Saison discount from 1% to 3%
- Promoting online enrollment by strengthening card promotions on partner websites



1st Half Result Change from Mar. '14 Yearly Target Change from Mar. '14

Number of active cardholders 14,460,000 +260,000 15,000,000 +800,000

Measures to Expand Shopping Transaction Volume

Increasing brand value by expanding exposure of the Saison and UC brands through advertising and public relations

■ Measures to expand transaction volume using media strategies

- Measures to promote active card use aimed at all Saison and UC members
- Promoting regional activation through Town Card Festivals (Sapporo, Aomori, Omiya, Ikebukuro, Kichijoji, Yokohama, Karuizawa, Nagoya, Shiga, Kagoshima)
- Expanding exposure in the travel space at airports, duty-free shops, etc.

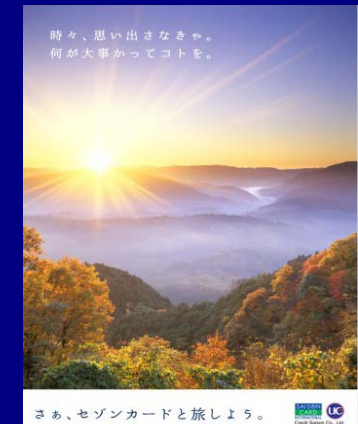


■ Creating opportunities to use cards by increasing convenience

- Expanding the range of signless transactions (taxis, drugstores, etc.)

■ Strengthening capture of continuous-settlement products

- Expanding sale of products for mobile-phone services and public-utility charges through promotions at time of card enrollment and expansion of exposure through partner companies



Shopping transaction volume

<u>1st Half Result</u>	<u>YoY Comparison</u>	<u>Yearly Target</u>	<u>YoY Comparison</u>
1,989.3 billion yen	+8%	4,151 billion yen	+8%



Overthrowing the Cash Market

Aiming to be Japan's NO.1 prepaid-card operator:
Total issuance of prepaid cards tops **10 million cards**

■ Promoting cashless transactions through use of prepaid cards

- In addition to the Cocokara Club Card, Saison is starting to accept enrollment in prepaid cards with the MasterCard brand, such as the au WALLET Card and WebMoney Card, which can be used both online and in real shops
- We are seeking out new partners, making maximum use of our experience and expertise as pioneers



■ Expanding channels for new card business by improving marketability

- In tandem with the termination of sales of travellers' checks, sales of NEO MONEY are being expanded by expanding the number of participating financial institutions (16 banks, such as Yokohama Bank and Shizuoka Bank)



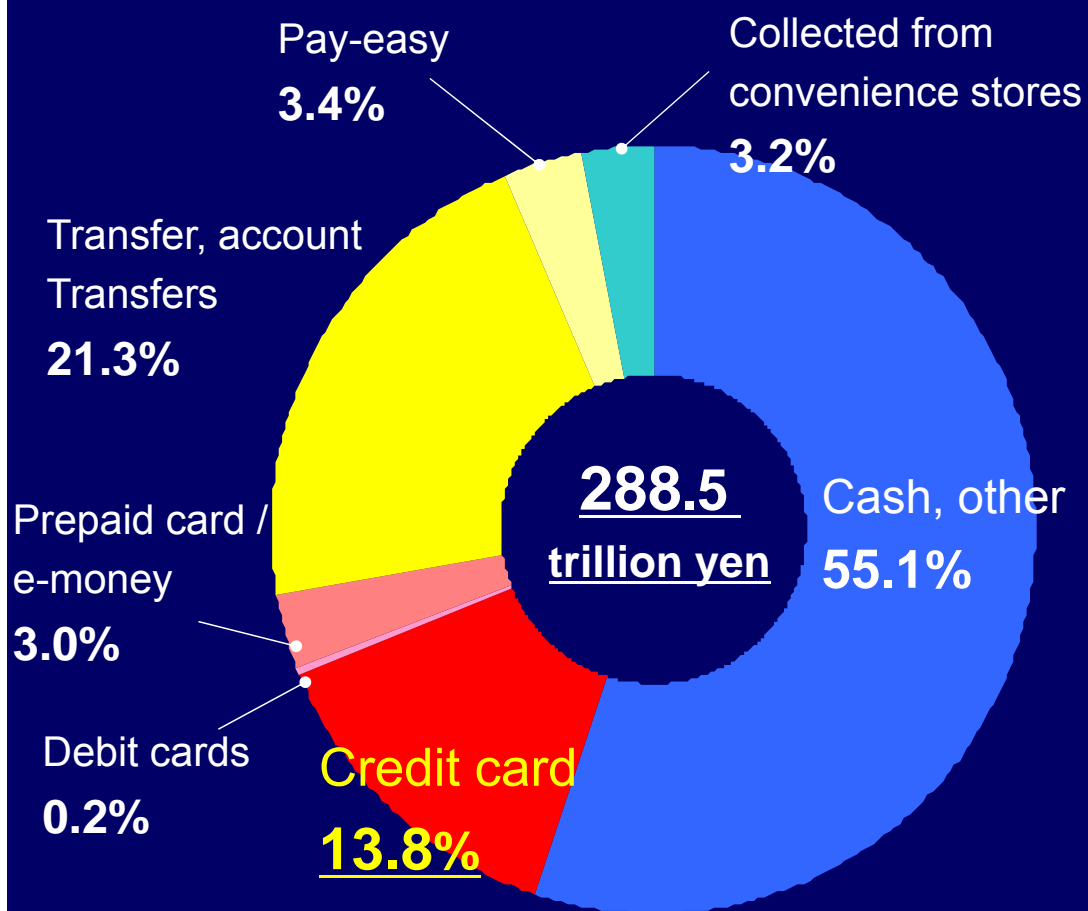
■ Promoting cashless transactions by developing affiliated shops

- Capture of new markets, such as using LIXIL for home renovation and Nihon Safety Co., Ltd. for payment of various rental expenses
- Expanding the range of credit use by means of Coiney for SMEs and individual businessowners

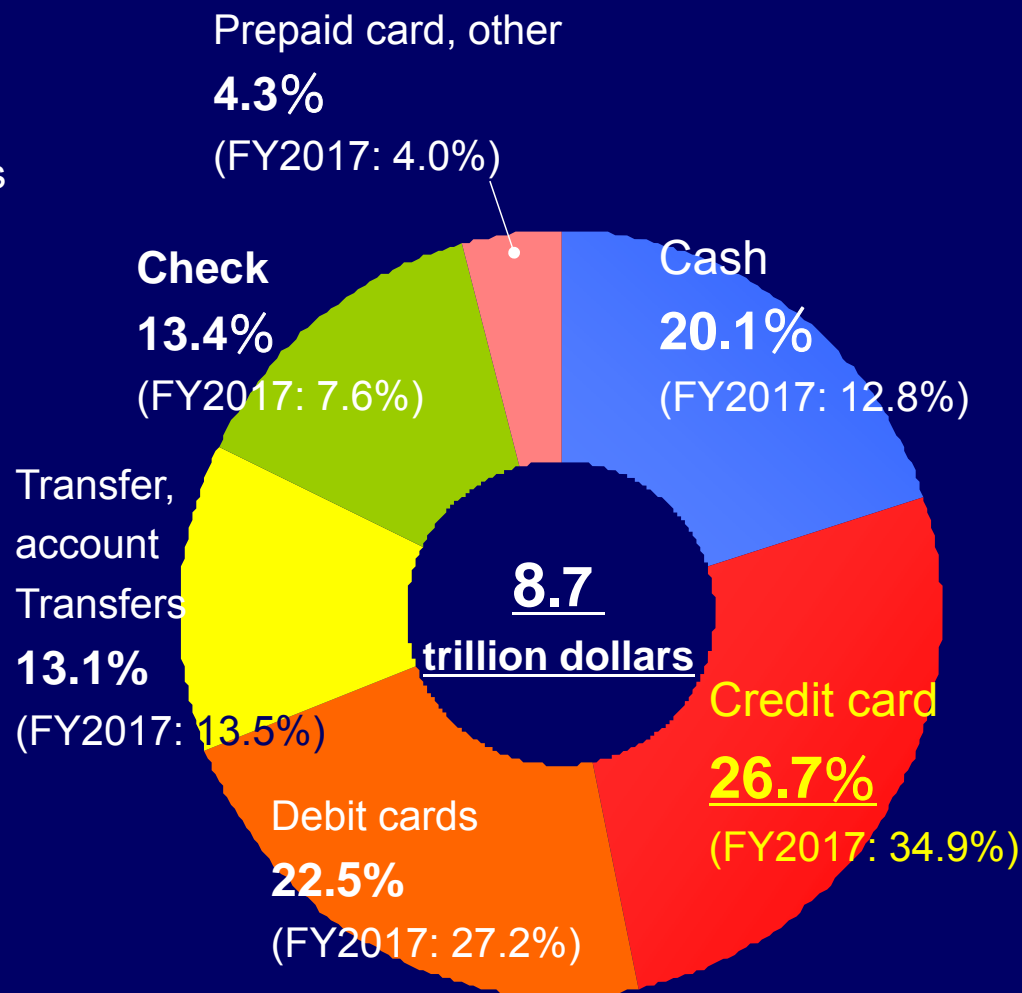


Comparison of Share for Payment Service Methods in Consumer Spending in Japan and the U.S.

Japan (FY2013) * Preliminary base



U.S.A. (FY2012 → FY2017 forecast)



* Japan: Calculated by our company based on sources such as the Ministry of Economy, Trade and Industry, New Payment Report, Mitsubishi UFJ Research and Consulting, and official documents from various companies.

* U.S.A: Calculated by our company based on the "2013 Results and 2017 Forecast" listed in the NILSON REPORT.

Master Concept of the Life Assist Point System

Continuing efforts to bring the Life Assist Point System to fruition

[Background]

- (1) In order to prevent the sagging in the economy after the current increase of the consumption tax, **economic and monetary policies of Shinzo Abe** worked out **an additional economic stimulus package of approximately 5,500 billion yen**, but as it is **centered on public enterprises, its economic effect is limited**, and can be and is definitely insufficient
-> In order to increase the GDP, the effective step would be to **expand "consumer spending which accounts for 60 percent"** of the GDP
- (2) For the first time in the history of Japan the annual number of tourists visiting the country exceeded 10 million people, which is why the Abe Cabinet, aiming to double that number to 20 million people by the **Tokyo Olympic Games to be held in 2020**, intends to make Japan **"a country promoting tourism as a major industry"**
-> For that purpose, it is vital to **maintain an environment** making it easy for foreign tourists to travel around Japan

[Effects expected from introduction of the Life Assist Point System]

Immediate effectivity/scale

- ✓ Compared with efforts targeting public enterprises or wage increases, this step will start to work **much more quickly**, as it works directly on **revitalization of consumption**
- ✓ Economic effect by a net increase of consumer spending will be quite large and have characteristics of **a ripple effect with an increase of the GDP by +2.5%**

Cost effectiveness

- ✓ The amount of points granted (borne as national expenses) is **1 trillion yen** and is highly cost-effective **as it will bring the tax revenues of 1,700 billion yen**
- ✓ Unlike the Eco Points for household electric appliances, which were issued anticipating the demand, this policy will results in a **wide-spread rise in consumption**

Shift to cashless payments

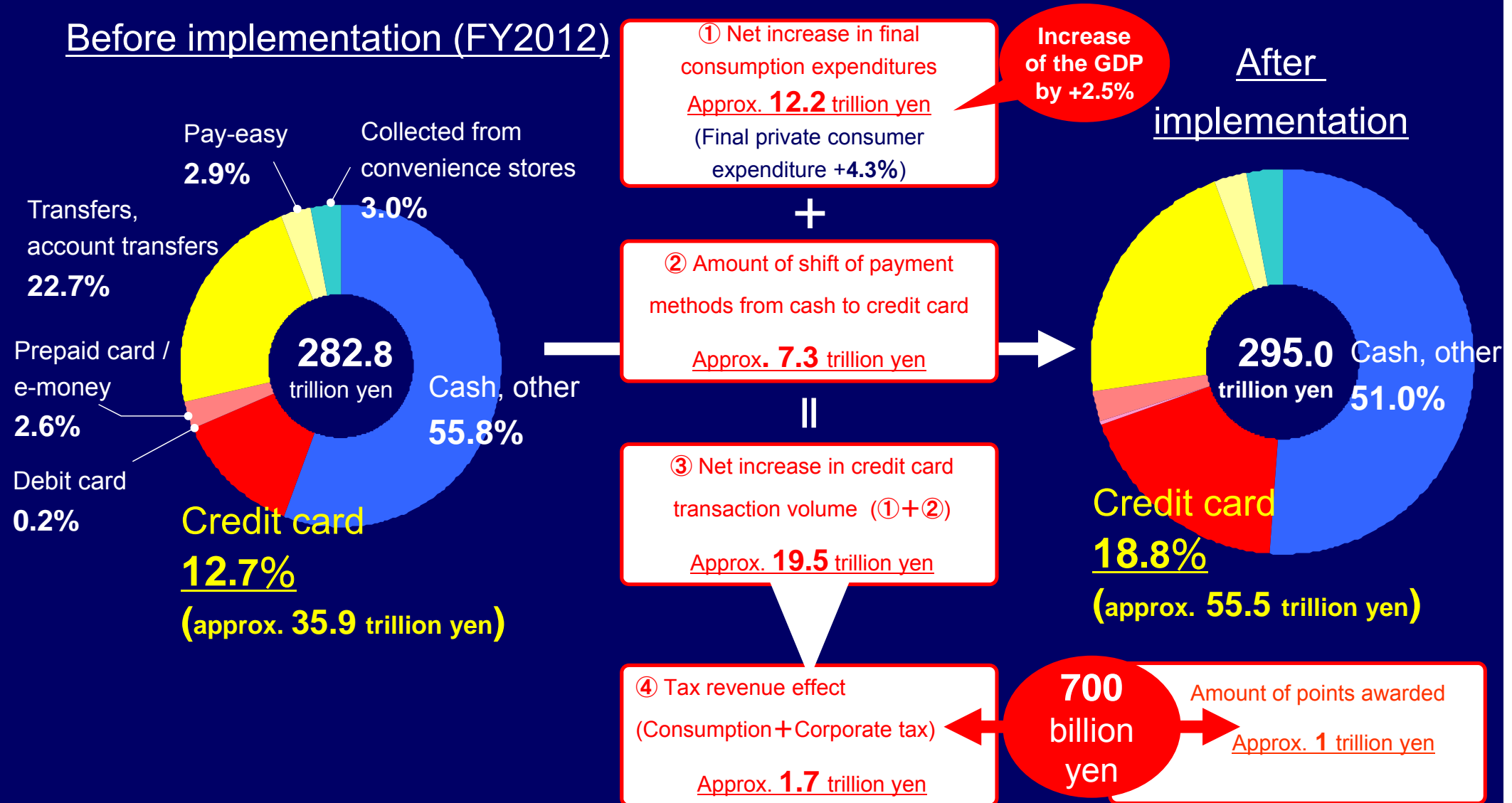
- ✓ Will result in **a creation of a payment infrastructure of credit, debit, and prepaid payments** using smartphones and other means including in its framework even the small and medium size businesses, and through **realization of the "No.1 cashless society in the world"**, will help to make Japan "a country promoting tourism as a major industry"



Forming the public opinion in favor of the change by promoting the policy as an effective measure to stimulate the economy which will support the growth strategy of the economic and monetary policies of Shinzo Abe, and aim at its implementation at an early stage by appealing to the government focusing on the councils.

Benefits of Life Assist Point System (Forecast)

[Image of effects from implementation of Life Assist Point System]



Created by the Company based on the results of surveys and preliminary calculations* (July 2012) by Nomura Research Institute, Ltd.

*Final private consumer expenditure was calculated based on approximately 270 trillion yen for 2011. Within the approximately 270 trillion yen, we calculated increases for approximately 216 trillion yen, assuming that approximately 80% of items and expense items will increase as a result of increased consumption. The increased amount (net increase in consumption) for final private consumer expenditure was calculated based on questionnaire results. Calculated by estimating an increase ratio to final private consumer expenditure.

Further Development of the Internet Business

Improving the convenience of online services and innovating with venture businesses to create new business opportunities

■ Activating Internet members

- Saison Portal smartphone application for card members
 - > Expanding transaction volume by attracting people to eikyufumetsu.com
- Approaches that do not require going through the eikyufumetsu.com website
 - > Expansion of sales through toolbars and point statement
- Use of card payment link coupon, such as Saison CLO
- Construction of a customer database
 - > Eikyufumetsu Research, Eikyufumetsu Plus Recipo



Kanmu CLO
Card Linked Offer



■ Innovating through collaborations with venture companies

- Innovations that change business models, through collaborations with venture companies in Japan and overseas



	<u>1st Half Results</u>	<u>Changes from Mar. '14</u> <u>/YoY Comparison</u>	<u>Yearly Target</u>	<u>YoY Comparison</u>
Number of net members	10,590,000	+640,000	11,100,000	+12%
Contribution margin	2.2 billion yen	+8%	4.4 billion yen	+10%

Expansion of the Finance Business – Lease & Rental Business

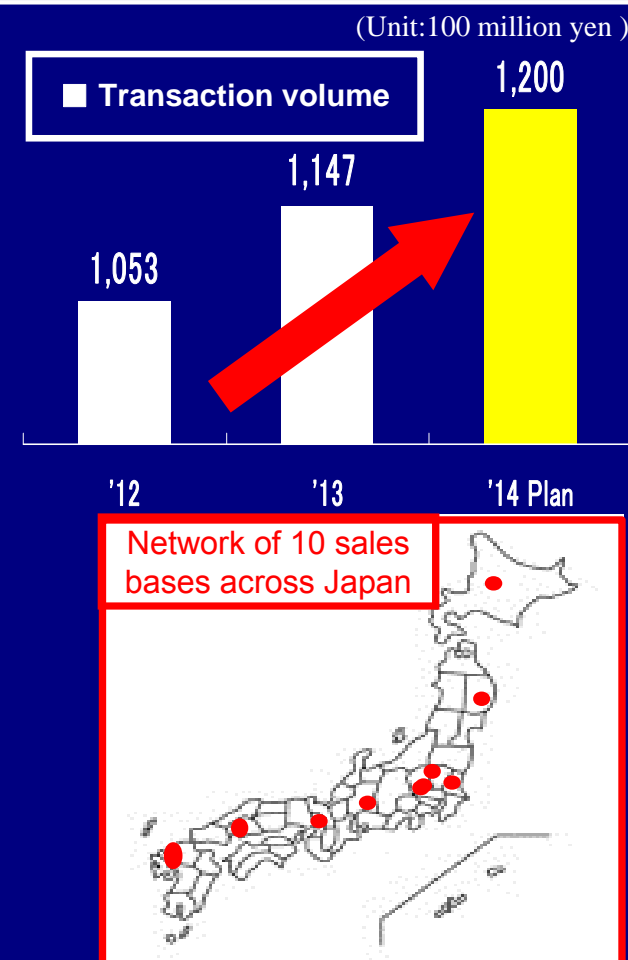
Expanding the market by strengthening sales efforts leveraging existing shops

■ Expanding transactions with existing shops

- Advancing sales support by deploying joint sales-promotion efforts
- Stimulating transactions using strategic products, as in the case of sales promotions combining leasing with AMEX cards

■ Expanding operations by opening new markets

- 10 sales bases nationwide are mobilized to open new sales shops across multiple business fields
- Expanding sales channels by expanding the range of products handled, including LED lighting, kitchen equipment and HVAC equipment based on OA equipment



		<u>1st Half Results</u>	<u>YoY Comparison</u>	<u>Yearly Target</u>	<u>YoY Comparison</u>
Lease & Rental	Transaction volume	55.5 billion yen	-3%	120 billion yen	+5%
	Claim balance	278.8 billion yen	+3%	286.7 billion yen	+4%
	Operating revenue	7 billion yen	+2%	14.6 billion yen	+2%

Expansion of the Finance Business – Credit Guarantee Business

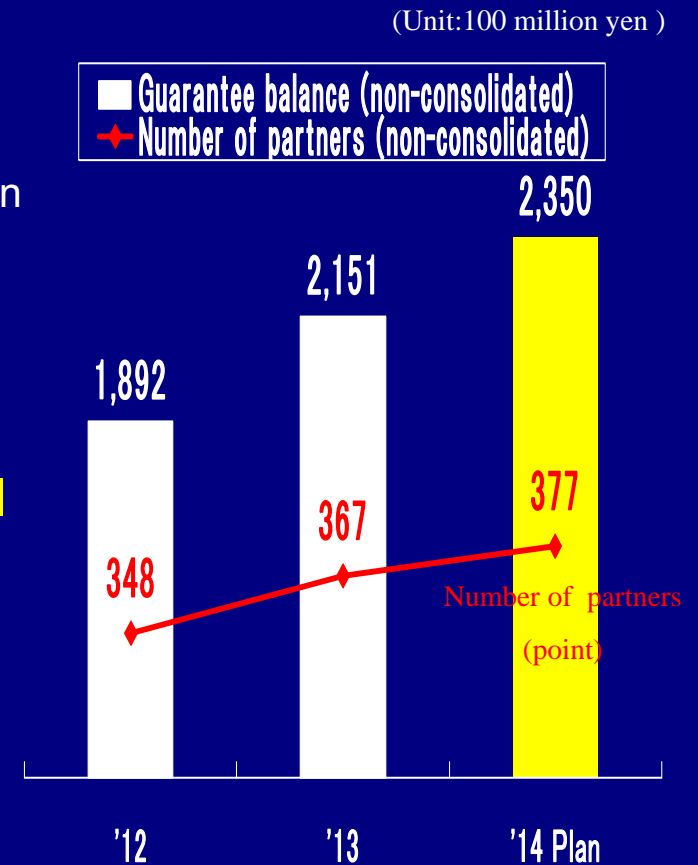
Expanding high-quality guarantee balances by forming close relationships with partner financial institutions

■ Building up balances with existing partners

- Promotion of customized, niche products that respond to partner needs, such as introduction of triple screenings focused mainly on free loans that can be used for operating funds
- Continued support for promotion of loan business through seminars and training programs offered by partner financial institutions

■ Advancing new partnerships with regional financial institutions

- Leveraging “Guarantee capability”, “Versatility, convenience and speed”, and “Marketing force” to expand partner networks
- Making collaboration approaches to Public relations combined type bank, particularly credit unions and credit associations



	1st Half Results	New Alliances/YoY Comparison	Yearly Target	New Alliances/YoY Comparison
No. of partners	371	+5	377	+11
Guarantee balance	228.3 billion yen	+12%	235 billion yen	+9%
Operating revenue	6.7 billion yen	+14%	14 billion yen	+13%

Expansion of the Finance Business – Finance Business Business

Actively promoting the loan business to utilize the Saison brand

■ Strengthening sales of Flat 35

- Speedy examination and flexible response to customer needs (customer response on weekends and holidays, etc.); promotion of use of Saison loans, leveraging the trust earned through Saison's card operations

■ Promotion of asset formation loans

- Customization of marketability according to market needs and strengthening of support systems through seminars for partner companies

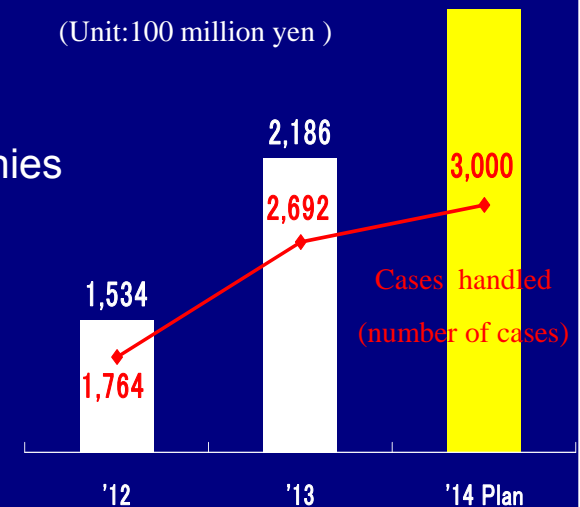
■ Promotion of nonrecourse loans to develop multiple revenue streams

- Partnership with major players backed by excellent properties to build up a balance of nonrecourse loans



■ Flat 35 balance ◆ Cases handled 2,786

(Unit: 100 million yen)



		1st Half Results	YoY Comparison/ Changes from Mar. '14	Yearly Target	YoY Comparison/ Changes from Mar. '14
Flat 35	Transaction volume	29.5 billion	+1%	81 billion	+6%
	Balance	253.6 billion	+16%	278.6 billion	+27%
Asset formation loan	Transaction volume	16.2 billion	+74%	33 billion	+18%
	Balance	47.6 billion	+250%	60.8 billion	+90%
Finance business profit		2 billion	+50%	4 billion	+50%

Asian Strategy Focusing on ASEAN

Entry into retail finance business through multi-collaboration with local firms and Japanese-owned companies

Overseas bases



China
(Shanghai)



Vietnam
(Hanoi)



Indonesia
(Jakarta)



Singapore

Areas in which we are considering launching operations



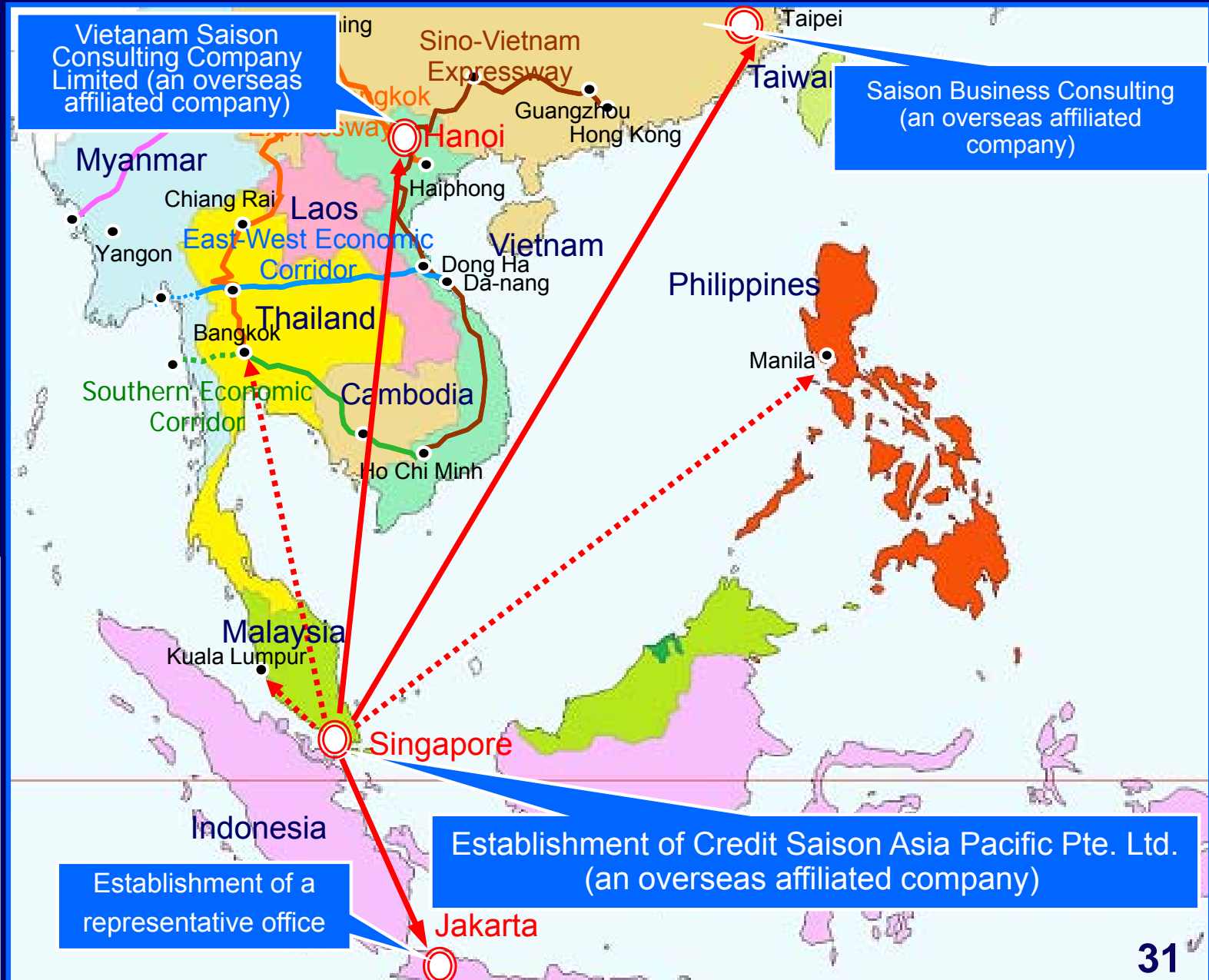
Philippines



Malaysia



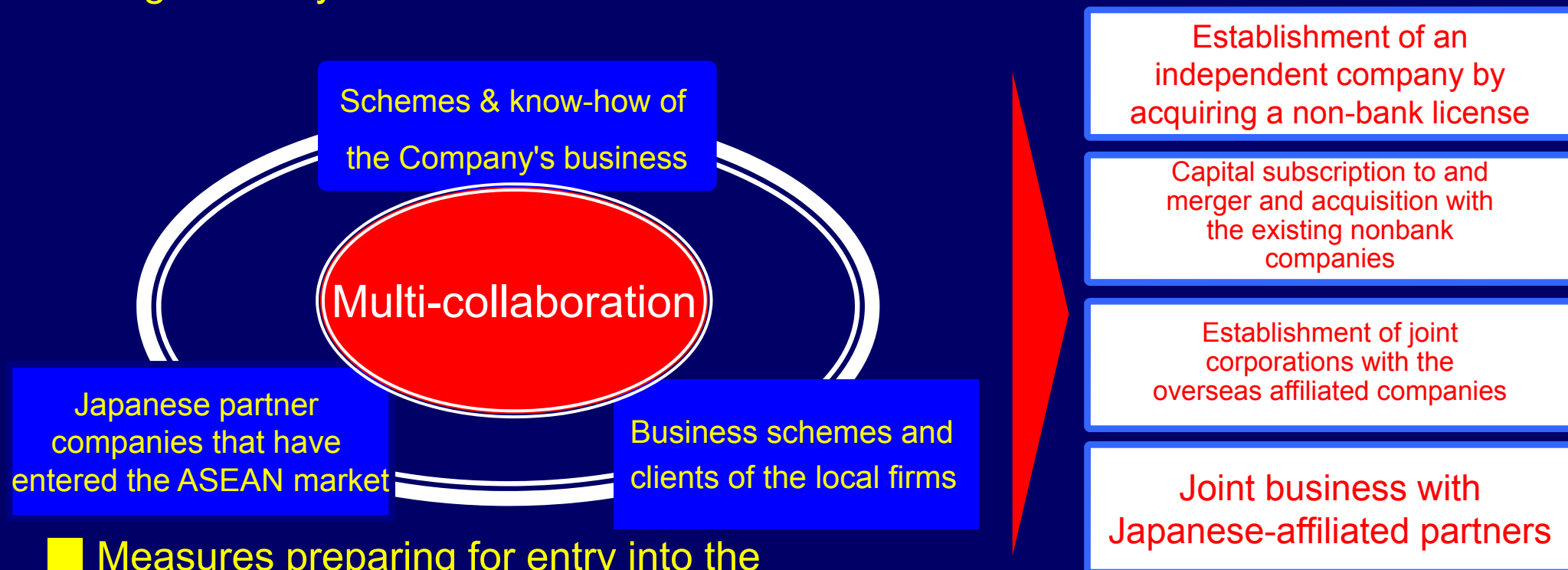
Thailand





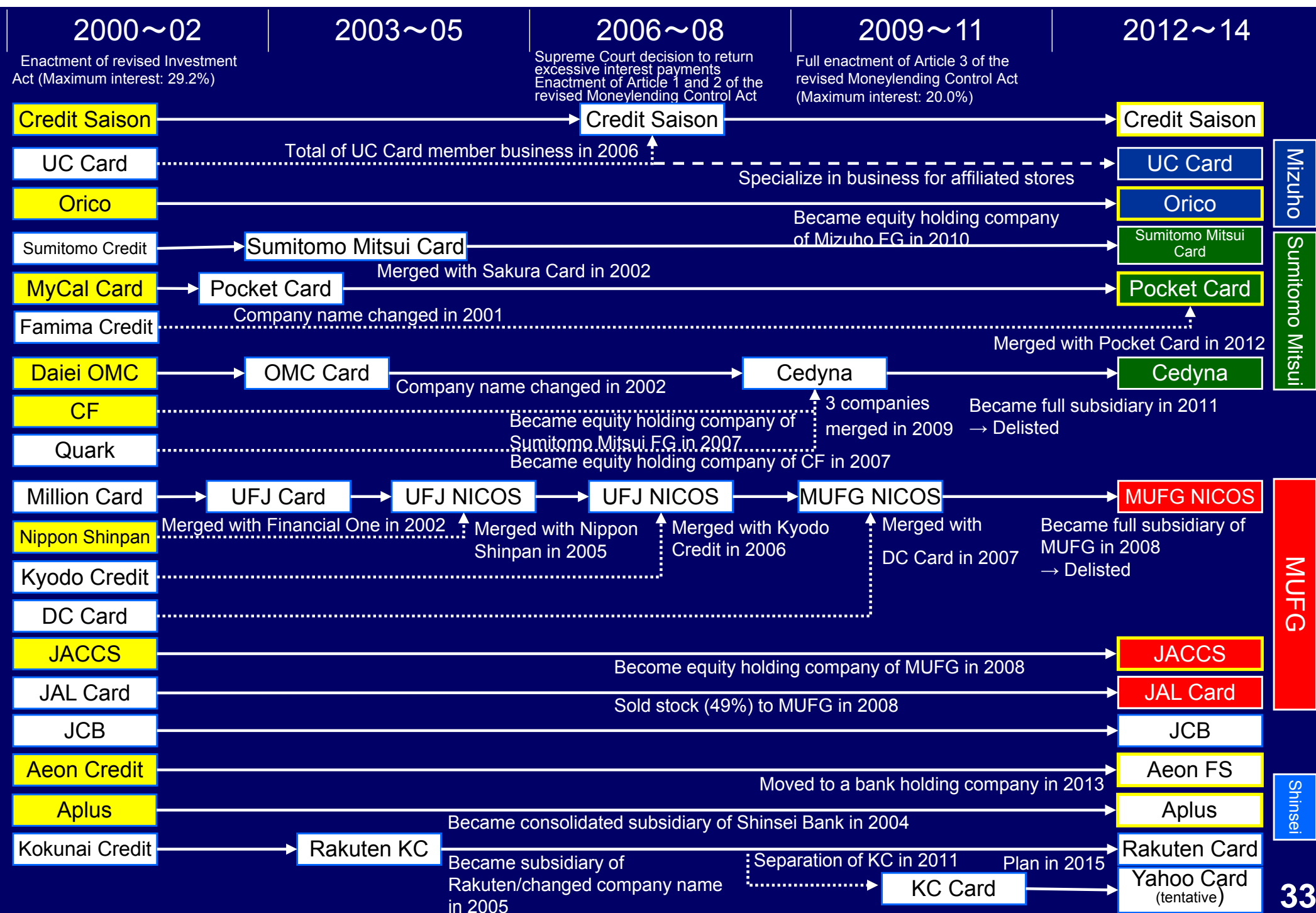
Asian Strategy Focusing on ASEAN

■ Image of entry into the nonbank business in the Asian countries



Base	Contents of activities/role
China	Launch of agency operations for issue of point cards for Shanghai Takashimaya
Vietnam	Increase of orders received for consultancy business targeting local banking establishments
Indonesia	Continuing activities to create a retail finance business
Singapore	Accelerating business development in existing and new bases to create a hub in Asia ex-Japan
Philippines, other	Continuous activities to create a finance business

(Reference) Changes in Domestic Credit Card Industry



(Reference) Restructuring of the Domestic Credit Card Industry

Mizuho FG



WAON

Credit Saison



Resona HD

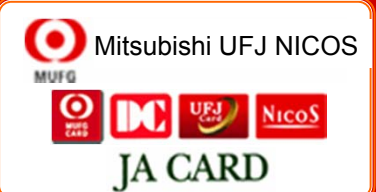


nanaco

Sumitomo Mitsui FG



Mitsubishi UFJ FG



NTT DoCoMo



Rakuten



JR Group



Yahoo



T-POINT

Ponta Point terminal

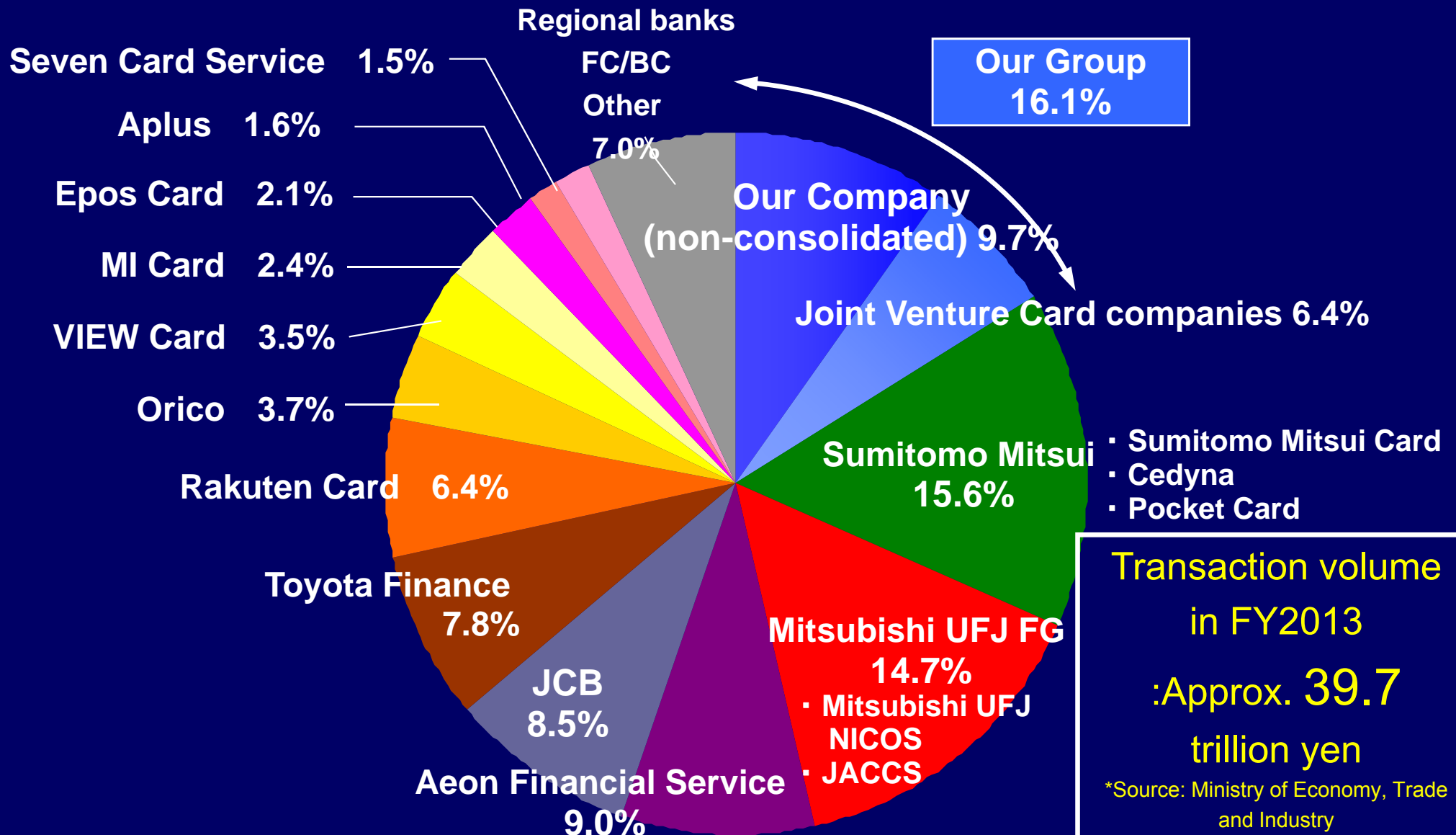


Others



Domestic Market Share (Shopping Transaction Volume)

■ Card shopping transaction volume (issuer base) 【2013 fiscal year】



※Calculated by our company's independent estimation methods on the basis of each company's officially announced calculations, etc.

※As a rule numbers are given for each company on non-consolidated basis (excluding overseas card members); both FC and BC of all brand companies (approx. 115) are calculated as "FC and BC of regional banks"

※Investment destinations of our company: Idemitsu Credit, Seven CS Card, Resona Card, Takashimaya Credit, Shizuoka Bank Saison Card, Daiwa House Group

Promoting Sports Japan's National Soccer Teams

SAMURAI BLUE

Presentation of
Neo Money to
Japan's national
soccer teams

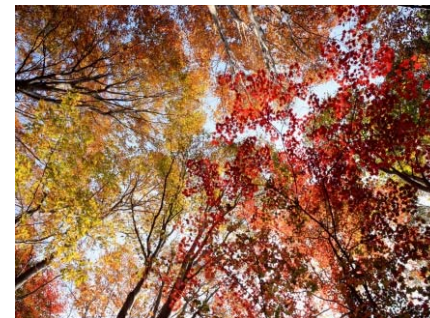
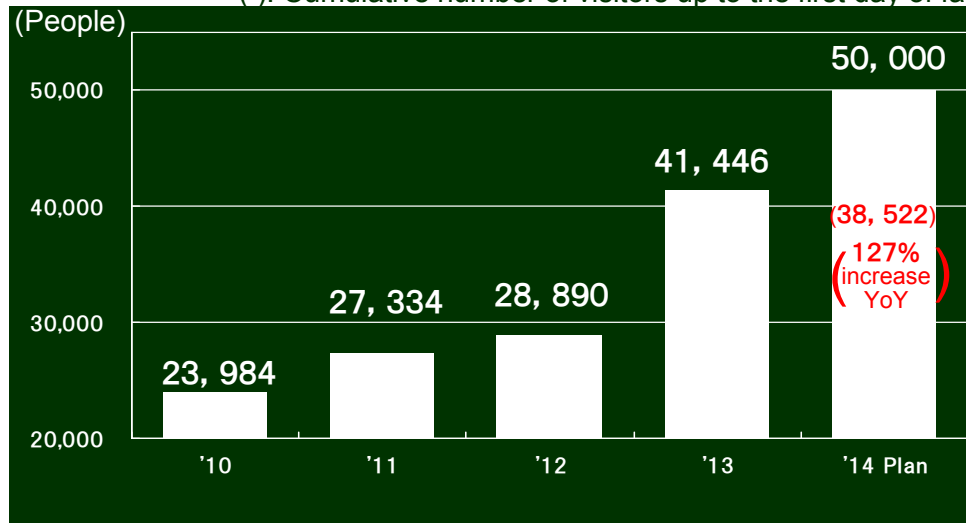


Schedule	Japan Men's National Soccer Team
Nov. 14, 2014	Exhibition game in Osaka against Honduras
Nov. 18, 2014	Exhibition game in Aichi against Australia
Jan. 2015	Asia Cup (Australia)
Schedule	Nadeshiko Japan
June 2015	World Cup (Canada)

Beginning in 2010, Saison is taking an active part in efforts to preserve Japan's abundant natural beauty for future generations, through the operation of Akagi Nature Park. **Over the four years since that beginning, over 120,000 people** have visited the park. In 2013 Saison's forest-therapy efforts here were scientifically validated (by measuring improvement in immune function, stress relief, etc.), and the park received recognition as a **"forest therapy spot."**

Number of visitors

(): Cumulative number of visitors up to the first day of fall



2014 Sponsor Corporations (listed in order by Japanese alphabet)

We support environmental preservation activities in Akagi Nature Park.



Social and Cultural Activities

Building bridges to communities through activities such as exchange of Eikyufumetsu Points

Concert by tenor
José Carreras



2014. 11. 29 (土)

ピアノ:ロレンツォ・バヴァーイ

会場:サントリーホール

「ホセ・カレーラス国際白血病財団」へ寄付

**Support the Center for iPS Cell
Research and Application!**

Please support the Center for
iPS Cell Research and
Application, Kyoto University,
directed by Professor
Shinya Yamanaka.

