CREDIT SAISON

FY2024 3Q
決算概況資料
Summary of Financial Results

February 14,2025

東証プライム市場上場　証券コード:8253
Tokyo Stock Exchange Prime Market, Securities Code: 8253

Credit Saison Co., Ltd.
Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2025
February 17, 2025

[Number of Speakers]
Masaki Negishi　　Managing Executive Officer, CFO

Financial Results Digest

CREDIT SAISON

The first year of the new medium-term management plan has been going well, with steady improvement in the "earning power of core businesses. "Momentum is also building for growth in the coming fiscal years.

3Q Financial Results Show Increased Revenue and Profit *Refer to P7 for detailed topics by segment

- ✓ In addition to **our three growth pillar businesses** (Global business, Payment business, and Finance business), **the Real Estate Related business is driving overall growth.**
- ✓ **Special factors** (reversal of special allowance recorded during the COVID-19 pandemic to prepare for potential future increases in delinquent receivables) **contributed to the increase in profits**
  *Excluding the reversal of special allowances (6,800 million yen), consolidated business profit was 73,000 million yen
- ✓ In the new mid-term management plan, the Company is maintaining its policy of stable and consistent dividends. Based on the target of a dividend payout ratio of at least 30%, the Company plans to increase the ordinary dividend by 5 yen per share from the most recent year-end dividend forecast, setting the year-end dividend at 110 yen per share.

The Full-Year Earnings Forecast (Revised in November 2024) Remains Unchanged

In order to achieve the new mid-term management plan, the following measures will be implemented and considered in FY24/4Q, with the full-year earnings forecast remaining unchanged, taking into account some uncertainty in the outlook

- ✓ Review of low-growth and low-profit businesses
- ✓ Investment in promotional costs to secure future profits
- ✓ Respond to future concerns about credit risk

Negishi: Thank you for joining us today.

I would like to report on the overview of the financial results for Q3 in accordance.

Q3 results showed an increase in both revenue and profit. In addition to the global, payment, and finance businesses, real estate–related business performed well.

One of the special factors is that there was a reversal of the special allowance for COVID-19 again in Q3, which totaled about JPY6.8 billion. This also contributed to boosting profit. Considering the current progress, the Company plans to increase the ordinary dividend by JPY5, setting the year-end dividend at JPY110 per share.

The full-year earnings forecast remains unchanged. We are doing a number of things toward FY2026. In Q4, we are reviewing low-growth and low-profitability businesses, allocating promotional costs for future earnings, and taking or considering measures to address future concerns about credit risk.

It is difficult to predict the scale of each of these amounts, and in light of this, we have decided to leave our earnings forecast unchanged.

決算サマリー
Financial Summary

CREDIT SAISON

（億円／￥100 Million）

		FY23 3Q	FY24 3Q	前年比 YOY	FY24計画(期初) Plan(Initial)	FY24計画(修正)* Plan(Revised)	進捗率 Progress rate
連結 Consolidated	純収益 Net revenue	2,687	3,134	116.6%	4,130	4,160	75.3%
	事業利益 Business profit	614	799	130.0%	770	800	99.9%
	四半期利益 Profit attributable to owners of parent	620	576	92.8%	520	550	104.7%
単体 Non-consolidated	営業収益 Operating revenue	2,121	2,291	108.0%	3,030	3,060	74.9%
	営業利益 Operating profit	322	392	121.7%	425	435	90.3%
	経常利益 Ordinary profit	404	468	115.6%	480	500	93.6%
	四半期純利益 Profit	317	476	149.8%	340	470	101.4%

*2024年11月修正計画/Revised plan for November 2024

Page four is the financial summary.

On a consolidated basis, net revenue was JPY313.4 billion, 116% of the previous year's level; business profit was JPY79.9 billion, 130% of the previous year's level; and profit attributable to owners of parent was JPY57.6 billion, 92% of the previous year's level.

The decrease in net profit was due to the absence of the gain on negative goodwill resulting from the conversion of Suruga Bank Ltd. into an equity-method affiliate, which was recorded in the previous fiscal year.

セグメント別業績概況
Overview of Business Results by Segment

CREDIT SAISON

（億円／￥100 Million）

純収益 Net revenue	FY23 3Q	FY24 3Q	前年比 YOY	FY24計画(期初) Plan(Initial)	FY24計画(修正)[*1] Plan(Revised)	進捗率 Progress rate
ペイメント Payment	1,760	**1,888**	107.3%	2,499	2,529	74.7%
リース Lease	93	**98**	106.2%	135	135	73.3%
ファイナンス Finance	437	**505**	115.4%	633	633	79.8%
不動産関連 Real estate related	183	**244**	133.7%	260	260	94.1%
グローバル Global	180	**364**	201.8%	513	493	74.0%
エンタテインメント Entertainment	48	**48**	101.8%	67	67	73.0%
計 Total	2,703	**3,151**	116.6%	–	–	–
セグメント間取引 Intersegment transactions	△15	**△17**	–	–	–	–
連結 Consolidated	2,687	**3,134**	116.6%	4,130[*2]	4,160[*3]	75.3%

(*1) 2024年11月修正計画/Revised plan for November 2024 (*2)金融収益23億円含む/Includes 2.3 billion yen in financial revenue (*3)金融収益43億円含む/Includes 4.3 billion yen in financial revenue

Page five shows results by segment.

First, let's look at net revenue. In the payment business, net revenue was 107% of the previous year's level, thanks to a steady increase in card shopping revolving balance at Credit Saison, as well as a revision of the commission rates for revolving credits and other fees, which also contributed to revenue growth.

In the finance business, net revenue was 115% of the previous year's level due to an increase in the number of financial institutions affiliated with Credit Saison and SAISON FUNDEX CORPORATION and an increase in products.

In the real estate–related business, net revenue was 133% of the previous year's level, mainly due to the sale of a certain number of properties for sale in the three months of Q3.

In the global business, net revenue was 201% of the previous year's level due to strong growth in the Indian business.

セグメント別業績概況
Overview of Business Results by Segment

CREDIT SAISON

（億円／￥100 Million）

事業利益 Business Profit	FY23 3Q	FY24 3Q	前年比 YOY	FY24計画(期初) Plan(Initial)	FY24計画(修正)*1 Plan(Revised)	進捗率 Progress rate
ペイメント Payment	190	270	141.6%	205	275	98.3%
リース Lease	35	33	96.0%	40	40	84.9%
ファイナンス Finance	213	289	135.4%	315	315	91.9%
不動産関連 Real estate related	141	162	114.7%	130	130	125.0%
グローバル Global	10	35	330.0%	68	28	125.5%
エンタテインメント Entertainment	13	11	84.2%	12	12	94.2%
計 Total	605	802	132.5%	–	–	–
セグメント間取引 Intersegment transactions	9	△3	–	–	–	–
連結 Consolidated	614	799	130.0%	770*2	800*2	99.9%

(*1) 2024年11月修正計画/Revised plan for November 2024 (*2)セグメント間取引を含む/Includes intersegment transactions

Page six shows business profit by segment.

In the payment business, in addition to the increase in net revenue I mentioned earlier, we have basically managed our expenses well for the past nine months, compared to the previous year or our earnings forecast. In addition, strong equity in earnings from affiliates and card joint ventures and other portfolio companies contributed to a 141% YoY increase in business profit.

In the finance business, in addition to Credit Saison and Saison Fundex, Suruga Bank performed well, and equity in earnings from them was significant, resulting in business profit of 135% of the previous year's level.

In the real estate-related business, despite the absence of approximately JPY4 billion in gains on the sale of interests in real estate trust beneficiary rights that were recorded in the previous fiscal year, business profit was 114% of the previous year's level due to the increase in Saison Realty Group's net revenue mentioned earlier, as well as the fact that Saison Realty's cost reduction efforts are bearing some fruit.

In the global business, business profit was 330% of the previous year's level, mainly due to the recovery of the business in Vietnam in addition to the business in India.

Topics by Segment

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Payment
・Shopping transaction volume grew due to changes in customer demographics as a result of promoting our premium strategy. ・Card shopping revolving balances expanded due to increased shopping limits and UI/UX improvements, and revenue and profit increased due to the impact of the increase in revolving fee rates. ・Special factors (reversal of special allowances) also contributed to profit growth.
Lease
・While revenue increased due to strengthened sales activities targeting existing major retailers, profit declined due to higher credit costs.
Finance
・Expanded group business with Suruga Bank and Saison Fundex. ・Both revenue and profit grew, driven by the expansion of real estate finance-related products at Credit Saison, by strengthened relationships with new partners, and by the impact of variable interest rate products.
Real Estate Related
・Revenue and profit growth exceeded expectations due to higher-than-anticipated sales of owned real estate at Saison Realty.
Global
・Expansion of the lending business at Credit Saison India. ・Continued profit contribution from HD SAISON in Vietnam, following the first half financial results, which led to revenue and profit growth.
Entertainment
・Revenue grew but profit declined due to the impact of costs associated with new store openings.

Page seven shows segment-specific topics.

Contribution by Consolidated Companies

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Business profit Difference

(￥100 Million)

	Consolidated Business profit	Non-consolidated Ordinary Profit	Difference
FY24-3Q	799.3	468.1	331.2
(Year-on-year difference)	184.3	63.2	121.1

Contribution by Consolidated Companies

(￥100 Million)

		Contribution to business profit	Year-on-year difference	Business description
Major consolidated subsidiaries	Saison Realty Group	106.8	+12.5	Comprehensive real estate business
	SAISON FUNDEX CORPORATION	95.4	+22.3	Real estate financing business, credit guarantee business, and personal loan business
	Kisetsu Saison Finance(India)Pvt. Ltd.	40.0	+23.6	Digital lending business in India
	SAISON ASSET MANAGEMENT CO., LTD.	11.2	+2.9	Asset management
Major equity method affiliates	Suruga Bank Ltd.	42.5	+26.4	Banking
	HD SAISON Finance Co., Ltd.	23.2	+21.4	Retail Finance Business in Vietnam
	Seven CS Card Service CO.,LTD	8.7	+ 0.1	Credit card business
	Takashimaya Financial Partners Co.,Ltd	8.4	+0.9	Credit card business, insurance business, investment trust business, and trust business

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Page eight shows the contribution of consolidated companies.

The situation of the main consolidated company, Saison Realty Group, is as explained earlier, and its business profit increased by JPY1.2 billion from the previous year.

Profit contributions from Saison Fundex, Kisetsu Saison Finance (India) Pvt. Ltd., Suruga Bank, and HD SAISON Finance Co., Ltd. in Vietnam increased by more than JPY2 billion compared to the previous year. New lending is progressing steadily at all companies.

Progress on Capital Policy

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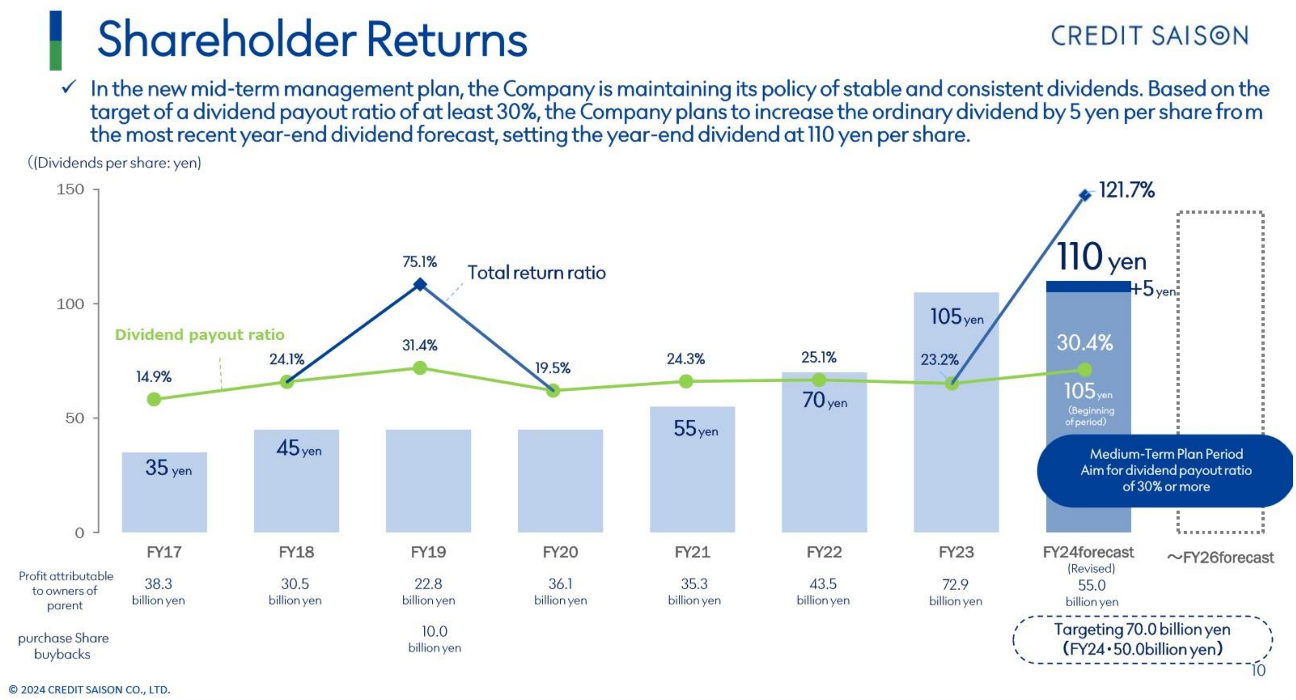
Details Announced in the New Medium-Term Management Plan in May 2024	Progress in 3Q
Share Buybacks Planned 70.0 billion yen of share buybacks in the new medium-term management period (FY24-26) (of which, 50.0 billion yen to be implemented in FY24)	**Cumulative Acquisition of Treasury Shares** (1) Total acquisition cost of shares: 36,984,890,005 yen (progress rate: 74.0%) (2)Total number of shares acquired: 10,920,600 shares (progress rate: 43.7%) * As of January 31, 2025 (Timely disclosure basis)
Reduce Cross-Shareholdings Reduction equivalent to 70% of cross-shareholdings in the new medium-term management period (FY24-26)	**Details of Sales** (1) Shares sold: 5 listed securities held by the company, etc. (2) Gain on sale of investment securities: Approx. 17.3 billion yen (progress rate: 54.3%) * In the consolidated financial statements, these are accounted for as other comprehensive income, and therefore do not affect net income attributable to owners of the parent company. * As of December 31, 2024

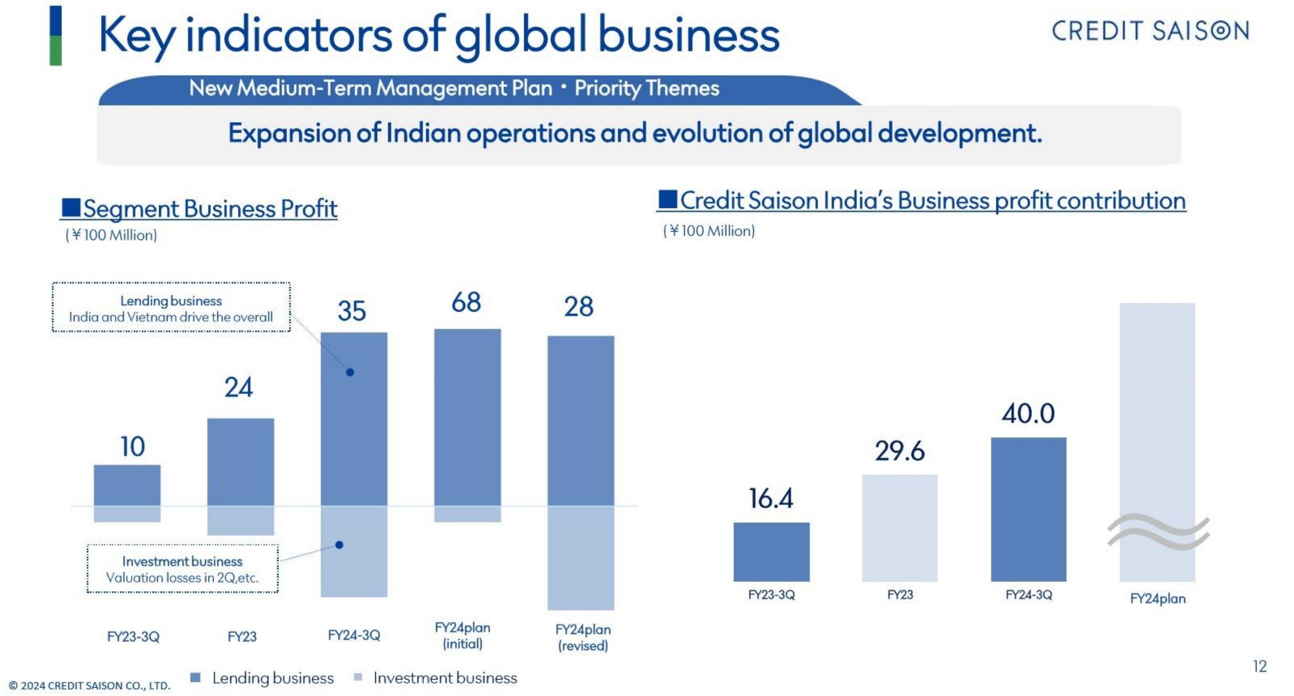
Page nine shows the progress of capital policy.

The progress rate of share repurchase is 74% as of the end of January. We expect to acquire JPY50 billion by May 15, 2025, the deadline announced in May 2024.

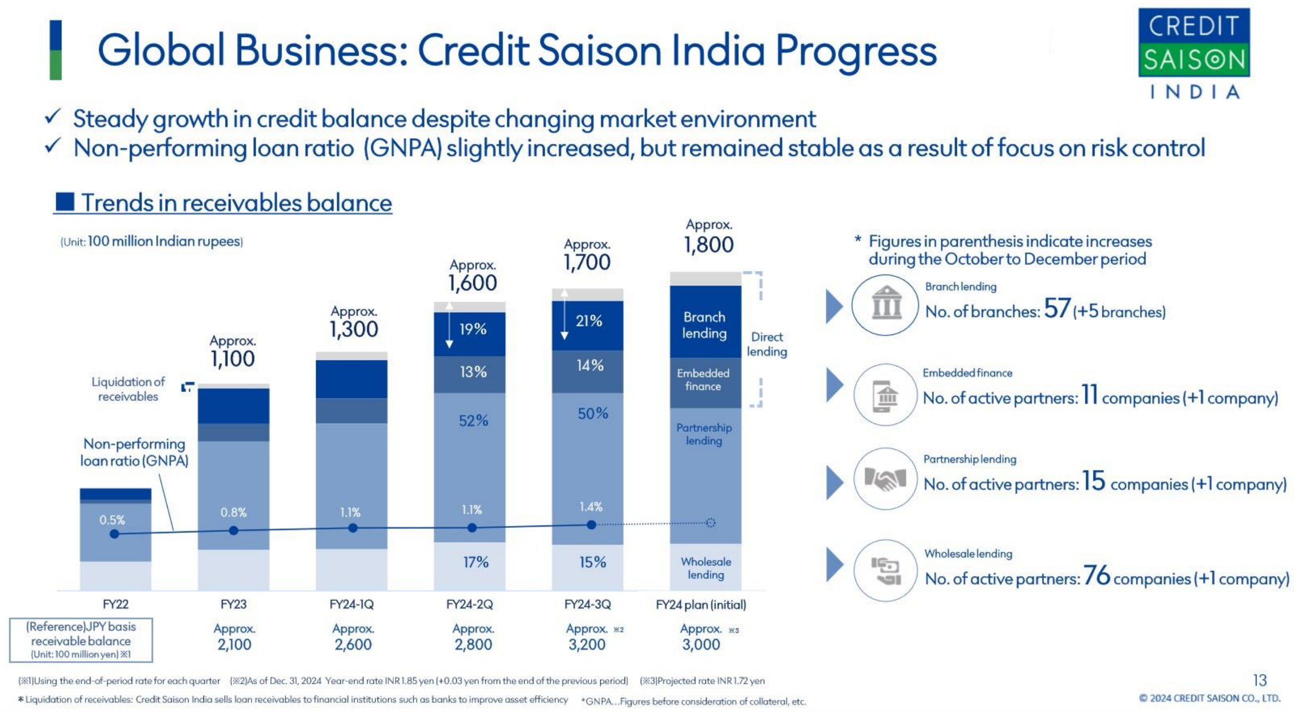
As already announced, we intend to reduce our policy shareholdings by 70% over three years. As of the end of December, progress is about 54%. We are continuing to have detailed conversations with our partners, and we hope to achieve a 70% reduction over three years.



The dividend shown on page 10 is as explained earlier.



Next, let's look at the progress of our main businesses. Page 12 describes global business. Segment business profit for Q3 was JPY3.5 billion. The lending business continues to grow very steadily.



See page 13.

The Indian business, which is the largest driver of the lending business, has contributed a cumulative profit of JPY4 billion. The outstanding loan balance, which is the source of the profit contribution, was approximately INR170 billion in local currency at the end of Q3, almost in line with our plan.

In Q3, we are focused on two direct-lending products, resulting in a slight increase in market share.

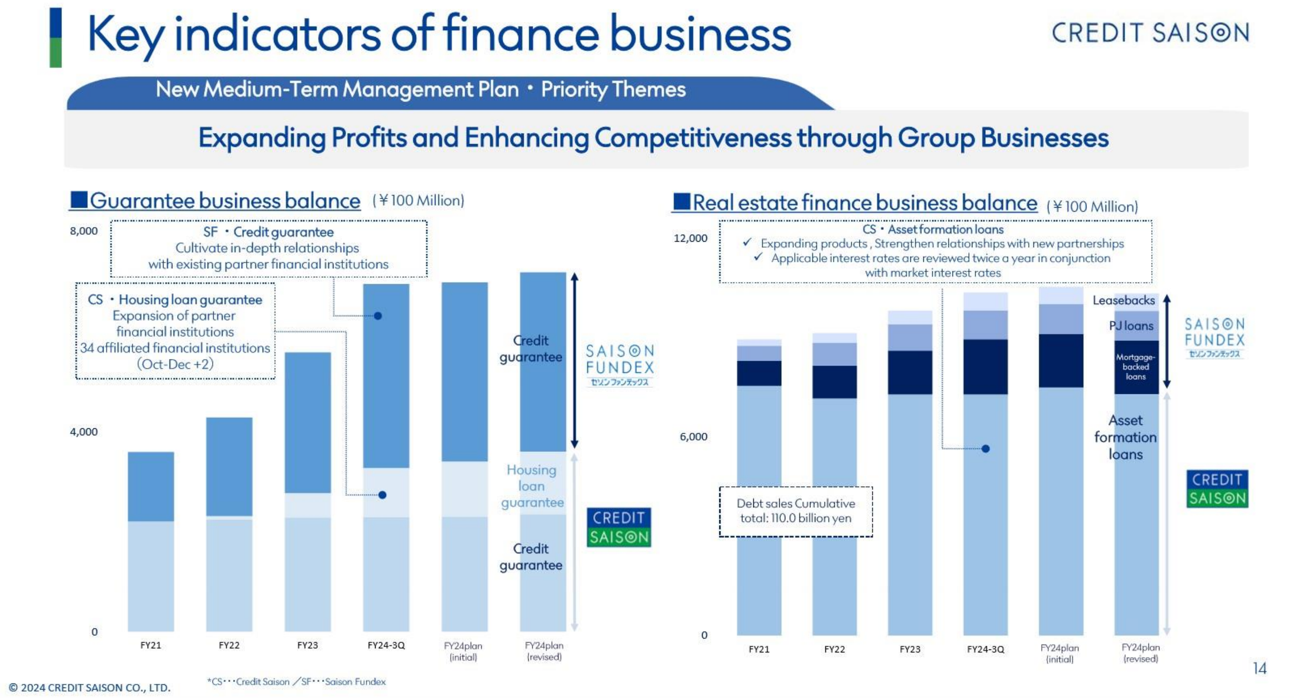
The NPL ratio was 1.4% on a GNPA basis, slightly increasing from the 1.1% level in H1 of the year.

I think there are two major backgrounds. One is that we are affected by the overall macroeconomic situation in India, which is not limited to our company. It started with the manifestation of risk in the microfinance layer, and gradually the risk in the clientele of our investments is also becoming apparent. There is a slight increase in risk with some of the partnership lending partners and direct lending.

The other is the impact of the Company's various trials. We have been trying various things for about a year in direct lending, such as changing the credit bureaus we use, and simplifying and automating small loans in branch lending as much as possible. However, the NPL ratio was still slightly higher than the risk level we had assumed, so we basically stopped those trials and modified the model.

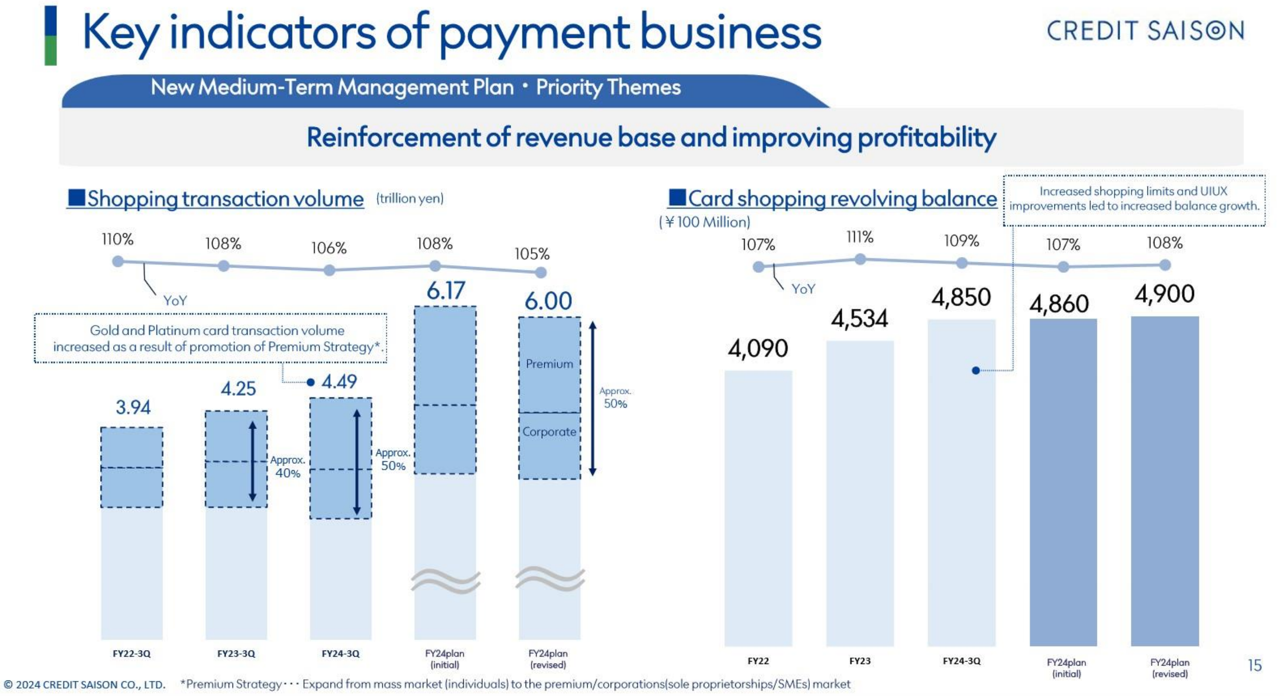
Although there was a slight increase in risk, the accumulation of our efforts has clearly improved the risk situation after 30 and 60 days for new loans since Q3. I think we will also be able to reduce risk from new loans, including current ones.

Including macroeconomic effects, we believe that the 1.4% level will not increase significantly and can be managed well within the range of our assumptions.



See page 14.

In the finance business, both the guarantee business balance and the real estate finance business balance remained strong. The still growing number of financial institutions with which we are affiliated and the summer launch of new products in the real estate finance business also contributed significantly to the increase in lending.



Page 15 is the payment business.

Shopping transaction volume finally rose slightly in Q3 compared to H1. We intend to extend this further, marketing it as successfully as possible toward the end of the fiscal year.

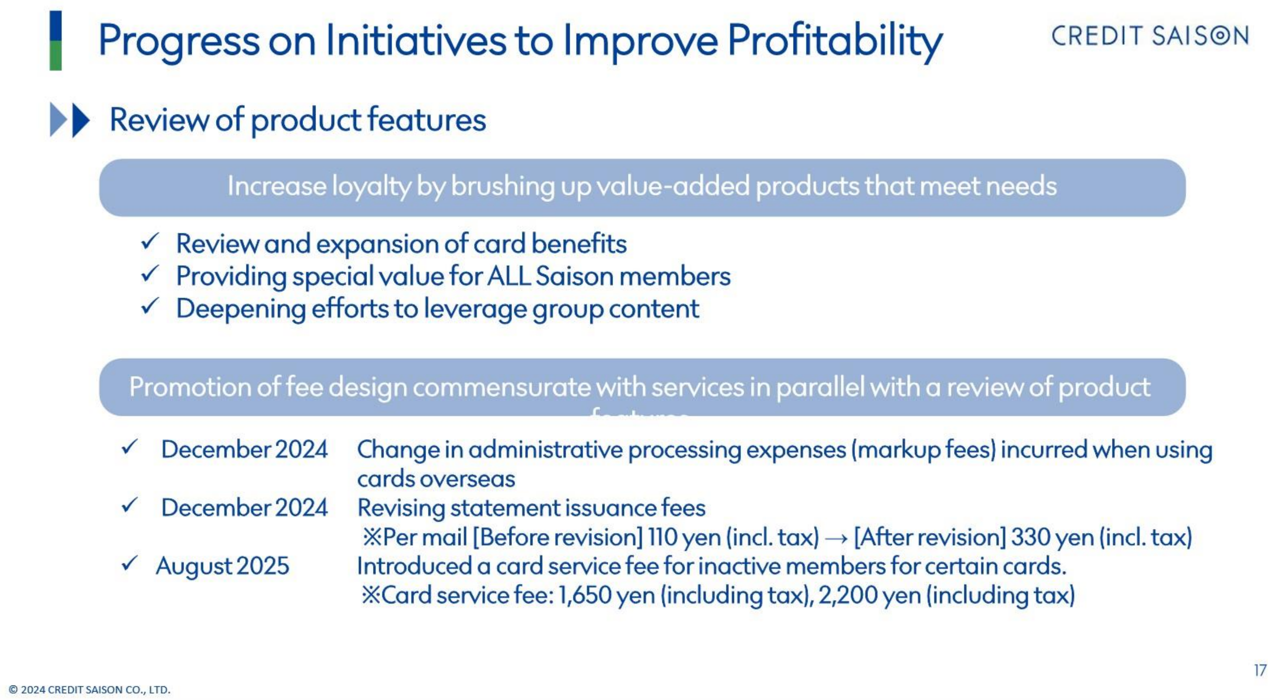
Meanwhile, the card shopping revolving balance continues to build steadily and remains at 109% of the previous year's level.

See page 16.

Revenue from the balance is a very important factor. Last October, we introduced a service that allows customers to change to revolving payments later. Although we are rather a latecomer to this service in the industry, the use of the service, especially among young people, has progressed further than we had expected.

This is a promising point, assuming that the balance will be of some size next year and the year after.

In addition, although we began raising revolving commission rates last November, the impact of customer defections has been smaller than we had anticipated. We feel that we have been able to raise the rates in a manner that we are able to have an expectation for future increases in revolving credit revenues.



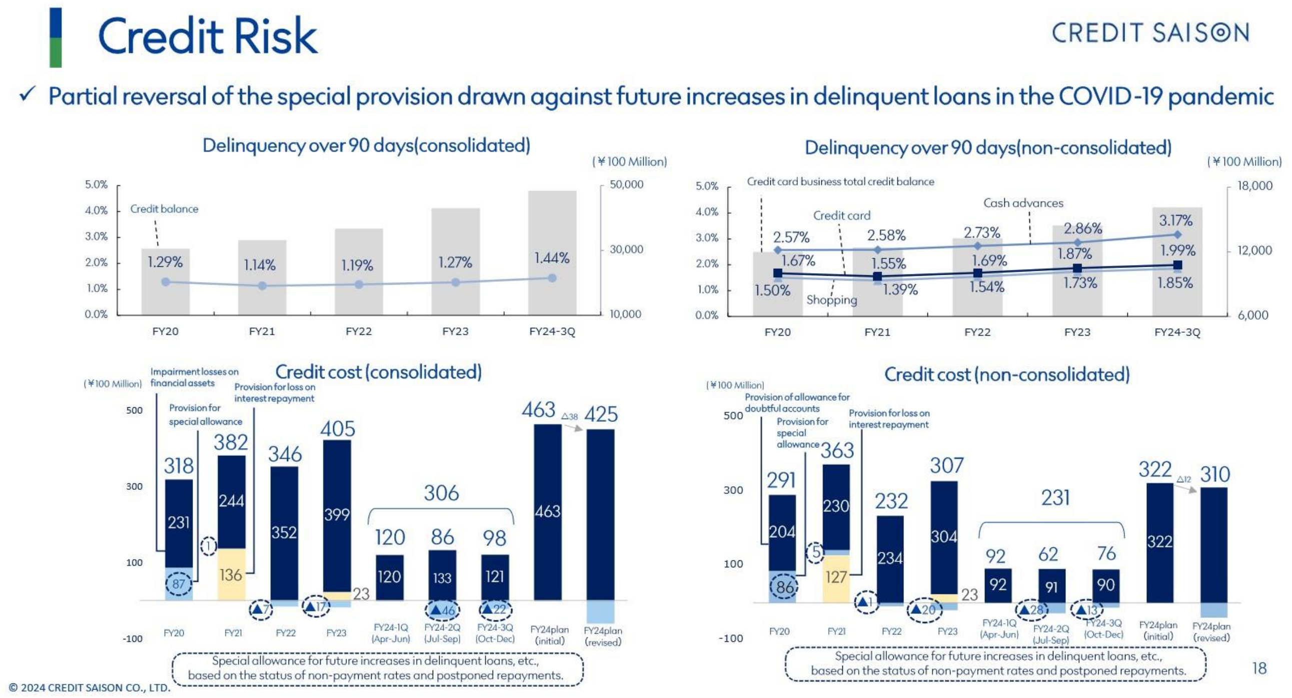
See page 17.

The payment business will continue with various structural reforms. The upper section describes rather aggressive approaches.

In addition to revising the benefits for each card and making sure that we offer what our customers want, we would like to introduce benefits common to all cards and focus on advertising to raise awareness.

At the same time, we will continue to promote fee designs commensurate with our services, as noted in the lower section. Most recently, in December last year, we revised again the fees for overseas use and for issuing statements. In addition, as already announced, we will be introducing a card service fee for some of our cards this August.

In addition to this, we will make several other revisions for the next fiscal year and continue to work to improve the profitability of the payment business.



Finally, see page 18.

With regard to credit risk, the rate of delinquencies over 90 days has increased slightly. Credit costs were also approximately JPY9 billion for the three months on a non-consolidated basis and JPY12 billion on a consolidated basis. While it has not increased on a quarterly basis, it has not yet been reduced.

In the current period, as explained from H1 of the year, there is a reversal of the special provision recognized in the COVID-19 pandemic. In Q3, there was a reversal of JPY1.3 billion on a non-consolidated basis and JPY2.2 billion on a consolidated basis. As a result, on a three-month basis, non-consolidated credit costs were approximately JPY9 billion and consolidated credit costs were approximately JPY12 billion.

We will continue to tighten where we need to tighten, paying particular attention to the way we set the limits for initial credit and credit monitoring. As for collections, the volume of medium-term items is increasing, and we will direct as much manpower as possible toward collections of medium-term credits. We would also like to increase the number of areas we outsource to law firms to improve the accuracy of collections.

As for the credit risk, I think we should expect that it will probably continue for the next six months to a year or so. We would like to continue to maintain or reduce the credit cost by implementing various measures as much as possible.

That's all from me.