

A scenic autumn forest with a stream and fallen leaves. The trees have vibrant yellow and orange foliage, and the ground is covered in fallen leaves. A small stream flows through the center of the forest, surrounded by rocks and fallen leaves. The background shows a fence and more trees with some red foliage.

# Financial Results (2nd quarter of FY 2018)

赤城自然園

Akagi Nature Park

2018. 11. 14

CREDIT SAISON CO., LTD.

# AGENDA

- I. **FY 2018 Highlights**
- II. **FY 2018 Financial Report**
- III. **FY 2018 Management strategies**
- IV. **ESG-related**

## Higashi Ikebukuro 52

Formed by female employees of Credit Saison (the "Company") and its affiliates, which the head office is located on the 52<sup>nd</sup> floor of the Sunshine 60 Building, Higashi Ikebukuro.

- 1st Single Watashi Saison (I'm Saison)
- 2nd Single Natsu Saison (Summer Saison)
- 3rd Single Aki Saison (Autumn Saison)
- 4th Single Yuki Saison (Snow Saison)
- 5th Single Ai Saison (Love Saison)

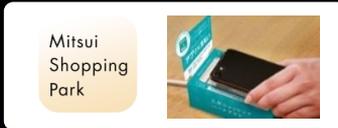
This report contains forward-looking statements that reflect our plans and expectation. These forward-looking statements are not guarantees of future performance and known and unknown risks, uncertainties and other factors that may cause our actual results, performance, achievements or financial position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





# FY 2018 Highlights

## Payment Card Business



■ **Pioneering efforts in cardless payment schemes**  
Mitsui Shopping Park Card Saison starts providing QR code payment service “Pay by app”

## Solution Solution Business



■ **Service improvement in enhancing users convenience**  
Advance salary payment service “Advanced pay SAISON” has been improved in order to receive salary immediately

## Global Asia Business



■ **Challenge to become a peerless new finance company in Asia**  
SIAM SAISON Co.,Ltd. is established on agreement between Credit Saison, Siam Cement Group and Mitsui & Co.

## Finance Finance Business



■ **New home-buying supporting service**  
Providing “SAISON Life Support”, a life-supporting benefit service to newly-contracted customers of “Credit Saison Flat 35 Loans”

## Internet Contents Business



■ **Pursuing customers needs and convenience**  
Entered an agreement with Liquid Inc. to start reviewing the introduction of the online identity verification service

## Investment Asset Management Business



■ **Enhancing the uniqueness of Eikyufumetsu Points**  
Introducing “Individual Stock Course” in “Point Investment Service” that tracks the existing companies performance

**Creating growth opportunity**  
The Associated Core System has its second release on 28th October 2018, ready to accept new projects on card services development after stabilized operation

**Digitalization of operations**  
Introduction of AI to credit card fraud detection system

**PKSHΔ**  
TECHNOLOGY

**Contributing to educational research and fostering capable person**  
Entered a comprehensive agreement with The Ritsumeikan Trust

**R** RITSUMEIKAN

# 1. Financial Results

|              |                        | (Billion yen) | Q2 FY 2017 | YoY (%) | Q2 FY 2018 | YoY (%) |
|--------------|------------------------|---------------|------------|---------|------------|---------|
| Consolidated | Operating revenues     |               | 145.4      | 106.0   | 150.2      | 103.3   |
|              | Ordinary income        |               | 36.2       | 116.9   | 26.8       | 74.1    |
|              | Quarter net income     |               | 32.0       | 113.3   | 18.4       | 57.6    |
|              | Earnings per share (¥) |               | 195.98     | 113.3   | 112.82     | 57.6    |

|                  |                    |  |       |       |       |       |
|------------------|--------------------|--|-------|-------|-------|-------|
| Non-consolidated | Operating revenues |  | 123.7 | 105.6 | 127.9 | 103.4 |
|                  | Ordinary income    |  | 24.1  | 100.9 | 18.2  | 75.3  |
|                  | Quarter net income |  | 22.6  | 107.9 | 11.7  | 51.9  |

## ■ Top Line

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

## ■ Expenses-related

- Increase in depreciation cost of the Associated Core System that started its operation since Nov 2017.

## ■ Special factors on decreased income

- absence of equity-method investment income 4.5 billion yen on investment securities sold by equity-method affiliate, UC Card accounted during FY 2017.
- absence of extraordinary income 8.5 billion yen on investment securities sold by the Company accounted during FY 2017.

## 2. Results by Business Segment

| (Billion yen)             | Operating revenues |            |         | Operating income |            |         |
|---------------------------|--------------------|------------|---------|------------------|------------|---------|
|                           | Q2 FY 2017         | Q2 FY 2018 | YoY (%) | Q2 FY 2017       | Q2 FY 2018 | YoY (%) |
| Credit Service            | 109.1              | 111.6      | 102.3   | 11.3             | 3.8        | 33.7    |
| Lease                     | 6.4                | 6.3        | 98.4    | 2.1              | 3.1        | 144.9   |
| Finance                   | 17.2               | 20.0       | 115.8   | 7.9              | 8.7        | 110.5   |
| Real estate-related       | 8.2                | 8.2        | 99.8    | 4.0              | 3.6        | 89.4    |
| Entertainment             | 4.7                | 4.5        | 94.7    | 0.6              | 0.7        | 115.0   |
| TOTAL                     | 145.9              | 150.9      | 103.4   | 26.0             | 20.0       | 76.9    |
| Intersegment transactions | (0.5)              | (0.6)      | -       | 0                | 0          | -       |
| Consolidated              | 145.4              | 150.2      | 103.3   | 26.0             | 20.0       | 76.9    |

### ■ Credit Service Business

- Increased revenues and decreased income due to continued growth of shopping transaction volume and balance of revolving payment as a result of expansion in customer case and progression of cashless among personal and corporate sector, after deducting the increase in credit cost and depreciation cost of the Associated Core System that starts its operation on Nov. 2017.

### ■ Lease Business

- Decreased revenues and increased income due to absence of credit cost accounted during FY 2017.

### ■ Finance Business

- Increased revenues and income due to expansion of “Flat 35 Loans” & “Assets Formation Loan” that suits our partners needs.

### ■ Entertainment Business

- Decreased revenues and increased income due to cost reduction despite strong competition.

# 3. Contribution by Consolidated Companies

Difference between consolidated and non-consolidated ordinary income

Contribution to consolidated results

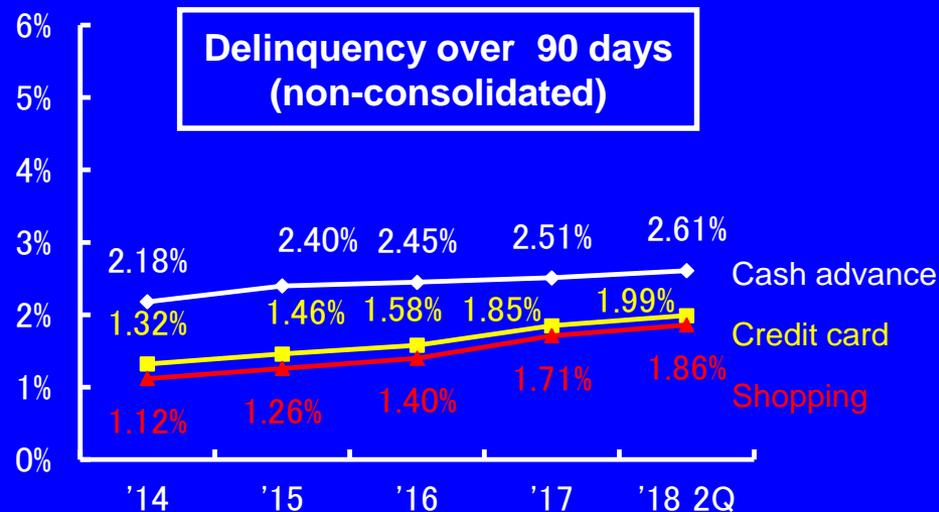
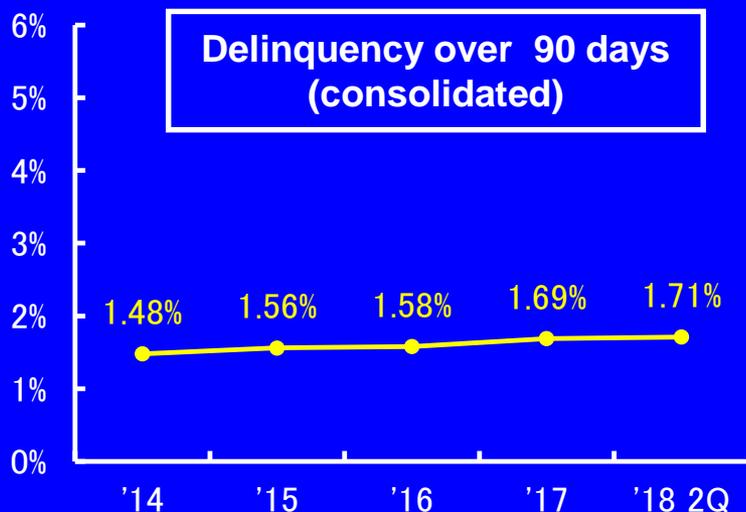
|                 | Non-consolidated | Consolidated  | Difference   |
|-----------------|------------------|---------------|--------------|
| Ordinary income | ¥18.2 billion    | ¥26.8 billion | ¥8.6 billion |

| Major consolidated subsidiaries  | Contribution to ordinary income |
|--|---------------------------------|
| <b>Atrium Group</b><br>(real estate liquidation business, servicing business)                    | ¥2.52 billion                   |
| <b>Saison Fundex Group</b><br>(lending business, real estate-related financing business)         | ¥1.86 billion                   |
| <b>Concerto Inc.</b><br>(entertainment business, real estate rental business)                    | ¥1.35 billion                   |
| <b>SAISON PERSONAL PLUS COMPANY LIMITED</b><br>(temporary staffing business, servicing business) | ¥0.28 billion                   |

| Major equity method affiliates   | Contribution to ordinary income |
|--|---------------------------------|
| <b>Saison Information Systems Co., Ltd.</b><br>(information processing business) | ¥0.86 billion                   |
| <b>Idemitsu Credit Co., Ltd.</b><br>(credit card business)                       | ¥0.78 billion                   |
| <b>HD SAISON Finance Company Ltd.</b><br>(retail financing business in Vietnam)  | ¥0.65 billion                   |
| <b>Takashimaya Credit Co., Ltd.</b><br>(credit card business)                    | ¥0.52 billion                   |

# 4. Credit Risk / Credit Cost

## Trends in Credit Risk



## Credit Cost Results

(Consolidated) (billion yen)

|                            | Q2 FY 2018  |                |
|----------------------------|-------------|----------------|
|                            | Value       | Difference YoY |
| <b>Credit cost</b>         | <b>16.6</b> | <b>+0.9</b>    |
| <b>General credit cost</b> | <b>16.6</b> | <b>+0.9</b>    |
| <b>Interests repayment</b> | -           | -              |

(Non-consolidated) (billion yen)

|                            | Q2 FY 2018  |                |
|----------------------------|-------------|----------------|
|                            | Value       | Difference YoY |
| <b>Credit cost</b>         | <b>16.3</b> | <b>+1.4</b>    |
| <b>General credit cost</b> | <b>16.3</b> | <b>+1.4</b>    |
| <b>Interests repayment</b> | -           | -              |

- Despite the delinquency rate rose due to top-line growth contributed by the increase in balance of revolving payment and etc., the delinquency rate is maintained at a relatively low level as a result of the strengthened efforts towards early collection of initial credit obligations and reinforced counseling sessions.



# 5. Interest Repayment Claims

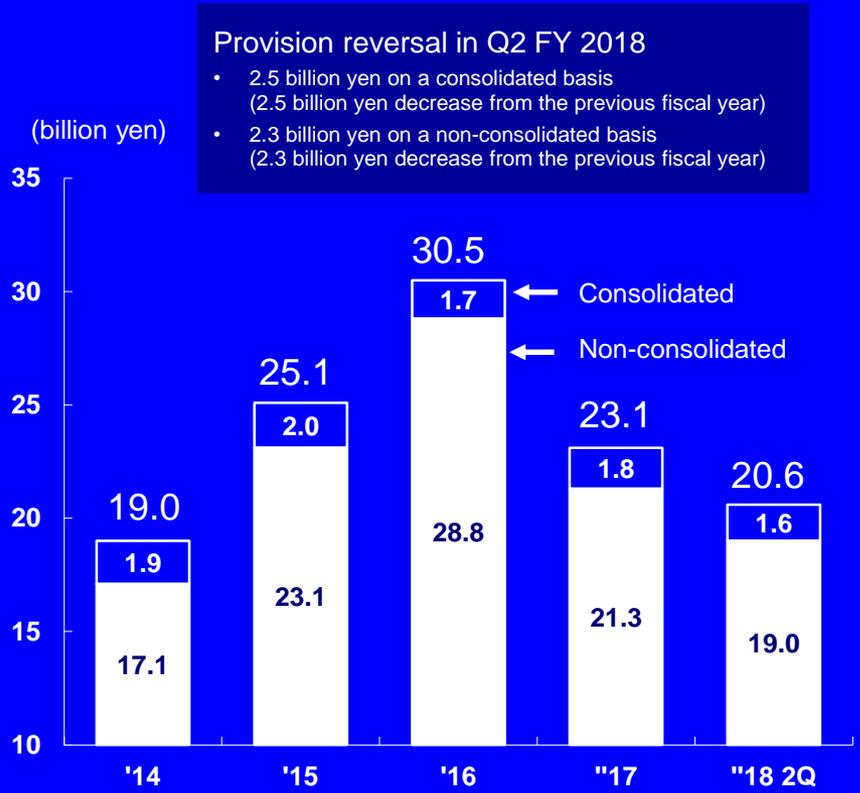
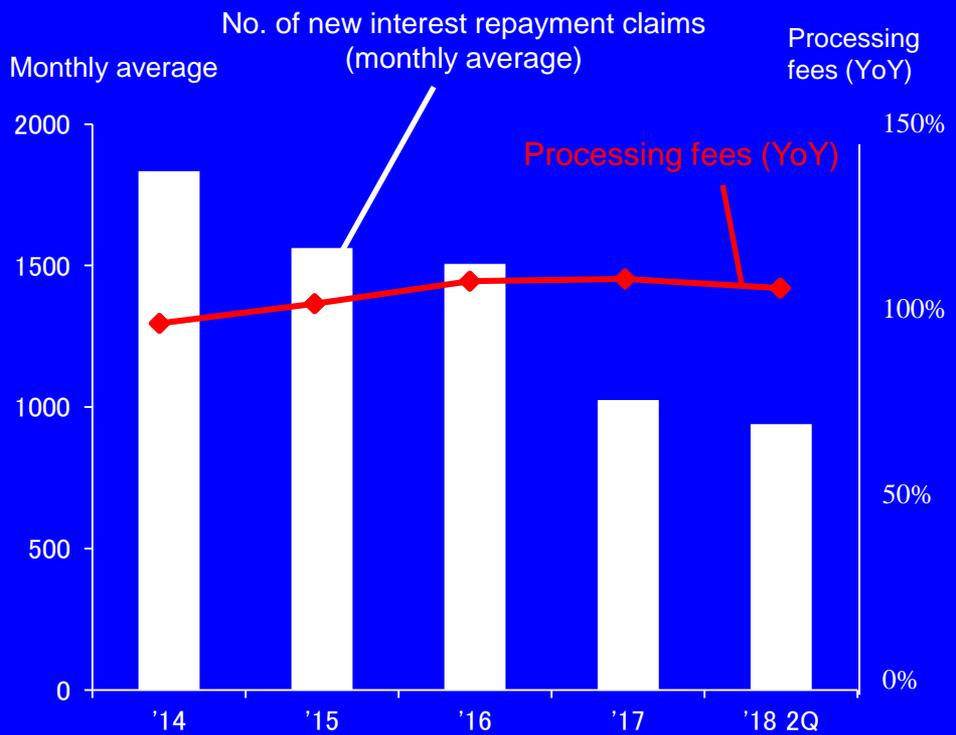
No. of new interest repayment claims shows 20% decrease from the previous fiscal years.

Current provision is at a sufficient level.

No additional provision is planned for FY 2018. The future trend is yet to be monitored.

## ■ Trend in new interest repayment claims (monthly average)

## ■ Trend of provision balance due to interest repayment losses



## 6. Financial Indices

### ■ Equity capital, total assets, equity ratio

|                                 | Consolidated   |               | Non-consolidated |               |
|---------------------------------|----------------|---------------|------------------|---------------|
|                                 |                | YoY changes   |                  | YoY changes   |
| Equity capital<br>(billion yen) | <b>492.9</b>   | <b>+13.8</b>  | <b>404.2</b>     | <b>+7.3</b>   |
| Total assets<br>(billion yen)   | <b>3,626.0</b> | <b>+122.6</b> | <b>2,951.1</b>   | <b>+119.8</b> |
| Equity ratio                    | <b>16.1%</b>   | <b>(0.2%)</b> | <b>13.7%</b>     | <b>(0.3%)</b> |



# 7. Revision on earning forecasts

(billion yen)

|                              |                    | Previous forecasts<br>(on 15 <sup>th</sup> May)<br>(A) | Revised<br>forecasts<br>(B) | Difference<br>(A-B) |
|------------------------------|--------------------|--|-----------------------------|---------------------|
| <b>Consolidated</b>          | Operating Revenue  | 311.0  | 305.5                       | (5.5)               |
|                              | Ordinary Income    | 55.0   | 51.0                        | (4.0)               |
|                              | FY 2018 Net Income | 35.5   | 33.0                        | (2.5)               |
| <b>Non-<br/>consolidated</b> | Operating Revenue  | 267.3  | 261.8                       | (5.5)               |
|                              | Ordinary Income    | 41.5   | 37.0                        | (4.5)               |
|                              | FY 2018 Net Income | 26.0   | 23.0                        | (3.0)               |

## 8. Main Indices (Non-consolidated)

|  | FY 2017 |         | FY 2018 |         | FY 2018<br>(Revised Earning Forecasts) |         |
|--|---------|---------|---------|---------|--|---------|
|  | Q2      | YoY (%) | Q2      | YoY (%) |  | YoY (%) |
| New Card Issued (millions)               | 1.26    | 98.3    | 1.06    | 84.3    | 2.00                                   | 81.8    |
| Total Cardholders (millions)             | 26.84   | 103.2   | 26.85   | 100.1   | 27.14                                  | 100.7   |
| Active Cardholders (millions)            | 14.92   | 101.4   | 15.00   | 100.5   | 15.10                                  | 100.8   |
| Transaction Volume (¥ billion)           | 2,428.8 | 105.2   | 2,466.5 | 101.6   | 5,070.0                                | 102.8   |
| Card Shopping                            | 2,304.9 | 105.7   | 2,343.4 | 101.7   | 4,820.0                                | 102.9   |
| Cash Advances                            | 123.8   | 95.7    | 123.1   | 99.4    | 250.0                                  | 100.7   |
| Operating assets outstanding (¥ billion) | 609.8   | 105.8   | 637.3   | 104.5   | 658.0                                  | 104.2   |
| Card Shopping                            | 395.1   | 109.7   | 418.8   | 106.0   | 435.0                                  | 105.0   |
| Cash Advances                            | 214.7   | 99.4    | 218.5   | 101.8   | 223.0                                  | 102.7   |

(Reference)

# Fund Structure and trends in interest-bearing debt (non-consolidated)

Rating: **R&I A+**

Long-term ratio: 67%  
Fixed ratio: 61%

2 years consecutively

**First in a credit card company -  
20 years super long-term bond**

## Bond issued in FY 2018

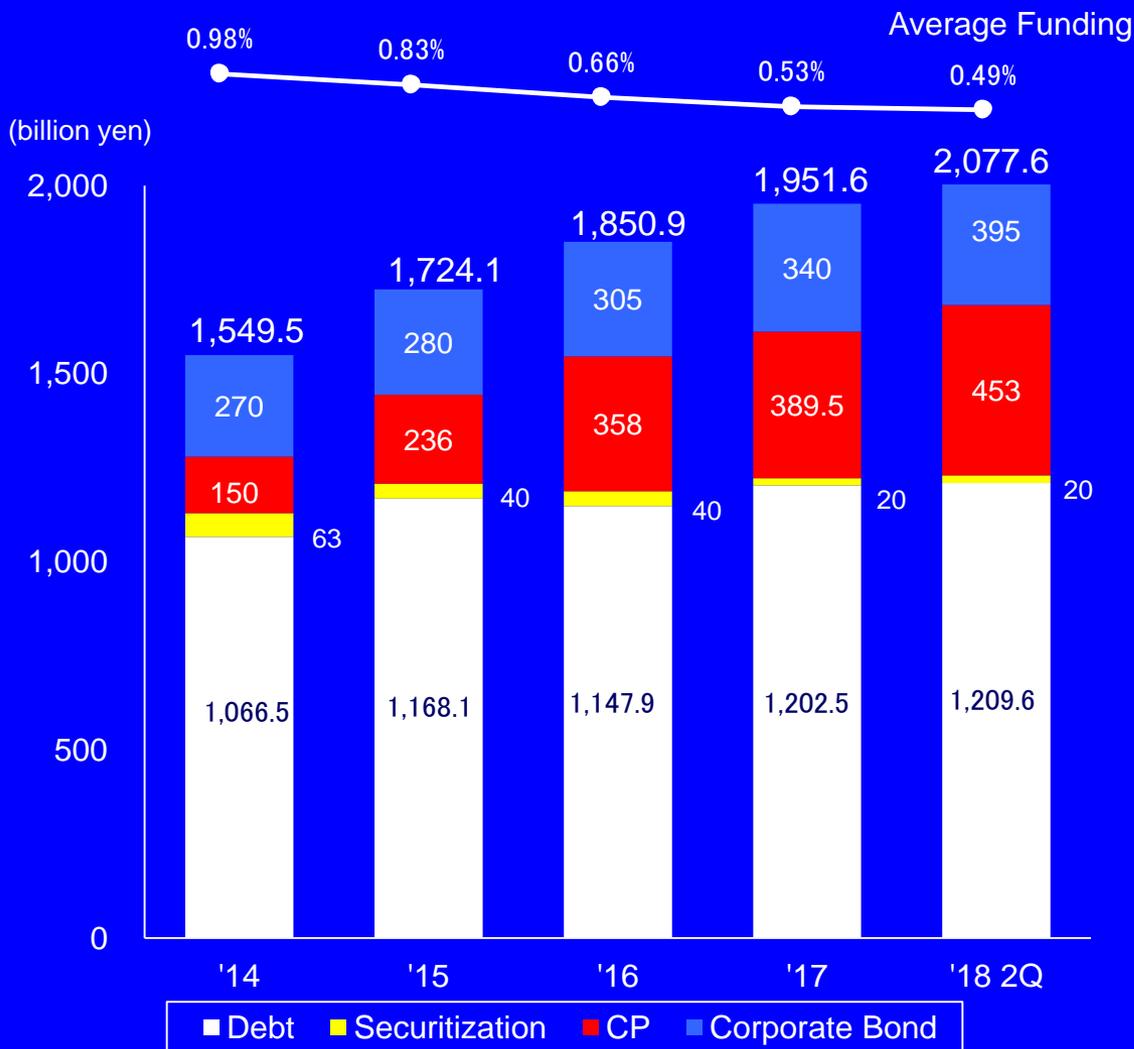
April: Volume issued – 20 billion yen  
Period: 3 years  
Interest rate: 0.06%

Volume issued – 15 billion yen  
Period: 20 years  
Interest rate: 0.99%

June: Volume issued – 10 billion yen  
Period: 5 years  
Interest rate: 0.18%

July: Volume issued – 20 billion yen  
Period: 5 years  
Interest rate: 0.18%

\*for individual investors



# Management Vision of FY 2018

## Neo Finance Company in Asia

- Thorough pursuit of customer needs and convenience
- Shedding reliance on past successes and transforming from scratch



- Being an organization in which individuals and team create wealth
- Being an organization that strives to attain significant goals with innovative concepts

Leading-edge service company

I

**Payment**

Card Business

Card business remodelling

Shift 1

Japan + **shift towards global corporation in Asia**

II

**Finance**

Finance Business

Growth strategy for finance business

Shift 2

Real strengths +  
**Digital shift in customer services and operations**

PLUS

**+ Shift**

Shift 3

Existing businesses +  
**Shift towards discontinuous changes in business model**

IV

**Internet**

Contents Business

Business creation leveraging digital devices and customer data

III

**Solution**

Solution Business

Strengthening of corporate sales capabilities and full-scale expansion of B2B business

Existing strengths

+

New strengths

Shift 4

Highly unique systems and services +  
**Shift towards strategic PR**

Shift 5

New personnel systems +  
**Shift towards growth areas of managerial resources**

V

**Global Asia Business**

Asset Management Business

Strengthening up-front investment in the Asia business with small number of highly skilled employees

Collaboration with affiliated companies, strategic capital partners and start-ups

VI

**Investment**

Asset Management Business

Securing of dominant position in asset management (wealth creation) market

Innovation

Altruism

Happiness

# Growth Strategies for Card Business

## Business environment:

The government's target: 40% cashless ratio by 2025

Consumption tax hike  
2% points rebate

Stabilized operation of the Associated Core System

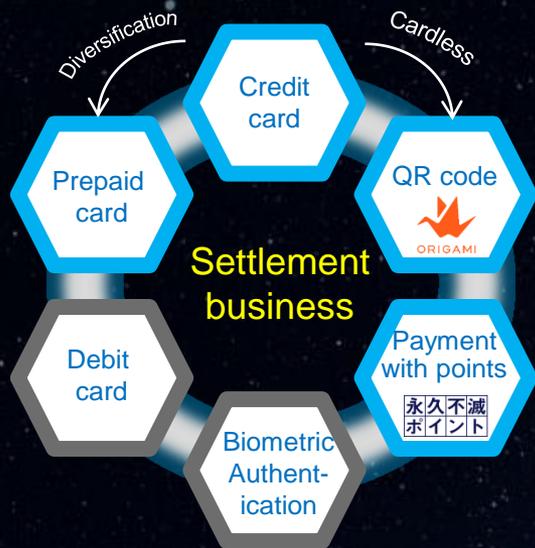
Technology advancement

Concern over rising interest rates

Opportunity to expand the settlement market

New services development / AI & automation  
Manpower shift towards growth areas

Expanding fee businesses



Expansion of settlement platform through various payment methods and devices



Matching between individual and corporate customers by developing and invigorating membership benefit services



Solving the issues of corporations including expenses settlement, operations streamlining, business fund issues

Expansion and analysis of customer data and purchase history → Accuracy improvement on segment marketing

## Advertising & Marketing Business



# Pioneering efforts in cardless settlement schemes

Payment  
Card Business

To build a platform of next generation settlement seeking users convenience in addition to credit cards and prepaid cards

## Credit Cards (Examples)



Saison American Express® Card



Mitsui Shopping Park Card Saison



PARCO Card Saison

No. of cards issued

over **26.8** million  
(Credit Saison)

over **37.3** million  
(group companies)

## Prepaid Card (Examples)

Issued under Credit Saison



COCOKARA CLUB CARD



NEO MONEY

Administered under consignment



au WALLETS  
Prepaid Card

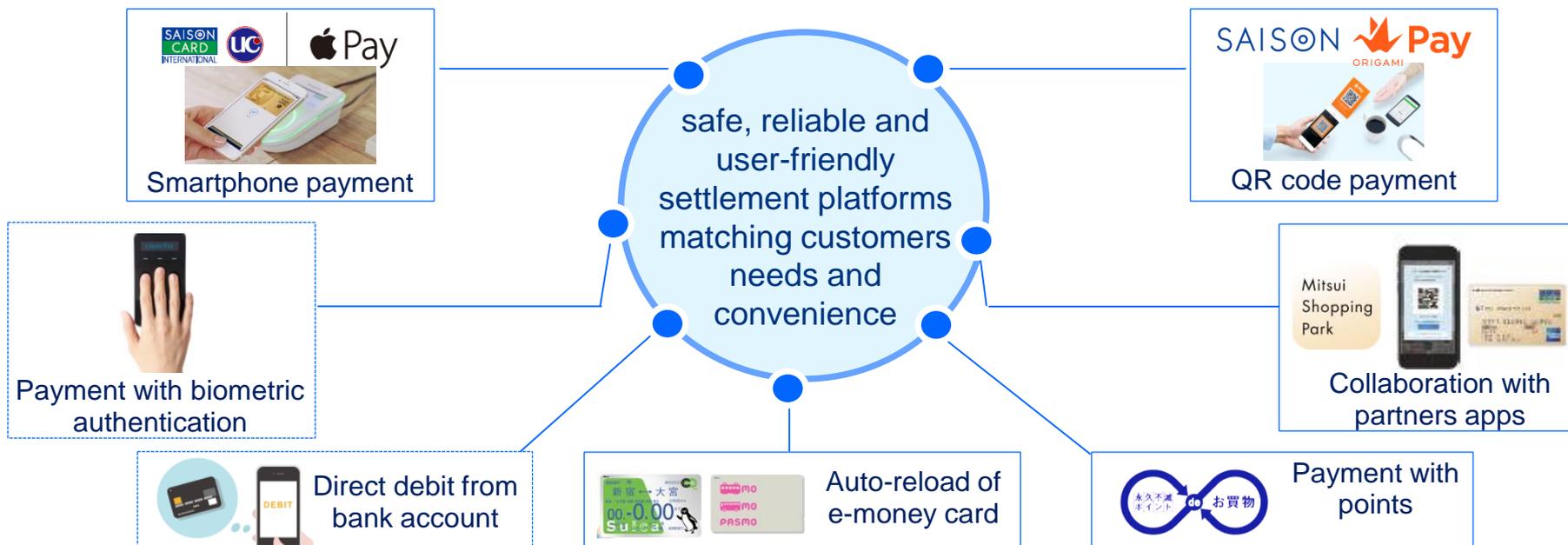


mijica

No. of cards issued

**49.5** million

## Pioneering efforts in cardless settlement schemes



## ◆ Schedule

FY 2017

26<sup>th</sup> November 2017  
Release of the Associated  
Core System

FY 2018

28<sup>th</sup> October 2018  
Second Release of  
the system (UC  
Card related)

FY 2019 onwards

Follow-up  
on stable  
operation

Expand the top line by  
working on new projects on  
card services development  
※Approx. 400 new projects

## New Projects on Card Services Development (examples)

### < Existing Partners >

Issue new credit cards by  
developing premium  
products and etc.

Enhance cardless  
payment scheme

Improve the services by  
revising products aspects

Develop new credit  
cards with partners we  
consided for



New credit cards



Prepaid cards



Wallet payment

### < New Partners >

Issue new affiliated  
credit cards

Expand consignment  
businesses (provides  
system outsourcing)



New affiliated  
credit cards





## Credit Saison providing a wide range of solutions outdoing a card company's basic services

### Customer attraction and sales boosting

- Owned media advertising
- SAISON targeted advertising
- SAISON Connect - API authentication and authorization
- Digital signage in Atré Ebisu
- SAISON INVOICE - factoring and billing services



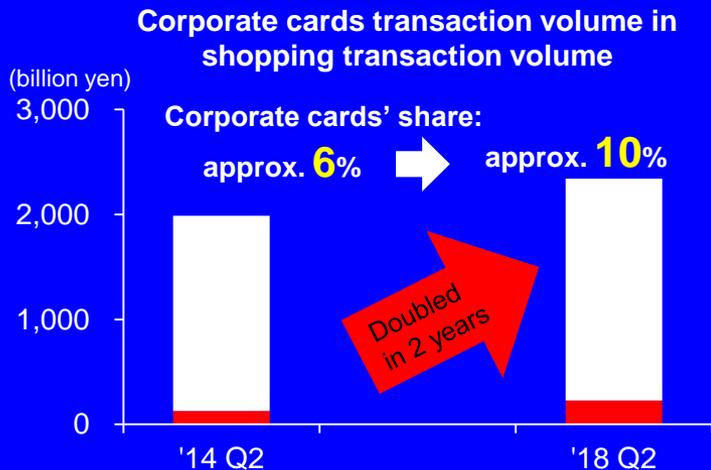
### Accounting, expense settlement and administration support

- “Saison Smart Money Transfer Service” - bank transfer service
- Corporate card / business card
- “Concur” - expense settlement system
- “Sansan” - name card management system
- “Advanced pay SAISON” - advance salary payment service



### Finance support

- “Business Funding” - financing services based on future sales
- “MONEY CARD” - with speedy credit assessment even for big number of expenses
- “Real Estate Guarantee Loan” - with flexible and speedy evaluation that meets customers needs



Corporate sales by all employees



Proposing the best solutions designed to meet client needs

Developing solution tools and services improvement



**To accelerate cashless in corporate settlements**

## Quality Of Life

Effectively and efficiently providing convenient payment methods and good contents leveraging digital to realize a higher quality of life

Realizing a system where various services by the Company and partners can be accessible through the same ID

Immediate credit granting, cardless payment  
Building of an independent settlement platform

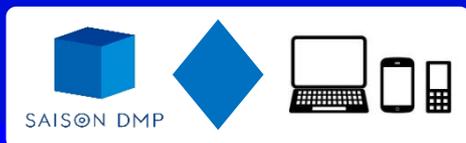


Improving the targeting accuracy leveraging SAISON CDP

\*Customer Data Platform

Data expansion, analysis, utilization

Collaboration with partners database and apps



Improving customer satisfaction and enhancing the services of our key pillar strength - Eikyufumetsu Points

Revolution of Saison Point Mall  
Service development targeting senior and high-spending customers

\*Customer referrals with HIMEDIC, Inc. (a member of Resorttrust Group)



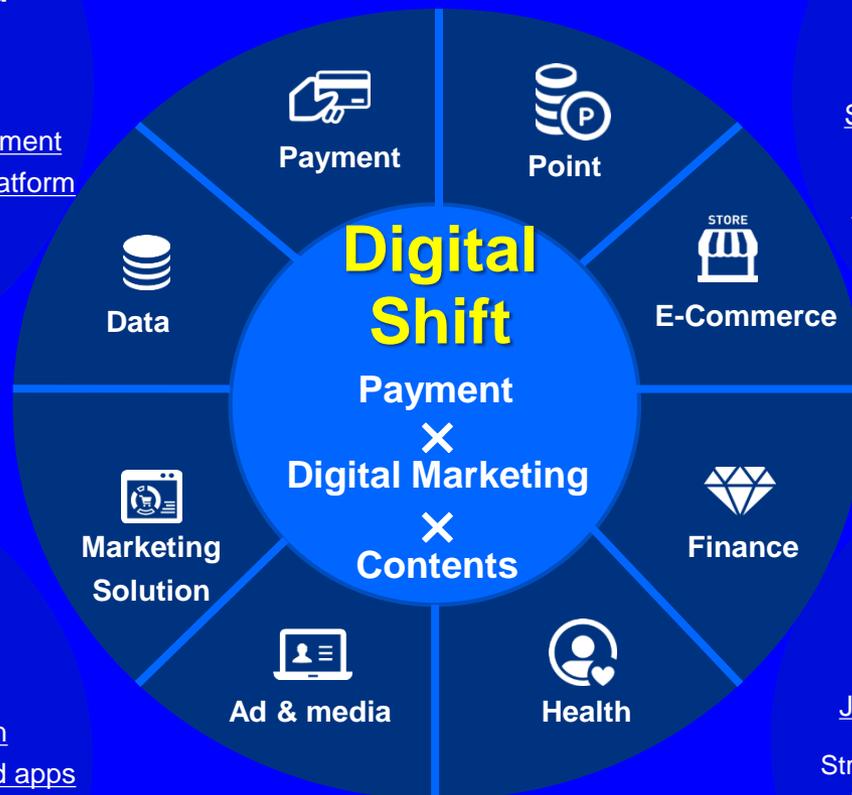
HIMEDIC

Developing new business with external alliances and open innovations

Joint efforts on developing new business

Strengthening collaboration with manufacturer, start-up companies and group companies

<Cashless shopping>



## ◆ Challenge on new EC mall business

### Regional specialties



[Direct shipping of regional specialties]  
Exclusively chosen local specialties including a taste of home or memories of places travelled.

### Problem solving through Sodan (consultation)



Offering consultation services with a financial planner on worries related to money or daily lives

### Membership privileges



A line-up of membership privileges including lifestyle supporting discount benefits  
※Discounts or points benefits

### Services by start-up companies



Introducing groundbreaking products or services, users could enjoy learning the stories behind these products while shopping

**Discover • Feel • Experience • Support  
Towards EC mall business,  
a marketplace with various themes**

### Points exchange



[Manufacturer in-house sale (D2C)]  
A platform to sell small quantity goods directly to our employees without going through retailers

## ◆ Working to make asset management services a core business

### Saison Asset Management Co., Ltd.



Support asset management via genuine long-term asset growth funds

Assets under management **¥242.8 billion**

### Monex-Saison-Vanguard Investment Partners



マネックス・セゾン・バンガード  
投資顧問株式会社

Provide wrap account management services using IT technologies and world-class financial knowledge

Assets under management **¥40.7 billion**

## ◆ Offering investment experiences via Eikyufumetsu Points



Simulation of long-term investments with Eikyufumetsu points

No. of users  
**Approx. 330,000**

Monetary value of investments  
**Approx. ¥1.1 billion**

Through offering investing experiences, we aimed to become the financial intermediary for securities and mutual funds, as well as expanding our advertising business.

Japanese Equities Index (TOPIX) Course

Tracks the performance of the Tokyo Stock Price Index (TOPIX)

U.S. Equities Index (VOO) Course

Tracks the performance of the S&P 500 index (large-cap)

Active Course

Actively seeks investment returns mainly from foreign equities and bonds

Balance Course

Seeks stable investments mainly in Japanese bonds

Individual Stock Course

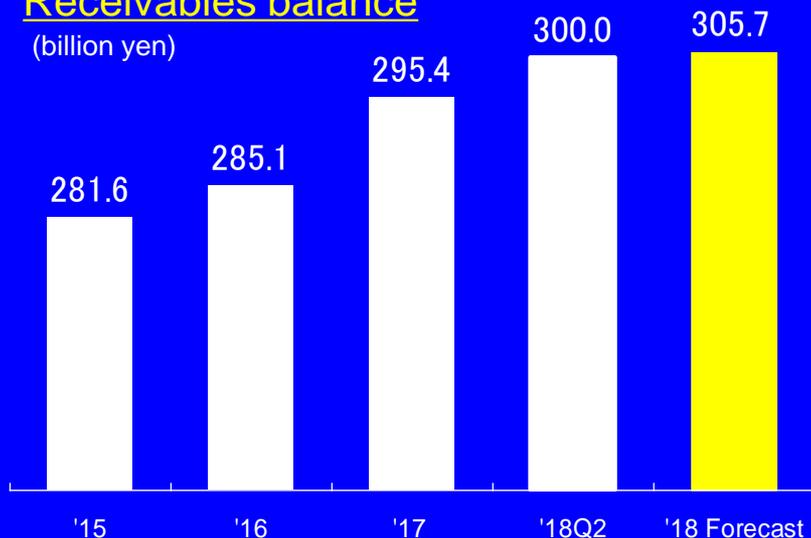
Members can exchange Points for actual stocks when enough points have been accrued

## Lease & Rental

- ◆ Strengthening business approach towards main retailers by sales power of branches across Japan
- ◆ Promoting new market development
- ◆ Enhancing customer convenience through the usage of online system

### Receivables balance

(billion yen)



Receivables balance

H1 results  
¥300 bil. (YoY+3%)

FY 2018 forecasts  
¥305.7bil. (YoY+3%)

Operating revenue

¥6.4 bil. (YoY▲1%)

¥12.8 bil.(YoY±0%)

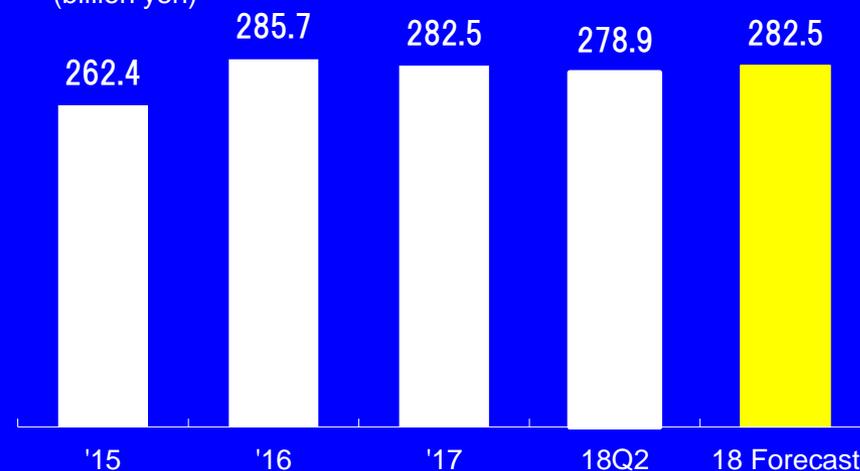
## Credit Guarantee

- ◆ Reassuring the versatility of the fund purpose which can be used for business funds and others
- ◆ Reinvigorating the relationship with existing business partners and strengthen the acquisition of new partners
- ◆ Strengthening risk control according to the market trend, developing an efficient operation system

\* No. of business partners: 394 (Credit unions: 220, city and local banks: 72, and credit associations, agricultural cooperatives and others: 102)

### Guarantee balance

(billion yen)



Guarantee balance

H1 results  
¥ 278.9 bil. (YoY▲3%)

FY 2018 forecasts  
¥282.5 bil. (YoY±0%)

Operating revenue

¥8.5 bil. (YoY▲1%)

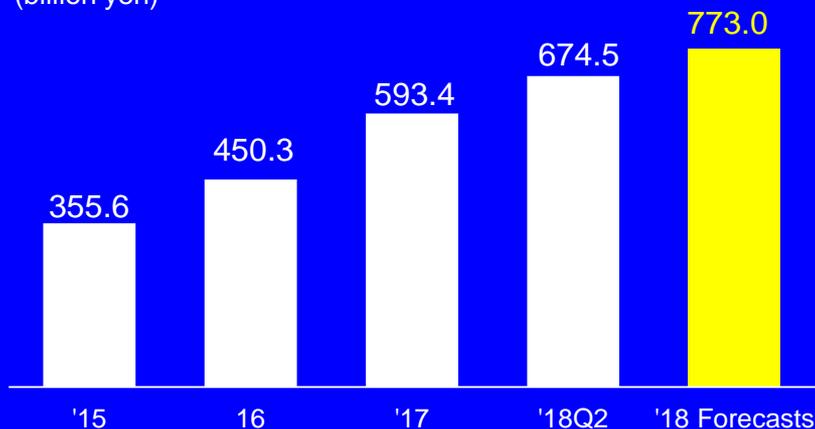
¥17.1 bil. (YoY±0%)

## Flat 35 Loan

- ◆ Speed up the process from consultation to loan agreement through one-stop management system
- ◆ Strengthen the relationship with existing agencies and provide full support to new agencies operation
- ◆ Aggressively develop outbound sales towards customers in need for refinancing

### Flat 35 Loan Balance after transfer of receivables to JHF

(billion yen)

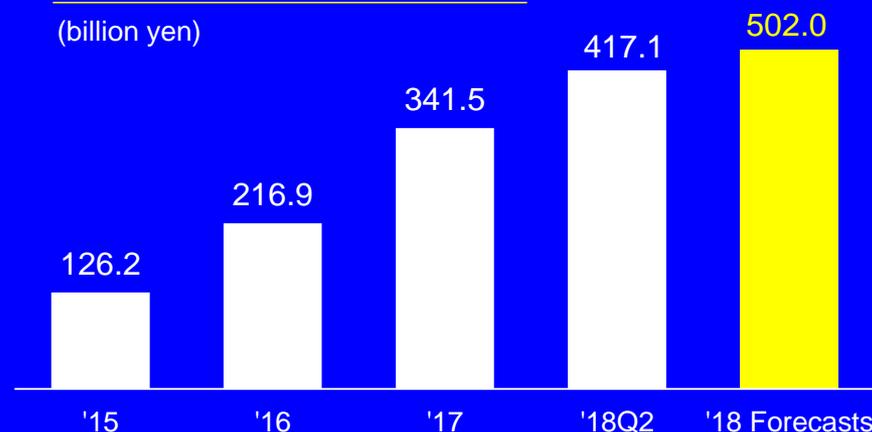


## Asset Formation Loan

- ◆ Increase competitiveness by customizing products that suits market needs
- ◆ Speed up the process from registration, credit evaluation, proposal submission to loan agreement through one-stop management system
- ◆ Strengthen the product promotion and supporting system through study sessions with alliance partners

### Balance of Asset Formation Loan

(billion yen)



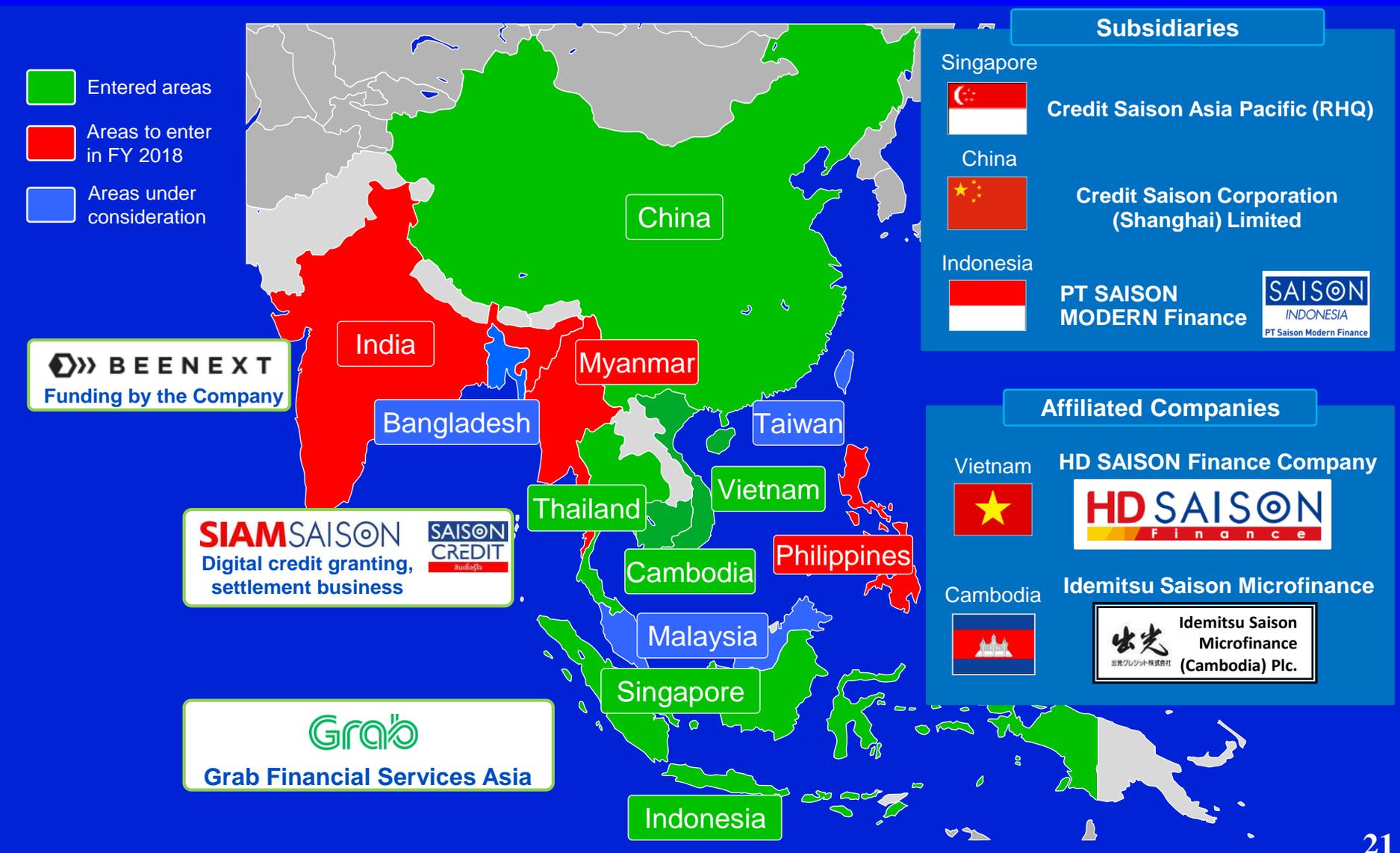
|                     | H1 results            | FY 2018 forecasts     |
|---------------------|-----------------------|-----------------------|
| Receivables balance | ¥674.5 bil. (YoY+33%) | ¥773.0 bil. (YoY+30%) |
| Operating revenue   | ¥2.3 bil. (YoY+34%)   | ¥5.1 bil. (YoY+32%)   |

|                     | H1 results            | FY 2018 forecasts     |
|---------------------|-----------------------|-----------------------|
| Receivables balance | ¥417.1 bil. (YoY+61%) | ¥502.0 bil. (YoY+47%) |
| Operating revenue   | ¥4.2 bil. (YoY+60%)   | ¥9.1 bil. (YoY+51%)   |



# Strengthening up-front investment in the Asia business with small number of highly skilled employees

Embark on retail financing business that suits each country by expanding flexible and altruistic business considering respective country's situation with creative ideas while minimizing country risks and trading conflicts





## Vietnam HD SAISON Finance Company



- Joint venture established in May 2015 (49% stake owned)
- Loans for motorcycles, smartphones and home appliances
- Credit Saison invested in HD Bank to expand our operations in Vietnam including launching a new credit card business



Income contributed  
for Q1

¥650 million

## Singapore Grab Financial Services Asia



- Joint venture established in December 2017
- Providing loans to registered drivers and users of on-demand ridesharing service "Grab"
- Granting credit by collaborating with the GrabPay app and building credit scores, as well as promoting a cashless society through the increased use of cardless payments





Thailand

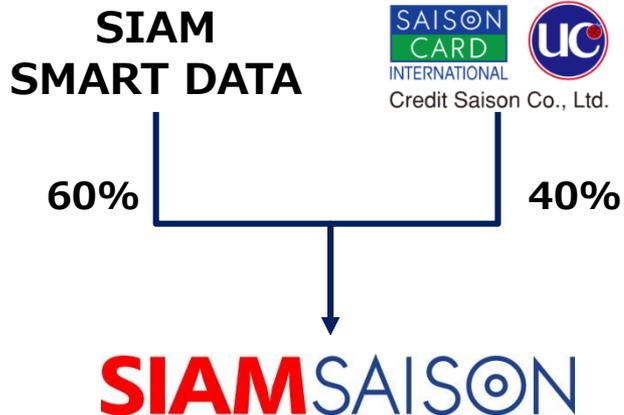


SIAM SAISON Co.,Ltd.

# SIAM SAISON

- SIAM SAISON Co.,Ltd. is established on agreement between Credit Saison, Siam Cement Group and Mitsui & Co.
- Along the initiative of the Thailand government, SIAM SAISON aimed to build a fast and accurate credit granting and settlement system, providing a wide range of BtoB financing services including instalment payment services.

## JV scheme



Operation starts on Jan. 2019 (est.)

\*Siam Smart Data: a special purpose company established by Siam Cement Group and Mitsui & Co.

## Business scheme



# ESG efforts towards sustainable growth

We aim to contribute through the everyday operation of our business to resolving problems and move society forward in ways only Credit Saison can by leveraging our unique know-how, management resources, and the experiences of each of our employees. We also aim to create a sustainable society even more convenient and prosperous than it is today.

## Environment

### Initiatives on Environment conservation

- Operation of Akagi Nature Park
- Environment-related volunteering
- Encouraging paperless homes and offices

## Environment



## Social



## Social

### Contributions to society

- **Creation of a cashless society**
  - Promoting card and mobile payments
  - Building of next-generation payment platforms
- **Work style reformation**
  - Introducing new personnel system to become a growing company
  - abolishment of job classifications and indefinite-term employment for all
- **Contributions to financial education and productive life-planning**
  - Offering financial education programs
  - Creation of investment opportunities through point investment services and Saison Asset Management

## Governance

### Efforts to strengthen corporate governance

- Strengthening management oversight capabilities
- 3 outside directors (2 independent directors)
- 3 audit and supervisory directors (2 outside independent directors)
- Evaluation of effectiveness of board of directors (once a year)
- Ensuring diversity and active participation of female directors

## Governance



### Contributions to community and society

- Disaster relief and community contributions from donations via point exchanges and card payments
- Contributions to economic development through financial services in emerging Southeast Asia countries
- Sponsoring the Japanese national soccer teams and José Carreras

# ESG efforts towards sustainable growth (examples)

## ■ Providing social infrastructure and promoting community development through the creation of cashless society

### <Japan>

New business creation and supports towards start-up companies through building of next-generation platform and various open innovation opportunities



Credit Card



Prepaid Card



Smartphone payment



QR code payment



Open innovation research institute

SAISON Ventures

Corporate venture capital fund

### <Overseas>

Partnering with local companies focused on ASEAN countries providing financial infrastructure and contributing to local economic development

Cambodia



Provides financing services in agricultural sector including business funding, loans and instalment payment services



Cambodia's office

## ■ Contributing to financial education and enrichment of life planning

Providing investing opportunities for newcomers



セゾン投信

いそがないで歩こう。



マネックス・セゾン・バンガード  
投資顧問株式会社



MSV LIFE



Contributing to educational research, industry development and fostering of capable person

Comprehensive Agreement with The Ritsumeikan Trust

R RITSUMEIKAN

Participating in "Active leader development program" and "Active Life Culture Consortium" by Ritsumeikan University

Realizing a cashless campus

Fostering young entrepreneurs

# ESG efforts towards sustainable growth (examples)

## Akagi Nature Park

With the goal of making coexistence between humanity and nature a reality, we manage the Akagi Nature Park in order to pass on the park's natural splendour to future generations.



## Donations via Points Exchange

- Donations for Great East Japan earthquake victims (¥630 mil)
- Donations for 2016 Kumamoto earthquake victims (¥60 mil)
- Donations for July 2018 floods (¥30 mil)
- Donations for 2018 Hokkaido Eastern Iburi earthquake (¥7 mil)
- Donations for Nepal earthquake victims (¥6 mil)
- Donations for 2018 Taiwan earthquake (¥1 mil)

## Partnership agreements with local governments

- “Agreement on Dissemination and Enlightenment Project for Disaster Prevention and Mitigation” with Yokohama City
- “Agreement on Health Promotion” with Fukushima Prefecture



Yokohama City disaster prevention and mitigation workshop



Donating to the Fukushima Prefecture Animal Welfare Center

## Supporting sports and cultural activities

- Sponsor of Japanese national soccer teams
- Sponsor of José Carreras performances



## Work style reformation

- Introduced new personnel system in becoming a growing company (Sept. 2017)

Indefinite term employment

Paid leave in hourly units

Bonuses & defined contribution pension

Teleworking, flex-time

- Saison Work-Life Design Unit

This project team operates across the entire company for the purpose of advancing bottom-up work style reforms.

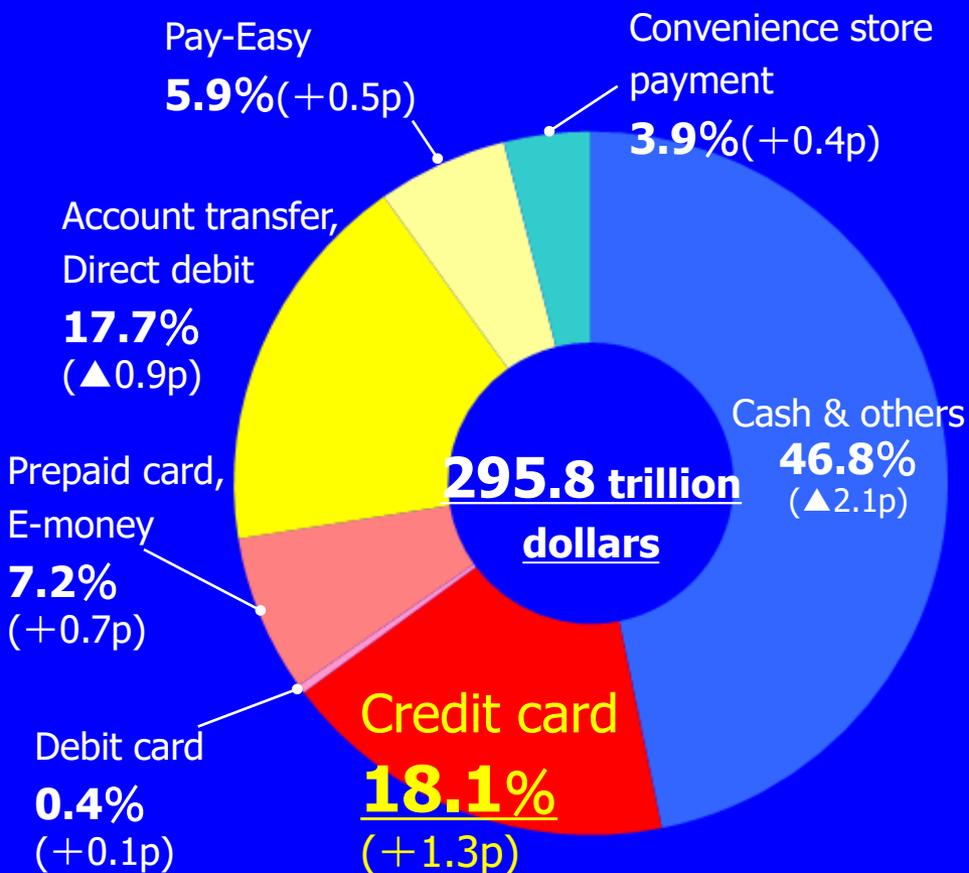
SAISON  
CHIENOWA



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

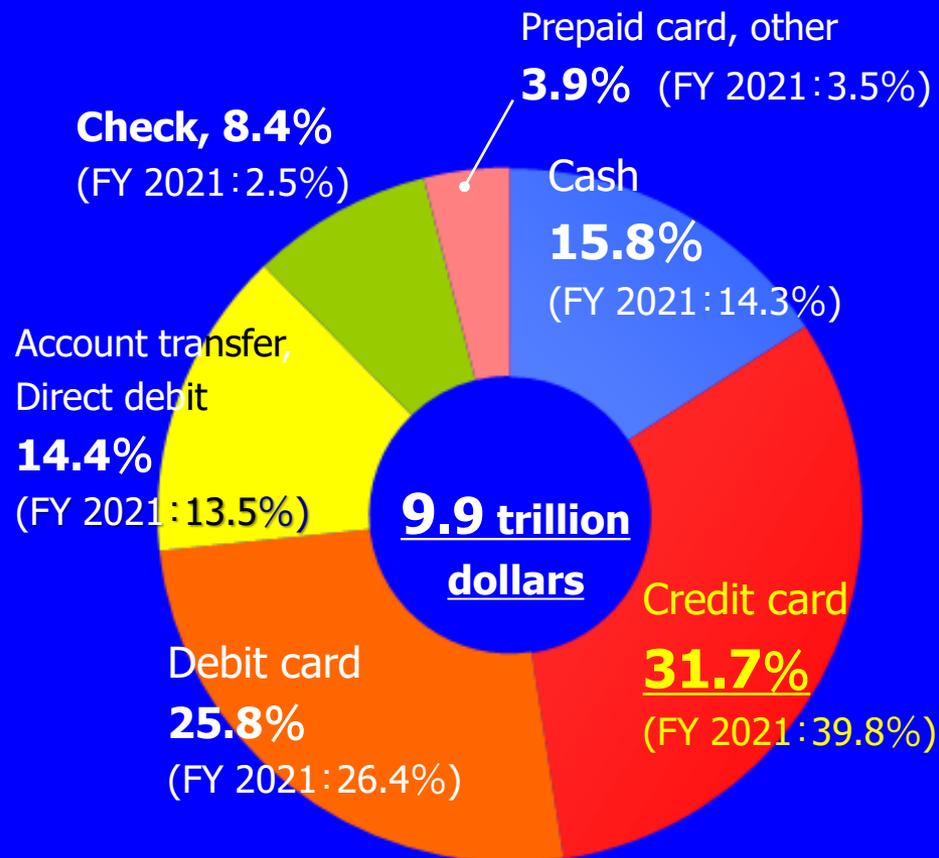
## Japan (FY 2017)

※ (YoY)



## U.S.A. (FY2016 → FY2021 forecast)

※(share forecast of FY2021)



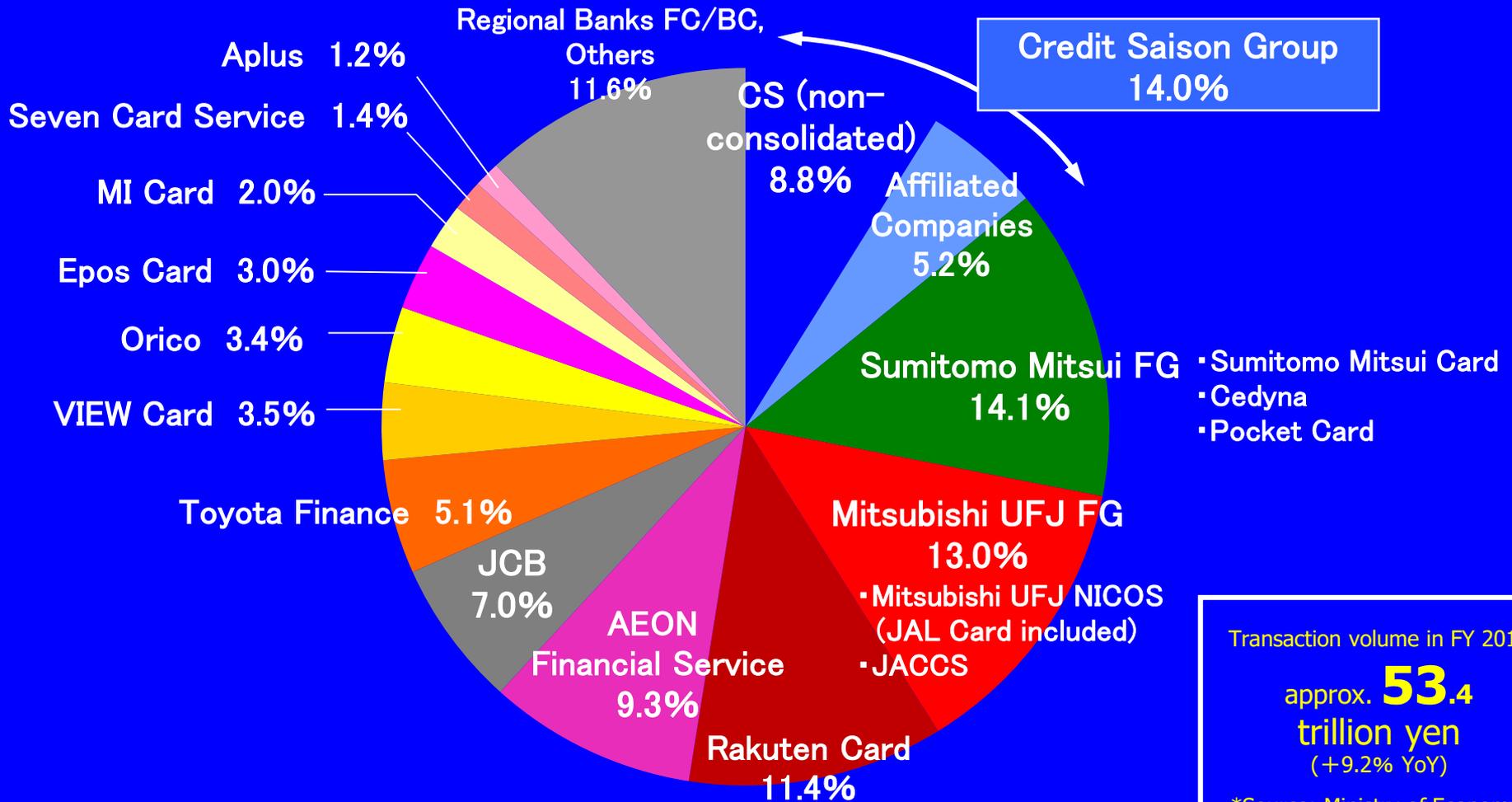
※Japan: Calculated by our company based on sources such as the Ministry of Economy, Trade and Industry, New Payment Report, Mitsubishi UFJ Research and Consulting, and official documents from various companies.

Credit card's shares include transaction volume of corporate cards estimated at 3 trillion yen (1% of its total)

※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) 【FY 2017】



Transaction volume in FY 2017  
 approx. **53.4**  
 trillion yen  
 (+9.2% YoY)  
 \*Source: Ministry of Economy,  
 Trade and Industry

※Calculated by the Company by using own method based on each company's official report.  
 ※Data used is basically on non-consolidated basis (excluding overseas card members), both FC and BC of all brand companies (approx..100) are categorized as "Regional banks FC/BC".  
 ※Affiliated Companies: Idemitsu Credit, Seven CS Card, Takashimaya Credit, Resona Card, Shizugin Saison Card, Daiwa House Financial

# [Recommended Product] Saison American Express® Card



## PLATINUM

Annual fee  
(tax-exclusive):  
20,000 yen

Eikyufumetsu point (1,000 yen = 1 point / indefinite period):  
**x2 for overseas use / x1.5 for domestic use**  
**Concierge service:** 24 hours / 365 days  
**Priority pass:** No registration fee (annual membership fee: US\$399)  
**Free baggage delivery service:** available for both ways  
**Premium golf service:** annual membership fee: 10,000 yen  
**Complimentary:** premium hotel privilege / Entrée / American Express® Connect  
**Online protection:** compensation for damages /  
 overseas travel accident insurance: **up to 100 million yen**



## GOLD

Annual fee  
(tax-exclusive):  
10,000 yen

Eikyufumetsu point (1,000 yen = 1 point / indefinite period):  
**x2 for overseas use / x1.5 for domestic use**  
**Priority path:** registration required (membership fee is charged separately)  
**Free baggage delivery service:** available only for return trip  
**Complimentary:** American Express® Connect  
**Online protection:** compensation for damages /  
 overseas travel accident insurance: **up to 50 million yen**



## BLUE

Annual fee  
(tax-exclusive):  
3,000 yen

Eikyufumetsu point (1,000 yen = 1 point / indefinite period): **x2 for overseas use**  
**Free baggage delivery service:** available only for return trip  
**Complimentary:** American Express® Connect  
**Online protection:** compensation for damages /  
 overseas travel accident insurance: **up to 30 million yen**



## PEARL

Annual fee  
(tax-exclusive):  
1,000 yen

\* Free for the first year. Second year onwards, free membership is applicable with terms and conditions.

Annual membership fees: Free annual membership with at least once usage of card  
 Eikyufumetsu point (1,000 yen = 1 point / indefinite period): **x2 for overseas use**  
**Complimentary:** American Express® Connect  
**Online protection:** compensation for damages



# Memo