



# Financial Results of FY2018



Akagi Nature Park

2019. 5. 16

CREDIT SAISON CO.,LTD.



# AGENDA

- I. FY 2018 Highlights
- II. FY 2018 Financial Report
- III. Mid-term Management Plan
- 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.

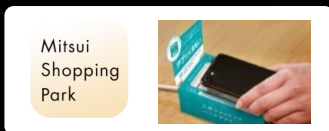




# I. FY 2018 Highlights

## Payment Settlement Business

- Pioneering efforts in cardless payment schemes
- Introduced a QR code payment service "Pay by App" for Mitsui Shopping Park Card Saison



## Finance Finance Business

- Providing support to build the ideal home
- Began providing "Saison Reform Loan," meeting the need for home renovation funding



## Solution Solution Business

- Optimization of cash in BtoB transactions
- Introduced "BtoB Payment," a service in which advance payment is made on behalf of third parties on purchase costs



**Plus(+) Shift**

"Current Strengths"

+

"New Strengths"

## Digital Marketing Digital Marketing Business

- Pursuing customers needs and convenience
- Entered into an agreement with Liquid Inc. to introduce an online identity verification service (eKYC)



## Global Asia Business

- Taking up the challenge of finance business throughout Asia
- Thailand: SIAM SAISON Co., Ltd. is established through an agreement between Siam Cement Group and Mitsui & Co.



## Investment Asset Management Business

- Enhancing the uniqueness of Eikyufumetsu Points
- Introduced the "Individual Stock Course" as part of the Point Investment Service, which tracks the performance of existing companies



### Creating growth opportunity

Associated Core System had its second release on October 28, 2018

### Digitalization of operations

Introduction of AI to fraud detection system



### Diversification of settlement platforms

Addition of new functions such as a debit top-up function



### Contributing to education and fostering capable person

Entered into agreements with the Ritsumeikan Trust and Kobe University



### Acquisition of external ratings

Certified as a Health and Productivity Management Organization (White 500) (3 years consecutively)



## II. FY2018 Financial Report 1-(1). Financial Results (JGAAP)

< JGAAP >

(Billion yen)		FY2017	YoY (%)	FY2018	YoY (%)
Consolidated	Operating revenue	292.1	104.7	304.8	104.3
	Ordinary income	56.7	106.9	54.1	95.5
	Quarter net income	38.3	90.7	34.0	88.7
Non-Consolidated	Operating revenue	249.8	104.7	259.0	103.7
	Ordinary income	38.8	137.8	39.6	102.0
	Quarter net income	22.1	105.4	25.8	116.6

### ■ Top Line

- Credit Service Segment and Finance Segment 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

<FY2017>

- 4.5 billion yen (approx.) of equity method investment profits resulted from sales of investment securities owned by UC Card, an equity method affiliate.
- 8.5 billion yen (approx.) of extraordinary profits resulted from gain on sales of investment securities owned by the Company.
- 12.9 billion yen (approx.) of one-time expenses due to the migration to the Associated Core System.

<FY2018>

- 3.3 billion yen (approx.) of one-time expenses due to the migration to the Associated Core System.

# 1-(2). Financial Results (IFRS / Differences between JGAAP and IFRS)

## < IFRS >

(Billion yen)		FY2017	YoY (%)	FY2018	YoY (%)
Consolidated	Net revenue	293.2	-	304.8	104.0
	Business Income	57.3	-	52.2	91.1
	Net Income	38.4	-	30.5	79.4

## < FY2018 Differences between JGAAP and IFRS >

(Billion yen)	JGAAP	IFRS	Differences	Main Factors
Operating revenue / Net revenue	304.8	304.8	(0.0)	<ul style="list-style-type: none"> <li>• Increase in number of consolidated companies due to IFRS standards, +¥2 billion</li> <li>• Change in Saison Fundex accounting period, (¥1.4 billion), etc.</li> </ul>
Ordinary income / Business Income	54.1	52.2	(1.9)	<ul style="list-style-type: none"> <li>• Depreciation costs in past capitalization of IC card costs, ¥1.1 billion</li> <li>• Change in Saison Fundex accounting period, (¥600 million), etc.</li> </ul>
Net Income	34.0	30.5	(3.5)	<ul style="list-style-type: none"> <li>• Business income, (¥1.9 billion)</li> <li>• Deferred upfront revenue, (¥900 million), etc.</li> </ul>

## 2. Results by Business Segment (IFRS)

(Billion yen)	Net revenue			Business Income		
	FY2017	FY2018	YoY (%)	FY2017	FY2018	YoY (%)
Credit Service	222.4	228.5	102.7	27.9	16.9	60.6
Lease	12.8	12.5	97.7	4.4	5.7	128.8
Finance	35.5	39.2	110.4	16.6	19.2	115.3
Real estate-related	15.4	18.1	117.0	6.1	8.3	134.7
Entertainment	9.2	8.7	94.3	2.1	2.0	97.7
TOTAL	295.6	307.2	103.9	57.3	52.2	91.1
Adjustments	(2.3)	(2.3)	-	0	0	-
Consolidated	293.2	304.8	104.0	57.3	52.2	91.1

### ■ Credit Service Segment

- In addition to commencing the “Pay by App” QR code payment service for the Mitsui Shopping Park Card Saison, shopping transaction volumes and balances for revolving payments increased as a result of measures to encourage card usage focusing on partner retailers. Meanwhile, revenue increased and income decreased as a result of an increase in depreciation costs for the Associated Core System running since November 2017, and also due to the absence of income of investment securities sold by UC Card, an equity-method affiliated company in previous year, etc.

### ■ Lease Segment

- Revenue decreased and income increased due to improvements in the quality of credit despite being affected by the decline in average fee rates.

### ■ Finance Segment

- Both revenue and income increased due to expansion of “Flat 35” & “Assets Formation Loan” that suits our partners needs.



### 3. Contribution by Consolidated Companies

Contribution by consolidated companies

Non-Consolidated Ordinary Income	Consolidated Business Income	Difference
¥39.6 billion	¥52.2 billion	¥12.6 billion

Major consolidated subsidiaries	Income contribution
<b>Atrium Group</b> (real estate liquidation business, servicing business)	¥5.39 billion
<b>Saison Fundex Group</b> (lending business, real estate-related financing business)	¥3.16 billion
<b>Concerto Inc.</b> (entertainment business, real estate rental business)	¥2.15 billion
<b>SAISON PERSONAL PLUS COMPANY LIMITED</b> (temporary staffing business, servicing business)	¥0.57 billion

Major equity method affiliates	Income contribution
<b>Idemitsu Credit Co., Ltd.</b> (credit card business)	¥1.44 billion
<b>HD SAISON Finance Company Ltd.</b> (retail financing business in Vietnam)	¥1.31 billion
<b>Saison Information Systems Co., Ltd.</b> (information processing business)	¥1.29 billion
<b>Takashimaya Credit Co., Ltd.</b> (credit card business)	¥1.06 billion



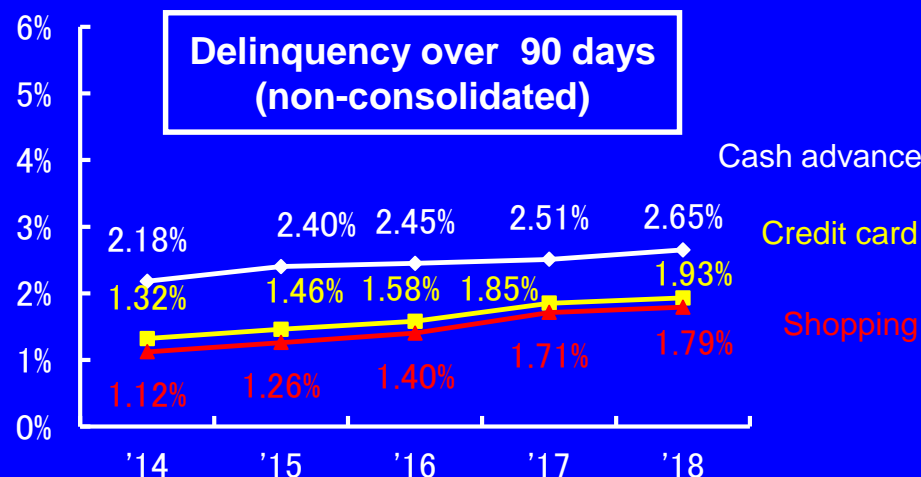
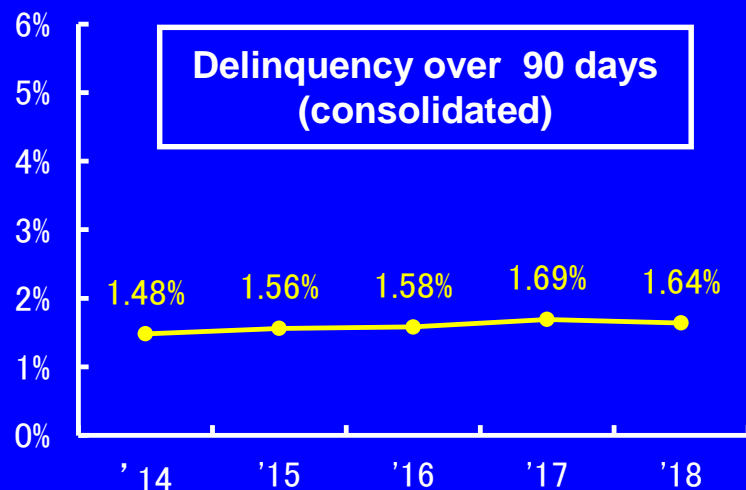
## 4. Main Indices (Non-consolidated)

		FY2017		FY2018		FY2019(Target)	
			YoY (%)		YoY (%)		YoY (%)
New Card Issued (millions)		2.44	93.4	2.11	86.5	2.00	94.6
Total Cardholders (millions)		26.95	101.8	26.79	99.4	26.97	100.7
Active Cardholders (millions)		14.98	101.3	14.90	99.4	14.96	100.4
Transaction Volume (¥ billion)		4,931.1	104.2	5,031.5	102.0	5,345.0	106.2
	Card Shopping	4,683.0	104.6	4,788.5	102.3	5,100.0	106.5
	Cash Advances	248.1	97.8	242.9	97.9	245.0	100.8
Operating assets outstanding (¥ billion)		631.3	106.1	640.5	101.4	664.0	103.7
	Card Shopping	414.2	108.8	422.5	102.0	435.0	102.9
	Cash Advances	217.1	101.5	218.0	100.4	229.0	105.0



# 5. Credit Risk / Credit Cost

## Trends in Credit Risk



## Credit Cost Results

Consolidated (IFRS)		(billion yen)	
		FY2018	Difference YoY
<b>Credit cost</b>		<b>34.2</b>	<b>+4.1</b>
General credit cost		34.0	+4.6
Interests repayment		1	(4)

Non-consolidated (JGAAP)		(billion yen)	
		FY2018	Difference YoY
<b>Credit cost</b>		<b>31.4</b>	<b>+3.4</b>
General credit cost		31.4	+3.4
Interests repayment		-	-

- 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.

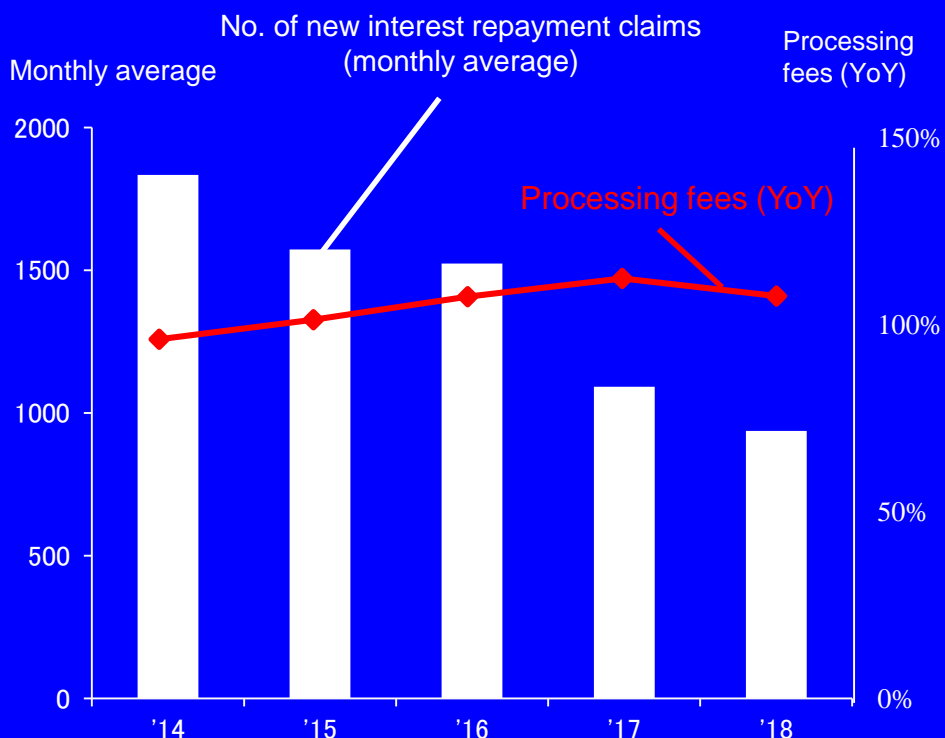
# 6. Interest Repayment Claims

No. of new interest repayment claims shows 15% decrease from the previous fiscal years.

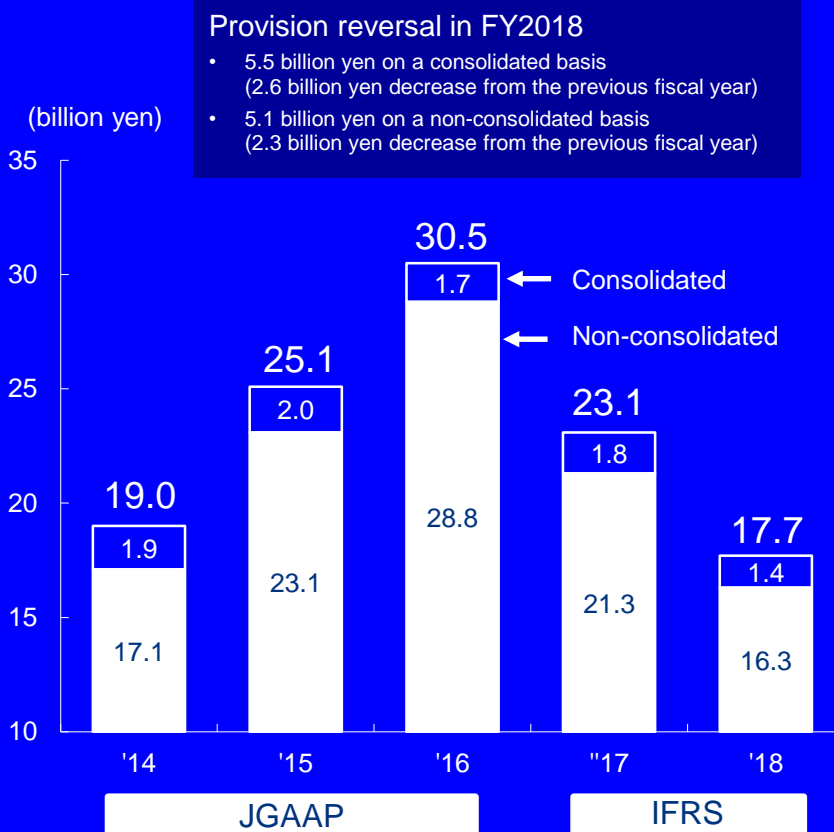
Current provision is at a sufficient level.

No additional provision is planned for FY2019. The future trend is yet to be monitored.

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



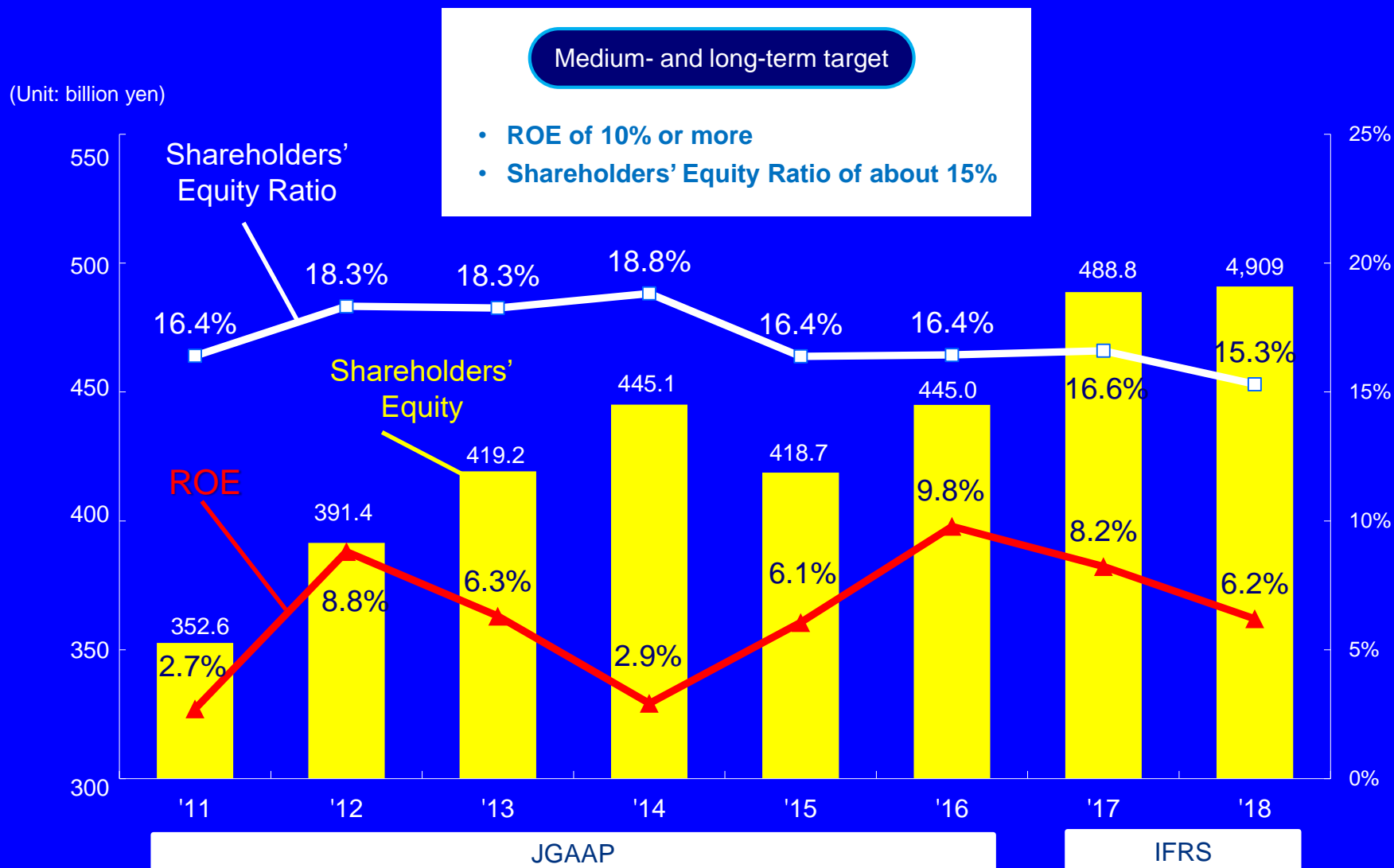
## ■ Trend of provision balance due to interest repayment losses





# 7. Trends in Management Indicators

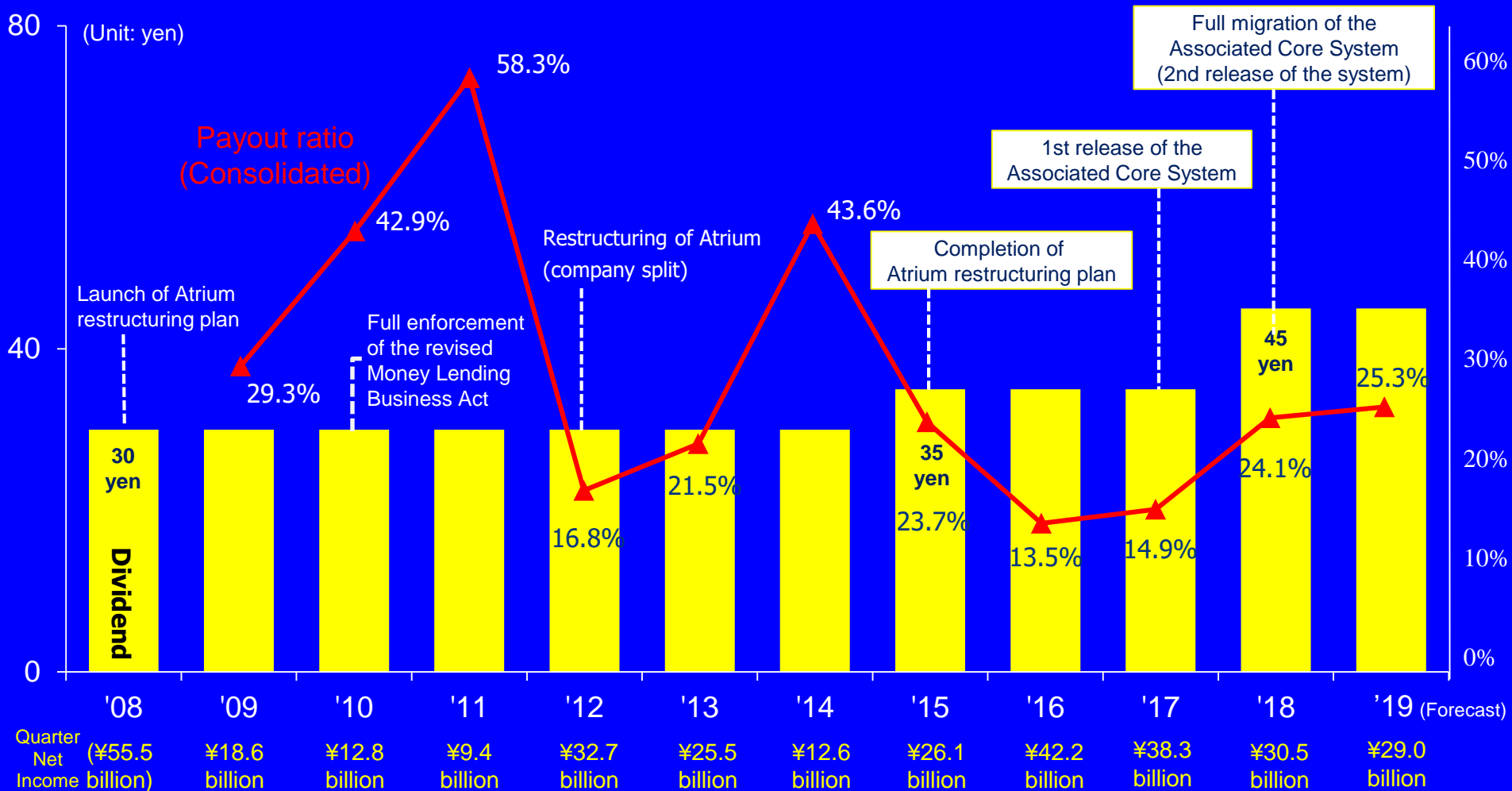
The company is determined to attain sustainable growth through strategic investments in Japan and overseas countries, meanwhile, enhance asset efficiency through expansion of high asset efficiency business and reduction of inefficient assets.



## 8. Trends in dividend per share & Payout ratio

Dividend policy: Maintaining stable payout

Despite facing management challenges, the Company has never cut its dividends.



JGAAP

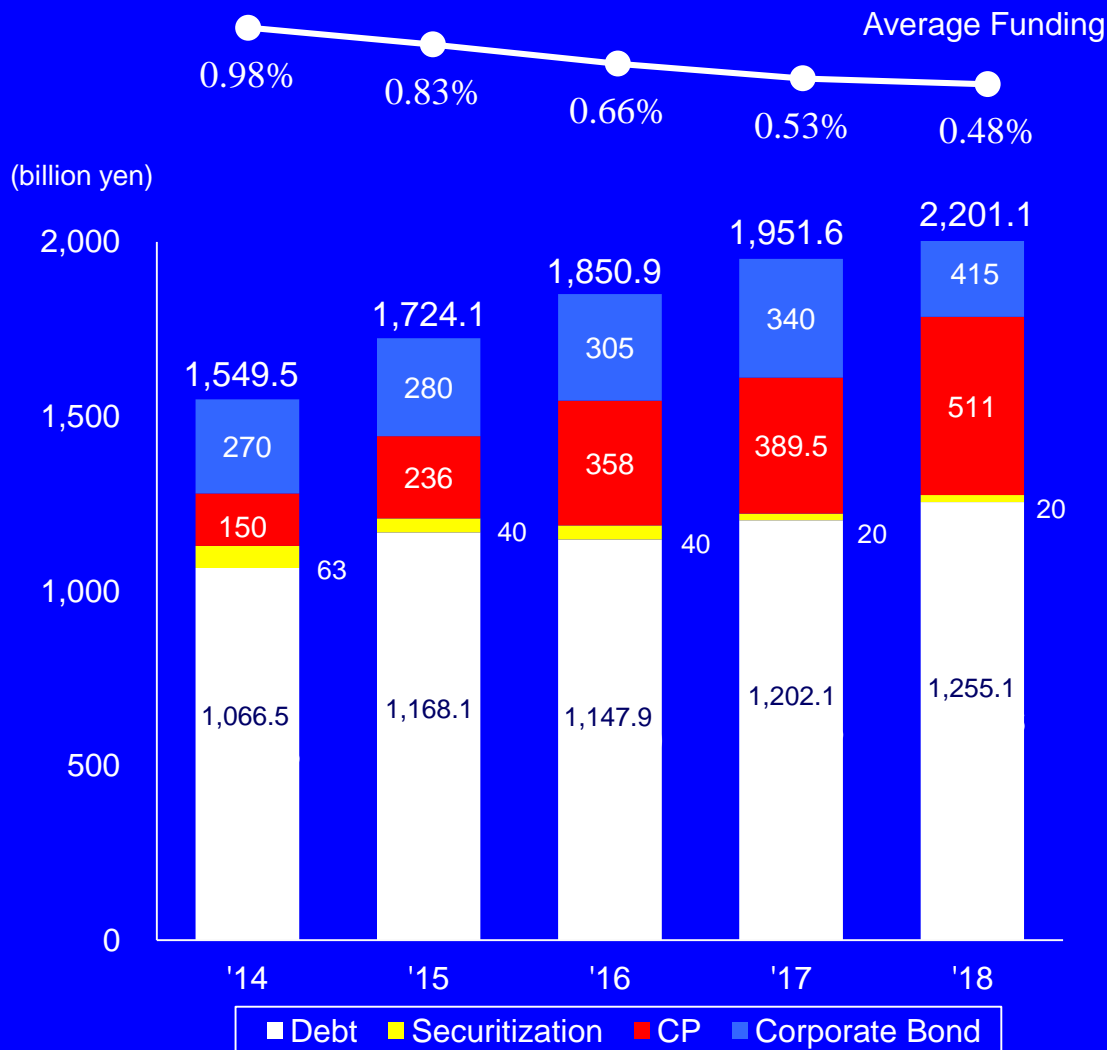
IFRS



Rating: R&amp;I A+

Long-term ratio: 66%  
Fixed ratio: 60%

3 years consecutively

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

## Bond issued in FY2018

Apr. Volume issued – 20 billion yen  
Period: 3 years Interest rate: 0.06%Volume issued – 15 billion yen  
Period: 20 years Interest rate: 0.99%Jun. Volume issued – 10 billion yen  
Period: 5 years Interest rate: 0.18%Jul. Volume issued – 20 billion yen  
Period: 5 years Interest rate: 0.18%  
\*for individual investorsNov. Volume issued – 10 billion yen  
Period: 7 years Interest rate: 0.31%Jan. Volume issued – 10 billion yen  
Period: 10 years Interest rate: 0.48%  
\*for individual investorsMar. Volume issued – 10 billion yen  
Period: 10 years Interest rate: 0.48%  
\*for individual investors

## Bond issued in FY2019

Apr. Volume issued – 12 billion yen  
Period: 20 years Interest rate: 1.00%



### III. New Medium-Term Management Plan (FY2019 - FY2021)

- ◆ New Medium-Term Management Vision
- ◆ Medium-Term Management Plan - Numerical Targets -
- ◆ Recap of the Previous Medium-Term Management Plan and Vision for the New Medium-Term Management Plan
- ◆ Key Points of the New Medium-Term Management Plan



# New Medium-Term Management Vision: **Neo Finance Company in Asia**

*Mission Statement*

**A Finance Company Advancing with Customers for 50 Years:**

~ Providing Peace of Mind and Discovering Potentials in Money ~

Providing house card functions integrated with affiliated partners' customers strategies,  
**and expand customer base through settlement services**

**Payment  
Settlement Business**

Shopping  
Borrowing  
Remittance

**Diverse lineup of money  
services for customers  
(individual/company)**

Household purchase /  
Leasing  
Real-estate transaction

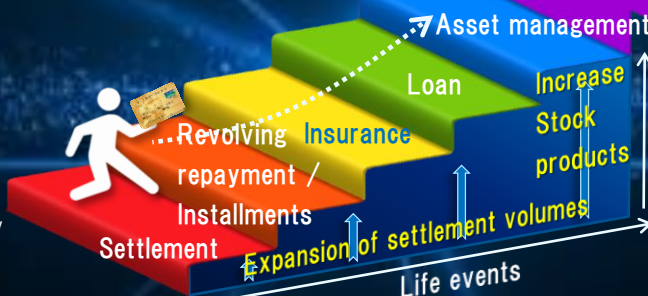
**Finance  
Finance Business**

Renovations

Degree of belonging  
(loyalty)

Savings

Financial arrangements /  
Purchase



Settlement of expenses  
Operational efficiency

Welfare

**Expand sales of financial products (stocks)  
through customer-oriented cross-sectional  
sales between businesses**

Investment/Asset  
management

Inheritance

**Solution  
Solution Business**

**Digital Marketing  
Digital Marketing Business**

**Investment  
Asset Management Business**

Life events (new job, marriage, kids...)

Corporate cycle (foundation, growth, maturity, reforms)

**Expand financial services in high-potential emerging markets in Asia utilizing know-how from Japan**

**Global  
Asia Business**



# Medium-Term Management Plan - Numerical Targets -

In FY2019, income is expected to drop as a result of an increase in costs associated with systems and costs pertaining to the update of IC cards in advance, and also due to the absence of other special factors which occurred during FY2018 (rationalization of allowances for points and the reversal of allowances for doubtful accounts), etc.

Bottom out in FY2019 and start another 3 years growth anew

New Medium-Term Management Plan (2019 – 2021)

Consolidated  
business income

¥60.0 billion

Non-Consolidated  
¥43.0 billion

Consolidated  
contribution  
¥17.0 billion

Consolidated  
business income  
¥42.5 billion

Non-Consolidated  
¥30.0 billion

Consolidated  
contribution  
¥12.5 billion

Built up  
earnings

+ ¥2.8 billion

- ¥1.9 billion

Investments in new  
businesses, etc.

- ¥3.8 billion

Special factors during previous  
term

- ¥4.8 billion

Update of IC cards in advance

- ¥2.1 billion

Increase in system costs

Consolidated business income  
(≡ Consolidated ordinary income)

¥52.2 billion

Non-Consolidated  
¥39.6 billion

Consolidated  
contribution  
¥12.6 billion

IFRS FY2018 Results

FY2019 Plan

FY2021 Target



# Recap of the Previous Medium-Term Management Plan and Vision for the New Medium-Term Management Plan

## < Previous Plan 2016-2018 >

3 years spent to complete construction of the foundations towards our renewed growth strategies

- ◆ Full migration to the Associated Core System  
Completed the foundations that could contribute in expanding partnerships and product development (October 2018)

- ◆ Meeting diverse needs from customers  
(Expansion of settlement platforms and Finance Business)

### 【QR code payment】



### 【Debit top-up】



### 【Finance operating assets (including off-balance)】

FY2015: approx. ¥1 trillion → FY2018: approx. ¥1.8 trillion

Approx.  
2X

- ◆ Expansion of global business into more countries

FY2015: 5 countries → FY2018: 9 countries

Approx.  
2X

## < New Plan 2019-2021 >

3 years towards transformation and renewed growth utilizing these foundations

- I Growth strategies and structural reform in the payment business

**Payment**  
Settlement Business

**Solution**  
Solution Business

**Investment**  
Asset Management Business

**Digital Marketing**  
Digital Marketing Business

- II Further expansion of Finance Business as a non-bank

**Finance**  
Finance Business

- III Expanding the earnings base of global business with a view to the future

**Global Asia Business**

Cashless vision  
“Achieve cashless settlement ratio of 40%”

FY2016

20%

FY2025 Target

40%

Establishment of Payments Japan Association

Participating

Intensified competition resulting from increasing participation in QR code payment among companies

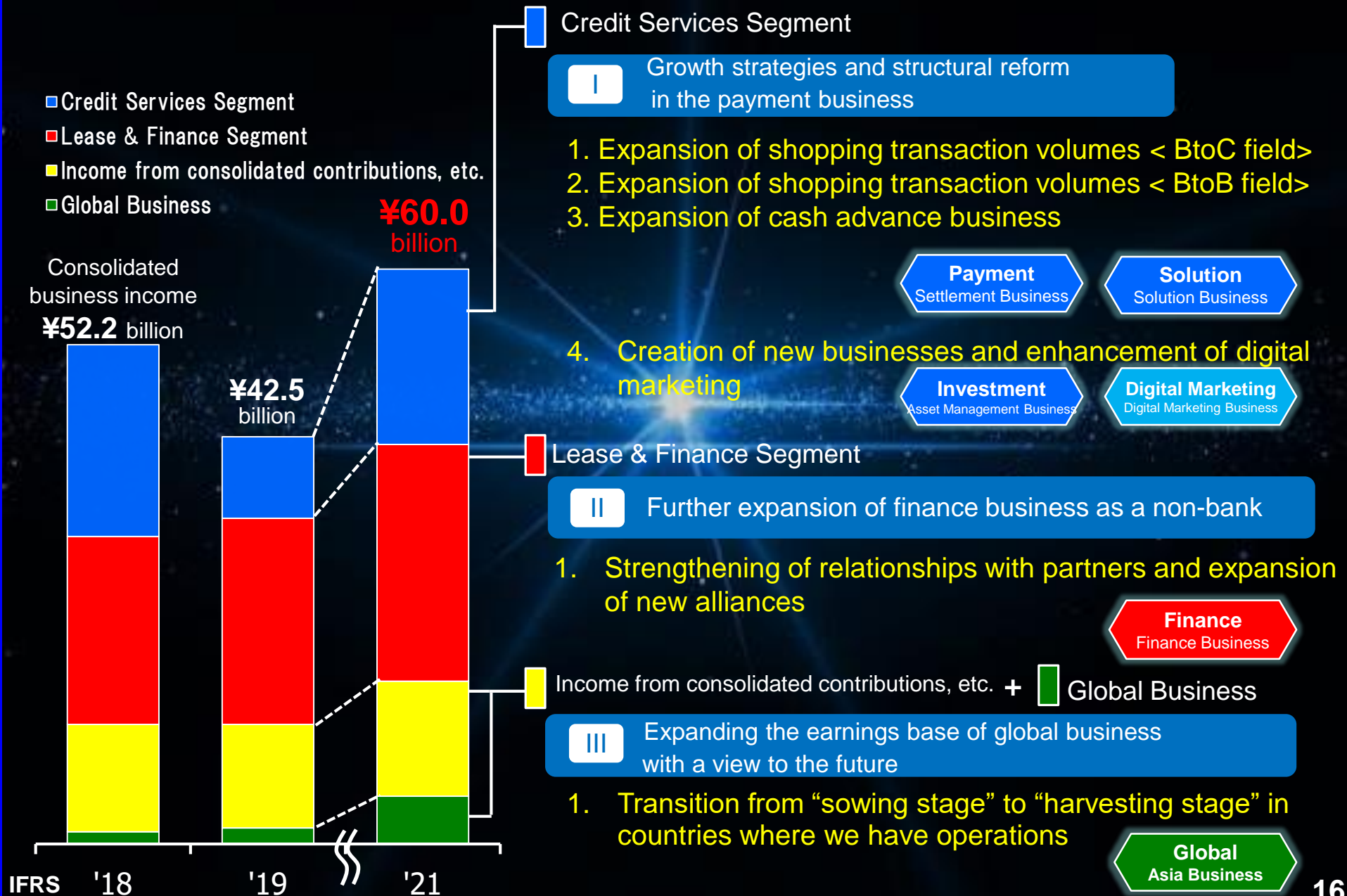
- Increasing number of companies participating in the QR code payment business, such as telecommunications providers and EC companies.
- Reduction/waiver of fees for affiliated stores

Countermeasures for consumption tax hike  
8% → 10% (October 2019)

- SMEs: Rebate to customers (individual store: 5%, franchises: 2%)
- Capped fees for affiliated stores (3.25%)

Participating

# Key Points of the New Medium-Term Management Plan





## 1. Expansion of shopping transaction volumes < BtoC field >

### (1) Strengthen customer base through the expansion of new partnership networks

- New partnerships, business consignments and service provisions
- Issuing cards with original designs of affiliated partners with standard credit card functions
- Providing diverse settlement methods tailored to the needs of customers, including credit, prepaid & debit cards

(Examples)



Retailers



E-commerce



Finance



New partnerships



Business processing



New Card

### (2) Revitalizing card use by shifting from “regular services” to “services based on card usage”

< “Saison Classe,” app-only benefits based on user class (from April 1, 2019) >

Information on  
special offers

Campaigns

Coupons

Limited special offers



Earn scores  
from card use

Answer  
questionnaires

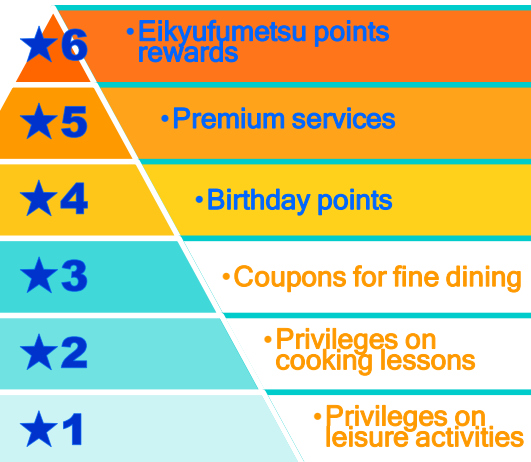
Pay with card

Exchange points

Class changes  
according to score

(Examples of benefits)

Benefits increase as class rises  
More benefits will be added regularly





## 1. Expansion of shopping transaction volumes <BtoC field>

### (3) Transition to smartphone-based card services

#### < a. Instant sign-up/usage via smartphone (cardless payment) >

Card membership  
recruitment  
at retailers etc.

Instant issuance of card number  
**Cardless payment through QR  
code, etc.**

Card arrives later



#### < b. Easier and safer procedures >

Changes of  
settings

Inquiries

Use of  
services

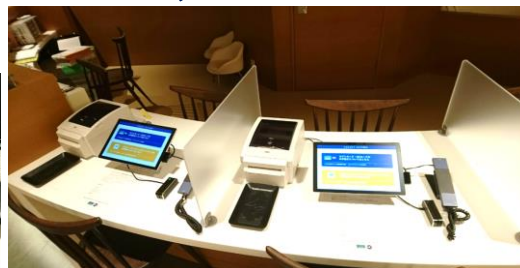
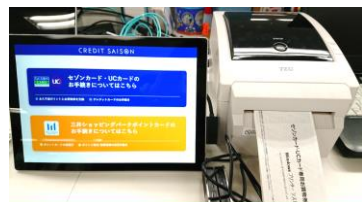
Notifications  
of card use



**Easy and safe services  
all through your smartphone**

### (4) Redefining Saison counters

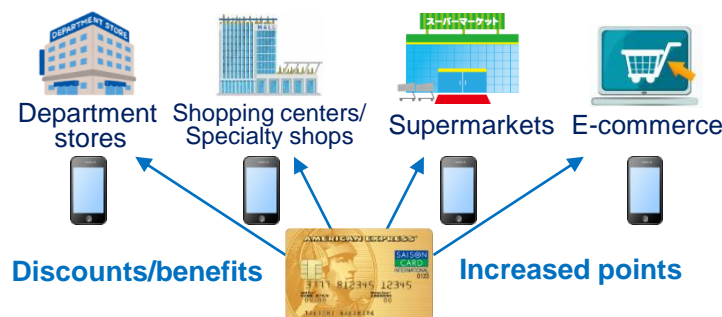
<Improving productivity and staff efficiency through  
setup of digital counters and etc.>



【Done setup】 Mitsui Outlet Park Kisarazu / LaLaport YOKOHAMA

### (5) Great variety of benefits in a single card

<Providing a variety of benefits by  
different affiliated partners in a single card>







## 2. Expansion of shopping transaction volumes <BtoB field>

### (1) Streamlining of cashless methods in settlement between companies

- Introduced "BtoB Payment," a service in which advance payment is made on behalf of third parties on purchase costs

**BtoB**

### (2) Expansion to SME\* market

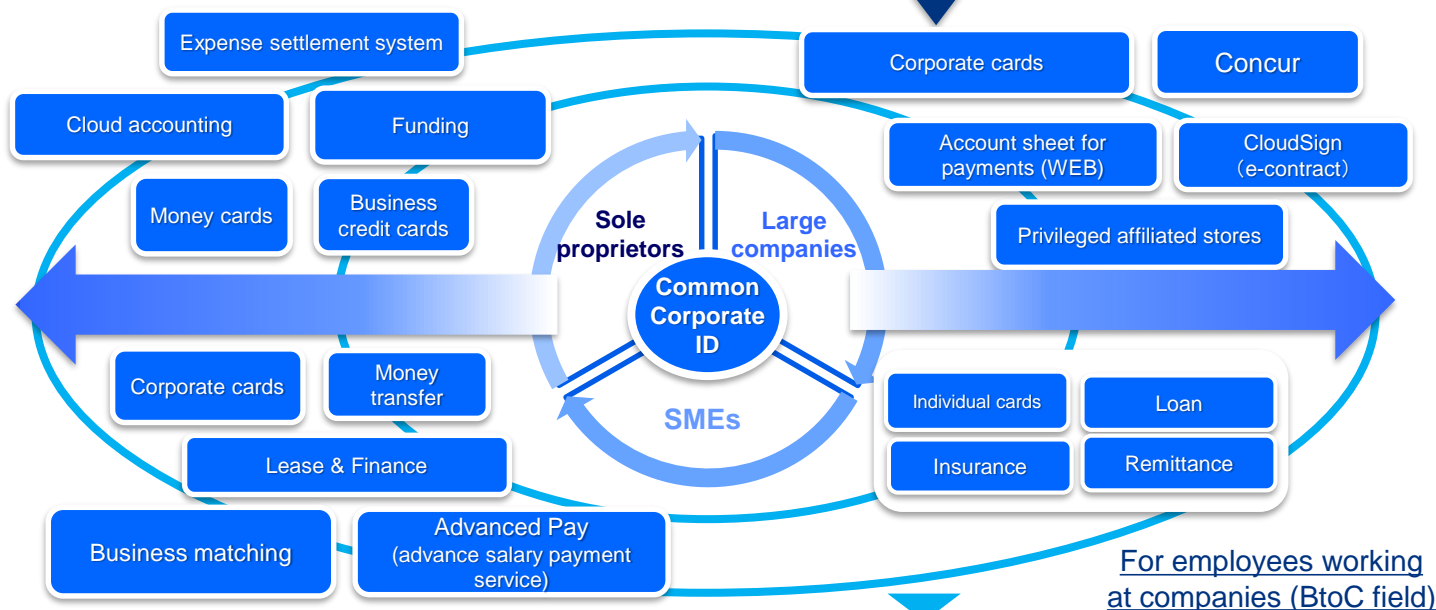
- Expansion of sole proprietors market through promotion of business credit cards

\* Small and Medium Enterprises



### (3) Constructing a corporate platform

Integrated management of corporate information through contracts with affiliated stores and lease partners, etc.



Construct a platform that  
assembles corporate  
products and services

Create a common corporate  
ID for all products, and link  
this with corporate  
information

Solicitation or applications of  
services are possible within  
this platform

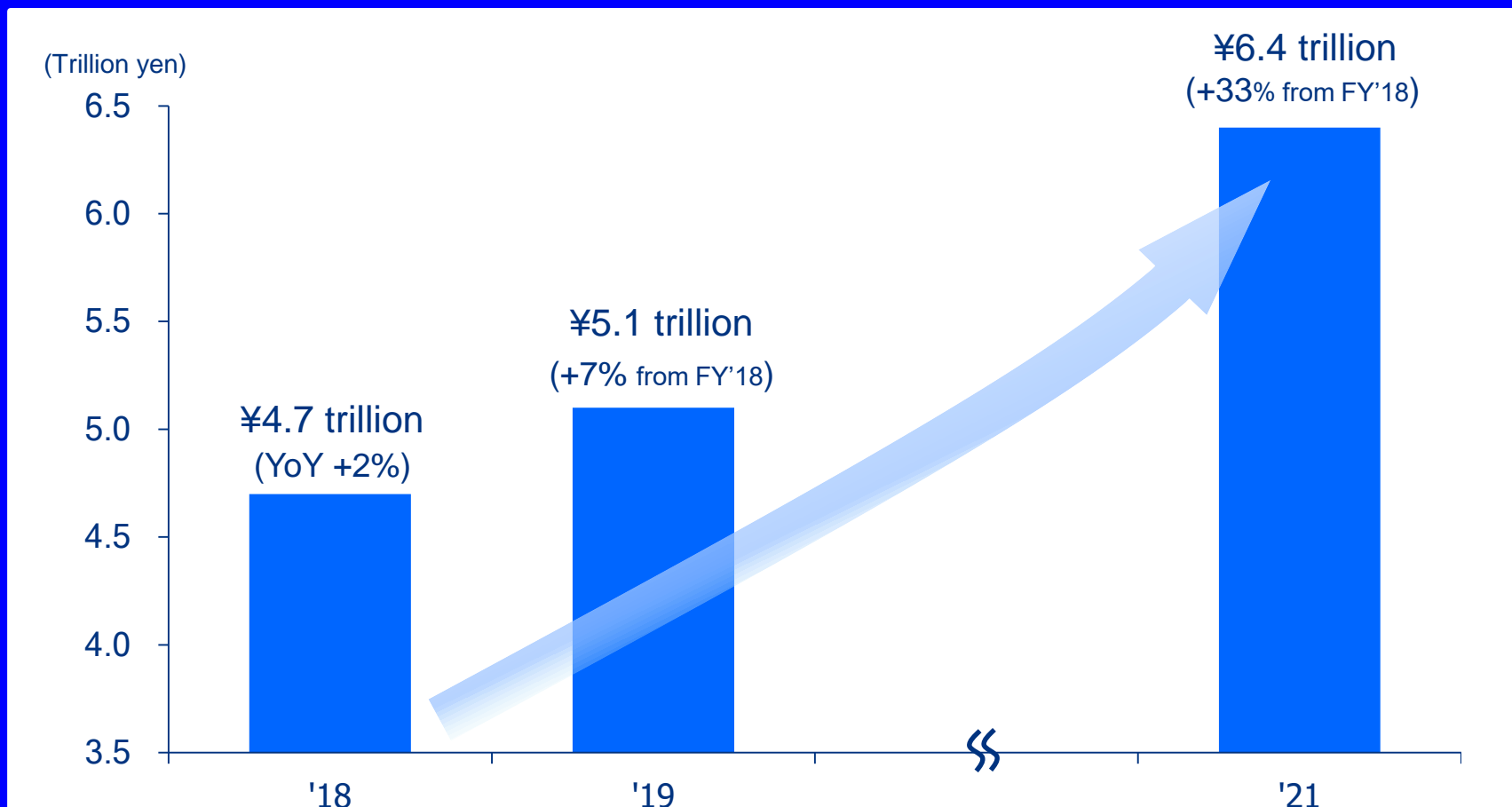
For employees working  
at companies (BtoC field)

Construct a unique credit model based on the transactions with the Company  
(amount and content of transactions, etc.), and utilize this in future business financing and lending.



1. Expansion of shopping transaction volumes <BtoC field>
2. Expansion of shopping transaction volumes <BtoB field>

**Stimulate new growth in shopping transaction volumes  
through initiatives in both BtoC and BtoB fields**  
**Target for FY2021: ¥6.4 trillion (+ 33% from FY'18)**





## 3. Expansion of cash advance business

### (1) Enhancing merchantability and convenience in line with customer needs

#### a. Flexible settings for cash advance interest rates

< Before > Fixed interest rates according to products



(Real annual rate 12%~18%)

< After >

**zero interest rate** on first use or  
**flexible settings** according to use

#### b. Online applications for increasing limit of cash advance

< Before > Applications via the Call Center or  
Saison counters



< After >

Applications available at  
Net Answer / ATU Net  
or smartphone apps “SAISON/UC Portal”

SAISON CARD Netアンサー



セゾンPortal

UC Portal

### (2) Meeting customer needs through the development of new products

#### ・ Development of cardless loans

< Before > Promotion of cash advance  
services through the issuance of  
plastic cards

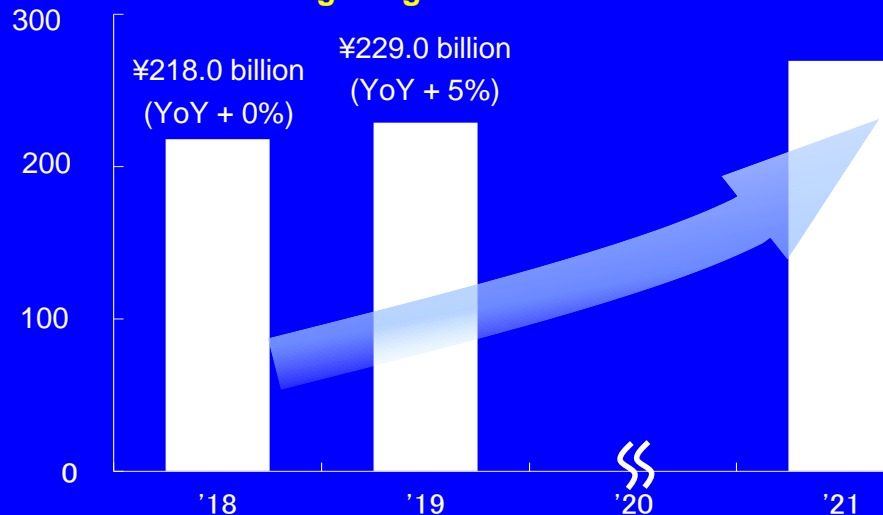


< After >

**Development of cardless loans**  
which enable the use of cash  
advance services without having  
to issue a card

Balance (Billion yen)

### Accelerating the growth of cash advance business

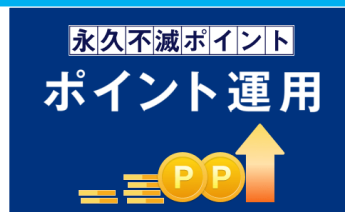




## 4. Creation of new businesses and enhancement of digital marketing

### (1) Stepping up efforts in asset management business

#### I. Development of asset formation business



**Creation of asset management services used by over a million customers every day**

i) Strengthening of joint initiatives between Saison Asset Management and 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

ii) Creation of a system which allows Point Investment Services users to experience actual investments

#### II. Development of new products

Social lending

Investment-type  
crowdfunding

REIT (Real-estate  
Investment Trust)

Direct sales of insurance

#### III. Providing OEM to other companies

- Providing Point Investment Services function to consignment partners
- Creation of alliances resulting from asset management business through providing Point Investment to companies with own point systems





## 4. Creation of new businesses and enhancement of digital marketing

(2) Improving members' QoL through the evolution of “digital” × “service”

### Quality of Life

Improving members' quality of life by utilizing digital technology in providing high quality content and convenient settlement functions in an effective and efficient manner

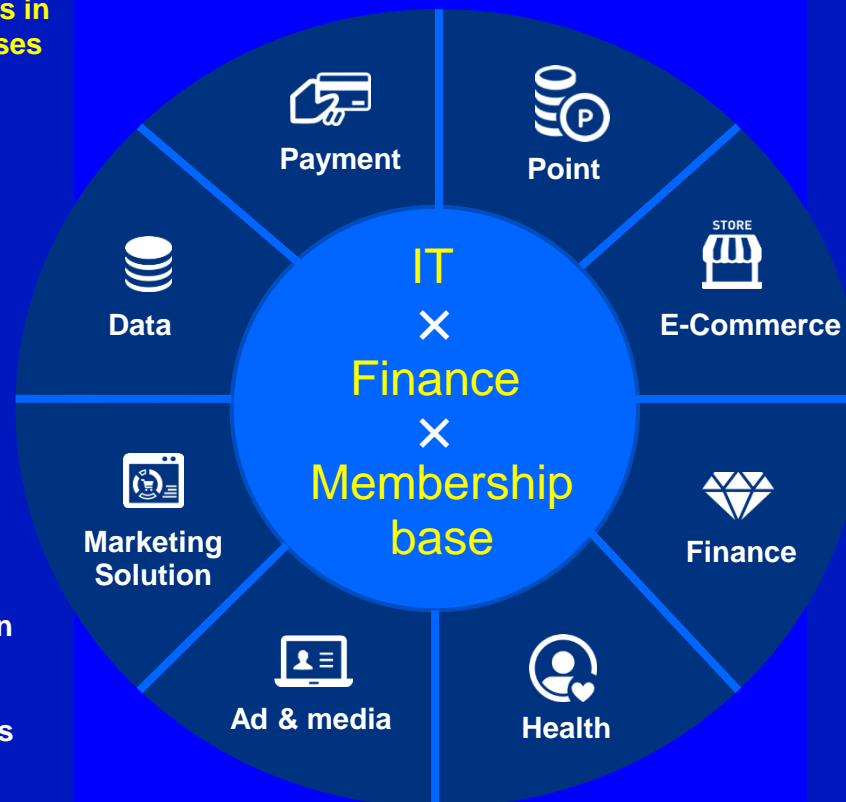
Cross-selling utilizing common IDs in customer data spanning businesses and services



Merge data and IDs of 37 million card members and 1.2 million corporate clients



Crossing-selling that transects businesses, such as the provision of timely money services according to the life stage and hobbies/preferences of customers



Creation of member services, concierge functions and new businesses that improve the QoL of members



Development of EC services and health care services such as body checkup, disease preventive treatment and etc.



Development of new businesses utilizing ID-verified customer data, such as eKYC

# 1. Strengthening of relationships with partners and expansion of new alliances

## Flat 35

Housing-related services, such as rent guarantees

## Asset Formation Loan

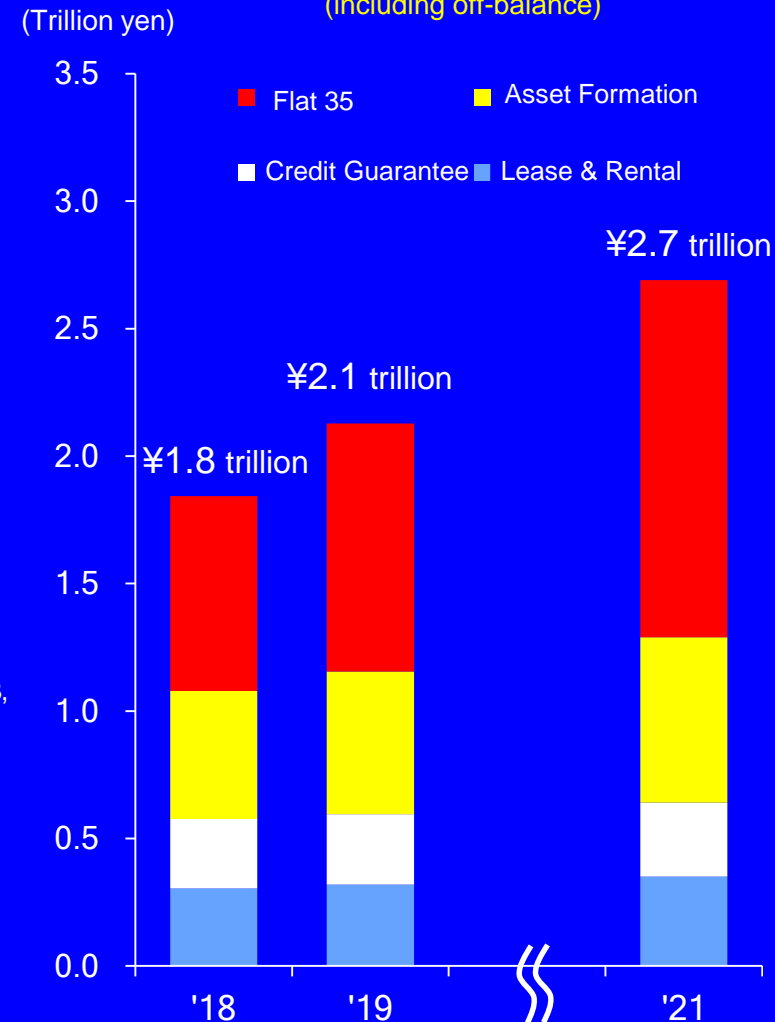
## Credit Guarantee

## Lease & Rental

- ◆ Speed up the process from consultation to contract procedures through establishing one-stop management system
- ◆ Strengthen services through close collaboration with agencies
- ◆ Strengthen business approaches through close coordination with nationwide network
- ◆ Speed up the process from registration to contract procedures through establishing unified management system
- ◆ Strengthen the product promotion and supporting system through study sessions with alliance partners
- ◆ Strengthen sales development emphasizing on its “high versatility” as they can be used for business funds
- ◆ Introduction of fully online systems
- ◆ Enhance product appeal and marketing support
- \* No. of business partners: 393 (Credit unions: 219, city and local banks: 73, credit associations, agricultural cooperatives and others: 101)
- ◆ Strengthen business approaches through close coordination with nationwide network
- ◆ Sales development into industries and products that are compatible with our schemes
- ◆ Development of new business utilizing existing resources

## 【 Finance operating assets 】

(including off-balance)





## 1. Transition from “sowing stage” to “harvesting stage” in countries where we have operations

**Providing consumption & operating fund through collaboration with local companies to consumers and SMEs that lack of access to financial services**, irrespective of whether or not they have a bank account



Contribute to regional economic development





## 1. Transition from “sowing stage” to “harvesting stage” in countries where we have operations (Examples of businesses in each country)

Vietnam



### HD SAISON Finance Company



- Joint venture established in May 2015 (Credit Saison's stake: 49%)
- Business development centering on installment plans for motorcycles, smartphones and home appliances
- The Company invested in HD BANK in order to expand its Vietnam business including launching of credit card business



Indonesia



### PT SAISON MODERN Finance



- Established in September 2015
- Fintech loan program
- Providing loans to end users through P2P lending platforms
- Providing lease/factoring services to local SMEs

Singapore



### Grab Financial Services Asia



- Joint venture established in December 2017
- Providing loans to registered drivers and users of ridesharing service "Grab"
- Constructing more reliable credit scoring based on data accumulated through business operations

Thailand



### SIAM SAISON Co.,Ltd.



- Joint venture established in November 2018
- Constructing rapid and accurate credit/settlement schemes in Thailand, a country whose government is spearheading digitalization
- Providing a wide range of BtoB financing services including installment payment services.

# Conclusion of a Basic Agreement Concerning Factors Including Constructive Dissolution of the Comprehensive Business Partnership with Mizuho Bank

Main policy  
agreed upon

(1) Mizuho Mileage Club Card Saison

(2) UC brand credit cards

(3) Qubitous Co., Ltd.

(4) UC CARD Co., Ltd.

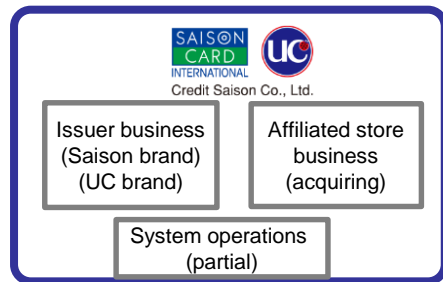
} Issuance will be continued

Business scope related to CS ⇒ Remain under Qubitous

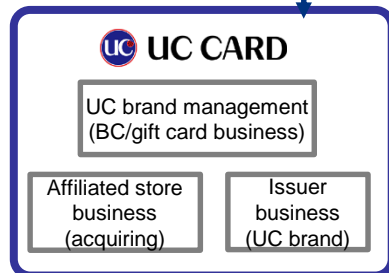
Business scope related to UC ⇒ Take over by UC Card

⇒ Termination of investments

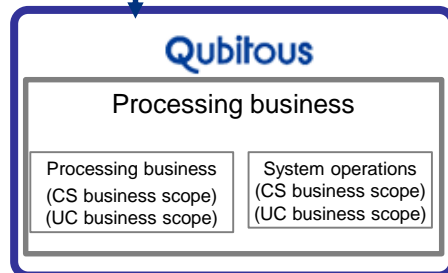
<Present>



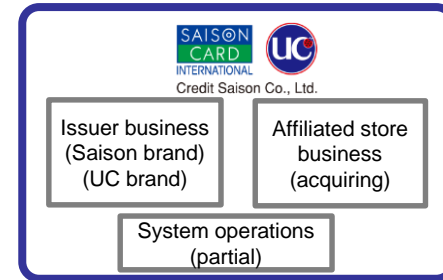
Investment ratio: 31%



Investment ratio: 51%



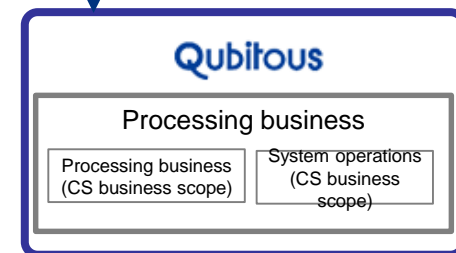
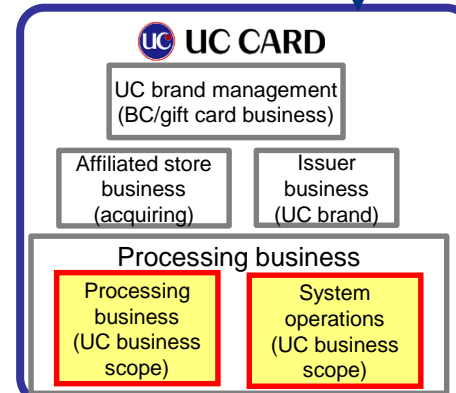
<Oct. 2019 onwards>



Termination of  
investments



Investment ratio: 100%



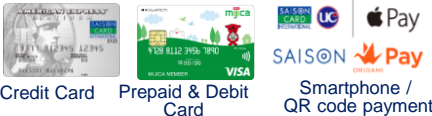










To increase each company's strategic degrees of freedom  
towards a relationship encouraging business growth



# IV. ESG-related initiatives

Doing what we can as a company to contribute to the development of society and solution of issues through our business activities, and create a more convenient and fulfilling sustainable society

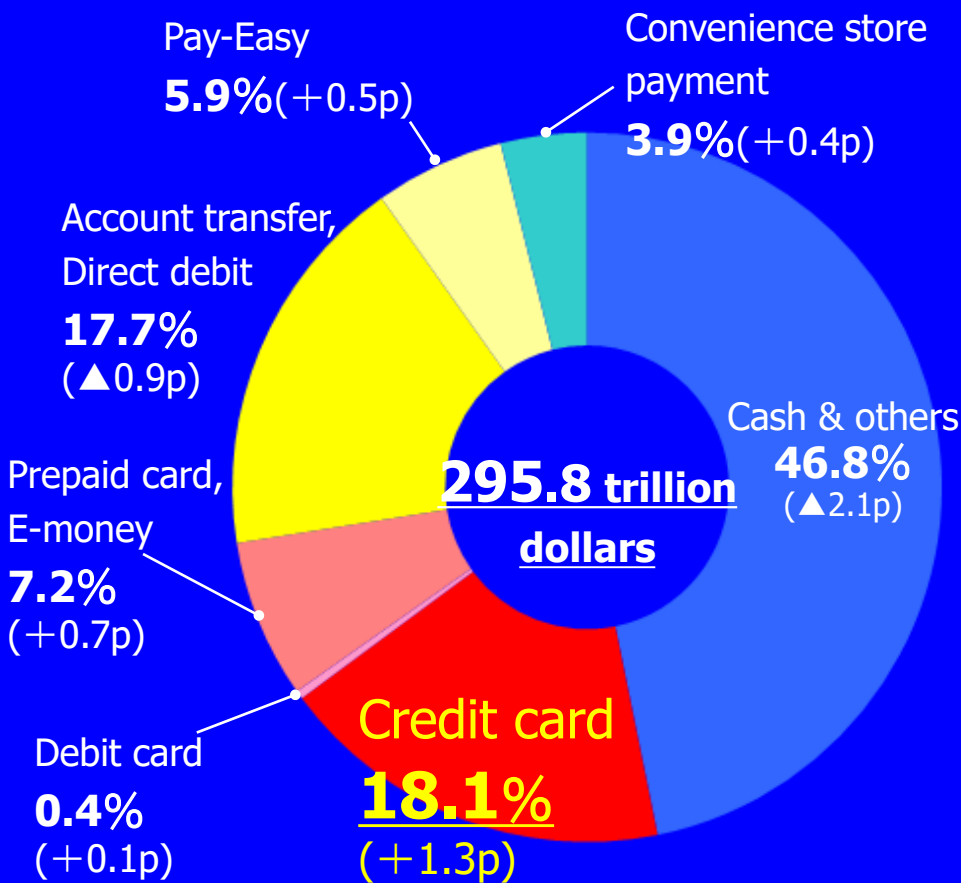
	Initiatives	Related SDGs
E	<ul style="list-style-type: none"> <li><b>Promoting environmental preservation activities</b> by operating Akagi Nature Park and using environment-friendly materials</li> <li>Reduction in paper consumption/CO2 emissions through the use of online statements, application forms, etc.</li> </ul>	    
S	<ul style="list-style-type: none"> <li><b>Realization of a safe, secure and convenient cashless society</b> <ul style="list-style-type: none"> <li>Appropriate management of personal information</li> <li>Information/cyber security</li> <li>Dealing with multiple debts</li> <li>More accurate fraud detection</li> </ul> </li> <li>Contributing to the region and society through support for sporting/cultural activities, donation drives through point exchanges/cards, etc.</li> <li>Contributing to financial education and fulfilling life design through the provision of investment opportunities aimed at “from savings to investment”, etc.</li> <li>Achievement of diversity and inclusion along with work-style reforms           <ul style="list-style-type: none"> <li>&gt; New personnel system - abolition of job classification / hire all employees on indefinite-term contracts</li> </ul> </li> </ul>	<p>&lt;Expansion of settlement platforms&gt;</p>                   
G	<ul style="list-style-type: none"> <li><b>Activities for strengthening corporate governance</b> <ul style="list-style-type: none"> <li>Enhance management supervisory function               <ul style="list-style-type: none"> <li>1 additional outside director/</li> <li>1 additional audit &amp; supervisory board member</li> <li>3 outside directors (3 independent directors)</li> <li>4 audit &amp; supervisory board members</li> <li>(3 outside independent directors)</li> </ul> </li> <li>Evaluation of effectiveness of the Board (once a year)</li> <li>Ensure diversity of the Board               <ul style="list-style-type: none"> <li>1 additional female director</li> <li>(2 female directors/ 1 female audit &amp; supervisory board member)</li> </ul> </li> </ul> </li> </ul>	  



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

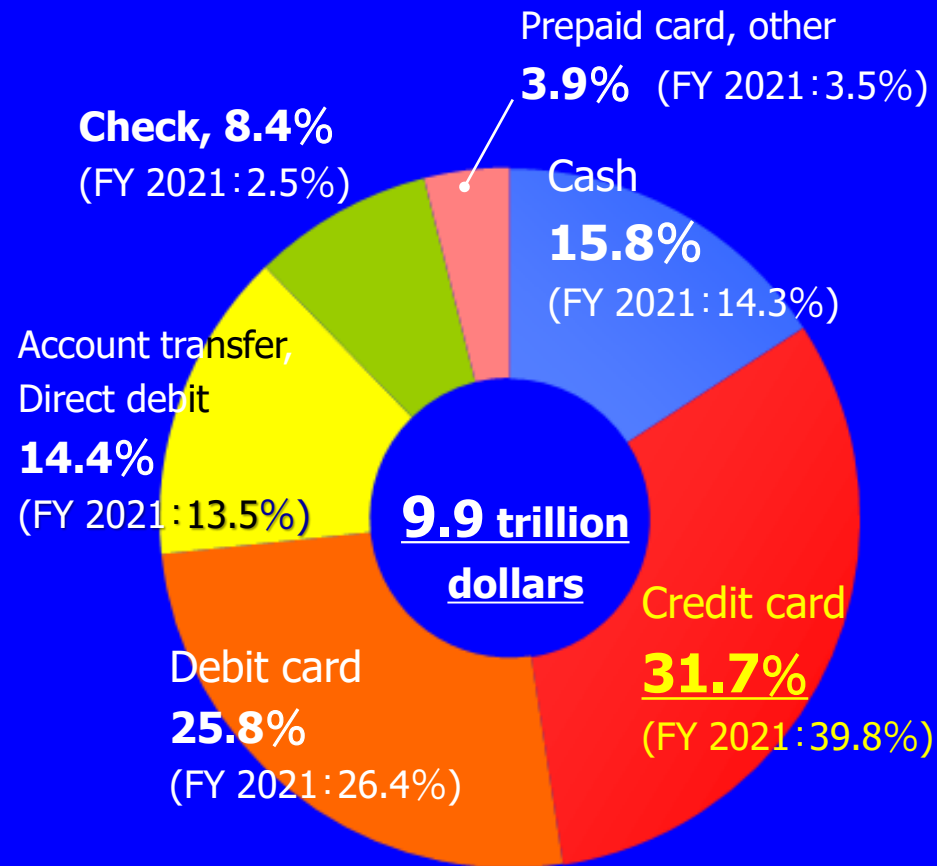
## Japan (FY 2017)

※ (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.

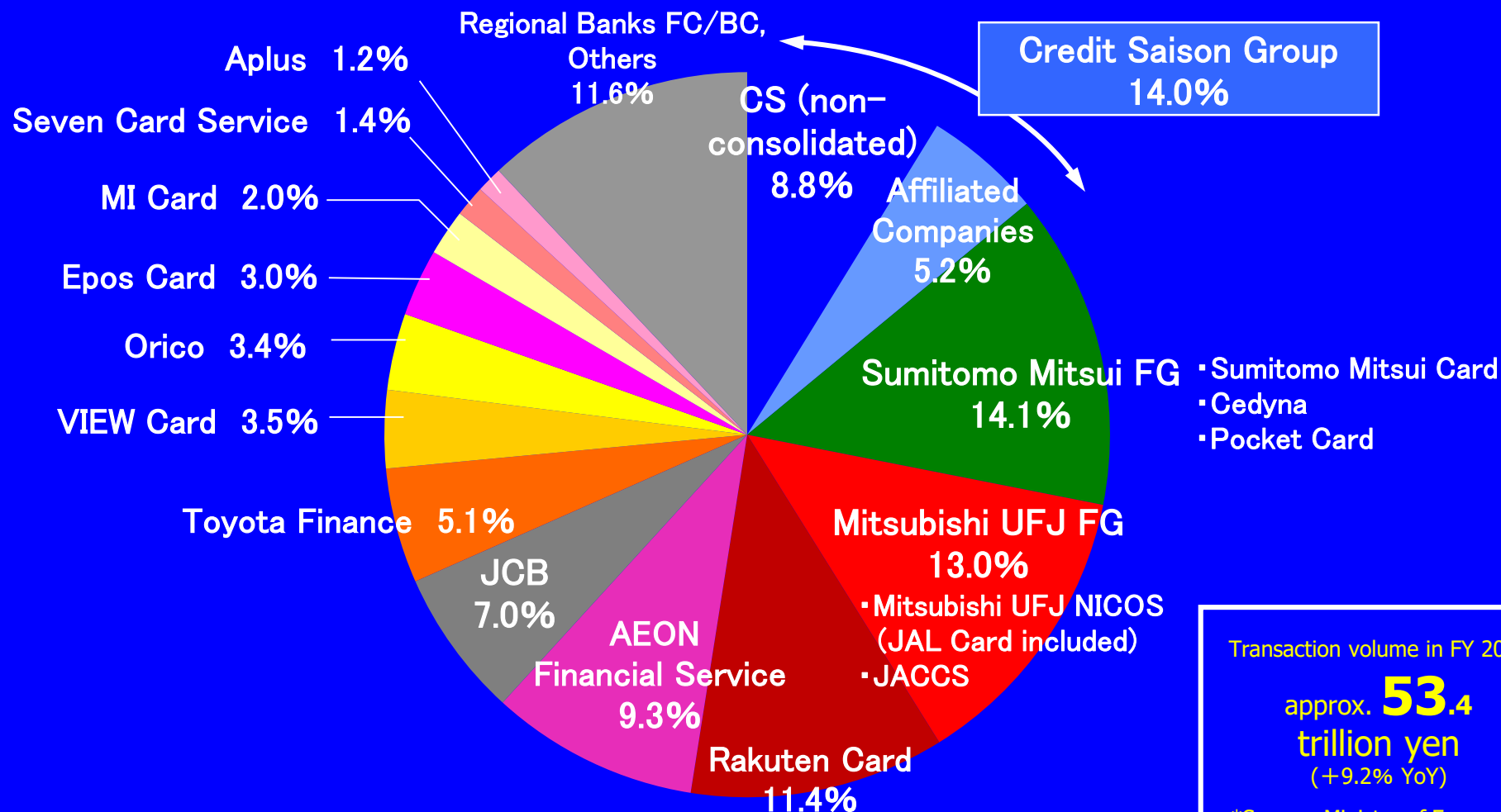
Credit card's shares include transaction volume of corporate cards estimated at 3 trillion yen (1% of its total)

※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