



Management Report FY2016

赤城自然園

Akagi Nature Park

Credit Saison CO.,LTD
operates a Akagi
Nature Park.

2017. 5. 15
CREDIT SAISON CO., LTD.

Saison American Express® Card



PLATINUM



GOLD



BLUE



PEARL

◆ FY2016 Highlights

I. FY2016 Financial Report

II. FY2017 Management Strategies

III. ESG - related

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 2016 Fiscal Year

Payment Card Business

- Saison Cards and UC Cards started to use Apple Pay
- "mijica" with Japan Post Bank and Japan Post Co., Ltd. and "Parco Prica" with Parco etc. Expansion of the prepaid cards product lineup



Finance Finance Business

- Increase in balance of asset formation loans to 216.9 billion yen (+72% from the previous term-end)
- Increase in partners in the credit guarantee service market to 394 (+8 from the previous term-end) with the balance to 287.2 billion yen (+9% from the previous term-end)



Solution Solution Business

- Development of solutions for corporate users, such as "Saison Smart Transfer Service"
- Expansion in corporate cards transaction volume to 20% with suitable solutions to meet corporate's needs and size



Internet Content Business

- Development of "Saison DMP*", an infrastructure for big data processing
- *DMP = Data Management Platform
- Accelerated product development at "DG Lab," an open innovation type research organization using the block chain technology



SAISON DMP



Global Business in Asia

- Opening of the HD SAISON counter in Ho Chi Minh Takashimaya, the first Japanese department store in Vietnam
- Contribution margins of the HD SAISON: Almost doubled



HD SAISON counter in Ho Chi Minh Takashimaya

Investment Asset Management Business

- Launch of "Point Investment Service", which enables simulation of long-term investments using Eikyufumetsu points
- (As of the end of April: 37 thousand users, use amount 0.28 billion yen)
- Launch of "MSV LIFE," Robot Advisor service for individuals by Monex-Saison-Vanguard Investment Partners



I . FY2016 Financial Report

1. Financial Results
2. Results by Business Segment
3. Contributions by Consolidated Companies
4. Main Indices (Non-Consolidated)
5. Credit risk / Credit cost
6. Interest repayment claim
7. Financial Indices / Dividends
8. Financial strategy



Machi Card Fest campaigns Holding 14 times
(Sapporo ・ Sendai ・ Karuizawa ・ Chiba ・ Nihonbashi ・
Ikebukuro ・ Ebis ・ Kichijoji ・ Yokohama ・ Sakae ・
Kansai ・ Osaka ・ Hiroshima ・ Kyusyu)

1. Financial Results

(¥Billion)

		FY2015	YoY(%)	FY2016	YoY(%)	FY2017 (Target)	YoY(%)
Consolidated	Operating Revenues	269.9	104.2	278.9	103.3	292.0	104.7
	Ordinary Income	43.8	100.3	53.0	121.1	57.0	107.4
	Quarter Net Income	26.1	207.2	42.2	161.5	40.0	94.7
	Earnings per Share (¥)	147.37	214.3	258.70	175.5	244.90	94.7

Non-consolidated	Operating Revenues	228.7	104.3	238.6	104.3	251.8	105.5
	Ordinary income	32.6	84.8	28.2	86.5	41.0	145.3
	Quarter Net Income	25.5	226.0	21.0	82.3	26.5	125.9

■ Operating Revenue

- Credit Service Business and Finance Business drove the overall business performance.

■ Ordinary Income

- Increase in investment profits by around 110 billion yen resulted from sales of investment securities by the UC Card, a company accounted for using the equity-method
- Reactionary fall after the temporary income increase resulted from sales of large-scale real estates for the reason of the restructuring plan of Atrium Co., Ltd., one of our consolidated subsidiaries, in the same period of the previous year.

■ Quarter Net Income

- The received payment of settlement money for delay in system development was recorded as extraordinary profits of 11.4 billion yen.

2. Results by Business Segment

(¥Billion)

	Operating revenues			Operating income		
	FY2015	FY2016	YoY(%)	FY2015	FY2016	YoY(%)
Credit Service	204.2	211.6	103.6	8.2	7.9	96.4
Lease	13.5	13.2	98.1	5.1	4.3	84.4
Finance	27.3	31.0	113.7	15.8	12.8	81.1
Real Estate- related	15.4	13.6	88.2	6.4	4.9	76.3
Entertainment	10.3	10.3	100.1	0.9	1.1	122.2
Total	270.9	280.0	103.3	36.5	31.2	85.3
Inter-segment Transactions	△1.0	△1.0	-	0	0	-
Consolidated	269.9	278.9	103.3	36.5	31.2	85.3

■ Credit Service Business

- Despite increased revenues resulted from expansion in customer base contributed to the continued growth of shopping transaction volume, as well as an increase in balance of revolving payment, it recorded decrease in profits due to prior investments for the future and additional transfer from the provision for loss on interest repayment, etc.

■ Finance Business

- Despite increased revenues resulted from increase in business partners, as well as establishment of new and close relationship with local financial institutes such as local banks and Shinkin bank in the Credit Guarantee Business, and from strengthening of relationship with prominent business partners, in order to meet increased needs for investment in real estates, in the Asset Formation Loan, the overall profits were decreased due to write-downs of investment securities, etc.

■ Real Estate Business

- Reactionary fall after the temporary income increase resulted from sales of large-scale real estates for the reason of the restructuring plan of Atrium Co., Ltd., one of our consolidated subsidiaries, in the same period of the previous year, etc.

3. Contribution by Consolidated Companies

Ordinary income: Difference between consolidated and non-consolidated figures

Contribution to consolidated results

	Non-consolidated	Consolidated	Difference
Ordinary income	¥28.2 billion	¥53.0 billion	¥24.8 billion

Major consolidated subsidiaries	Contribution to ordinary income
Atrium Group (liquidation of real estate) (servicing business)	¥3.07 billion
Concerto Inc. (entertainment business) (real estate rental business)	¥2.22 billion
Saison Fundex Group (loans) (real estate)	¥2.11 billion
SAISON PERSONAL PLUS COMPANY LIMITED (temporary staff) (servicing business) * JPN Holdings Co., Ltd. and Human Plus Co., Ltd. were consolidated in one company in January 2016, and the new company was named as Saison Personal Plus Company Ltd.	¥0.32 billion

Major equity-method affiliates	Contribution to ordinary income
UC CARD Co., Ltd. (credit card business)	¥11.53 billion
Saison Information Systems Co., Ltd. (information processing)	¥1.51 billion
Idemitsu Credit Co., Ltd. (credit card business)	¥1.37 billion
Takashimaya Credit Co., Ltd. (credit card business)	¥0.96 billion

4-①. Main Indices (Non-Consolidated)

	FY2015		FY2016		FY2017(Target)	
		YoY(%)		YoY(%)		YoY(%)
New Applications (millions)	3.30	109.8	3.23	98.1	3.18	99.8
New Card Issued (millions)	2.62	110.5	2.61	99.8	2.60	99.8
Total Cardholders (millions)	25.61 (+0.64)	102.6	26.46 (+0.85)	103.3	27.39 (+0.93)	103.5
Active Cardholders (millions)	14.77 (+0.19)	101.3	14.78 (+0.01)	100.1	15.92 (+1.13)	107.7
Transaction Volume (¥ billion)	4,526.0	103.7	4,730.4	104.5	5,054.0	106.8
Card Shopping	4,258.2	104.1	4,476.6	105.1	4,790.0	107.0
Cash Advances	267.7	96.6	253.8	94.8	264.0	104.0

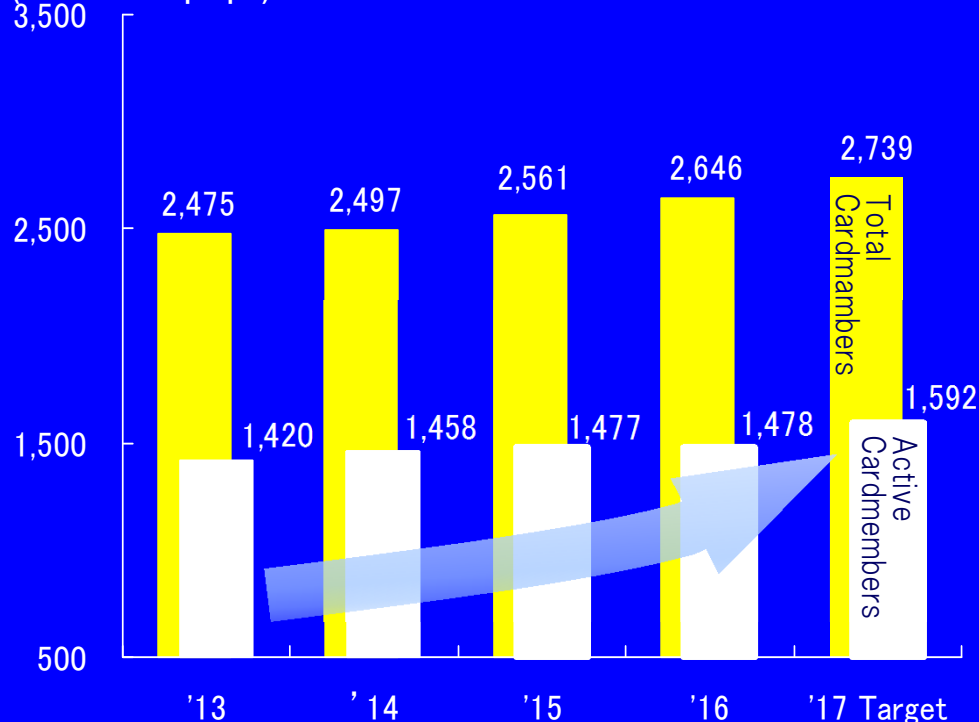
(Unit: million cards, million people, ¥ billion)

Figures in parentheses are changes from the previous year

4-②. Main Indices (Non-Consolidated)

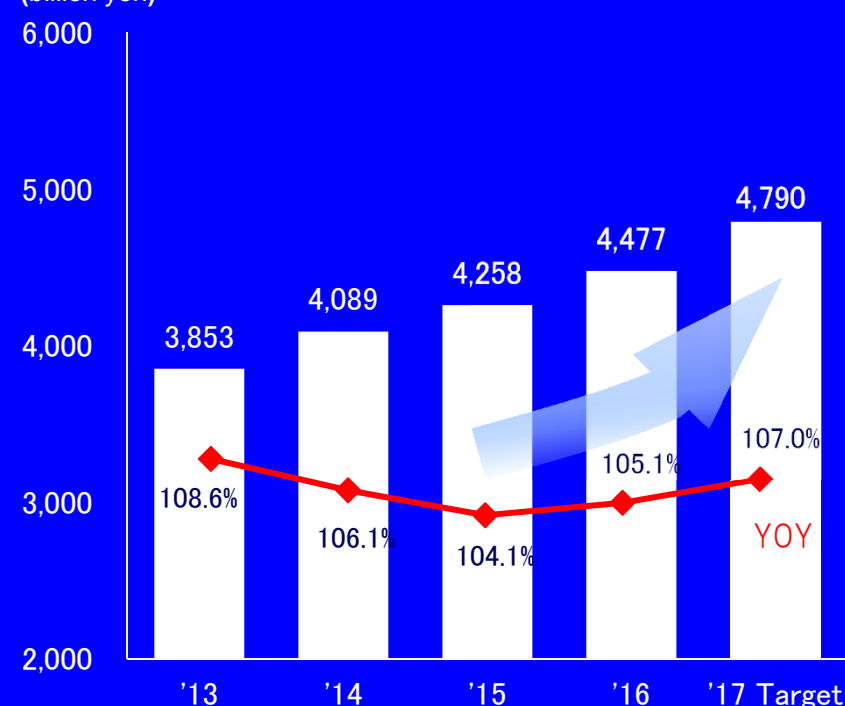
■ Transition in Total and Active Cardmembers

(Ten thousand people)



■ Transition in Transaction Volume

(billion yen)



Expansion of customer base

Collaboration with business partners to strengthen the joint activities for increases in members of "Mitsui Shopping Park Card <Saison>" and "Saison American Express® Card"



Expansion of credit card available area according to consumption changes

Strengthening of accommodation of settlements and tax settlements according to individuals' consumption changes from "products" to "service" and in order to break through cash markets



Traveling



Convenience Stores



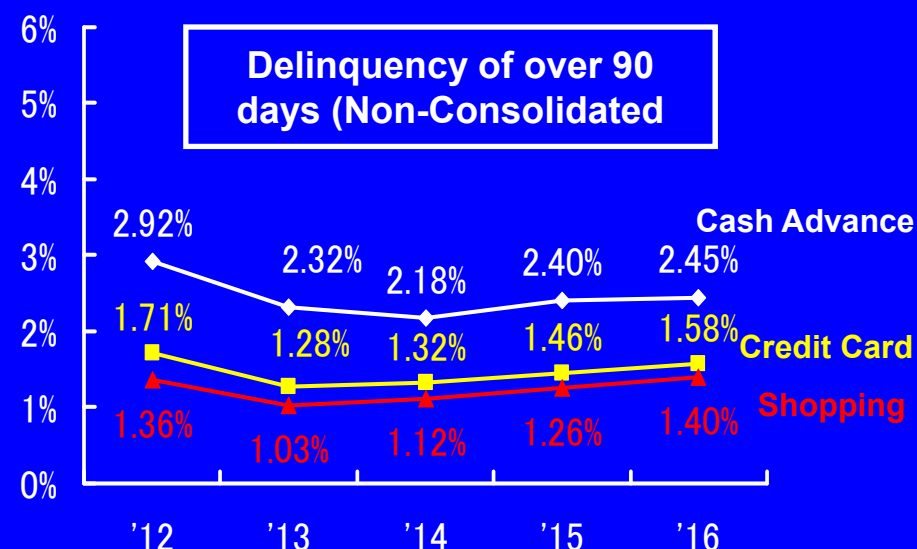
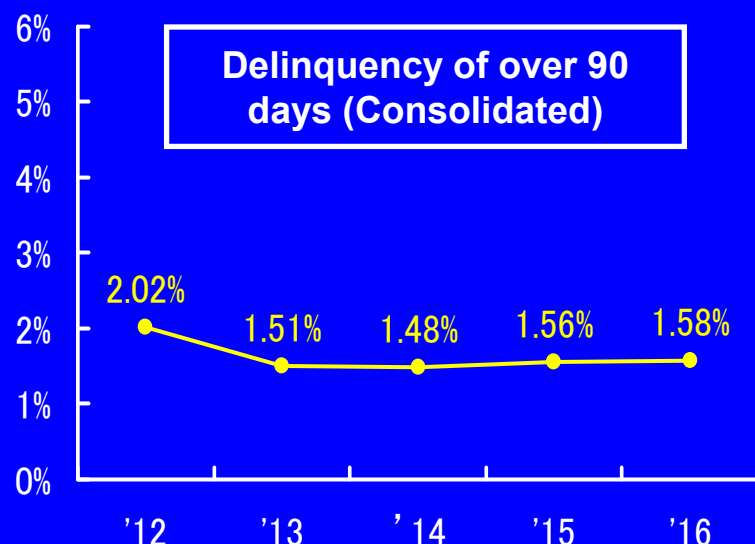
Medical Care



Various taxes such as fixed property taxes and automobile taxes

5. Credit Risk / Credit Cost

■ Trends in Credit Risk



■ Credit Cost Results / Estimate

[Consolidated] (Unit: billion yen)

	FY2016		FY2017(Estimate)	
		YoY difference		YoY difference
Credit Cost	43.3	5.5	27.5	(15.8)
General	27.3	5.4	27.5	0.2
Interest Repayment	15.9	0.1	0	(15.9)

[Non-Consolidated] (Unit: billion yen)

	FY2016		FY2017(Estimate)	
		YoY difference		YoY difference
Credit Cost	41.5	6.2	26.2	(15.3)
General	26.1	5.9	26.2	0.1
Interest Repayment	15.3	0.3	0	(15.3)

■ Despite restraint of delays of strengthening of the activities toward early collection of initial credit obligations, as well as offering of various counselling options, credit costs increased due to additional transfers from the provision for loss on interest repayment

6. Interest Repayment Claims

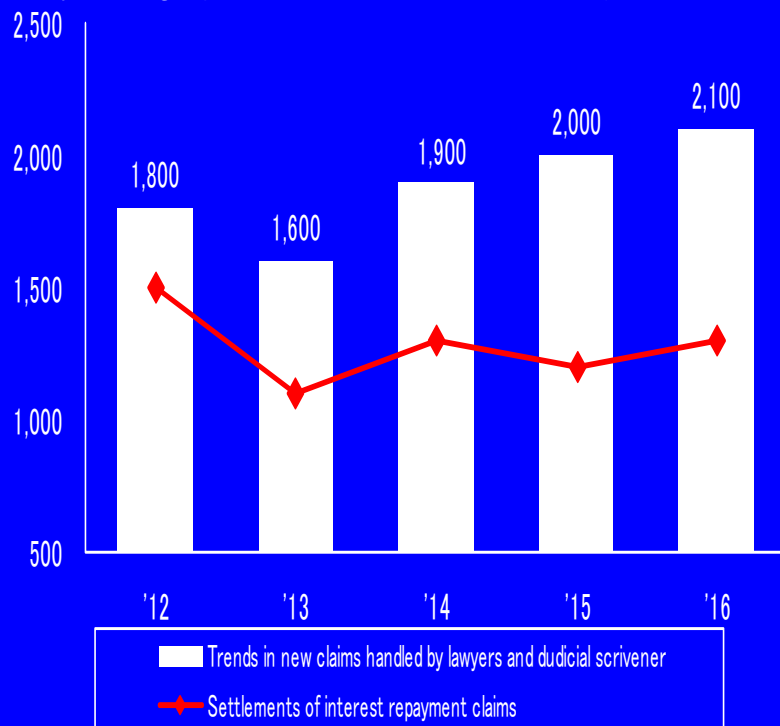
Gap from the initial assumption due to continuation of trends where new claims handled by lawyers and judicial scrivener remain high

The prediction revision to continuation of the similar trend

Increase of provision for loss on interest repayment by 15.9 billion yen, looking into the future

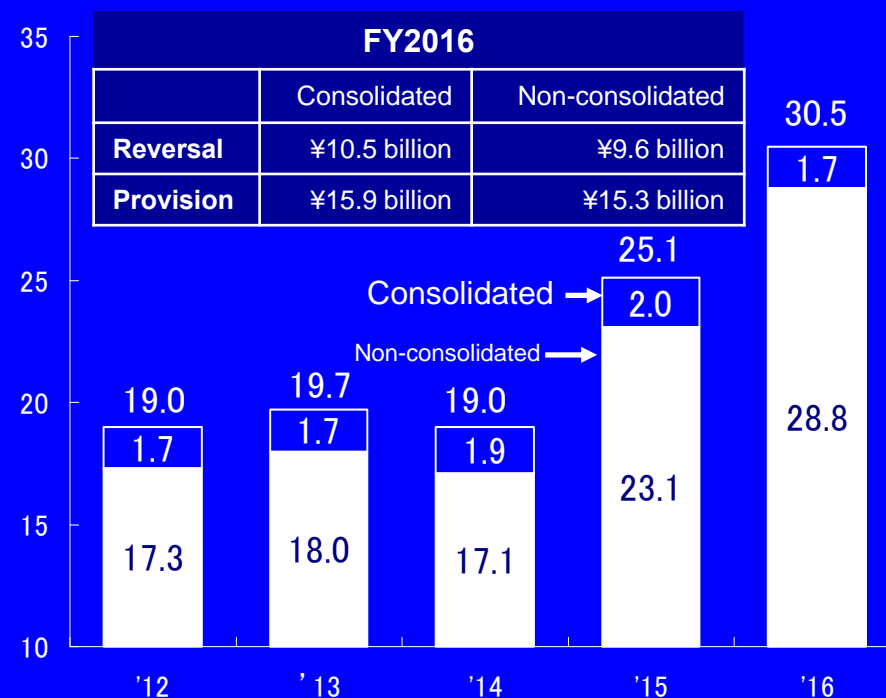
■ Trends in new claims handled by lawyers and judicial scrivener (monthly average)

Monthly average (Unit: number of cases handled)



■ Trend of provision for loss on interest repayment

(Unit: billion yen)



• The balance of provision for loss on interest repayment was 30.5 billion yen on a consolidated basis and 28.8 billion yen on a non-consolidated basis after recording reversal of 10.5 billion yen on a consolidated basis and 9.6 billion yen on a non-consolidated basis, as well as additional transfers of 15.9 billion yen on a consolidated basis and 15.3 billion yen on a non-consolidated basis

7. Financial Indices - Dividends

Financial Indices	Consolidated		Non-Consolidated	
		Difference		Difference
Shareholders' Equity	¥445.0 billion	+ 26.3 billion	¥374.4 billion	+ 15.0 billion
Total Assets	¥2,720.0 billion	+ 169.0 billion	¥2,623.6 billion	+ 154.8 billion
Shareholders' Equity Ratio	16.4%	△0.0%	14.3%	△0.3%
ROE	9.8%	+ 3.7%	5.7%	△1.1%
ROA	2.0%	+ 0.2%	1.1%	△0.3%

Dividends	FY2016	FY2017 (Estimate)
Dividend per share	¥35	¥35
Total cash dividend	¥5.7 billion	¥5.7 billion
Payout ratio (Consolidated)	13.5%	14.3%

8. Financial strategy

Basic Funding Policy

- ◆Flexible funding corresponding to environmental changes in Japan and overseas
- ◆Development of funding source focused on financial stability

Liquidity
Risk response

- ◆Diverse funding methods
- ◆Leveling of repayment and redemption amount
- ◆Commitment line

Interest rate
risk
management

- ◆Interest rate sensitivity analysis
- ◆Hedge rate control corresponding to environments

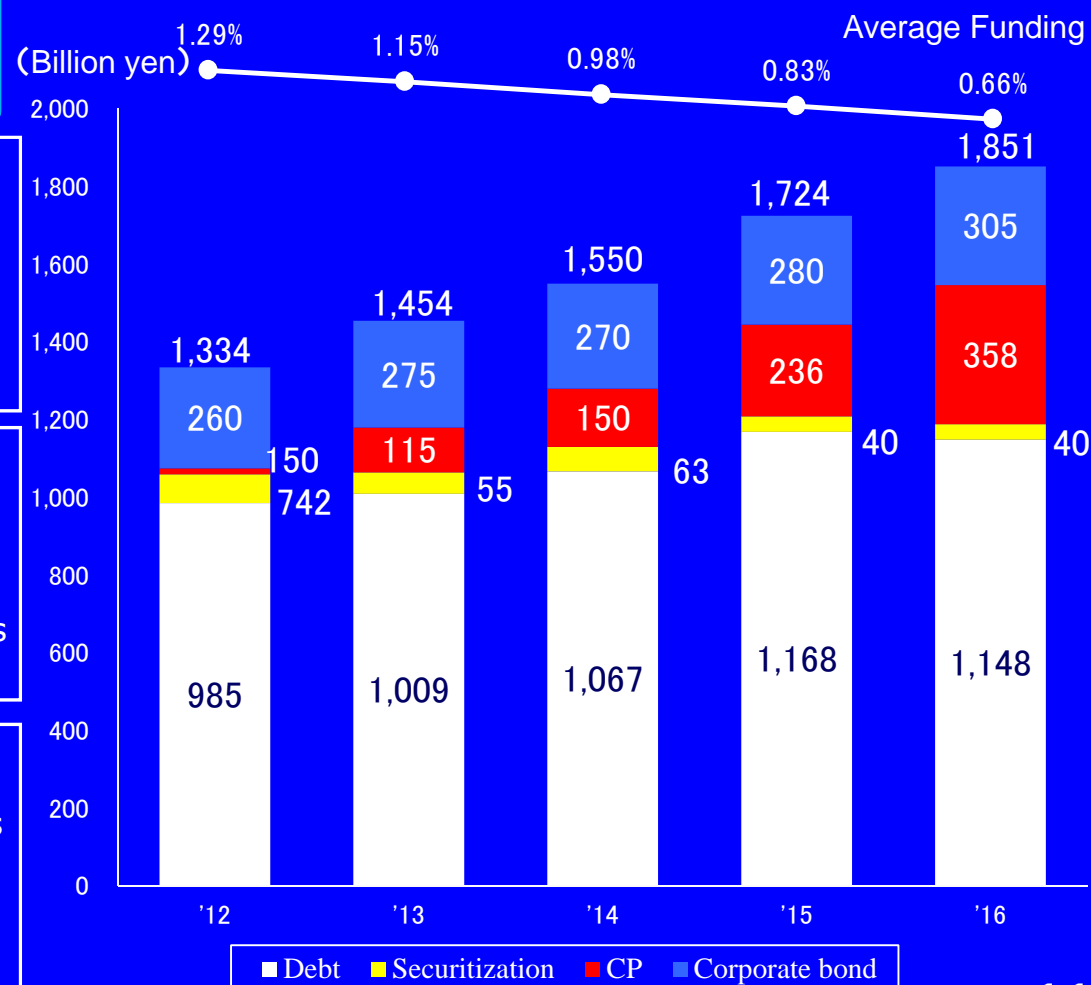
Cost control

- ◆Hedge rate control corresponding to environments
- ◆Credit rating maintenance and improvement

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

[Rating]
R&I A⁺

Long-term Ratio : 68%
Fixed Ratio : 62%



(Reference) Progress Status of Associated Core System Development

System tests with top priority on safety and reliability

Purposes of system development

- Customer data inquiry on a real-time basis by providing 24hours 365days online processing
- Enhance business efficiency by aggregation of Eikyufumetsu points given to Saison or UC brand card members, as well as consolidated customer management

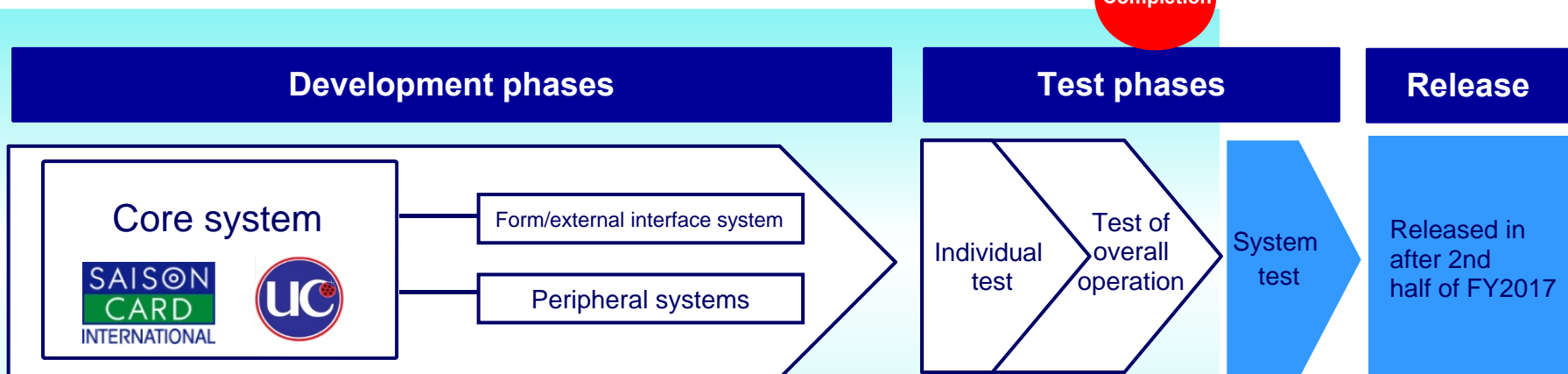
Future plans

- System tests with top priority on safety and reliability

Benefits of system development

- Aiming at efficiency in developing additional systems with improved flexibility
- Reduction of expenses required when developing new services or joint businesses
- Expanding processing business through increased versatility
- System Release
 - After 2nd half of FY2017

[Progress status]



Neo Finance Company in Asia

- Achievement of Innovation and Change of Business Model -

As a “**leading-edge service company**”, we will **continue to offer solutions that best fit customers’ needs** and will transform to a company that will be able to grow sustainably.

Having a sense of crisis and achieving the innovation that draws a line to the past, we will **change our existing business model** to ensure our competitiveness and will tackle the task of “**becoming a new and unique finance company in Asia.**”

	FY2016 Results	FY2017 Target	FY2018 Target
Consolidated ordinary income	53.0 billion yen	57.0 billion yen	60.0 billion yen

FY2017 Management Vision

Medium-Term Management Vision

Neo Finance Company in Asia

FY2014~ Change of business model

FY2016

FY2017

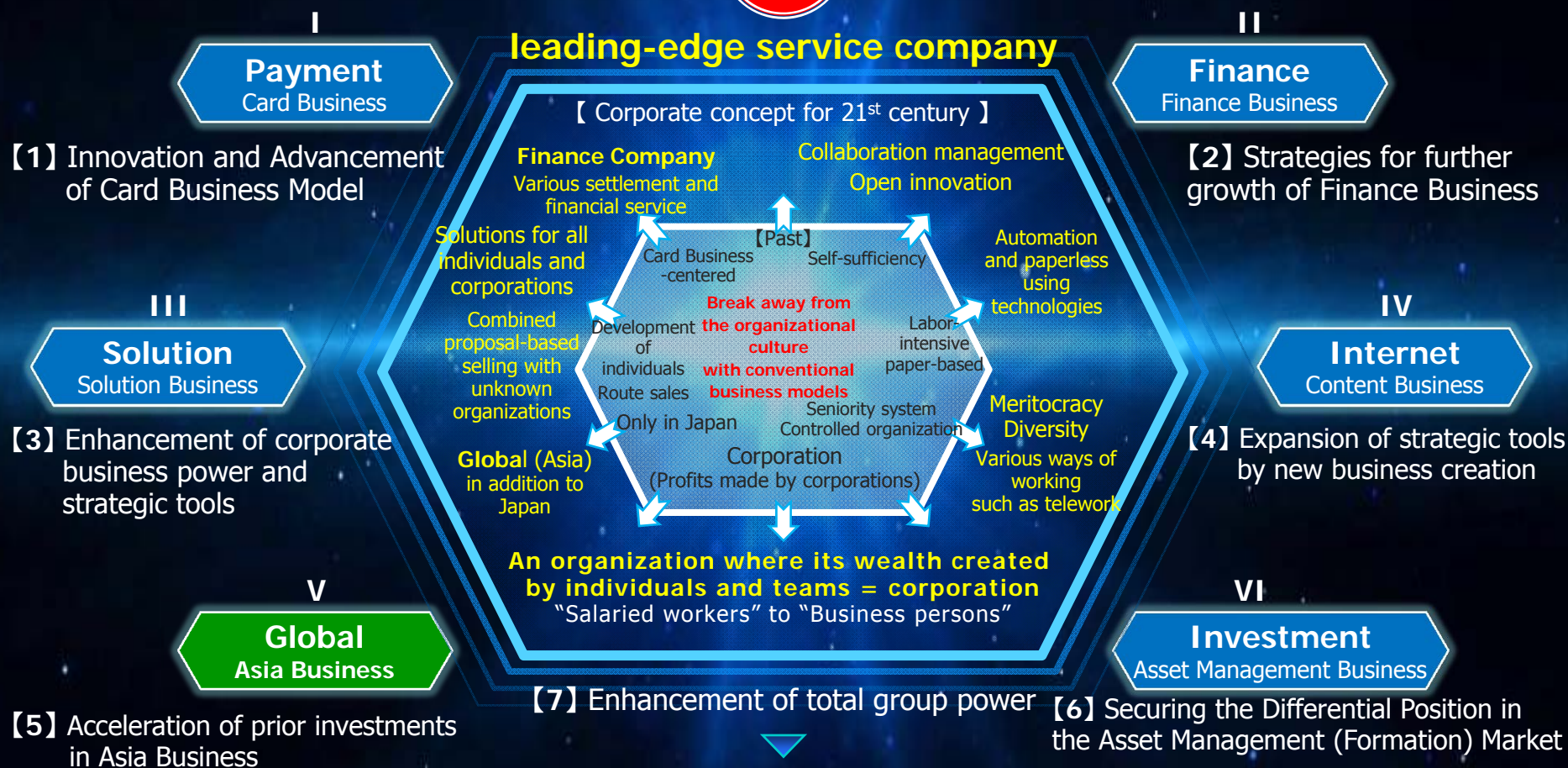
FY2018

2025 ~ The next 10 years ~

Thorough pursuit of customers' needs and convenience

CREDIT
SAISON

The most suitable solutions for individuals and corporations



Pursuit customer needs and contribute to (execute) problem solving

Challenge to the new business model (1)

Model Changes in Card Business (Progress and expansion of settlement service)

- Realization of immediate issuing and settlement by development of **Cardless settlement schemes**
- **Enhanced card development efficiency** and **slimmed number of our own staff** by linkage with our own and affiliated companies' apps
- **B2B payment accommodation** by linkage with order platformers such as goods settlement between corporations

The future device: Cardless

Smartphone / app settlement, Biometrics Authentication, B2B Settlement



Conventional device: Plastic card

Prepaid card

From post paid + prepaid transfer

Credit card

From proper cards to various tie-up strategies

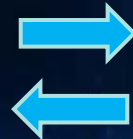
Store-issued card

From store-issued cards to international brands

Challenge to the new business model (2)

Automated and enhanced customer response and back office operations
by utilizing technologies

Automated customer response
by AI chatbots



Automated totalization operations etc.
by robotics



Entry into Big Data Business in a full scale

Customer base maintenance and
expansion with settlement platform
expansion by utilizing FinTech



Big Data expansion by
linkage with our own
customer assets and
external corporations



Advertising Business

Content Billing Business

Non-Disease / Health Care
Data Utilization Business

Ekyufumetsu.com
OEM Business

Point Utilization
Business

Asset Management
Counselling (FP) Business

Affiliated Stores Funding
(Future Credit Purchase)

Our Own Original
Media/App Development

Challenge to the new business model (3)

Enhance versatility, liquidity and added value of Enhance "Eikyufumetsu points"
and create the most powerful "Point Eco System"

① Point issuing

Our own credit card holders

+

Enhance point linkage with
external corporations

(Develop points into a platform)

Japan Post Bank  Etc.

② Point exchange

Exchange for Amazon gifts,
nanaco miles and limited articles etc.

+

Recharge prepaid cards



③ Point settlement

Shopping payment allocation

Expansion of point payment affiliated stores

+

At the "DG Lab", the open innovation-based research and development organization

Development of a "real-time exchange system" for credit card points,
electronic money, prepaid values, vertical currencies etc.

by the block chain technology

④ Point added value

Eikyufumetsu.com (Save)

Point investment service (Increase)

+

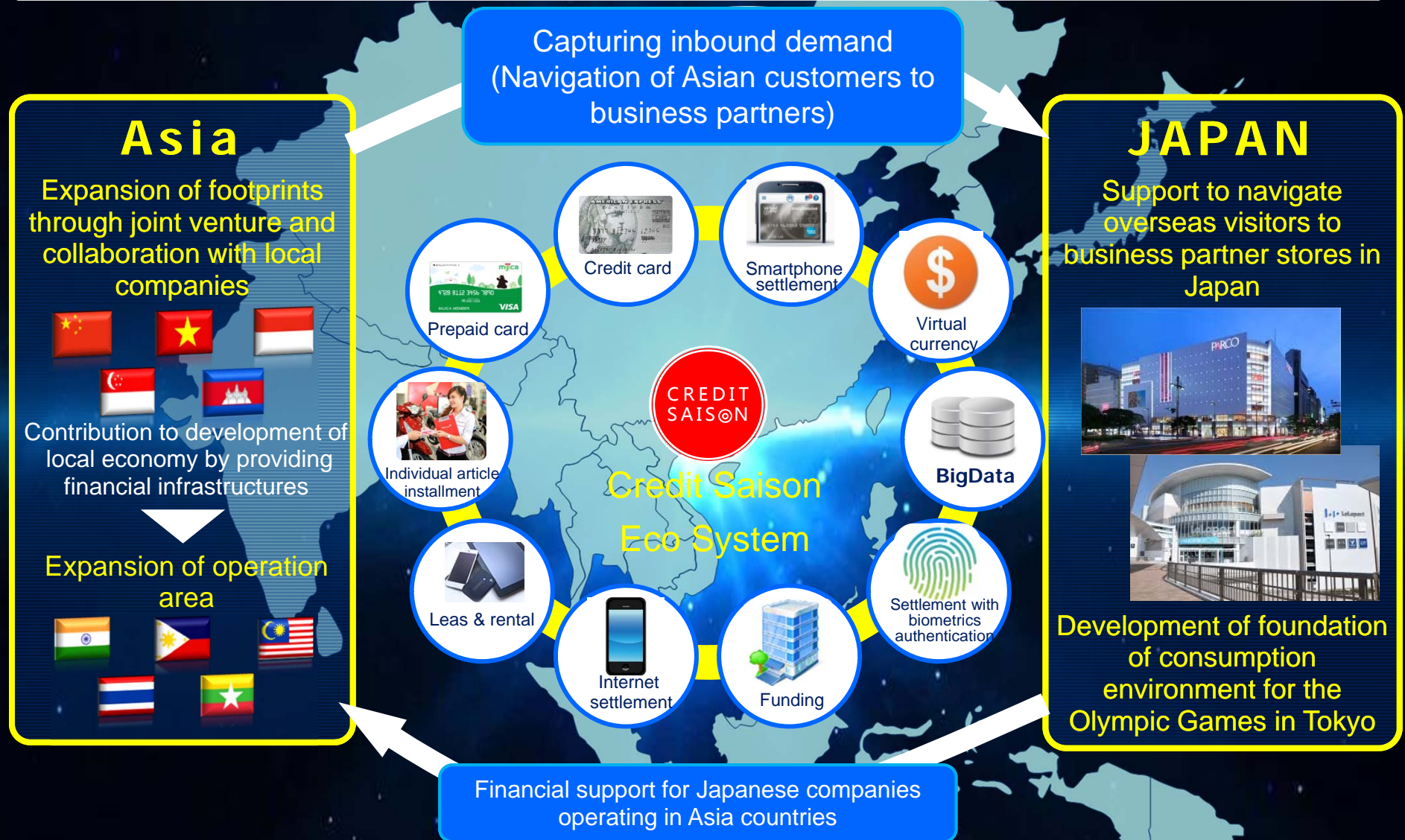
DG
LAB

Eikyufumetsu
Point

Eco System

Challenge to the new business model (4)

Full-scale entry into the retail finance business in the Asia area



Innovation and Advancement of Card Business Model (1) ~ Credit Cards

Payment
Card Business

Re-development of settlement business strategies by Acquiring Business area expansion

- Promotion of credit card payment in the B2B area targeting whole sellers etc.
- Accommodation of new ways of settlement by utilizing FinTech (Origami, Liquid etc.)
- Expansion of smartphone settlement by starting use Apple Pay



SAISON
CARD
INTERNATIONAL

UC

Apple Pay



ORIGAMI



LIQUID

AMEX status brand appeal

- Enhancement of convenience with product lineups to cover from individuals to corporations and credit limit setting to meet their use needs



PLATINUM
BUSINESS

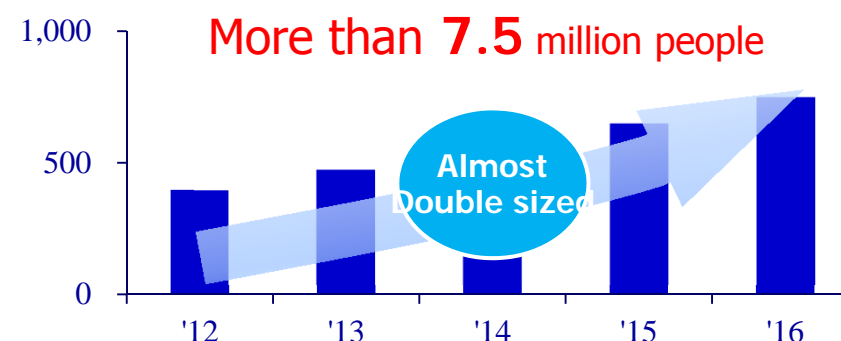
PLATINUM

GOLD

BLUE

PEARL

【Transition in SAISON AMEX members】
(Ten thousand people)



FY2017 Target

Active cardholders

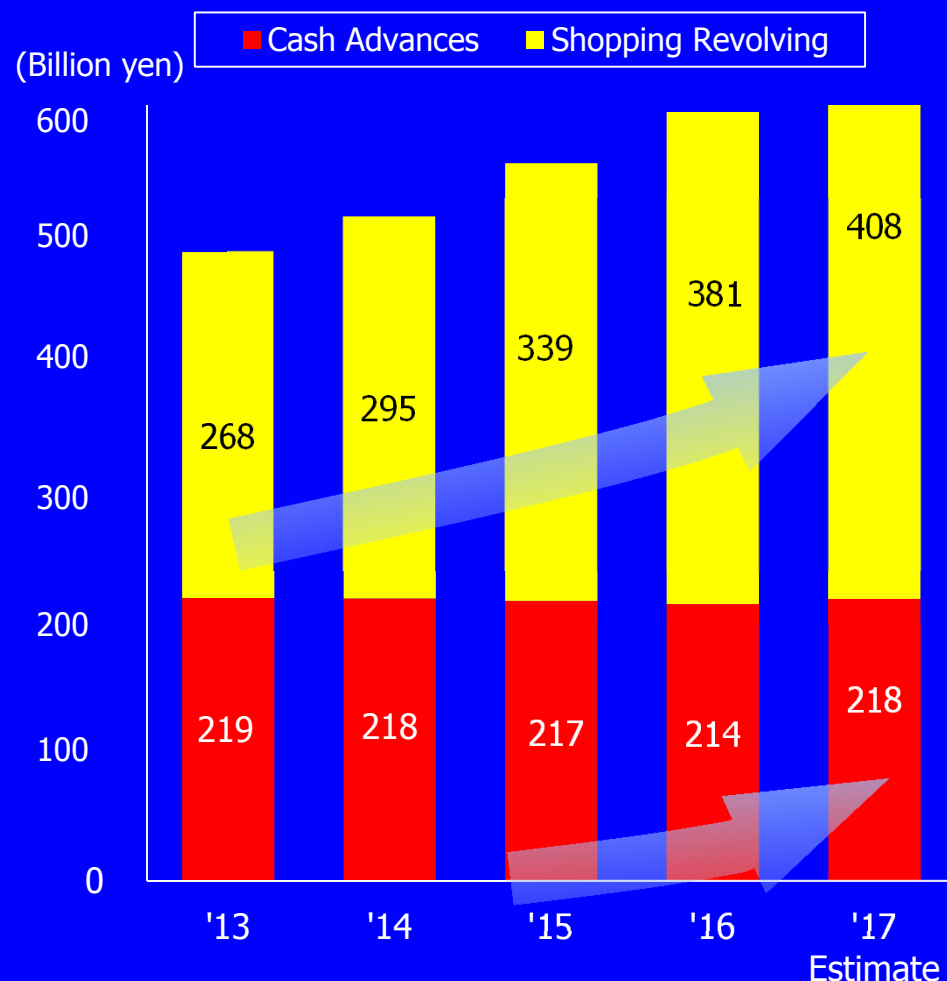
15.92 million people

(+1.13 million people
From the previous Fiscal year - end)


Shopping transaction
volume

4,790 billion yen

(YoY comparison +7%)



Shopping Revolving

- ◆ Introduction of payment options to meet customer needs
"Revolving Payment Declaration", "Revolving Payment", "Change to Revolving Payment"
- ◆ Promotion of recognition of revolving payment by collaborating with affiliated retails

- ◆ Strengthening of Change to Revolving Payment by utilizing DMs to customers and "Saison Portal", the smart phone app

Cash Advances

- ◆ Service to meet various card usage scenarios
 - Cash advance by credit cards
 - Card loan
 - Loan on certification
- ◆ Appeal with clarified approach timing
e.g. In card application
⇒ Current new cardholders
⇒ Cardholders 1 year after the application

FY2017 Target

Balance of revolving payment

408 billion yen (YoY comparison +7%)

Balance of cash advances

218 billion yen (YoY comparison +2%)

Innovation and Advancement of Card Business Model (2) ~Prepaid Cards

Payment
Card Business

Securing the position as a prepaid card service provider by diversifying prepaid card products

◆ Promotion of new collaboration and value addition by utilizing the know-how as a pioneer

【FY2016: Issuing of new products】

- Dec. 2016 : Parco Prica (The prepaid card issued by Saison and PARCO)
- Jan. 2017 : mijica (Acceptance of entrustment of the prepaid card issued by Japan Post Bank)
- Mar. 2017 : Kawatoku Parc Card (The prepaid card issued by Saison and Kawatoku)



【New service development】

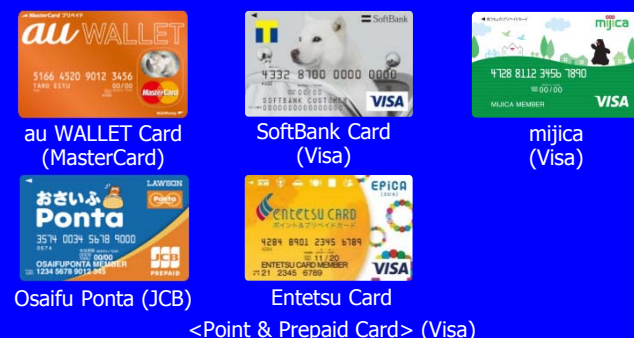
- Introduction of the Eikyufumetsu point program into the prepaid card “mijica”

Prepaid Card Lineup

Cards issued by Saison

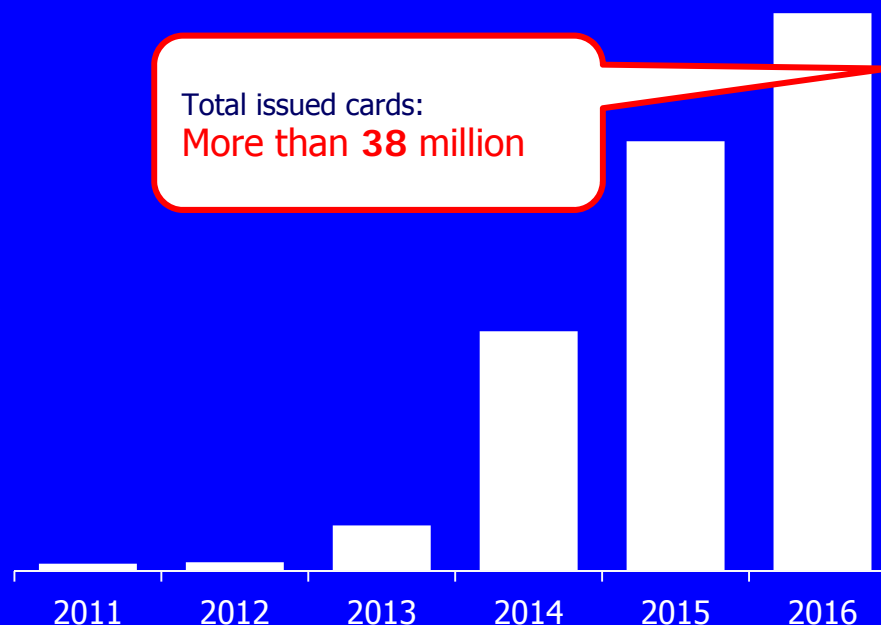


Cards issued by our business partners



【Total issued prepaid cards】

Total issued cards:
More than **38 million**

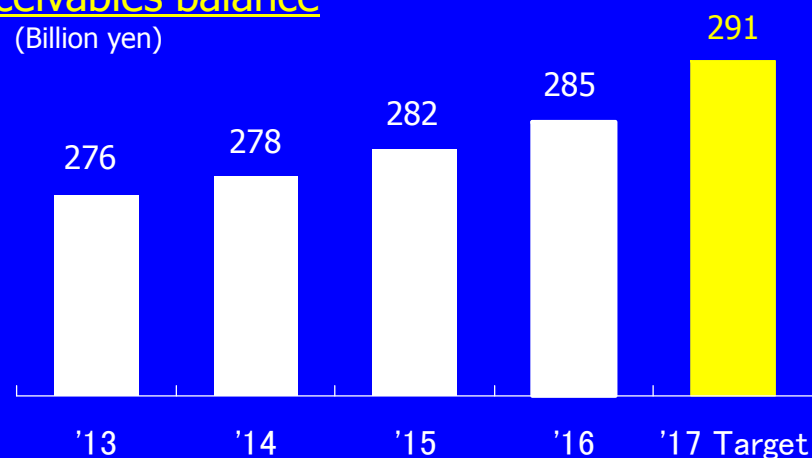


Lease & Rental

- ◆ Enhancement of comprehensive sales activities targeting important dealers utilizing the business power of the national base networks
- ◆ Promotion of new market development
- ◆ Enhancement in customer convenience through the web scheme

Receivables balance

(Billion yen)



FY2017 Target

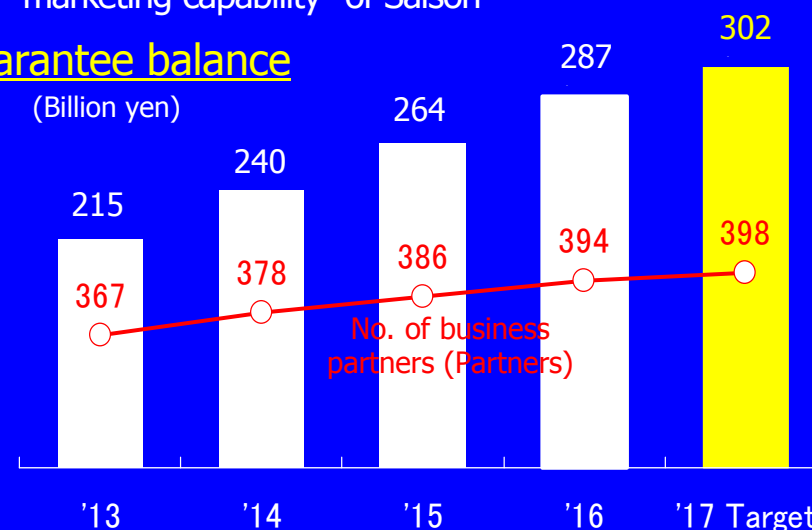
<u>Receivables balance</u>	291.4 billion yen (YoY comparison +2%)
<u>Operating revenue</u>	13.7 billion yen (YoY comparison +3%)

Credit Guarantee

- ◆ Informing a wide variety of customers about the strong point of the service that can be used for borrowing of business funds
- ◆ Enhancement in customer convenience through the scheme to complete all the procedures on the web (no face-to-face communication and paperless contracts)
- ◆ Continued sales activities toward local financial institutes by emphasizing "guarantee capability, versatility and marketing capability" of Saison

Guarantee balance

(Billion yen)



FY2017 Target

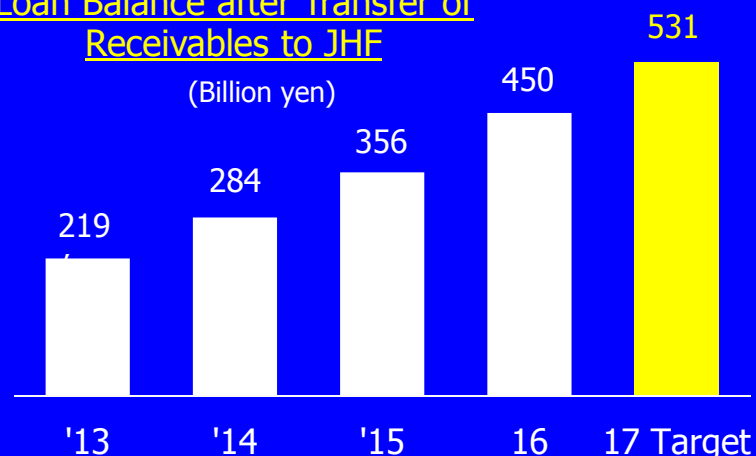
<u>Guarantee balance</u>	302 billion yen (YoY comparison +6%)
<u>Operating revenue</u>	18 billion yen (YoY comparison +9%)

Flat 35

- ◆ Support for enhancement of collaboration with main agencies as well as operation of new agencies in a full scale
- ◆ Enhancement of the response speed by establishment of a unified management system from acceptance to money consumption loan contracts
- ◆ Aggressive deployment of outbound sales to customers toward accommodating needs for refinancing

Flat 35

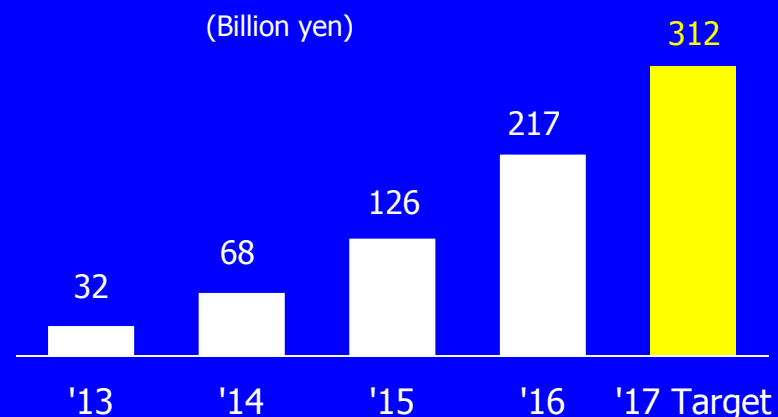
Loan Balance after Transfer of Receivables to JHF



Asset Formation Loan

- ◆ Customization of marketability matching market needs
- ◆ Enhancement of the response speed by establishment of a unified management system from acceptance to drafts to money consumption loan contracts
- ◆ Promotion of products to partners through study sessions as well as strengthening of the support system

Loan Balance



FY2017 Target

Loan balance

530.8 billion yen
(YoY comparison +17%)

Operating revenue

3.1 billion yen
(YoY comparison +22%)

FY2017 Target

Loan balance

312.3 billion yen
(YoY comparison +44%)

Operating revenue

5.8 billion yen
(YoY comparison +46%)

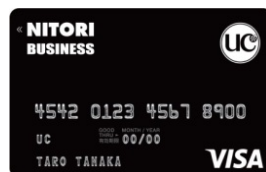
Enhancement of Corporate Business Power and Strategic Tools

Solution
Solution Business

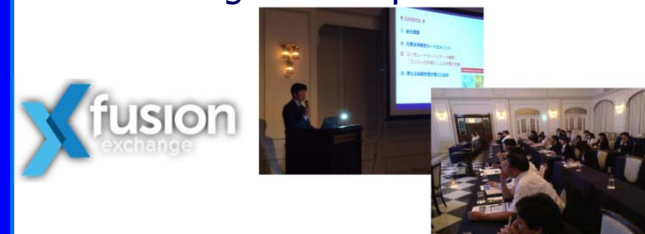
Facilitation of cashless settlement of corporate markets
by provision of corporate solution tools to meet needs

Launch of "Nitori UC Corporate Cards"

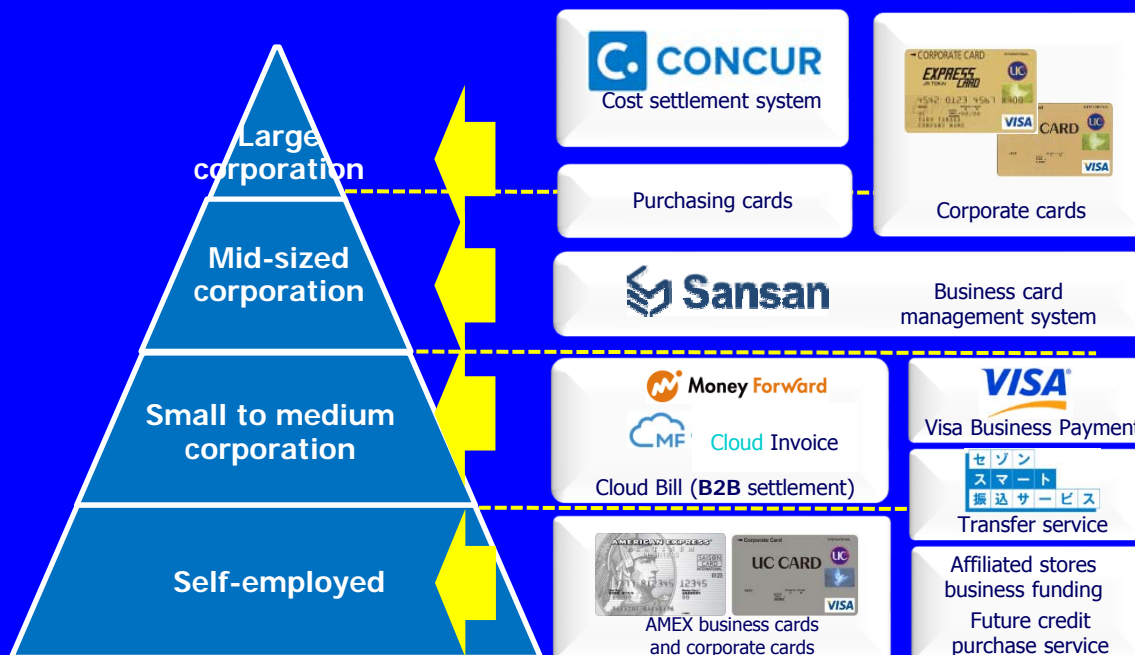
Achievement of facilitation of cashless business expenses settlement
targeting corporations and self-employed individuals who introduce
Nitori business products



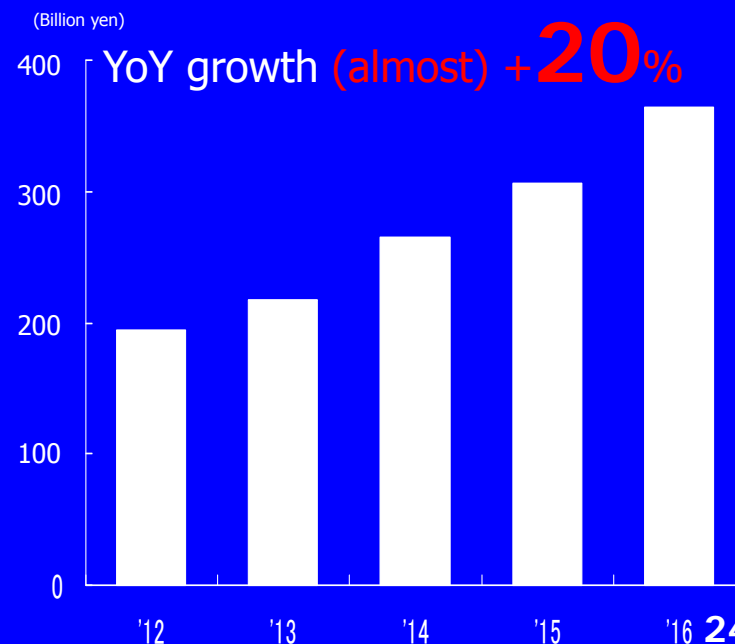
◆ Sales expansion of corporate products
by exhibiting of the "Concur Fusion"
and holding the "Corporate Seminar"



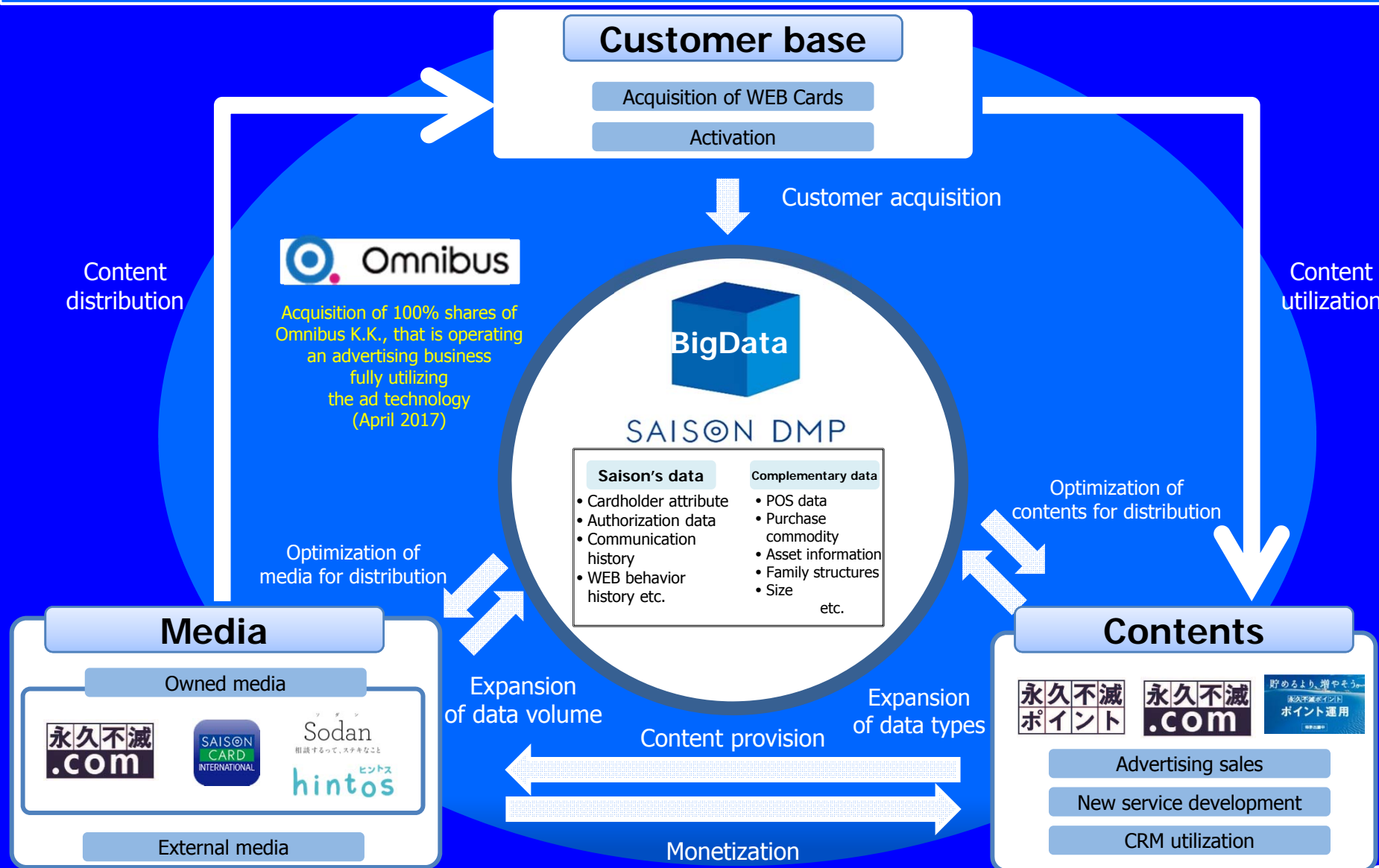
Examples of corporate solution tools



Transition in "volume" of corporate cards

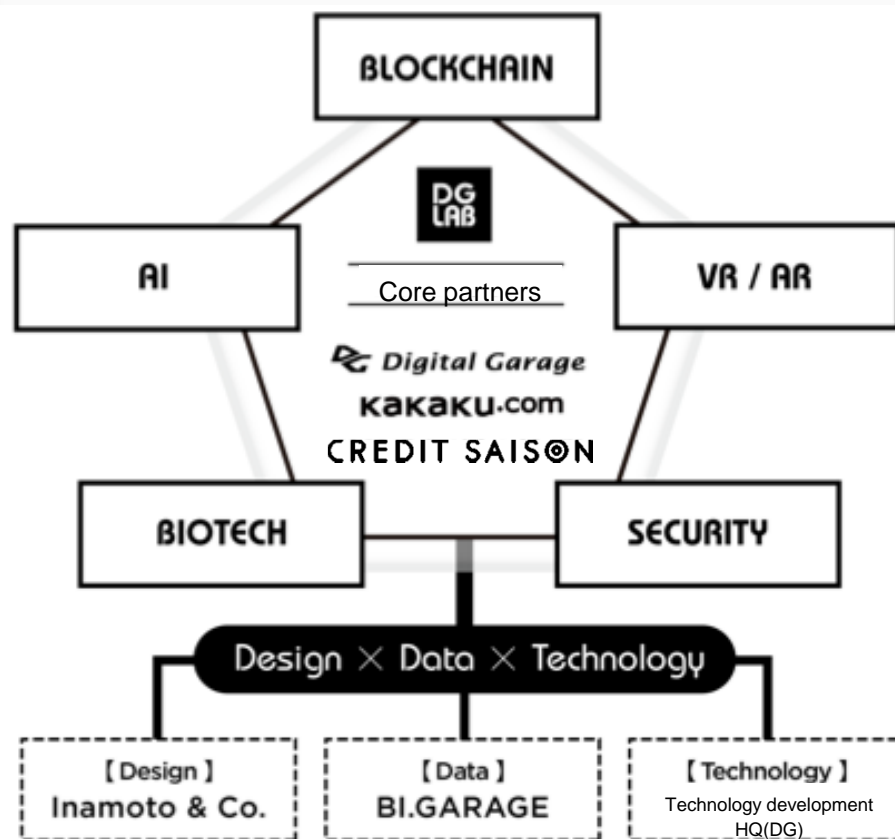


Deployment of data business in a full scale by utilizing big data infrastructures



“DG Lab,” an open-innovation type research & development organization

The organization was established in collaboration between Digital Garage, Kakaku.com. and Credit Saison, in order to develop innovative technologies in the fields of blockchain, artificial intelligence and VR/AR for 2020.



Utilization of “blockchain”

Exchange system that can process various credit-card point systems, values and virtual currency

+

Platform such as Area Money, e-money

Utilization of “AI (artificial intelligence)”

Development of new services and business on the basis of Credit Saison’s **“purchase and settlement history data”** and Kakaku.com’s **“web action history data”**

Expansion of Strategic Strength by New Business Creation (3)

Internet
Content Business

Investment in venture funds



Capital / business alliance

Introduction of each partner, as well as companies that the funds invest



[Examples of Introduced Alliance and Business Partners]



Subsidiary

SAISON Ventures

Investment in companies at seed / early stages



Event



Event participation

Review of alliance with the participant companies



Association



Involved from the time of establishment



Overseas



Acceleration of Prior Investments in Asia Business (1)

Global
Asia Business

■ Comparison of ASEAN (10 countries) and Japan

- Population: 5.0 x Japan • Area: 12 x Japan
- GDP: 54% of Japan • Trade amount: 1.6 x Japan
- Per capita GDP: 11% of Japan



(Year 2016)	Population (M ppl)	GDP (billion dollars)	Per capita GDP (dollars)	Growth rate	Ave. age	Ave. life span
Indonesia	258.8	941.0	3,636	4.9%	28	69
Thailand	69.0	390.6	5,662	3.2%	38	74
Philippines	104.2	311.7	2,991	6.4%	24	68
Malaysia	31.7	302.7	9,546	4.3%	28	75
Singapore	5.6	296.6	53,053	1.7%	40	83
Vietnam	92.6	200.5	2,164	6.1%	30	76
Myanmar	52.3	68.3	1,307	8.1%	28	66
Cambodia	15.8	19.4	1,228	7.0%	24	68
Laos	7.2	13.8	1,921	7.5%	21	66
Brunei	0.4	10.5	24,713	0.4%	30	79
Sums of ASEAN	637.5	2,555.0	4,008	4.8%	29	-
(Reference) Japan	126.8	4,730.3	37,304	0.5%	46	84
(Reference) China	1,379.0	11,391.6	8,261	6.6%	37	76
(Reference) India	1,309.7	2,251.0	1,719	7.6%	27	68
(Reference) Korea	50.8	1,404.4	27,633	2.7%	40	82
(Reference) Taiwan	23.6	519.1	22,044	1.0%	38	78
(Reference) Hong Kong	7.4	316.1	42,963	1.4%	43	84

Acceleration of Prior Investments in Asia Business (2)

Global
Asia Business

Deployed overseas bases



China (shanghai)



Vietnam
(Hanoi/Ho Chi Minh)



Indonesia (Jakarta)



Singapore



Cambodia

Projects in
progress



Philippines



Malaysia



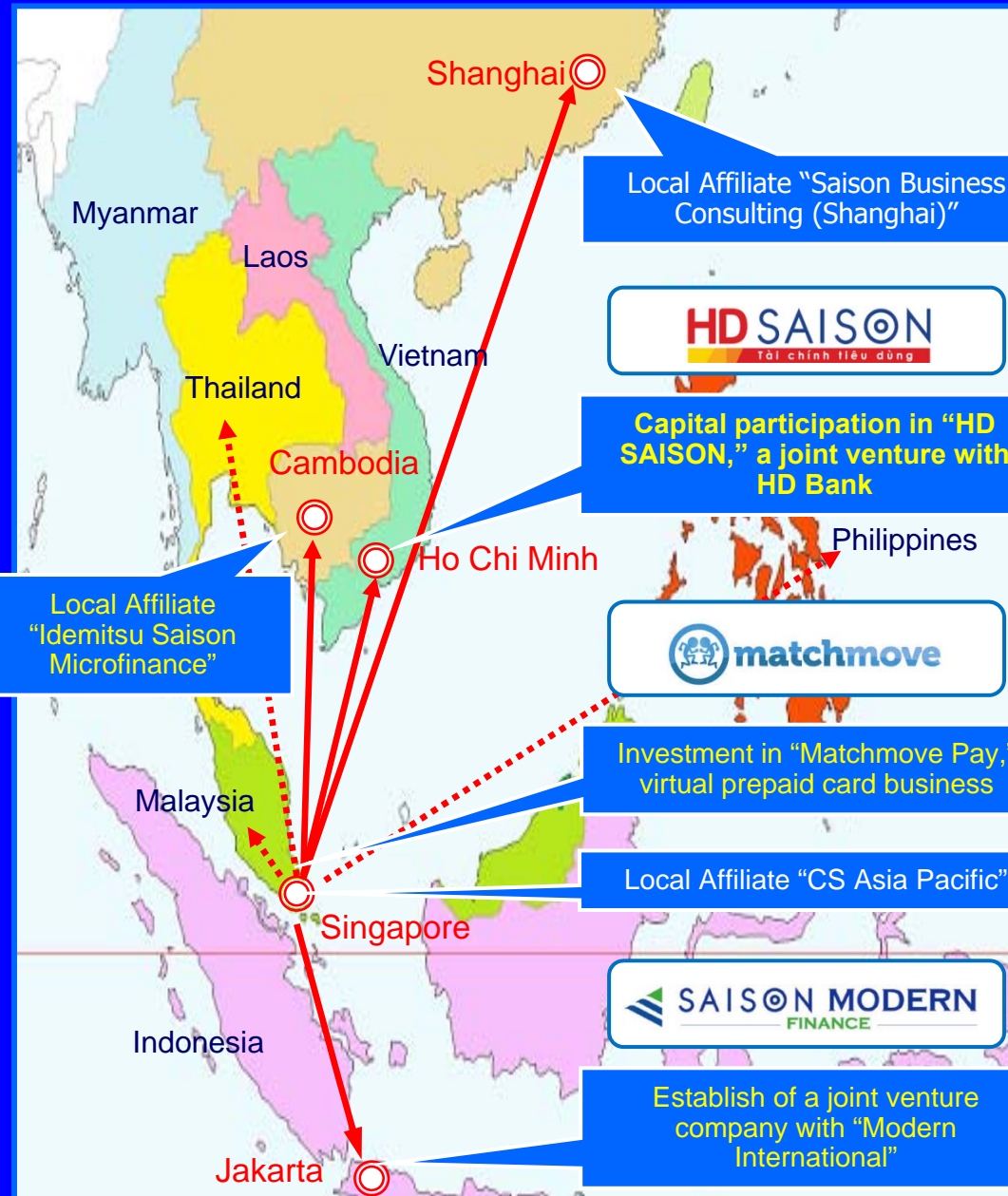
Myanmar



Thailand



India



Acceleration of Prior Investments in Asia Business (3)

Global
Asia Business

Vietnam



Established in May 2015 /
Saison's stake: 49%

HD SAISON
Finance

Joint venture business with HD Bank

"HD SAISON Finance Company"

Business operation

- Individual installment business for motor cycles, consumer electronics and smartphones
- Opening the HD SAISON counter in Ho Chi Minh Takashimaya, the first Japanese department store in Vietnam



Indonesia



Business started in Nov 2015
/ Saison's stake: 70%

SAISON MODERN
FINANCE

Joint venture business with Pt. Modern Internasional Tbk.

"PT. Saison Modern Finance"

Business operation

- Development of prepaid card business, point business and lease business
- Development of Seven Eleven Indonesia's own prepaid cards for customers
- Provision of facility leasing service for the store owners
- Creation of new partners and expansion of merchandise by providing service for other companies than the Modern group etc.

Singapore



Capital contributions in Nov 2014 /
Saison's stake: 15%

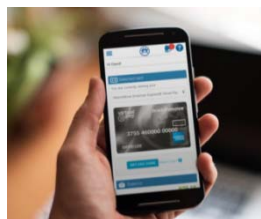
matchmove

Capital and business tie-up

"Matchmove Pay Pte Ltd."

Business operation

- Under international brands in Southeast Asia
Development of virtual prepaid card business
- Group companies and bases:
Singapore (head office), Indonesia, India, Chengdu in China, Ho Chi Minh, Thailand, Malaysia



Cambodia



Established in Aug 2015 (Operation started in Jan 2016)

Invested 100% by Idemitsu Credit

Idemitsu Credit Co., Ltd. (Invested 50% by Saison)

"Idemitsu Saison Microfinance (Cambodia)"

Business operation

- Launch of financing business and individual product (installment payment) business centered on agricultural sector, associated with agricultural modernization and production expansion mainly for rice



Securing the Differential Position in the Asset Management and Formation Market

Investment
Asset Management Business

Familiar and easily used asset management service diversify and enrich the way customers use their money



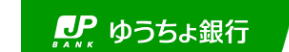
Established in 2006

- ◆ Establishment of capital and business alliance among three companies: Japan Post Co., Ltd., Credit Saison and Saison Asset Management Co., Ltd

(Sep. 2014)

- ◆ Launch of products for DCs for individuals, with Rakuten Securities as its operational management authority (Sep. 2016)

- ◆ Launch of funding service by "Yucho Direct", the Net Banking Service by Japan Post Bank (Jan. 2017)



- Balance of managed assets: **Approx. 171.6 billion yen**

- No. of accounts: **Approx. 120 thousand**



Monex-Saison-Vanguard
Investment Partners, Inc.

Established in 2015

- ◆ Cofounded by Monex Group, the Vanguard Group and Credit Saison (Nov. 2015)



- ◆ Launch of "MSV LIFE", robot advisor service for individuals (Sep. 2016)

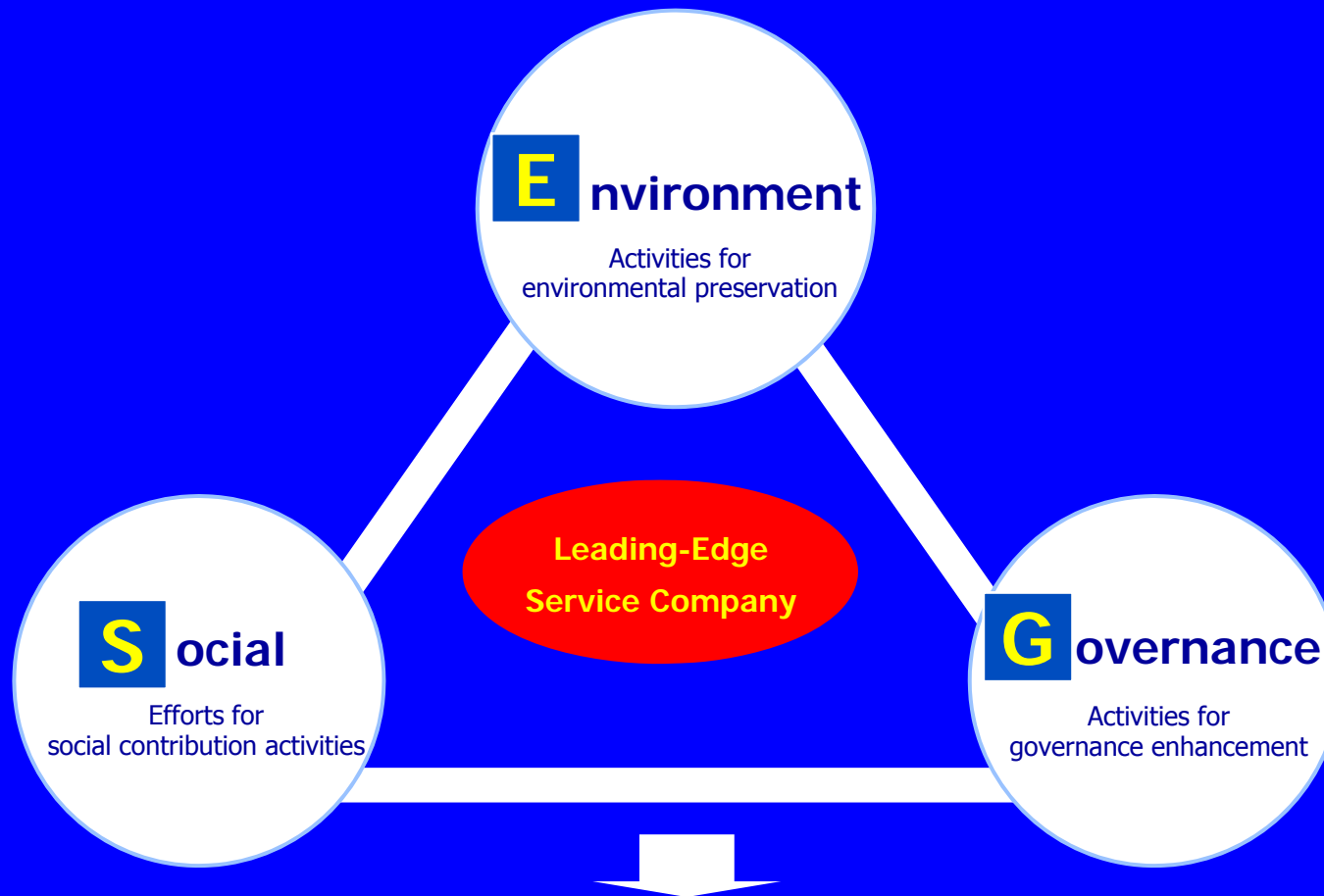


- ◆ Operational support for "Point Management Service" (Dec. 2016)



Views on ESG for Sustainable Growth

Based on the management philosophy of “Leading-Edge Service Company”, we aim for sustainable enhancement in our corporate value by offering contribution to social development and problem solving that only we can do, and finally by building more convenient and richer society than the current one, out of services continuously provided by us that exceed all customers’ and corporations’ expectations (customer needs) through Saison operations



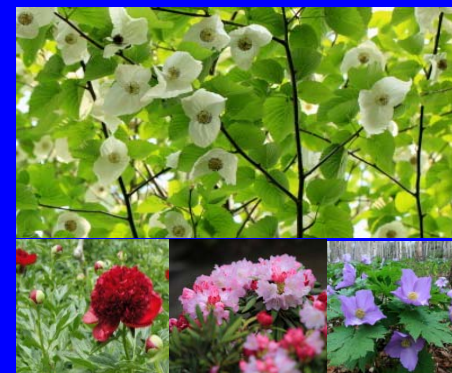
Environment (Activities for environmental preservation)

Promotion of environmental preservation activities through activities such as operation of Akagi Nature Park, contribution to the "Funds for Construction of Kanagawa Animal Protection Center", and use of eco-friendly materials.
Continuation of the activities also by realizing paperless in-house daily duties.

Operation of Akagi Nature Park

- ◆ Contribution to environmental preservation by creating rich nature
- ◆ Contentious activities since 2010
"To Hand Over Rich Nature to our Children"

FY2016 No. visitors: Over 60 thousands
(over 290 thousands in total since the launch)



Contribution to the "Funds for Construction of Kanagawa Animal Protection Center"

- ◆ Animal protection by continuing No Dog/Cat Slaughter Disposition
- ◆ Started accepting contribution through "Eikyufumetsu Point" with approval to "Realization of the Society for Humans and Animals to Live Happily Together", which Kanagawa Prefecture aims for



Promotion of Paperless Operations

- ◆ Realization of a paperless in-house conference and meeting
- ◆ Reduction of paper consumption and CO2 by digitalizing utilization bills (web) (500g less CO2 per mail)



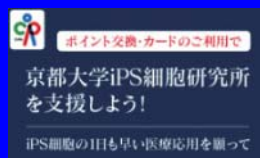
Social (Efforts for social contribution activities)

<Corporate Social Responsibility (CSR) / social contribution activities>

We are engaged in Corporate Social Responsibility (CSR), believing that "the Company that bears social responsibilities should not only fulfill its obligations such as compliance with laws and regulations and redistribution of profits, but also conduct business in a method and manner that meets existing and potential demand from citizens, communities and society or that exceeds the demand from such citizens, communities and society."

Promotion of contribution by Eikyufumetsu Points exchange and card settlement

- ◆ Contribution to Center of iPS Cell Research and Application by Professor Shinya Yamanaka
- ◆ Contribution to victims of natural disasters



Support for sports / cultural activities

- ◆ The Company supports activities as a supporting company of Japan's National Soccer Teams
- ◆ Support for performance by Mr. Jose Carreras, one of the Three Tenors famed across the world



<Diversity>

By promoting the diversity activities to respect, accept and leverage the diversity of each employee and using new combination of knowledge and knowledge, we will create innovation and the "organization where every employee can demonstrate his or her ability".

Project to respect diversity and allow every employee success

- ◆ Support for success of diverse human resources and realization of shared knowledge
- ◆ Utilization of view points of members with different sexes, ages, nationalities, sense of values etc.

Ratio of female managers

Chief clerk or equivalent	64.0%
Above section chief or equivalent	21.8%

Innovation in work style

- ◆ Introduction of a new human resource system with the view to long-term employment
- ◆ Introduction of commuting in early morning, and recommendation of staggered working hours, variable working hours and shift work
- ◆ Introduction of "CANVAS", a system to allow employees to demonstrate his or her ability to full, with benefits such as personal development, health enhancement and child rearing



Governance (Activities for governance enhancement)

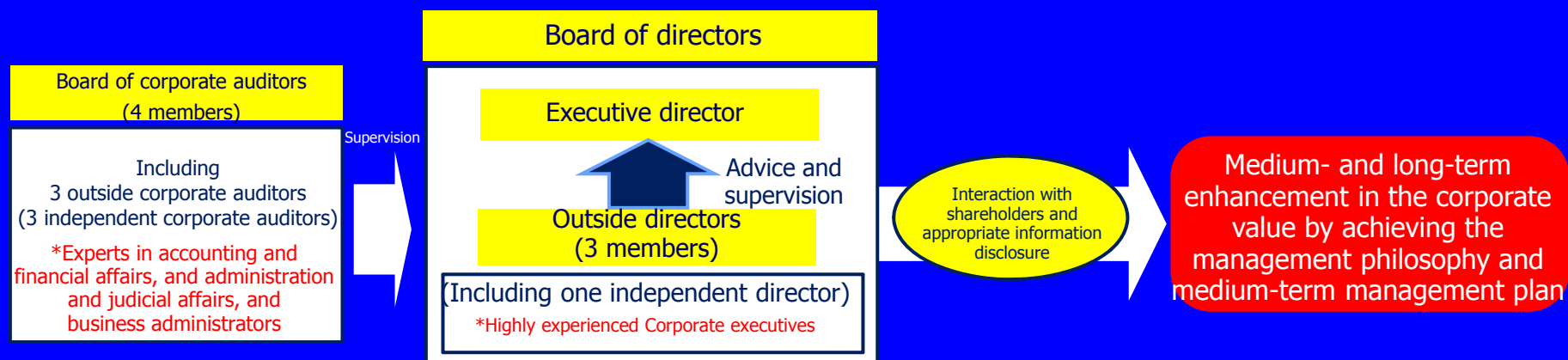
Recognizing it is vital to enhance management supervisory capability to secure transparency in management and realize management targets, we carry out various activities for enhancement of corporate governance.

Enhancement of effectiveness Strengthening of supervisory capability

- ◆ Securing and enhancing management efficiency by strengthening management supervisory capability
 - Appointment of nonexecutive directors ⇒ Advice and monitoring by 3 outside directors to assist growth of the Company
 - Criteria to ensure independence of outside directors ⇒ Development of criteria to ensure independence of outside directors and outside corporate auditors, in order to secure objective judgment
 - Evaluation for effectiveness of board meeting ⇒ Analysis and evaluation of all the directors and corporate auditors through self-evaluations are performed once a year

Development of environment allowing the company to take risk in an appropriate manner

- ◆ Development of a balanced governance system by ensuring diversity, providing directors with opportunities for training etc.
 - Ensuring diversity by promoting women's participation in society ⇒ 3 female officers (one executive director, one outside director and one outside corporate auditor)
 - Training for directors ⇒ Development of skills required for the management by making the top managers submit reports regularly

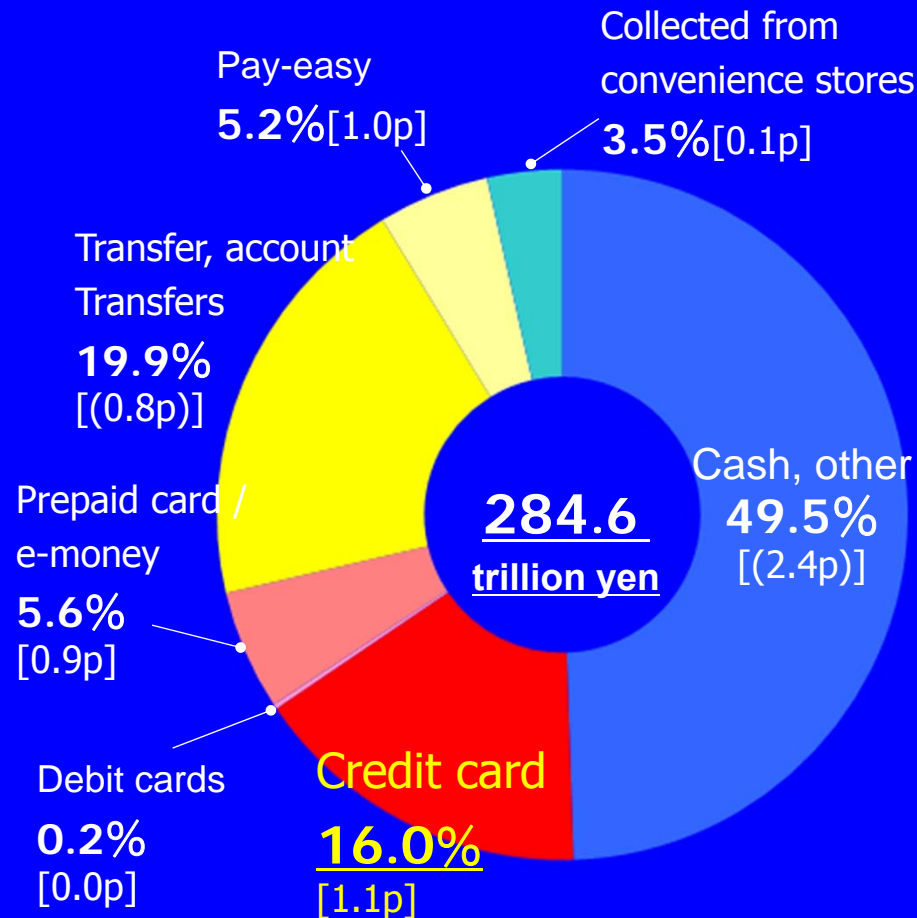


*At the 67th annual shareholders meeting, the number of the independent director is planned to be increased to two members, which will be included in the outside directors

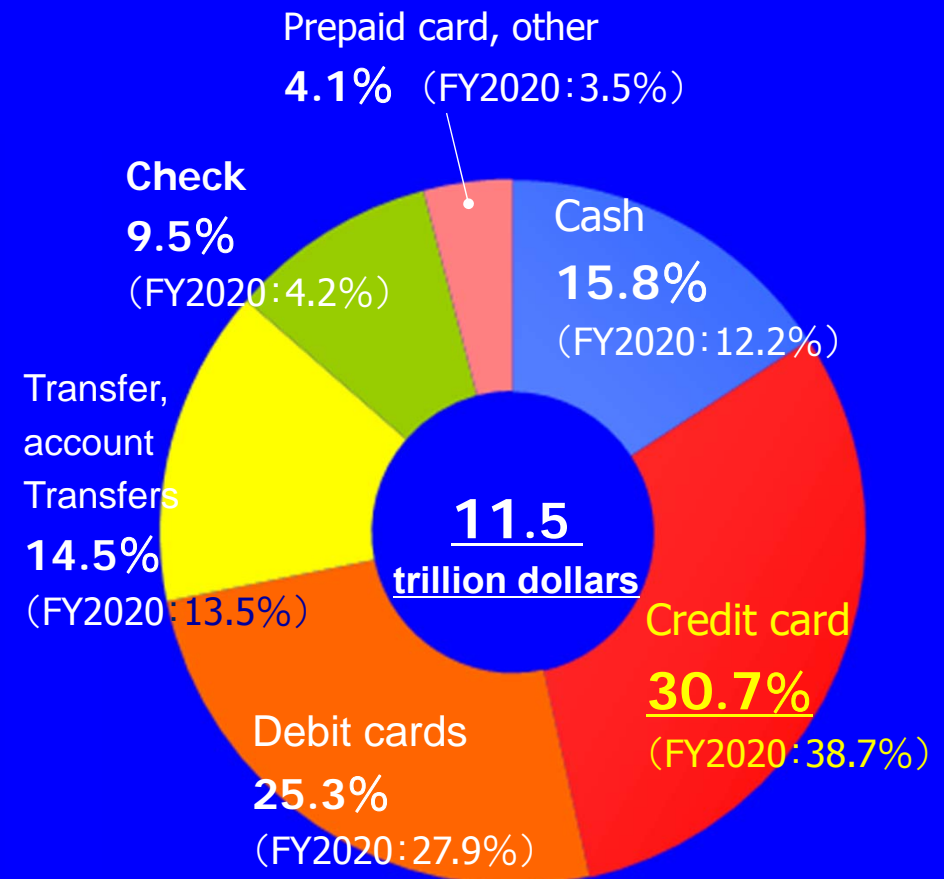
(Reference) Comparison of Share for Payment Service Methods in Consumer Spending in Japan and the U.S.

Japan (FY2015)

※[YoY]



U.S.A. (FY2015 → FY2020 forecast)

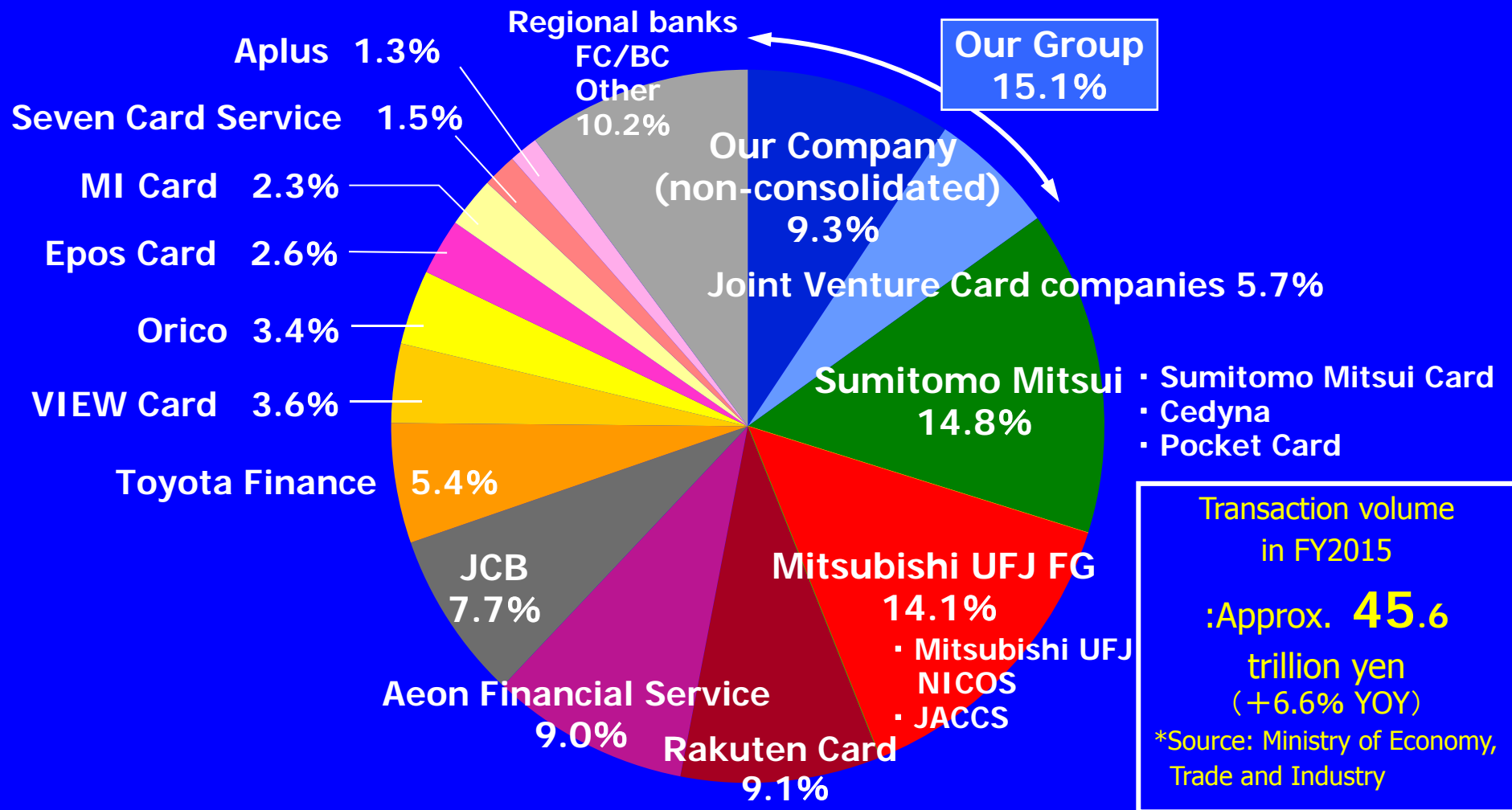


* Japan: Calculated by our company based on sources such as the Ministry of Economy, Trade and Industry, New Payment Report, Mitsubishi UFJ Research and Consulting, and official documents from various companies.

* U.S.A: Calculated by our company based on the "2015 Results and 2020 Forecast" listed in the NILSON REPORT.

(Reference) Domestic Market Share (Shopping Transaction Volume)

■ Card shopping transaction volume (issuer base) [2015 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. 107) are calculated as "FC and BC of regional banks"

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



memo