

Financial Results of First Half of FY2019

CREDIT SAISON

AGENDA

1. Financial Results of FY2019 1H / Financial Policy & Capital Policy

Director, Shingo Baba

Head of Corporate Risk Management Dept. and Corporate Treasury & Accounting Dept., in charge of Corporate Planning Dept., Asset Management Dept. and Leasing & Rental Business Dept.

2. Mid-term Management Plan Progress & Future Initiatives

President and COO, Masahiro Yamashita

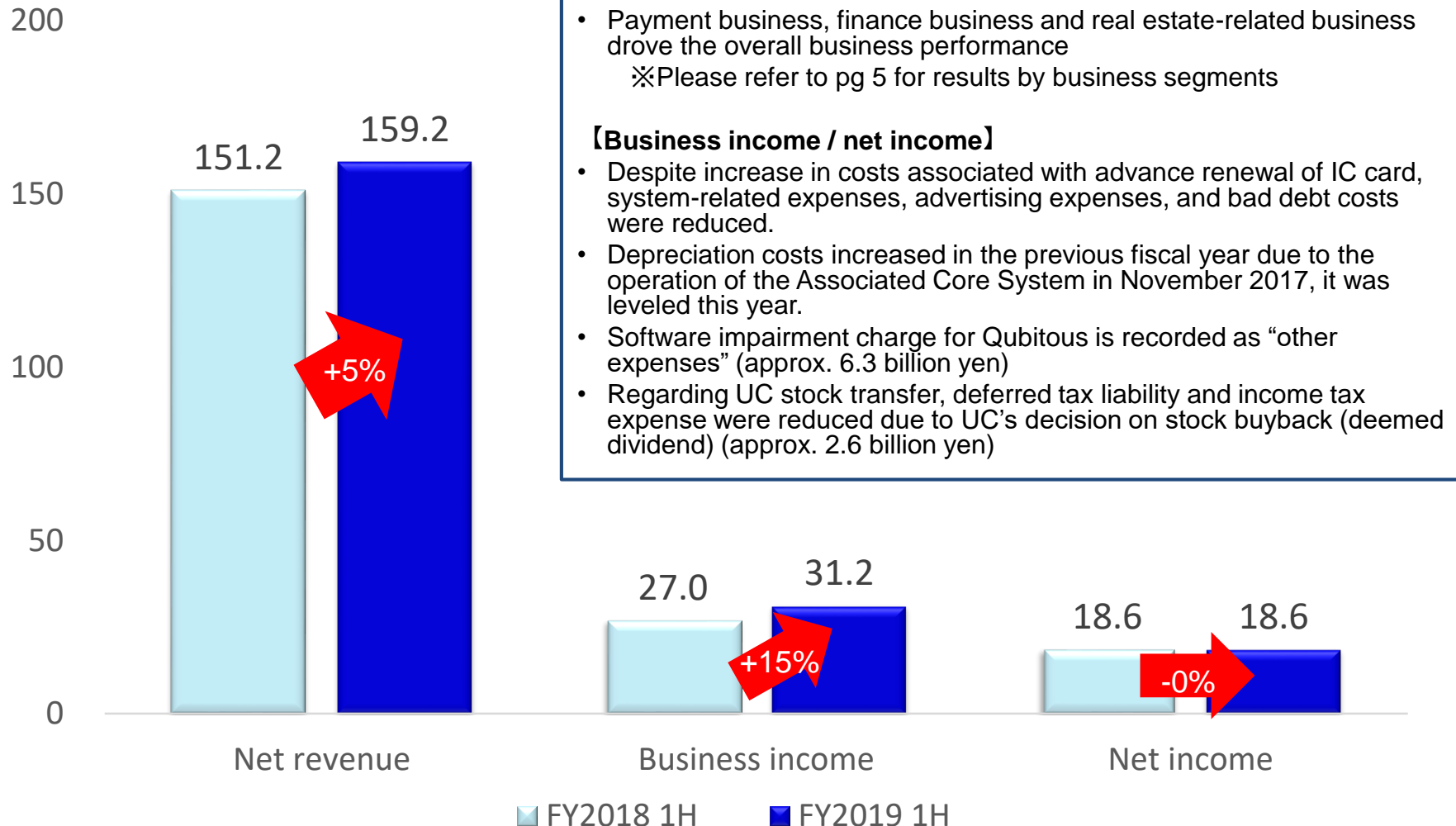
3. ESG related

President and COO, Masahiro Yamashita

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.

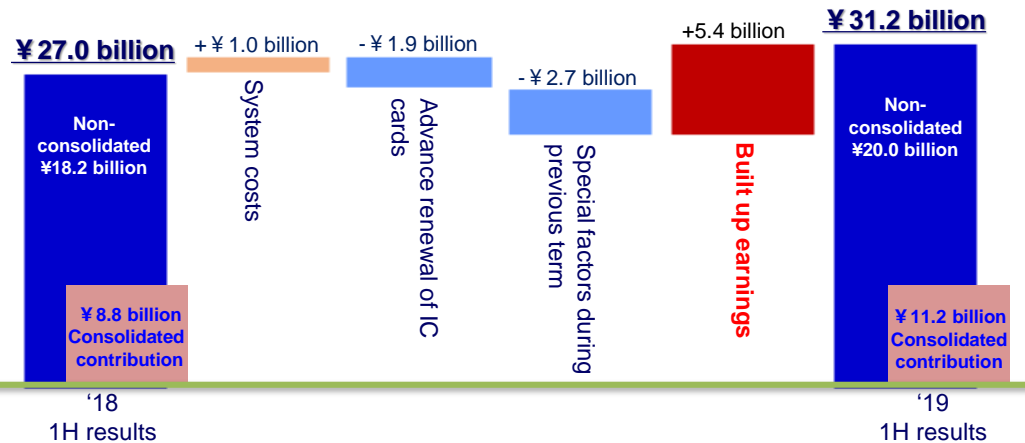
FY2019 First Half Financial Report ~ Financial Results(IFRS)

(billion yen)



FY2019 First Half Financial Report ~ Main Profit & Loss in Business Income

<FY2019 1H> Main profit & loss in business income



Breakdown of built up earnings

► Operating revenue + ¥5.4 billion

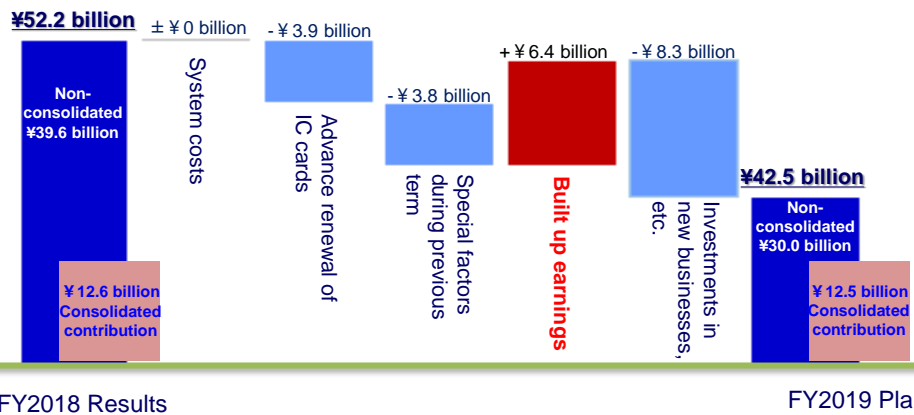
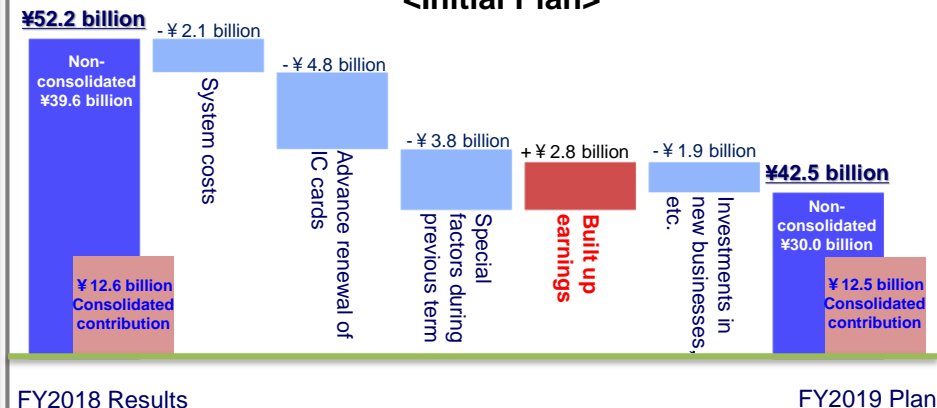
※excludes special factors during previous term - ¥0.6 bil yen

- Card shopping revenue + ¥1.8 billion
- 3 Finance businesses revenue + ¥0.9 billion
- Others + ¥2.6 billion

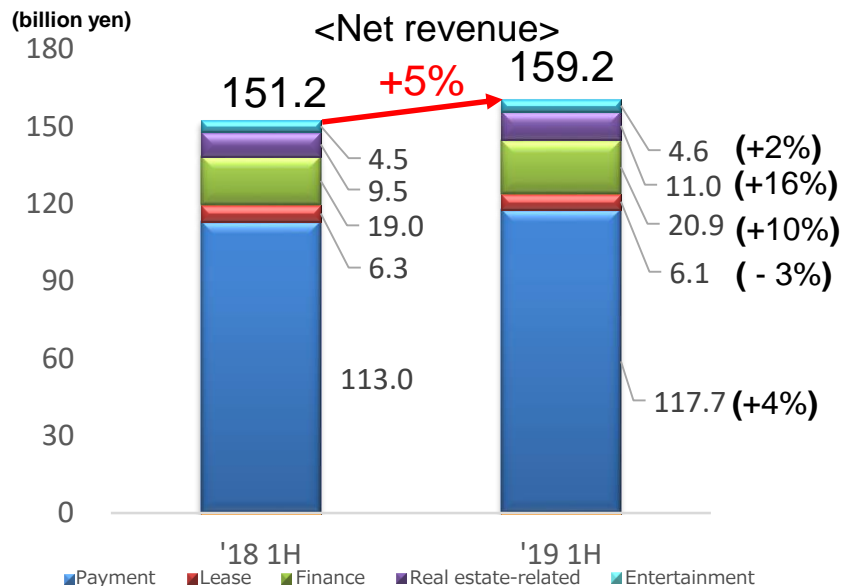
► Operating expenses ± ¥0 billion

- Credit costs - ¥1.4 billion
- Personnel costs - ¥0.6 billion
- Advertising costs - ¥0.6 billion
- Others (related processing fees) + ¥2.6 billion

◆ FY2019 Plan Main factor of profit & loss in business income

Announced in November 2019
<Revised Plan>(Reference)
Announced in May 2019
<Initial Plan>

Results by Business Segment(IFRS)

**【Payment business】**

- Increased sales and profits due to increased shopping transaction volume and revolving balance in addition to leveling of depreciation expenses for the Associated Core System, which started operations in November 2017

【Lease business】

- Decreased sales and profits due to the impact of reversal of allowance for doubtful accounts in the previous fiscal year

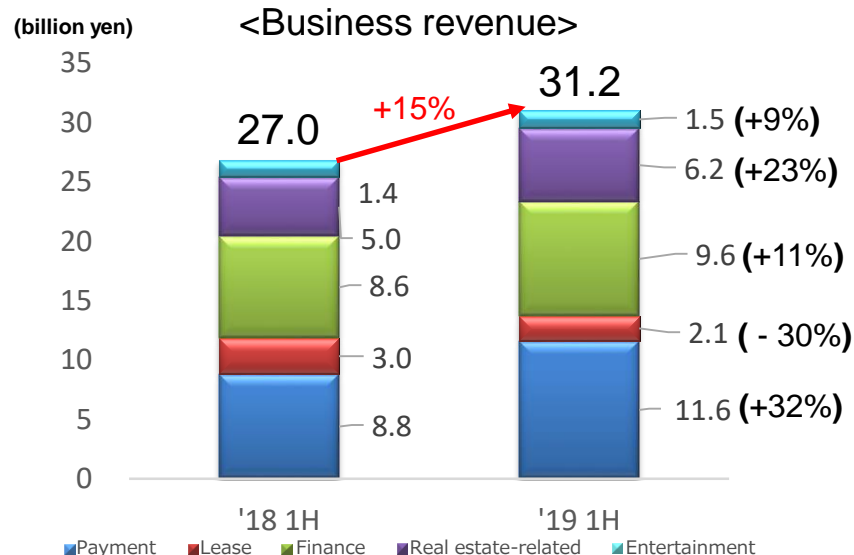
【Finance business】

- Increased sales and profits due to the expansion of Flat 35 Loans and Asset Formation Loans based on partner needs

【Real estate-related business】

- Increased sales and profits due to continued demand on property for own use

■ Contribution by consolidated companies(IFRS)



Major consolidated subsidiaries	Income contribution	Major equity method affiliates	Income contribution
Atrium Group (real estate liquidation business, servicing business)	¥4.38 billion	Saison Information Systems Co., Ltd. (information processing business)	¥0.75 billion
Saison Fundex Group (lending business, real estate-related financing business)	¥2.39 billion	HD SAISON Finance Company Ltd. (retail financing business in Vietnam)	¥0.74 billion
Concerto Inc. (entertainment business, real estate rental business)	¥1.6 billion	Idemitsu Credit Co., Ltd. (credit card business)	¥0.62 billion
SAISON PERSONAL PLUS COMPANY LIMITED (temporary staffing business)	¥0.33 billion	Takashimaya Credit Co., Ltd. (credit card business)	¥0.52 billion

Main Indices (Non-consolidated)

New cards issued

0.92 million

(-13% YoY)

Ratio by age of new cards issued
Below 30: approx. 42%Annual plan
2 million
(-5% YoY)

Total cardholders

26.62 million(-0.17 million from
previous fiscal year end)Annual plan
26.97 million people
(+0.18 million from previous
fiscal year end)

Active cardholders

14.89 million(-0 million from previous
fiscal year end)Annual plan
14.96 million
(+0.06 million from previous
fiscal year end)

Usage rate

55.9%(+0.3% from previous
fiscal year end)Annual plan
55.9%
(+0.3% from previous fiscal
year end)Card shopping
transaction volume**¥2,448** billion

(+5% YoY)

Annual plan
¥5,100 billion
(+7% YoY)

Revolving balance

¥425.1 billion(+1% from previous fiscal
year end)Annual plan
¥426.0 billion
(+1% YoY)Cash advance
balance**¥220.3** billion(+1% from previous fiscal
year end)Annual plan
¥218.0 billion
(+0% from previous fiscal
year end)Finance business
assets balance**¥2,005** billion(+8% from previous fiscal
year end)Annual plan
¥2,198 billion
(+18% from previous fiscal
year end)

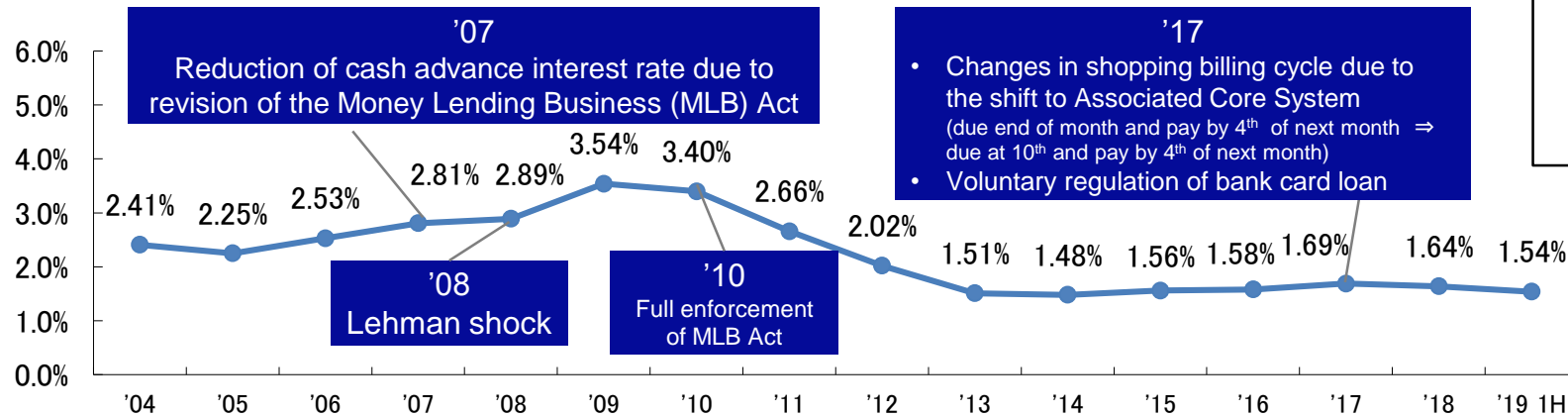
Credit Risk

Delinquency rate is maintained at a relatively low level

[Consolidated] Delinquency over 90 days

【Consolidated】
FY2019 1H
Bad debts cost

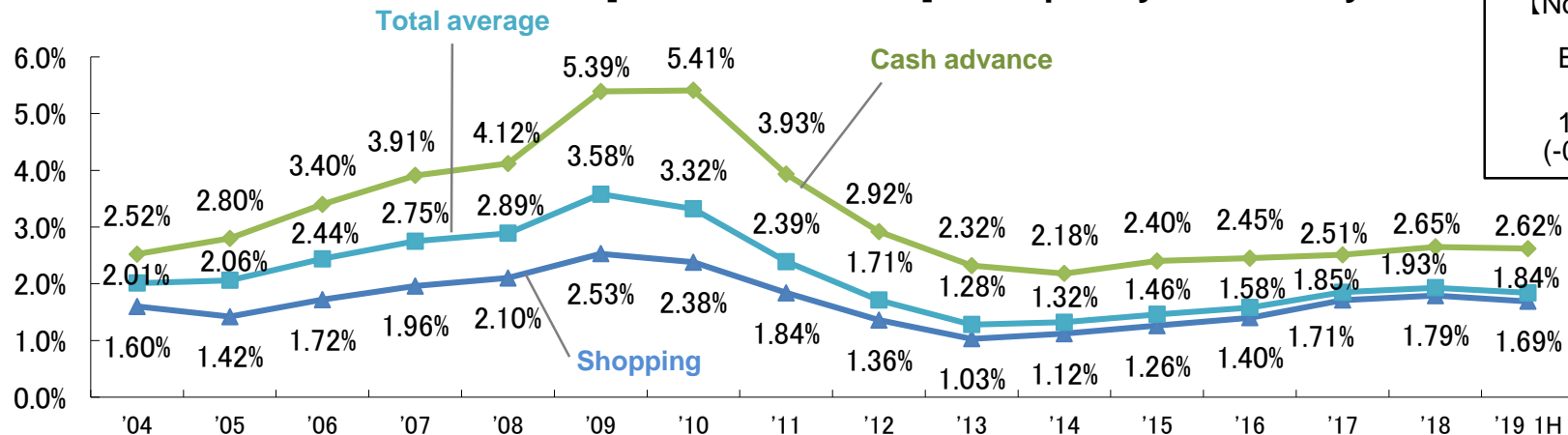
16.8 billion yen
(-0.5 bil yen YoY)



[Non-consolidated] Delinquency over 90 days

【Non-consolidated】
FY2019 1H
Bad debts cost

15.5 billion yen
(-0.8 bil yen YoY)

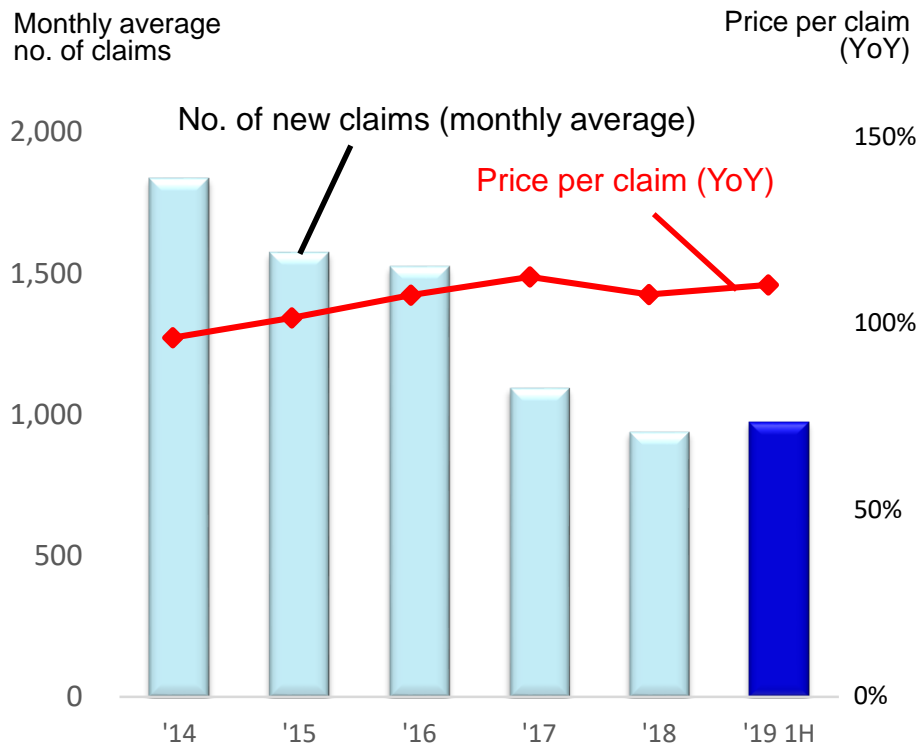


Interest Repayment Claims

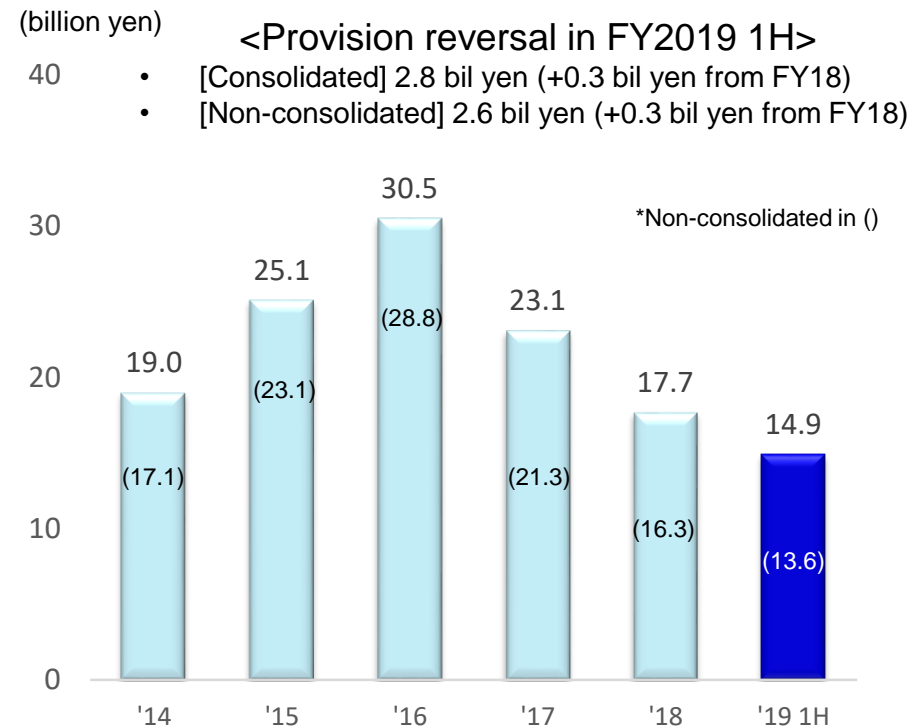
- New interest repayment claims shows upward trend from last year
- Price per claim YoY upward trend remain unchanged

Continue to monitor future trends and plan for additional provisions if needed

■ No. of new claims and price per claim (monthly average)



■ Trend of provision balance due to interest repayment losses



Revised Business Results Forecast

This forecast is made based on previous forecast, taking into account that the net revenue was lower than expected due to the recent business situation and the impact of the company split of Qubitous Co.,Ltd., while revising the business income and net income based on the increasing expenses for future service expansion.

(billion yen)

		Previous forecast (announced in May 15) (A)	Revised forecast (B)	Differences (B – A)
Consolidated	Net revenue	322.0	315.5	-6.5
	Business income	42.5	42.5	0
	Net income	29.0	29.0	0
Non- consolidated	Operating revenue	274.2	272.5	-1.7
	Ordinary income	30.0	30.0	0
	Net income	33.0	33.0	0

Financial Policy (Structure of Interest-bearing Debt)

[Credit Rating]

R&I A+

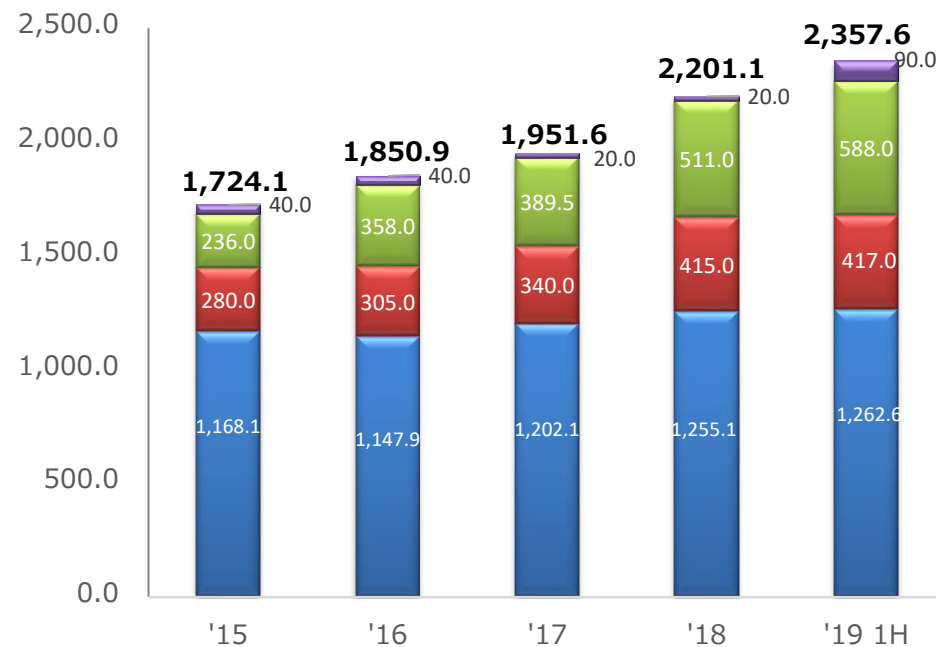
Regarding structure of interest-bearing debt:

- Over 60% of the interest-bearing debt is composed of long-term funds such as long-term borrowing and corporate bonds
- Active use of CP benefited from Bank Of Japan's introduction of negative interest rates
- Fixed interest rate procurement accounts for about 60% of the total, reducing interest rate fluctuation risk

Balance of interest-bearing debt

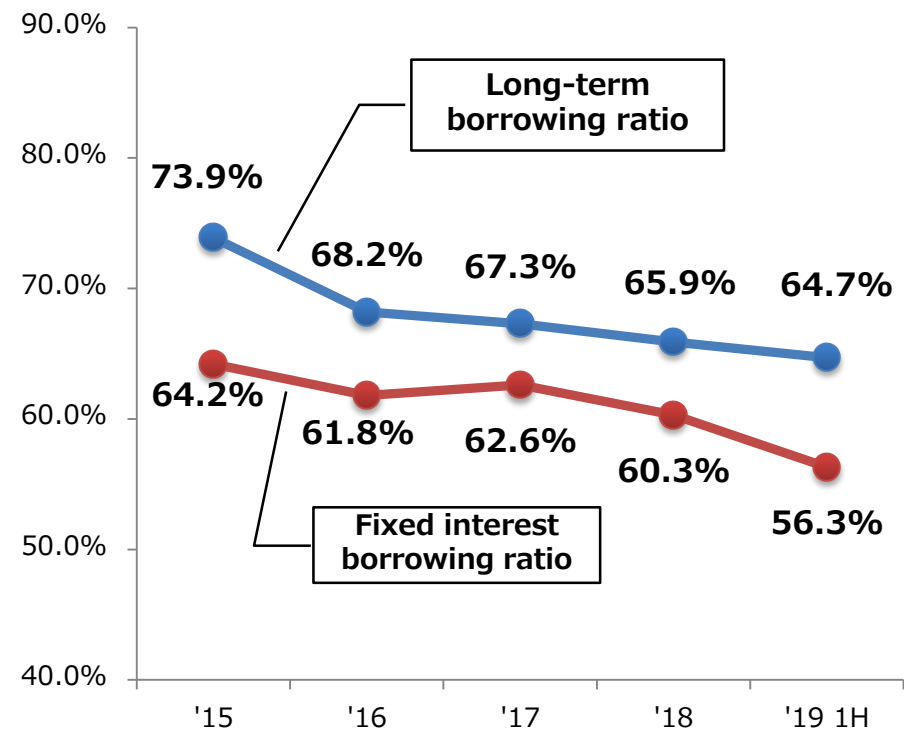
(non-consolidated)

(billion yen)

■ Borrowing ■ Bonds ■ CP ■ Liquidation of receivables


Long-term / fixed borrowing ratio

(non-consolidated)

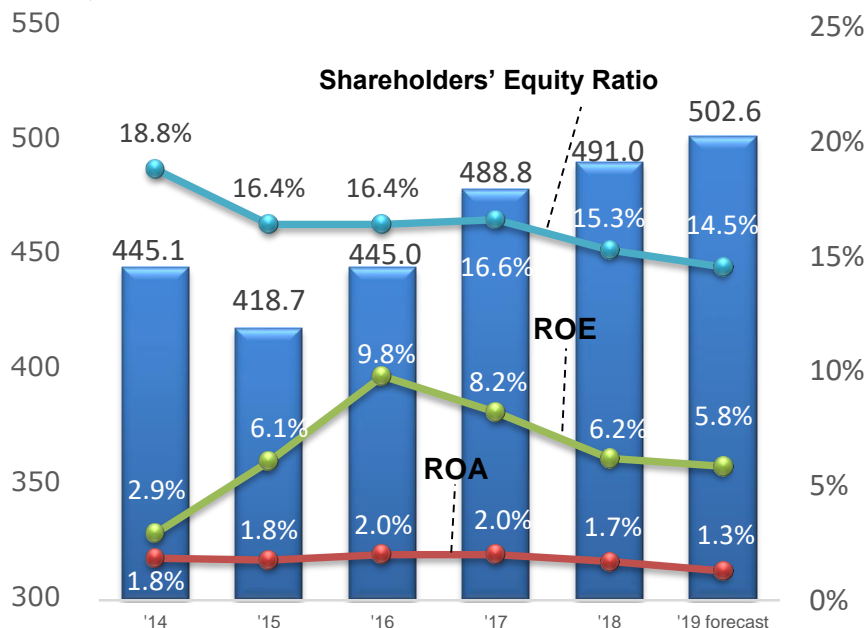


Regarding Management Indicators

In recent years, asset efficiency (ROA) has declined due to the expansion of the finance business that contributed profits and the decrease in yields in the each business, as well as the increase in depreciation expenses due to the operation of the Associated Core System. On the other hand, we are actively promoting overseas expansion with the aim of building foundation for new businesses and sustainable growth in the future.

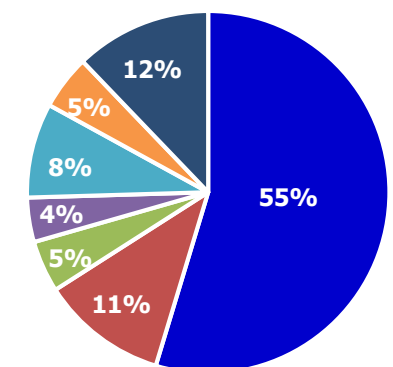
Trends of Shareholders' Equity Ratio,
ROA & ROE

(billion yen)

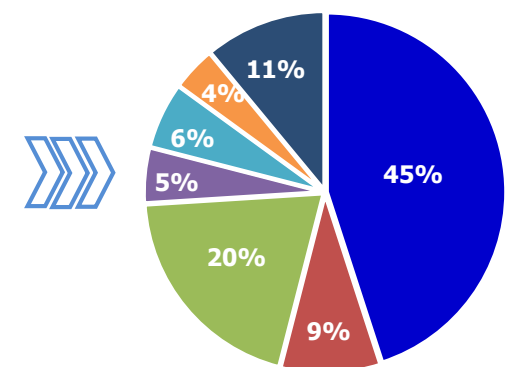


Changes in asset balance by business

FY2014



FY2018



- Credit business
- Lease business
- Finance business
- Saison Fundex business
- Atrium business (real estate-related)
- Investments-related
- Other assets

- Credit business
- Lease business
- Finance business
- Saison Fundex business
- Atrium business (real estate-related)
- Investments-related
- Other assets

Capital Policy(Shareholder Returns & Management Indicators)

Maintaining and improving financial soundness as a priority, aiming to improve asset efficiency by realizing sustainable growth through strategic investments in Japan and overseas, expanding business with excellent asset efficiency, and reducing inefficient assets.

Maintaining and improving financial soundness
(credit rating A +)

Distribution of capital surplus

Risk capital management

- Knowing the possible risks for each business
- Minimizing risks by not depending on any business solely
- Improving asset efficiency (=profit margin)
- Expansion of surplus quota by changing the business portfolio

Aggressive investment in growing fields

- Strategic investments in Japan and overseas (capital alliance / M&A)
- Investments in new alliances in various businesses

Appropriate shareholder returns

- Stable & continuous dividends through expansion of revenue base <FY2019: expected dividend of 45 yen per share, expected dividend payout ratio of 25%>
- Stock buyback to improve capital efficiency
<2019/6/7 - passed resolution on stock buyback of 10 billion yen>

Mid- to long-term
management indicators

Capital adequacy ratio (CAR) approx. 15%
ROE over 10%

Capital policy (Risk capital management)

- ALM management is introduced to measure risk and allocate risk capital for each business.
- Profit & loss fluctuation risks are measured by aiming at a confidence level of 99.75% using EaR※ model in order to maintain A+ rating. (※Earnings at Risk)
- Re-measurement is performed regularly to reflect track record updates and changes on balance sheet.

【Assets categorized by business】



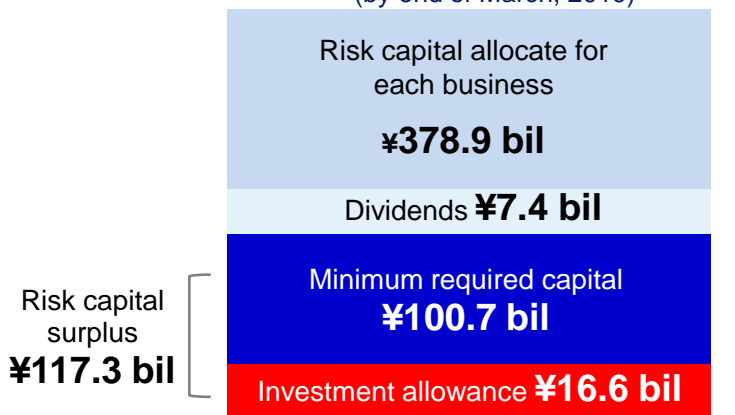
【Risk factors】



【Consolidated capital: ¥503.5 billion】

(excludes the impact of adopting IFRS 9)

(by end of March, 2019)



【Risk capital allocation policy】

1. 20% of consolidated capital out of risk capital surplus is secured as the minimum required capital (¥100.7 billion).
2. After excluding minimum required capital, investment allowance (¥16.6 billion) is allocated to high-profit business, growing business, new business, or returns to shareholders.
3. Return on investment is verified by monitoring each business asset, and investments are planned by replacing, reducing and effectively using inefficient assets.

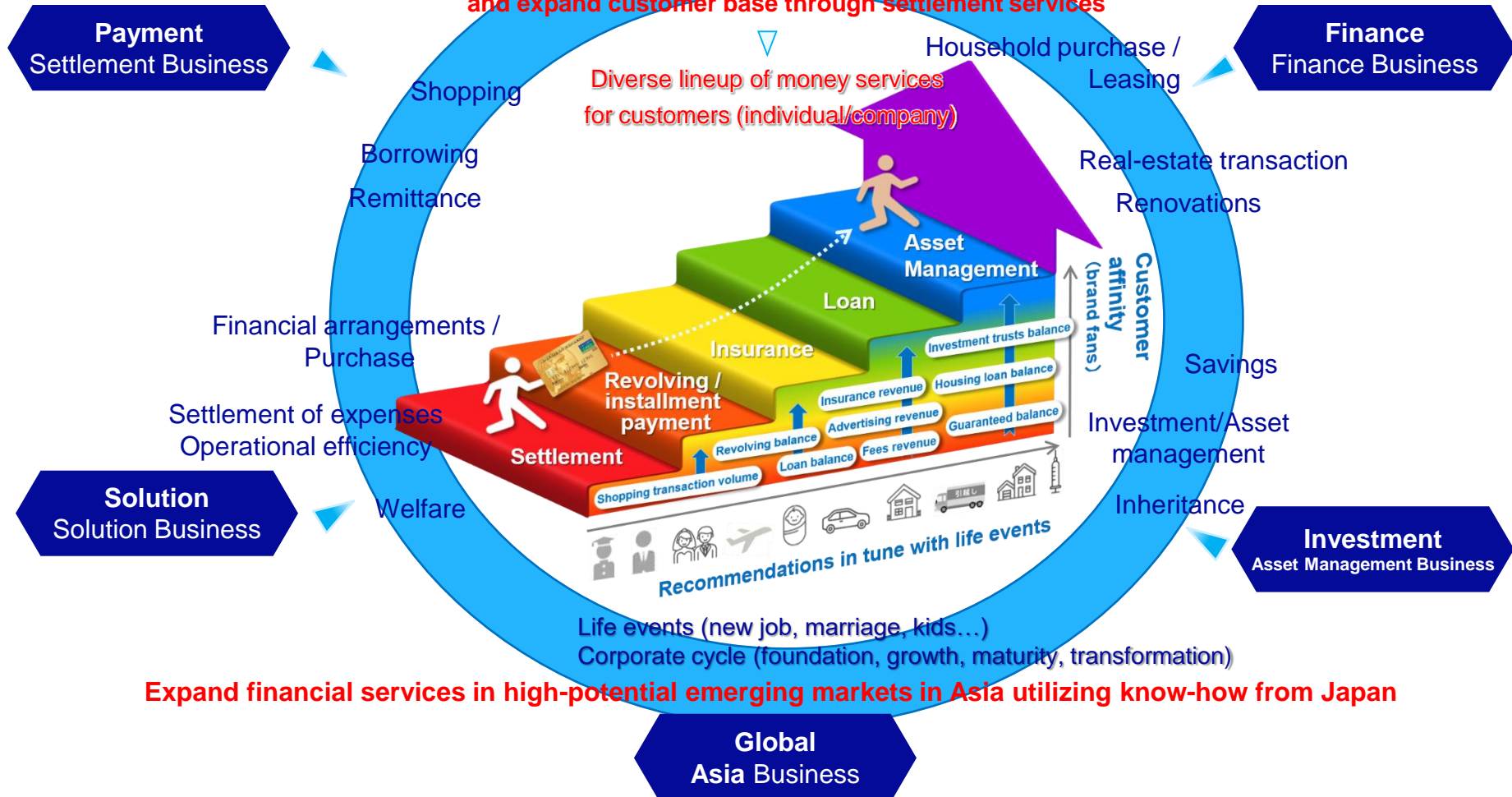
Medium-Term Management Vision: “Neo Finance Company in Asia”

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



Cross-sectional approach based on customer needs and life cycle

By using credit cards with long service lives as touchpoints, we endeavored to maximize the LTV* through cross-selling based on customers life cycle and transaction data

* LTV : Life Time Value

(million people)

5

(example)

Individual



credit card
prepaid card
rent guarantee

revolving /
cash advance
card rank up

insurance

investment trust
Furusato
donation
multipurpose loan

automobile
insurance
asset formation
loans

Flat 35 loans
revolving / cash
advance
temporary increase/
installment

health
dementia
prevention
renovation loan

real estate
secured loan
house cleaning



18 years old

card members by age

70 years old

lease & rental
cards for sole-
proprietor and SMEs
(Business AMEX)

financing
merchant stores/
individual article
installment
business funding

Point Mall
advertising
(Omnibus)
privileged affiliated
stores

corporate
card
INVOICE
(billing
service)

money transfer
payment agency
service
advance salary
payment service

corporate card
Concur

Sansan
real estate
financing

Corporation



Foundation

Growth

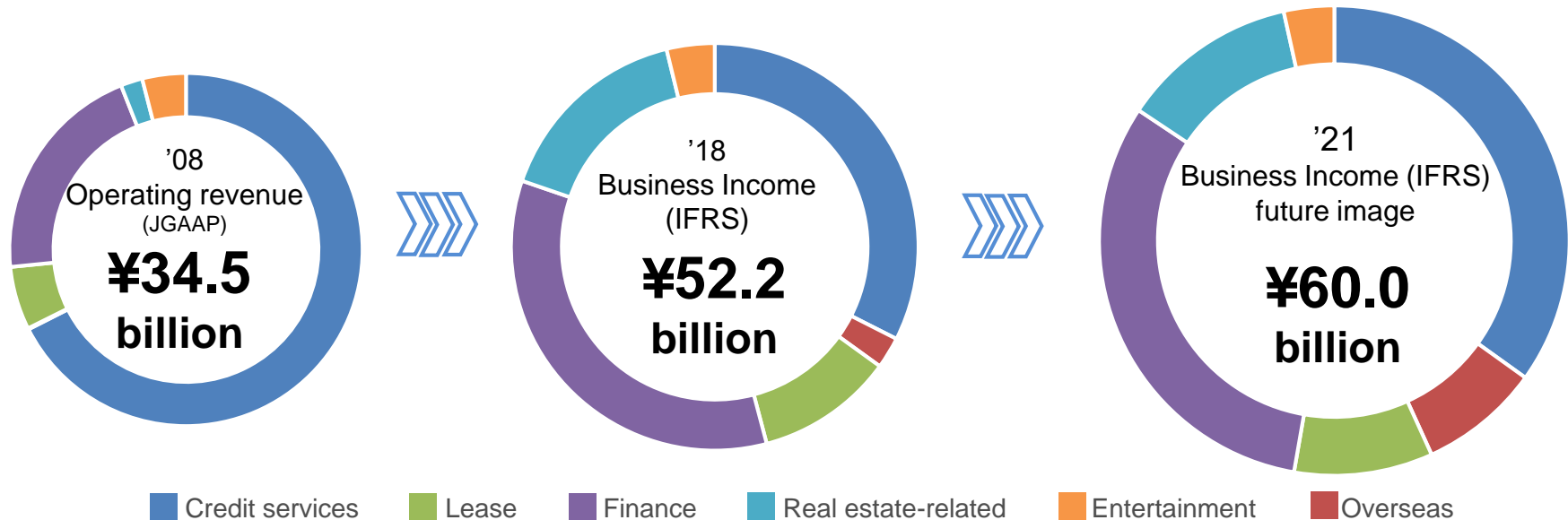
Maturity

Transformation

0

Challenges towards the New Credit Saison

~ Further acceleration of “Revival of card business” and transformation to a “general non-bank”



Associated Core System in the process of developing
2008~2018

From a “card company” to
“general non-bank”

Accelerating the transformation to a non-bank

- New development projects were stopped during the Associated Core System development period
- Construction of an independent business model without relying on credit business due to revision of Money Lending Business Act and Reconstruction of Atrium etc.

Strengthening finance business / global business

Completion of system development
2019~

Challenges towards the New Credit Saison
Further acceleration of “Revival of card business” and
“Transformation to a general non-bank”

Current goal of mid-term plan (FY19~FY21)

- Growth strategies and structural reform in the payment business
- Further expansion of finance business as a non-bank
- Expanding the earnings base of global business with a view to the future

I . Growth Strategies and Structural Reform in the Payment Business ~ Transitions and key points of shopping transaction volume



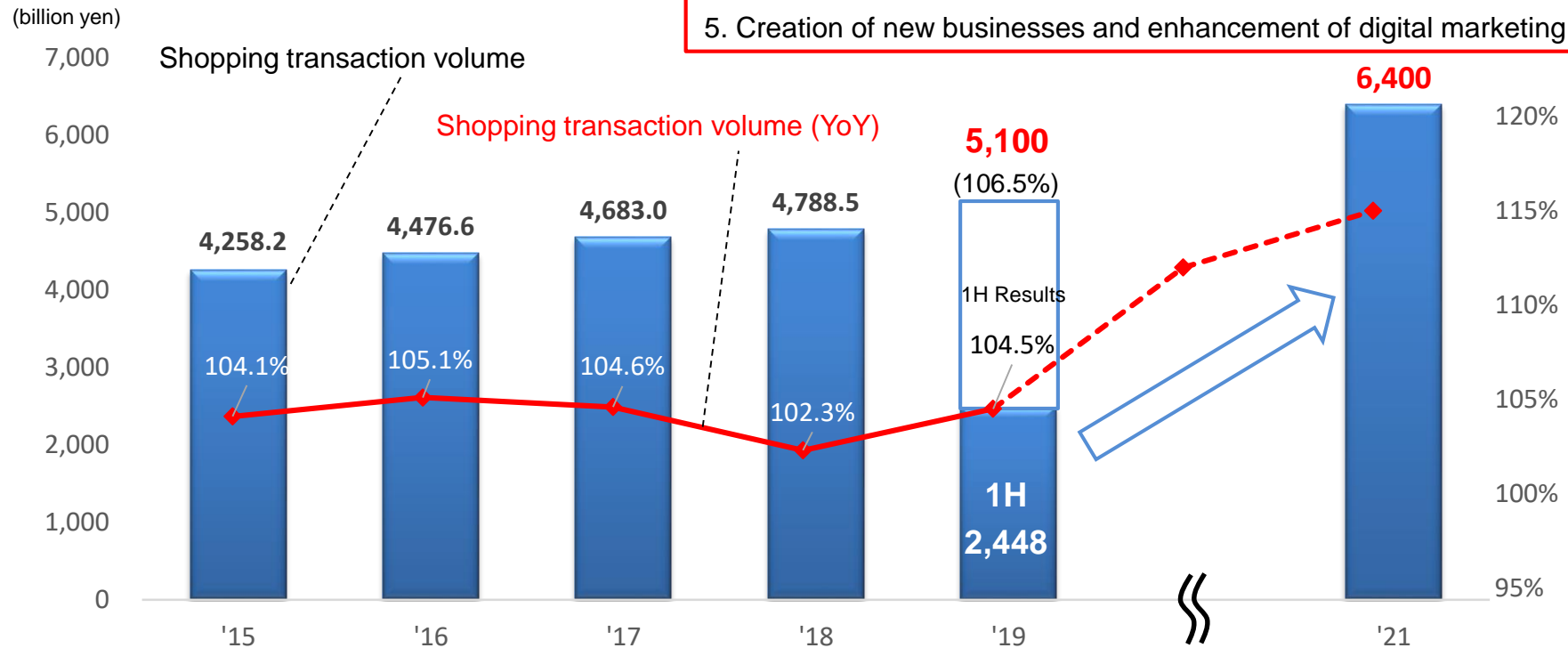
Associated Core System in the process of developing
2008~2018

New development projects were stopped,
low growth period for shopping transaction volume

Completion of system development
2019~

Shopping transaction volume
transitioned into re-growth phase

1. Expansion of shopping transaction volume <BtoC field>
2. Expansion of shopping transaction volume <BtoB field>
3. Expansion of revolving / cash advance balance
4. Initiatives in insurance business
5. Creation of new businesses and enhancement of digital marketing



I . Growth Strategies and Structural Reform in the Payment Business ~
1. Expansion of shopping transaction volumes <BtoC field>



<Announced in May 2019> Outline of main initiatives in mid-term management plan

- ① Strengthening customer base through expansion of new partnership networks
- ② Revitalizing card use by shifting from “regular services” to “services based on card usage”
- ③ Great variety of benefits in a single card
- ④ Transition to smartphone-based card services
- ⑤ Redefining Saison counters

I . Growth Strategies and Structural Reform in the Payment Business ~

1. Expansion of shopping transaction volumes <BtoC field>



①-1 Strengthening customer base through expansion of new partnership networks

<FY2019 1H> New initiatives

<BtoC field>



Saison Card started collaboration
with the spare change savings
app “Shiratama in prepaid card”



Launched travel prepaid card
“Cash Passport Platinum”

Daiwa Securities Group

- Introducing customers mutually for
existing products of both companies /
development of new customer base

- Developing new comprehensive
financial services combining knowledge
of both companies

<BtoB field>



Launched “freee Saison
Platinum Business American
Express® Card”



全国商工会連合会
CFECUJ

Collaboration on support for
introducing cashless payments
for small and medium-sized
businesses

<Processing>



Entrusted with system development of the “Post Office Club”
and management of call center and member information

continuous new efforts in
expanding alliance partners

I . Growth Strategies and Structural Reform in the Payment Business ~

1. Expansion of shopping transaction volumes <BtoC field>



①-2 Strengthening customer base through expansion of new partnership networks

Daiwa Securities Group

No. of accounts with balance

approx. **3** million people

HNWI segment
> ¥500 million

Affluent segment
> ¥100 million

Mass affluent segment
> ¥50 million

Upper mass retail segment
> ¥30 million

Mass retail segment
< ¥30 million

**Capital &
business alliance**

CREDIT SAISON

No. of credit cardholders

Approx. **37** million

Above
90

**Settlement & loan services
for the affluent segment**



**Securities & asset management
services for cardholders**

Below 40

Approx. **50%**

Below
20

<Age range>

< Classification on net financial assets >

I . Growth Strategies and Structural Reform in the Payment Business ~

1. Expansion of shopping transaction volumes <BtoC field>



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

“Saison Classe”, app-only benefits based on user class (since April 2019)

Class determined according to use of services ⇒ Earn benefits with ranking up class



<Results>

Differences in transaction volume between Saison Classe upper class members and non-user members

★6 . . . + approx. **8%**

★5 . . . + approx. **7%**

★4 . . . + approx. **6%**

③ Great variety of benefits in a single card

Shopping in Seiyu, Livin & Sunny nationwide

<Before> 3% discount with Walmart Card Saison only

<Now> 3% discount with ALL Saison cards (Oct – Dec, 2019)



<Results>

Transaction volume of ALL Saison cards excluding Walmart Card Saison for Seiyu, Livin & Sunny nationwide

+approx. **20%** YoY

※Oct transaction volume prompt report

I . Growth Strategies and Structural Reform in the Payment Business ~

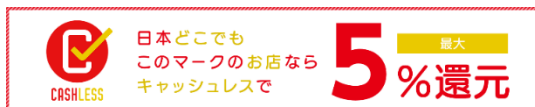
1. Expansion of shopping transaction volumes <BtoC field>



Regarding new initiatives

■ Participation in cashless / Consumer Rebate Program (from Oct 2019)

- SMEs / Small businesses stores
⇒ 5% rebate of amount spent on card
- Convenience stores and other FC stores
⇒ 2% rebate of amount spent on card



Transaction volume at cashless stores

+ **11** % YoY

※Oct transaction volume prompt report

■ Expansion of transaction volume through Saison's Otsukidama Campaign (from Sept 2019)

- One lottery ticket for every 500 yen (incl. tax) spent on Saison and UC cards (maximum 3 per day)
- Check lottery tickets with smartphone app Saison Portal / UC Portal
- 10,000 people get the chance to win 10,000 yen cash every month



Transaction volume of smartphone app users

+ **17** % YoY

※Sept transaction volume prompt report

④ Transition to smartphone-based card services



<Expansion of smartphone payment services>

Contactless payment



Payment through affiliated app



Mitsui Shopping Park

三井ショッピングパークアプリ
アプリで支払い

“Pocket PARCO”, an app for instant use of PARCO Card
Aiming to expand no. of clients that use this scheme



&

I . Growth Strategies and Structural Reform in the Payment Business

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



⑤ Redefining Saison counters

In addition to increasing Saison counters in line with newly opened partner stores, we improve productivity and increase staff efficiency by implementing digital counters and changing Saison counters' opening hours

Digital counters



※Mitsui Outlet Park Kisarazu / LaLaport YOKOHAMA
Mitsui Outlet Park Sendaikou / Lazona Kawasaki Plaza

One shift work

<Change in opening hours>

【Before】10:00 - 21:00

【Now】11:00 - 19:00

※LaLaport Kashiwanoha / LaLaport Shinmisato
LaLaport Iwata / ALPARK

Newly opened partner stores

- COREDO MUROMACHI TERRACE
⇒ Opened in 27 September, 2019
- LaLaport NUMAZU
⇒ Opened in October 4, 2019
- SHIBUYA PARCO
⇒ Scheduled opening in November 22, 2019

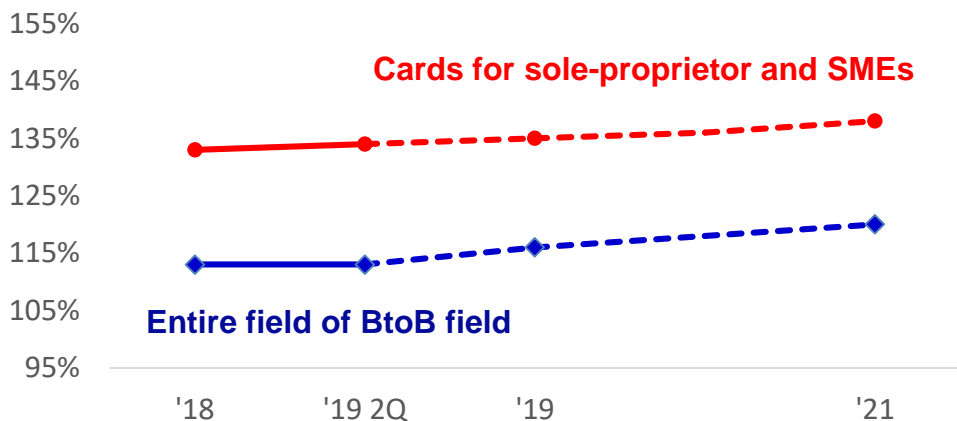


I . Growth Strategies and Structural Reform in the Payment Business

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



<Growth rate of transaction volume in BtoB field>



<Diverse product lineup in response to corporate needs>



<Announced in May 2019>

Outline of main initiatives in mid-term management plan

- ① Streamlining of cashless methods in settlement between companies
- ② Expansion to SME market
- ③ Constructing a corporate platform

■ Shopping transaction volume in BtoB field continues to grow by more than 10%

Among the 10%, the growth rate of cards for sole-proprietor and SMEs continues to exceed 30%

■ Diverse product lineup in response to corporate needs

■ Promote further cashless of BtoB field by strengthening business

Funding support/
welfare benefits

Cashflow Improvement

Advance salary payment service



Funding service based
on future receivables

ビジネスファンディング

New

Advance payment service on purchase costs

CREDIT SAISON
支払代行サービス

Acquisition of receivables /
Billing service

SAISON
INVOICE

New

I . Growth Strategies and Structural Reform in the Payment Business ~ 2. Expansion of shopping transaction volumes <BtoB field>



① Streamlining of cashless methods in settlement between companies

Introduced a third party payment service on purchase costs

Payment service in which Credit Saison makes payments regarding online transactions between companies, on behalf of buyers to vendors



③ Constructing a corporate platform



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.

② Expansion into SME market

Alliance with freee CO.,LTD.

[freee Saison Platinum Business American Express® Card]

Oct 2019 - member recruitment started



<Main Features>

① Application is possible even for new startups



② Reduce expenses by using points



③ Expenses processing is unified by having additional card for employees



④ Flexible limit setting



I . Growth Strategies and Structural Reform in the Payment Business ~

3. Expansion of revolving / cash advance balance



<Announced in May 2019> Outline of main initiatives in mid-term management plan

① Enhancing merchantability and convenience in line with customer needs

② Meeting customer needs through development of new products

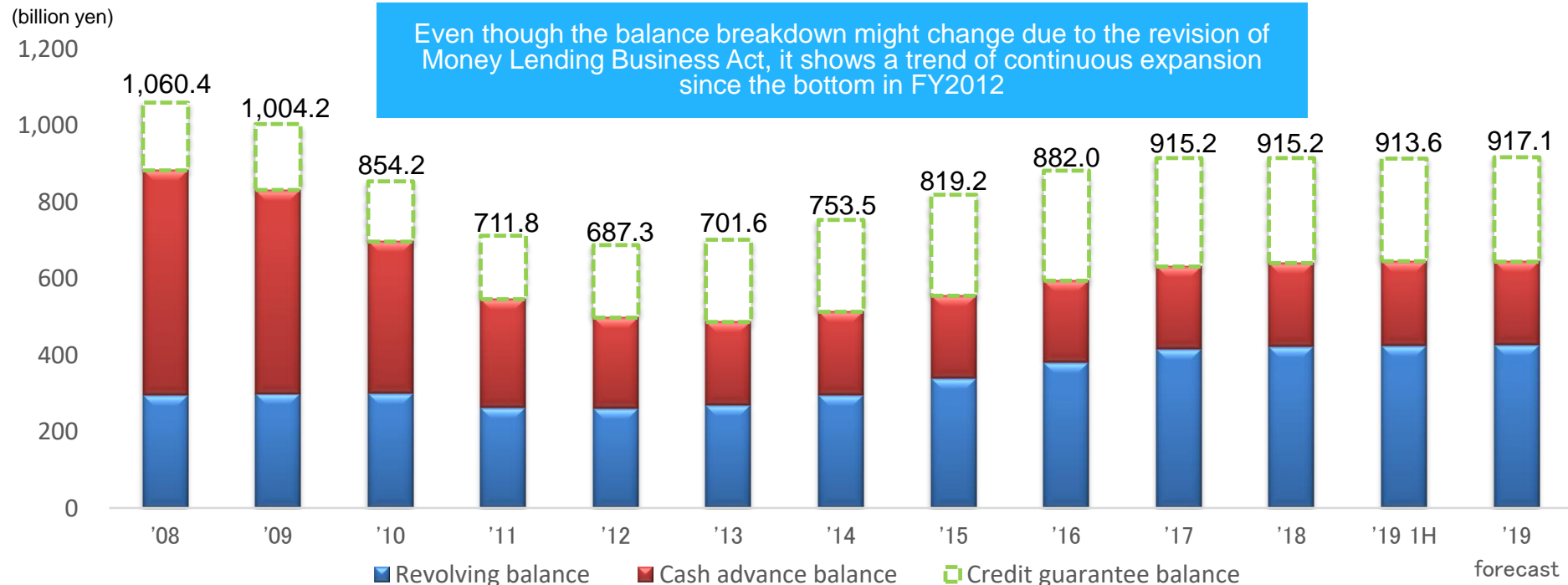
Cash advance balance

- Online applications for increasing limit (July 2019)
- Improving product features
- Introducing “slow & steady course” by repaying through cash advance & revolving methods (Feb 2020)

Revolving balance

- Improving product features
- Revision of interest rate to 15.00% (Jan 2020)
- Revision of cycle start date (Feb 2020)
- Revision of payment method (introducing “balance sliding course” and revision on repaying amount option in “fixed amount course” (Feb 2020)

Even though the balance breakdown might change due to the revision of Money Lending Business Act, it shows a trend of continuous expansion since the bottom in FY2012





I . Growth Strategies and Structural Reform in the Payment Business ~

4. Initiatives in insurance business

Promote insurance business to approximately 27 million cardholders
by making full use of various sales channels and products lineup

<Various sales channels>



Saison counters



Call centers



Adult education schools



Web



<Various products lineup>

自動車保険



- automobile insurance
- motorbike insurance
- driver insurance

暮らし・生活の保険



- living insurance
- injury insurance
- fire / property insurance
- pet insurance

旅行・レジャー



- overseas travel insurance
- domestic travel leisure insurance

万一の保険



- family insurance
- motorbike insurance
- driver insurance

医療・ガン保険



- health insurance
- cancer insurance
- income protection insurance

New Initiatives

■ Saison Financial Advisor Service

As a service for cardholders, Saison-certified financial planners have started consultation regarding financial concerns. In addition to consultations on insurance, provision of life plan consultations boost customer satisfaction.

■ Expansion of products lineup and services

- Saison Commuting-troubles Insurance



- Find your most suitable insurance plan on smartphone
(by answering 7 questions)



- I . Growth Strategies and Structural Reform in the Payment Business ~
 5. Creation of new businesses and enhancement of digital marketing
 ① Stepping up efforts in asset management business



<Announced in May 2019> Outline of main initiatives in mid-term management plan

① Development of asset formation business

② Development of new products

③ Providing OEM to other companies

Released a new investment service for beginners

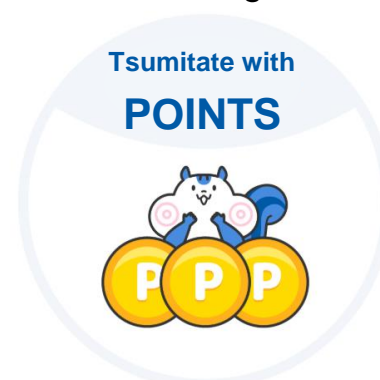


SAISON POCKET

Tsumitate (accumulate) investments using Saison / UC cards and also Eikyufumetsu points are available starting November 2019



Tsumitate using Saison / UC cards



Eikyufumetsu points can be used



We will continue to develop services for new partners and customers as well as increasing new products for investment beginners

**We endeavored to create asset management services
with daily use by over 1 million customers**

- I . Growth Strategies and Structural Reform in the Payment Business ~
5. Creation of new businesses and enhancement of digital marketing
② Improving members' QoL through the evolution of "digital" x "service"

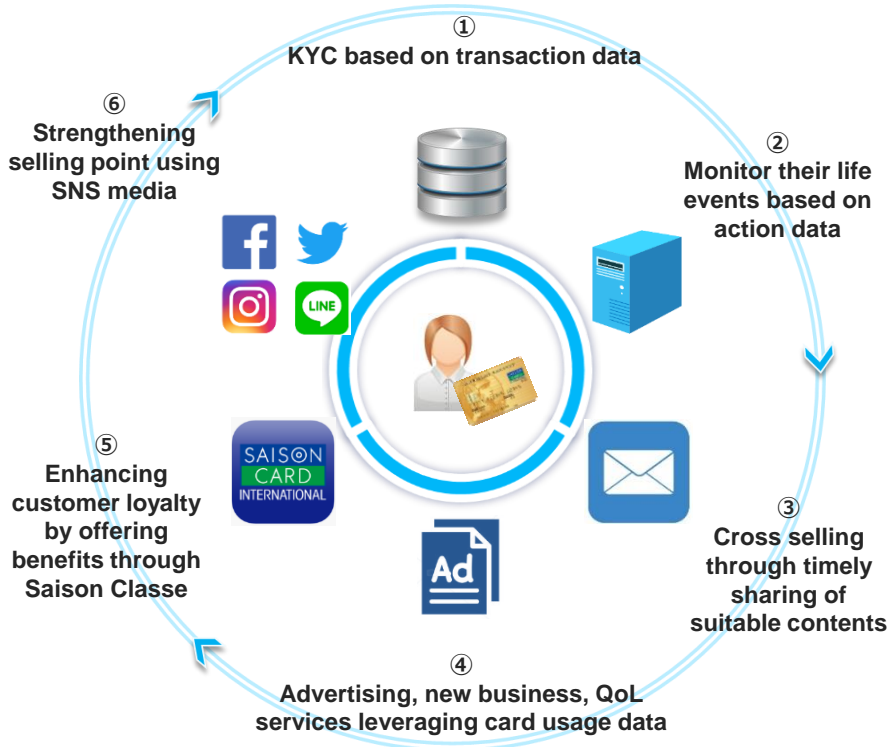


<Announced in May 2019> Outline of main initiatives in mid-term management plan

- ① Achieving cross-selling through standardization of customer data across businesses and services

Combining Payment Business and Finance Business

Achieving cross-selling of the Company's products such as sales of finance-related products in tune with customers' life event



- ② Creation of member services, concierge service and new businesses that improve the QoL of members

Strengthening "Healthcare Platform"

Invested in Brain Activity Research Institute Co., Ltd., which conducts brain health diagnosis test business for seniors



Offering "Periodic Inspection of Brain Activity Levels" (since Sept 2019), which can be used to detect cognitive decline, which is known as a sign of dementia, at an early stage

<3 Features>

- 1 Comparison with same generation
Brain age is estimated by comparing with database and deviation rate is calculated.
- 2 Comparison with past results
Tests are taken regularly. Comparison and checking on past results are available.
- 3 Provide solution
Measures to maintain and improve brain age are displayed on the results screen.



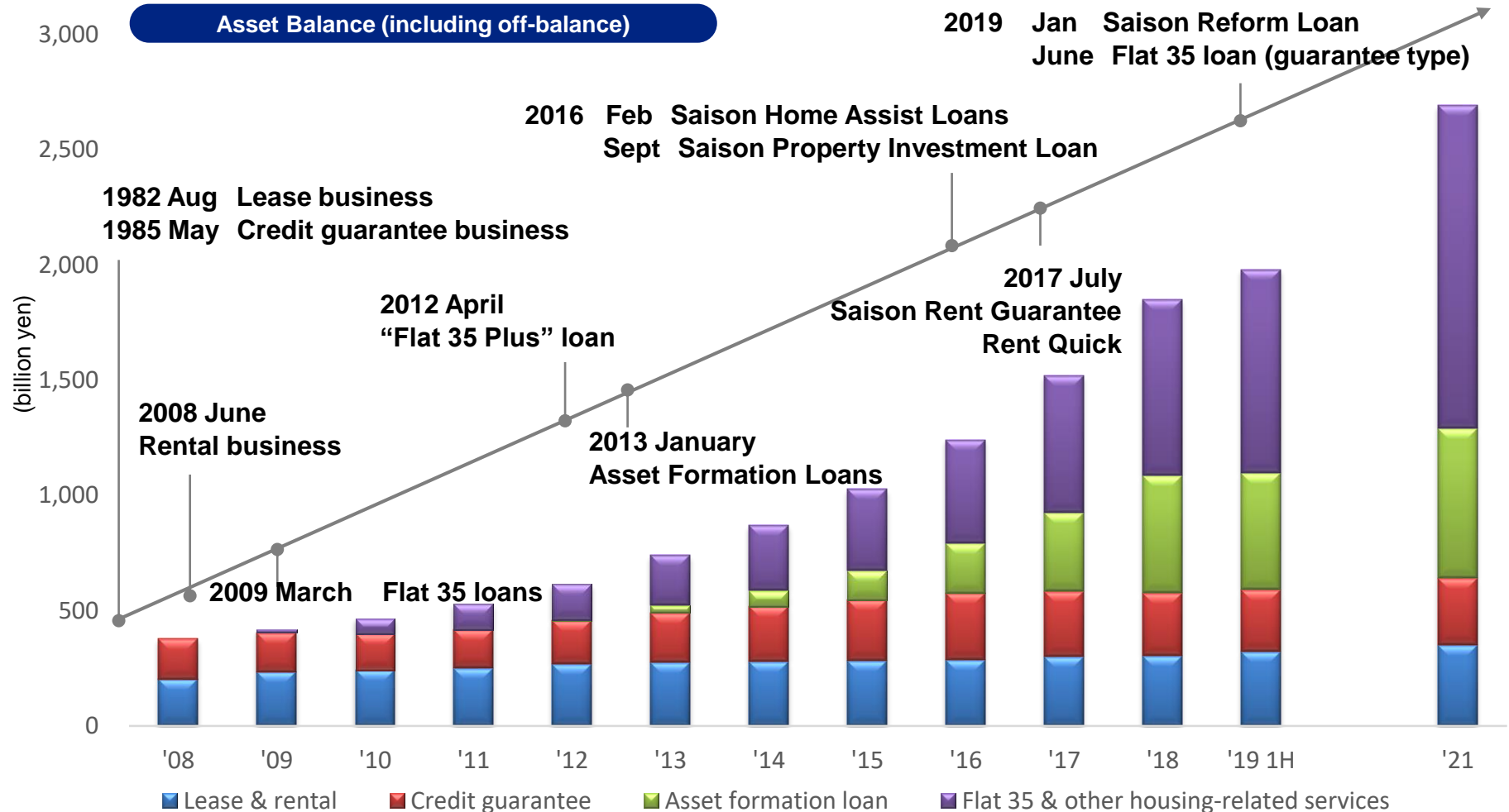
Ⅱ. Further expansion of Finance Business as a non-bank

<Announced in May 2019>

Outline of main initiatives in mid-term management plan

Strengthening relationships with partners
and expand new alliances

Accelerating as a “general non-bank” by expanding products lineup in finance business





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

Flat 35 & other housing-related services

- Acquisition of a new customer base and expansion of market share in the Flat 35 market by the start of Flat 35 (guarantee type) loans (June 2019)
- Continued approach to existing alliance partners and expanding transaction volume by developing new alliances
- Expanding sales area utilizing nationwide sales network
- Cost reduction by increasing operational efficiency through reviewing business processes

Asset Formation Loan

- Strengthening product promotion and supporting system through study sessions with alliance partners
- Accelerating the process from registration to contract procedures through establishing unified management system
- Enhancing credit quality by improving examination accuracy
- Streamlining operations through in-house production of loan agreement

Lease & Rental

- Expanding top line through continued approach towards growing fields and new products
- Expanding market share in existing markets through speedy screening and flexible response to customer needs
- Enhancing operation efficiency and cost reduction through business process improvement using WEB, AI, etc.
- Development of new businesses utilizing existing resources

Credit Guarantee

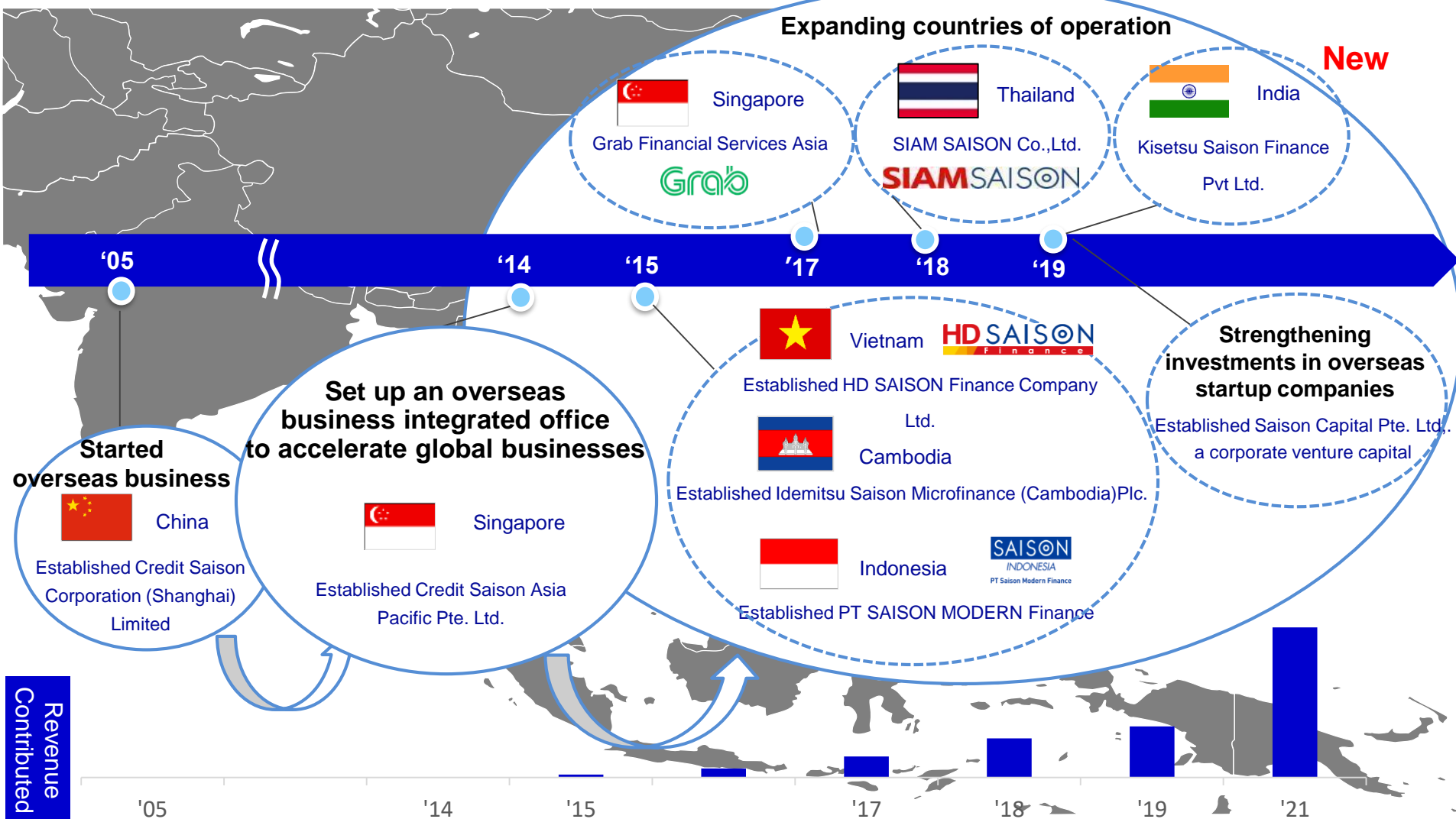
- Expanding balances by focusing on business with key accounts
- Enhancing operation efficiency and cost reduction through business process improvement using WEB, AI, etc.
- Creating new revenue by utilizing our resources and reviewing sales and management methods
- Expanding transaction volume through development of new sales channels and products

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

<Announced in May 2019>

Outline of main initiatives in mid-term management plan

Transition from “sowing” to “harvesting” stage in operation countries



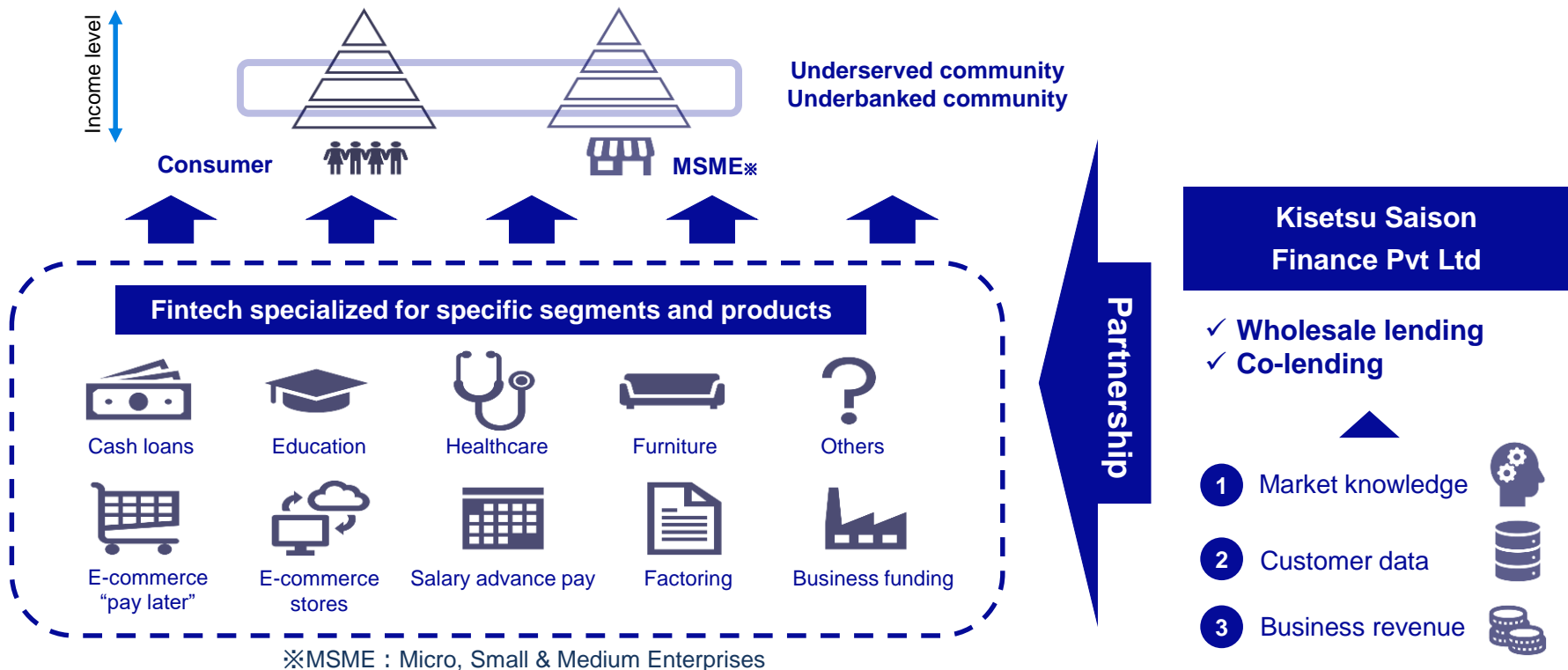
III. Expanding the earnings base of global business with a view to the future

India

Kisetsu Saison Finance Pvt Ltd

With the management vision of “Realizing financial inclusion by utilizing technology and innovation of business model”, Credit Saison will make use of know-how cultivated in Japan's retail finance business and partner with startup company that possesses lending know-how in India. Through this, we are aiming for rapid business development in a wide range of fields and play a part in India's economic growth.

【Entry strategy】



ESG(Sustainable enhancement of corporate value) ~Environment~



Promoting environmental conservation by the operation of Akagi Nature Park, use of environment-friendly materials, and paperless propulsion in daily work



■ Operation of Akagi Nature Park

Credit Saison operates the Akagi Nature Park at the foot of Mt. Akagi in Gunma Prefecture which has been developed through 30 years to regenerate Japanese woodland.

To realize the goal of making coexistence between humanity and nature a reality, Credit Saison continue to work on creating a place thriving with plants, insects and small animals to pass on rich nature to the next generations.



Parent-child photography class

■ Reduction in paper consumption/CO2 emissions

We are promoting the use of online statements and application forms as well as internal paperless initiatives

- Reduction of paper consumption through online statements (500g of CO2 reduction per envelope)
- 95% of face-to-face card applications were performed on tablet devices
- Paperless board meetings by using tablet devices for meeting materials

■ Environment-related volunteering

Credit Saison takes part in various community activities such as clean-up events in different regions across Japan and initiatives to maintain the coastal forest reserve of Kujukuri Beach in Chiba Prefecture, which was decimated by the tsunami following the Great East Japan Earthquake

■ Using environment-friendly materials

We are promoting environmental conservation by using environmentally friendly and recycled materials

- Use of environmentally friendly materials for credit card
- Use eco-loops created from recycling for the window part of the card statement envelope





ESG(Sustainable enhancement of corporate value) ~Social~

We carry out social contribution activities in regard that, companies do not only fulfill their responsibilities in terms of compliance and creating profits, but also respond to the actual and potential demands of citizens, local communities and society, and develop their business in ways and contents that go beyond these requirements.

■ “Provision of social infrastructure”, “Community development” and “Social contribution activities” through creation of a cashless society

【Domestic】

We work on building next-generation platforms such as credit, prepaid and QR code payment. In addition, we have responded to various funding needs such as offering “Business Funding,” Japan's first service to purchase credit card future sales receivables.



Credit cards



Prepaid cards



payment by smartphones



payment by QR code

Supporting activities by
exchanging points**Disaster support for
2019 Typhoon no.19****Shuri Castle
reconstruction support**

【Overseas】

For overseas, we contribute to the development of the local economy by providing financial infrastructure through joint ventures and alliances with local companies mainly in ASEAN countries. We also actively participating in supporting activities by exchanging points.

Cambodia



Business funds, loans, individual
article installment, installment
(payments by installment)
business in agricultural field

Supporting activities by
exchanging points

Supporting
education for
children around
the world



Deliver school
meals to children
in developing
countries

■ Contributing to the society through credit cards and finance businesses

The most important issue is the balance in between prevention of “multiple debtors” due to overuse and contribution to economic development through enriching customers' lives. We strive to properly manage personal information, respect the usefulness of personal information in accordance with the purpose of the Personal Information Protection Law, and work to prevent the occurrence of “multiple debtors” through careful credit granting and appropriate follow-up after that.

Proper management of
personal information

Response to multiple debts

Information / Cybersecurity

Improving the accuracy of
unauthorized use detection

ESG(Sustainable enhancement of corporate value) ~Social~



Credit Saison promotes diversity and inclusion to cultivate a corporate culture which the employees take on the challenge of creating new value

■ Framework to support growth and challenges

<SWITCH SAISON>

Twice a year Credit Saison holds an in-house venture program, SWITCH SAISON, to quickly make employee's ideas a part of the business. All employees are eligible to take part, producing ideas from across different age groups.

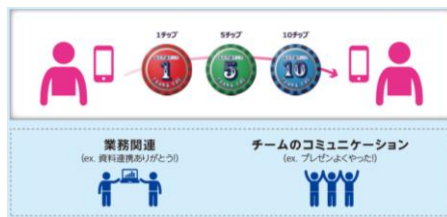


First pitch presentations made by 22 presenters out of 113 entries

■ Initiatives to Encourage Unity and Engagement

<Eikyufumetsu Chips - Peer Bonus System>

Credit Saison has introduced a peer-to-peer bonus system where employees can express their appreciation for each other. By showing appreciation in casual conversation with other employees, it has led to better communication and improved motivation.



- 3 kinds of chips. Collect 5 chips to earn 1 Eikyufumetsu point

<Common HR System for all employees>

This personnel system abolishes employee classifications making all employees full-time employees (Sept 2019). Treatment is accorded based on job role (equal pay for equal work) creating an environment where everyone can take on new challenges.



※Unification of all programs including defined contribution pension plan, welfare program, and career development support

<CREDIT SAISON AWARD>

A company-wide award ceremony is held once a year with the aim of fostering a corporate culture where employees work together with the Company. Awards are given to each division and the Company's vision is shared among the employees.



ESG(Sustainable enhancement of corporate value) ~Social~



Credit Saison promotes diversity and inclusion to cultivate a corporate culture which the employees take on the challenge of creating new value

■ Initiatives to Promote Work-Style Reform and Various Activities

<Refurbishment of Office Environment>

Credit Saison has been working to create an office environment to create a flexible organization, address work-style reforms, improve productivity, and encourage better communication.



Single use work spaces to help employees concentrate and group spaces to encourage working together have been created

<Promoting Health and Productivity Management>

Credit Saison promotes health management aiming to ensure employees are always in peak condition and performing at their best, providing better services to employees and their families, and to customers and business partners.



Recognized in 2019 for health and productivity



Received Gold Award at the first Gan-Ally-Bu

<Saison Work-Life Design Unit>

This company-wide bottom-up organization aims to create a company where every employee can flourish in their own way and everyone can play an active role by taking on board other employee's opinions and proposing innovative work-style reforms to management.



Ambassador's meeting



Saison Family Day

<Saison Farm Toda>

Credit Saison promotes the employment of people with disabilities and established "Saison Farm Toda" in November 2018.



Growing herbs (image)



Herbal tea in the workplace

ESG (Sustainable enhancement of corporate value) ~Social~



■ Partnership agreements with local governments

Credit Saison concluded a partnership agreement on disaster prevention and education with Yokohama City and set up the Bosai Café to educate people about how to prevent and mitigate disasters. We also signed a partnership agreement on health promotion with Fukushima Prefecture and support activities that promote people's health.



Donation for the Animal care center in Fukushima



Disaster Prevention and Damage Reduction Workshop in Yokohama city

■ Education for the Next-Generation and Financial Education

Credit Saison is engaged in financial education for the next-generation in all regions for a wide range of age groups, from junior high school students to university students, including participating in the inquiry-based learning program, Quest Education, for over 10 years.



The 2019 Quest Cup



A lecture for high school students on the cashless society

■ Supporting Sports and Cultural Activities

We support the activities of the Japanese national soccer teams and also host youth programs. Credit Saison is also a sponsor of performances in Japan by José Carreras, one of the members of The Three Tenors, and makes donations to and supports the activities of the José Carreras Leukaemia Foundation.



クレディセゾンは
日本代表チームの
サポーティングカンパニーです



(Reference) Diversity- and Human Resources-related Data

Ratio of female
employeesApprox. **75%**Ratio of female
managersGeneral
manager **12%**Section
Chief **26%**Section
Head **69%**Ratio of using system
for childcare leaveFemale **98%**Male **65%**

※Male: including paternity leave

No. using short work
hours as a childcare
option**307** people

(FY2018: 285 people)

No. using system for
nursing care leave**8** people

(FY2018: 5 people)

Average overtime
hours per month**10.2** hours

(FY2018: 11.1 hours)

Ratio of paid leave
used**72.9%**

(FY2018: 56.8%)

Average number of
paid leave approved**13.1** days

(FY2018: 10.0 days)

※Results in FY2018



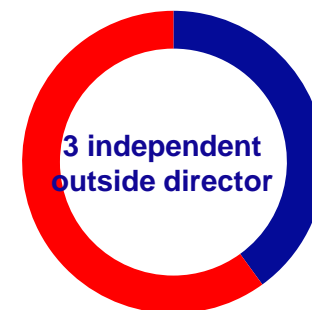
ESG (Sustainable enhancement of corporate value) ~Governance~

Recognizing the importance to ensure management transparency and strengthen management supervisory functions to achieve management goals, we implement various initiatives to enhance corporate governance

Establishment of Nomination and Remuneration Committee

- Established on June 7, 2019
- To improve objectivity and transparency by establishing a function which reports to the Board of Directors after deliberation on such things as the appointment / dismissal and remuneration of directors, etc.
- Comprised of 5 members (including a majority of 3 outside directors)

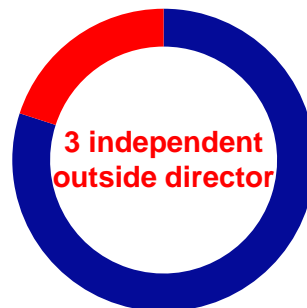
Nomination and Remuneration Committee: 5 members



Strengthening of the management monitoring system

- 1 independent outside director and 1 Audit & Supervisory Board member added
 - 3 outside directors (including 3 independent directors)
 - 4 Audit & Supervisory Board members (including 3 independent members)
- Ensuring diversity within the Board of Directors
 - 1 female director added (2 female directors and 1 female Audit & Supervisory Board member)
- Effectiveness of the Board evaluations (carried out once a year)

Board of Directors: 15 members



Audit & Supervisory Board: 4 members

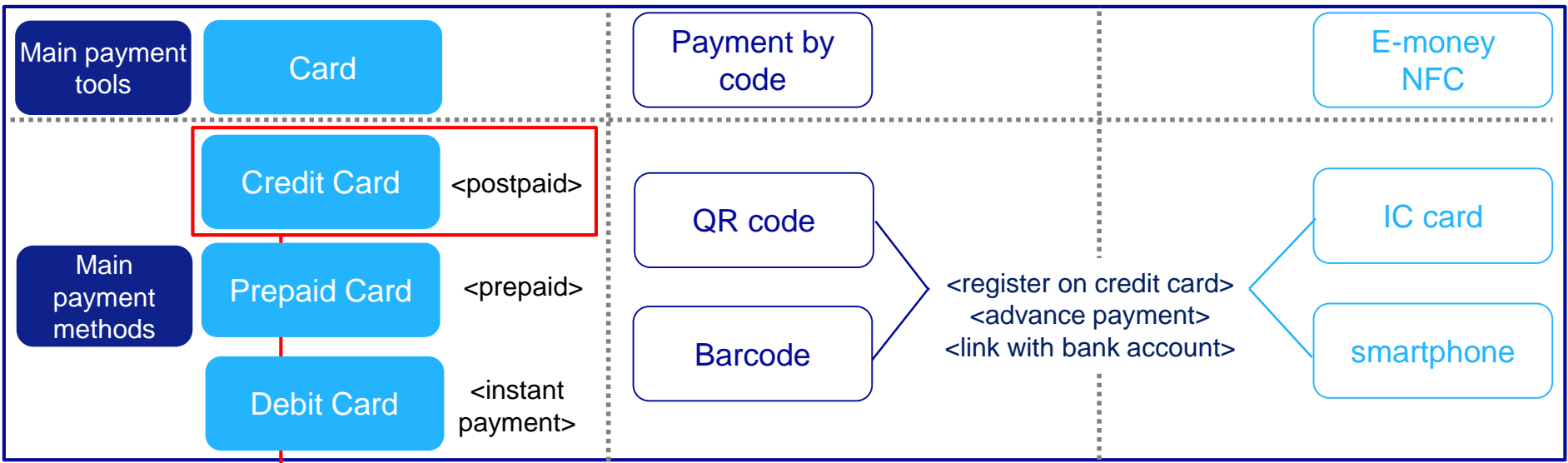


Board of Directors and Audit & Supervisory Board: 19 members



(Reference) Credit Saison's competitive advantage / core value

■ Summary on main payment tools and methods



Credit Saison's
core value

Postpaid function that is
not found in other
payment method
= credit granting

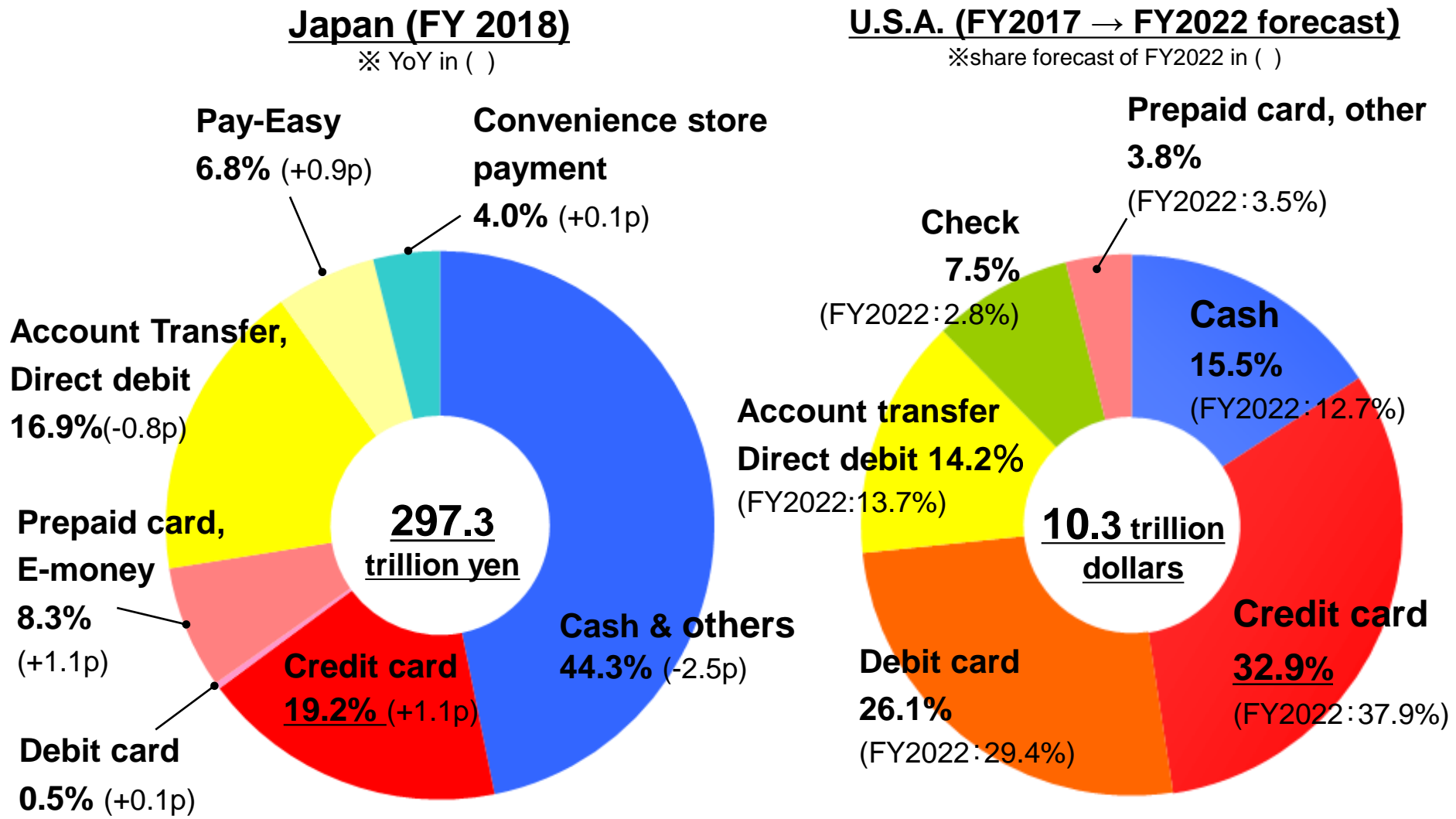


Products lineup harnessing know-how in credit granting

- Credit card(one-time payment • revolving payment • cash advance)
- Lease business
- Finance business(credit guarantee • Asset Formation Loan • Flat 35 • Rent Guarantee & etc)
- Global business

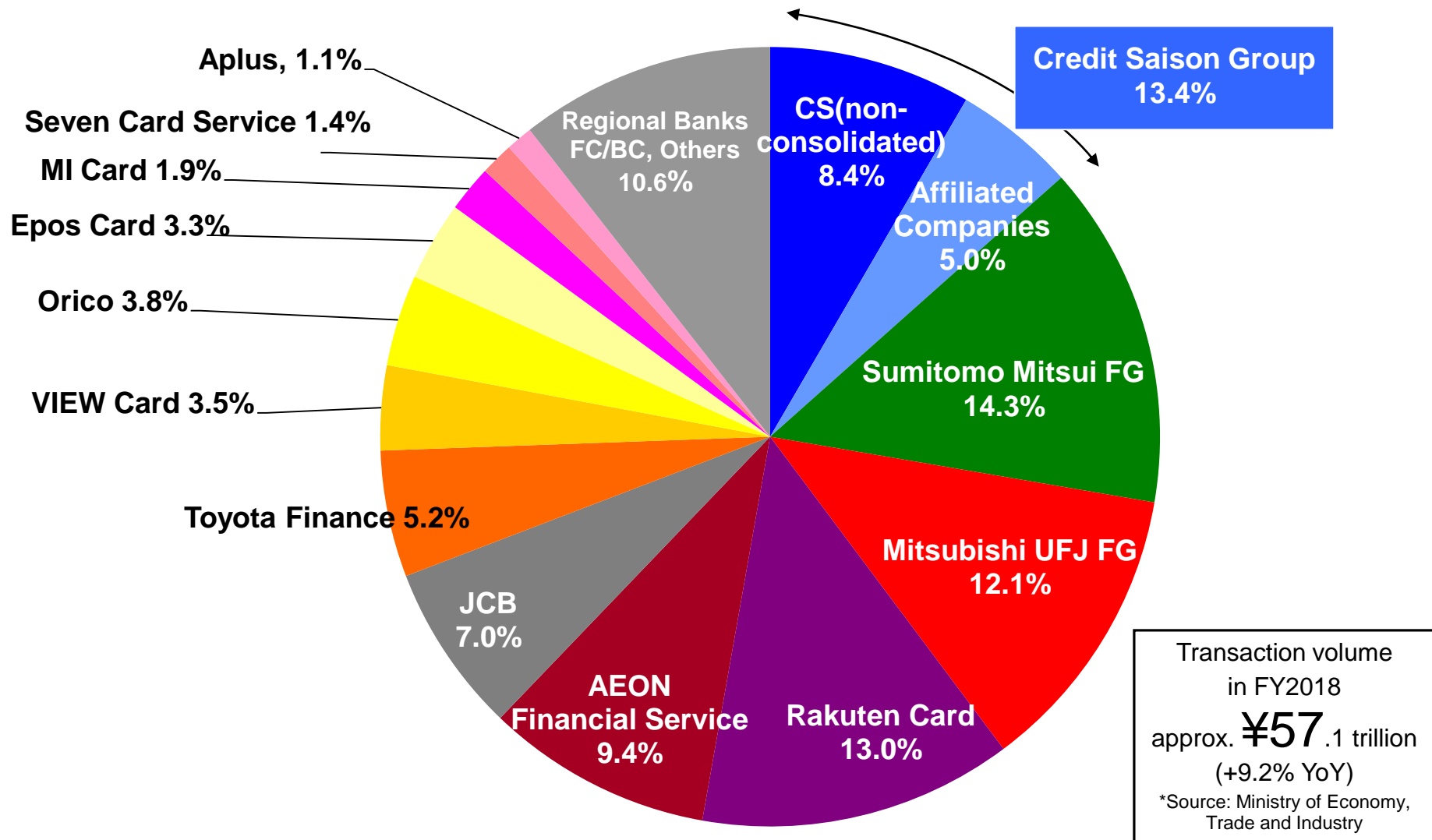
Provide a variety of services in tune with customers' life events and corporate cycles using long service life credit cards as a touchpoint

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



※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)



※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