

June 5, 2002

**To Our Shareholders with Voting Rights**

Hiroshi Rinno  
President and Representative  
Director  
Credit Saison Co., Ltd.  
1-1, Higashi-Ikebukuro 3-chome,  
Toshima-ku, Tokyo

**NOTICE OF THE 52ND ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We hereby inform you of the 52nd Ordinary General Meeting of Shareholders to be held as follows:

If you are unable to attend the meeting, please read the attached Reference Documents for the Exercise of Voting Rights and return the Exercise Voting Rights Form with your selections and registered seal so that it will reach us by June 26, 2002.

**1. Date:** 10 a.m., Thursday, June 27, 2002

**2. Place:** Ten-Ran-no-Ma Hall (3F)  
Sunshine City Prince Hotel  
1-5, Higashi-Ikebukuro 3-chome, Toshima-ku, Tokyo

**3. Objectives of the Meeting:**

**Reports:**

Balance Sheet as of March 31, 2002, and the Business Report and Statement of Income for the 52nd Fiscal Term (from April 1, 2001, to March 31, 2002)

**Agenda:**

**Proposal No. 1:** Approval of the Proposed Appropriation of Retained Earnings for the 52nd Fiscal Term

**Proposal No. 2:** Proposed amendments to the Articles of Incorporation  
The details of the proposal are as stated in the REFERENCE DOCUMENTS FOR THE EXERCISE OF VOTING RIGHTS on pages 22–24. (Japanese original)

**Proposal No. 3:** Repurchase of the Company's own stock  
The details of the proposal are as stated in the REFERENCE DOCUMENTS FOR THE EXERCISE OF VOTING RIGHTS on page 25. (Japanese original)

**Proposal No. 4:** Issuance of new stock reservation rights without charge to directors, statutory auditors and certain employees of the Company.  
The details of the proposal are as stated in the REFERENCE DOCUMENTS FOR THE EXERCISE OF VOTING RIGHTS on pages 25–27. (Japanese original)

**Proposal No. 5:** Election of one (1) director

For those attending, please present the enclosed Exercise Voting Rights Form at the reception desk on arrival at the meeting.

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Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

## REFERENCE DOCUMENTS FOR THE EXERCISE OF VOTING RIGHTS

1. Total number of voting rights held by all shareholders: 1,687,287

2. Proposals and references

**Proposal No. 1:** Approval of the Proposed Appropriation of Retained Earnings for the 52nd Fiscal Term

The summary of the Proposal of Appropriation of Retained Earnings for the 52nd Fiscal Term is as shown below.

The credit card industry continues to face intensifying competition, reflecting the drastic reorganization accelerated by the entry of foreign capital and new players from other business fields into the market. Given such a harsh business environment, the Company endeavors to maintain its policy of ensuring stable dividends while preparing to strengthen corporate capabilities and the future development of business.

In these circumstances, we propose that cash dividends be ¥18 per share for the year under review, unchanged from the previous fiscal year. We intend to primarily apply the increased internal reserve to increasing new business tie-ups and strengthening the financial structure in the near future.

We also propose that Directors' bonuses for the year be ¥130 million (including those for statutory auditors of ¥15 million).

### Proposed Appropriation of Retained Earnings for the 52nd Fiscal Term

(yen)

<b>Unappropriated retained earnings at end of the year</b>	<b>21,935,863,405</b>
To be appropriated as follows:	
Cash dividends (¥18 per share)	3,050,413,344
Directors' bonuses	130,000,000
(bonuses to statutory auditors therein)	(15,000,000)
Voluntary reserve	8,000,000,000
General reserve	8,000,000,000
<b>Retained earnings to be carried forward</b>	<b>10,755,450,061</b>

Note: The dividends for 1,471 shares of the Company's own stocks are excluded from the cash dividends designated above for the 52nd fiscal term.

**Proposal No. 2:** Proposed amendments to the Articles of Incorporation

1. Reasons for the amendments

1) The par value stock system was abolished, the unit (*tangen*) stock system was newly adopted and other revisions were implemented, as a result of the enforcement of the "Law Concerning Partial Revision to the Japanese Commercial Code, etc." (Law No. 79, 2001) on October 1, 2001. In compliance with these statutory revisions under the newly enforced law above, the Articles of Incorporation of the Company are considered to have been forcibly amended for its relevant provisions in that the unit (*tangen*) stock system is adopted in place of the previous unit stock system and the stock certificates for the number of shares less than one unit (*tangen*) of shares shall not be issued. In addition, we would like to amend certain expressions, including the addition of related wording, in the current Articles of Incorporation of the Company, as required, such as the deletion of the provision of par value stock and an amendment to the relevant provisions of quorum in the resolution for selecting both directors and statutory auditors, in line with the enforcement of the above law.

2) The preparation of stock-related corporate documents in electromagnetic recording methods has been authorized and the preemptive right granted to directors and employees was abolished because the new concept of stock reservation rights has been introduced, pursuant to the enforcement on April 1, 2002, of the "Law Concerning Partial Revision to the Japanese Commercial Code, etc." (Law No. 128, 2001) on April 1, 2002. In line with these statutory revisions, we would like to amend the relevant provisions so that the minutes of the General Meeting of Shareholders and other

corporate documents can be prepared via electromagnetic recording methods.

3) In line with the above amendments, Article 7 and the subsequent articles in the current Articles of Incorporation shall be brought forward and renumbered.

## 2. Summary draft of this proposal

We propose that the Articles of Incorporation be amended as shown in the table below.

Existing Articles	Proposed Amendments
<p>Article <u>6.</u> (<u>Par Value of Par Value Shares</u>)  <u>The par value of each par value share of the Company shall be fifty yen (¥50).</u></p>	<p>(To be deleted)</p>
<p>Article <u>7.</u> (<u>Number of Shares Constituting One Unit of Shares</u>)  The number of shares constituting <u>one unit</u> of shares of the Company shall be one hundred (100) shares.</p>	<p>Article <u>6.</u> (<u>Number of Shares Constituting One Unit (<i>tangen</i>) of Shares and Non-issuance of Stock Certificates for the Numbers Less Than One Unit (<i>tangen</i>) of Shares</u>)  The number of shares constituting <u>one unit (<i>tangen</i>)</u> of shares of the Company shall be one hundred (100) shares.</p> <p><u>2) The Company shall not issue stock certificates stating the number of shares less than one unit (<i>tangen</i>) of shares (hereinafter referred to as “Less-than-unit (<i>tangen</i>) shares”). Provided, however, this provision shall not apply to the cases provided for by the Share Handling Regulations.</u></p>
<p>Article <u>8.</u> (<u>Share Handling Regulations</u>)  Any change of the classes and/or titles of shares, purchase of shares less than <u>one unit</u> of shares, and other procedures and fees therefore relating to the shares of the Company shall be subject to the Share Handling Regulations stipulated by the Board of Directors.</p>	<p>Article <u>7.</u> (<u>Share Handling Regulations</u>)  Any change of the classes and/or titles of shares, purchase of <u>less-than-unit (<i>tangen</i>)</u> shares, and other procedures and fees therefore relating to the shares of the Company shall be subject to the Share Handling Regulations stipulated by the Board of Directors.</p>
<p>Article <u>9.</u> (<u>Transfer Agent</u>)  The Company shall have a transfer agent for shares.</p> <p>2) The transfer agent and its place of business for handling shares of the Company shall be determined by a resolution of the Board of Directors and public notice thereof shall be given.</p> <p>3) The register of shareholders and the register of <i>de facto</i> shareholders of the Company (hereinafter referred to as “register of shareholders, etc.”) shall be kept at the transfer agent’s place of business for handling shares of the Company, and any change to titles of shares, purchase of shares less than <u>one unit</u> and other procedures relating to the shares of the Company shall be handled by the transfer agent and not by the Company.</p>	<p>Article <u>8.</u> (<u>Transfer Agent</u>)  (The same as the existing one)</p> <p>(The same as the existing one)</p> <p>3) The register of shareholders and the register of <i>de facto</i> shareholders of the Company (hereinafter referred to as “register of shareholders, etc.”) shall be kept at the transfer agent’s place of business for handling shares of the Company, and any change to titles of shares, purchase of <u>less-than-unit (<i>tangen</i>)</u> shares and other procedures relating to the shares of the Company shall be handled by the transfer agent and not by the Company.</p>
<p>Article <u>10.</u> (<u>Record Date</u>)  The shareholders (including <i>de facto</i> shareholders, hereinafter the same is</p>	<p>Article <u>9.</u> (<u>Record Date</u>)  The shareholders (including <i>de facto</i> shareholders, hereinafter the same is</p>

<p>applicable) entitled to exercise their rights at the Ordinary General Meeting of Shareholders of the Company shall be the shareholders with voting rights last appearing in the register of shareholders etc. as of each closing of accounts.</p> <p>2) In addition to the preceding Paragraph, whenever necessary, the Company may, pursuant to the resolution of the Board of Directors and with a prior public notice, regard the shareholders or pledgees last appearing in the register of shareholders etc. as of a designated date as the shareholders entitled to exercise their rights.</p>	<p>applicable) entitled to exercise their rights at the Ordinary General Meeting of Shareholders of the Company shall be the shareholders with voting rights last appearing <u>or recorded</u> in the register of shareholders, etc., as of each closing of accounts.</p> <p>2) In addition to the preceding Paragraph, whenever necessary, the Company may, pursuant to the resolution of the Board of Directors and with prior public notice, regard the shareholders or pledgees last appearing <u>or recorded</u> in the register of shareholders etc., as of a designated date as the shareholders entitled to exercise their rights.</p>
<p>Article <u>11</u>. (<u>Repurchase of the Company's Stock by a Resolution of the Board of Directors</u>) <u>on and after the date of the 48th Ordinary General Meeting of Shareholders (held on June 26, 1998), the Company may, under a resolution of the Board of Directors, repurchase and cancel its own stock with net profit within a limit of 16,696,200 shares.</u></p>	<p>(To be deleted)</p>
<p>Article <u>12</u>. to (The related provisions omitted) Article <u>16</u></p>	<p>Article <u>10</u>. to (The numbers of the respective articles to be brought forward) Article <u>14</u>.</p>
<p>Article <u>17</u>. (Election) Directors shall be elected at a General Meeting of Shareholders.</p> <p>2) For the election of directors in the preceding Paragraph, not less than one-third (1/3) of <u>all the issued shares with voting rights</u> should be represented by the shareholders present.</p> <p>3) No cumulative voting shall be used for the election of directors.</p>	<p>Article <u>15</u>. (Election) (The same as the existing one)</p> <p>2) For the election of directors in the preceding Paragraph, not less than one-third (1/3) of <u>the voting rights held by all shareholders</u> should be represented by the shareholders present.</p> <p>3) (The same as the existing one)</p>
<p>Article <u>18</u>. to (The related provisions omitted) Article <u>23</u></p>	<p>Article <u>16</u>. to (The numbers of the respective articles to be brought forward) Article <u>21</u>.</p>
<p>ARTICLE <u>24</u>. (Election of Statutory Auditors) Statutory auditors shall be elected at a General Meeting of Shareholders.</p> <p>2) For the election of statutory auditors in the preceding Paragraph, <u>net less than one-third (1/3) of all the issued shares with voting rights</u> should be represented by the shareholders present.</p>	<p>ARTICLE <u>22</u>. (Election of Statutory Auditors) (The same as the existing one)</p> <p>2) For the election of statutory auditors in the preceding Paragraph, <u>not less than one-third (1/3) of the voting rights held by all shareholders</u> should be represented by the shareholders present.</p>
<p>Article <u>25</u>. to (The related provisions omitted) Article <u>28</u></p>	<p>Article <u>23</u>. to (The numbers of the respective articles to be brought forward) Article <u>26</u>.</p>
<p>Article <u>29</u>. (Dividends) Dividends of the Company shall be paid to the shareholders or the pledgees last appearing in the</p>	<p>Article <u>27</u>. (Dividends) Dividends of the Company shall be paid to the shareholders or the pledgees last appearing <u>or</u></p>

latest register of shareholders etc. of the Company as of the end of each business year.	<u>recorded</u> in the latest register of shareholders, etc., of the Company as of the end of each business year.
ARTICLE <u>30</u> . (Interim Dividends) The Company may, by a resolution of the Board of Directors, distribute cash (hereinafter referred to as “interim dividends”) to the shareholders or the pledgees last appearing in the latest register of shareholders etc. as of September 30 of each business year, under the provision of Article 293-5 of the Commercial Code.	ARTICLE <u>28</u> . (Interim Dividends) The Company may, by a resolution of the Board of Directors, distribute cash (hereinafter referred to as “interim dividends”) to the shareholders or the pledgees last appearing <u>or recorded</u> in the latest register of shareholders, etc., as of September 30 of each business year, under the provision of Article 293-5 of the Commercial Code.
Article <u>31</u> . to (The related provisions omitted) Article <u>32</u>	Article <u>29</u> . to (The numbers of the respective articles to be brought forward) Article <u>30</u> .

**Proposal No. 3:** Repurchase of the Company’s own stock

To allow for a flexible capital procurement policy, we propose the approval of the repurchase of shares of the Company’s common stock, under the provisions of Article 210 of the Commercial Code. The repurchase shall be executed following the conclusion of this meeting but prior to the conclusion of the next Ordinary General Meeting of Shareholders. The intended repurchase shall be limited to within the total purchase price of ¥10 billion and within 360 million common shares.

**Proposal No. 4:** Issuance of new stock reservation rights without charge to directors, statutory auditors and certain employees of the Company

Pursuant to the provisions of Article 280-20 and Article 280-21 of the Japanese Commercial Code, we propose the approval of our issuance of new stock reservation rights without charge (entitlement of the so-called “stock options”) to directors, statutory directors and certain employees of the Company, as well as to those of its associated companies, in the following manner.

1. Reason for issuing new stock reservation rights without charge

The Company intends to issue new stock reservation rights without charge to directors, statutory auditors and employees of the Company and also to those of its associated companies in the following manner, for the purpose of enhancing their motivation in contributing to the Company and their morale toward improving corporate performance.

2. Procedure for issuing new stock reservation rights

(1) Type and number of shares subject to the new stock reservation rights

Within the upper limit of 5 million common shares of Credit Saison Co., Ltd.

In case of a stock split or a reverse stock split by the Company of its common shares, the number of shares subject to the new stock reservation rights shall be adjusted according to the following formula. Provided, however, that such adjustment shall be done only for the number of shares being subject to the new stock reservation rights that have not been exercised as of the day of the stock split/reverse stock split within all the new stock reservation rights. The resulting fraction of shares below one (1) share shall be discarded.

Number of shares after adjustment = Number of shares before adjustment \_ Stock split (or reverse stock split) ratio

(2) Total number of new stock reservation rights issued

Within the upper limit of 50,000 units (Number of shares subject to each unit of new stock reservation right: 100 shares. However, the number of subjected shares shall comply with the adjustment as described above, if such an adjustment of shares provided for by item (1) is conducted.)

(3) Issue price of the new stock reservation rights

To be issued without charge.

(4) Amount to be subscribed in exercising the new stock reservation rights

The amount to be subscribed by a qualified person shall be the average amount of the closing stock prices (the closing price of the nearest day with transactions if no transactions were established on the issue date, of the preceding respective stock prices with transactions) for ordinary transactions of the Company's common stock at the Tokyo Stock Exchange on all the trading days in the month preceding the month in which the day of the new stock reservation rights issuance belongs. The resulting fraction below one (1) yen shall be rounded up.

When a stock split or a reverse stock split is conducted by the Company for its common stock of shares after the issuance of new stock reservation rights, the amount to be subscribed shall be adjusted according to the following formula. The resulting fractions below one (1) yen due to the adjustment shall be rounded up.

Amount to be subscribed after adjustment = Amount to be subscribed before adjustment  $\times$  1/Stock split or reverse stock split ratio

When the Company issues new shares or disposes of its own stock after the issuance of new stock reservation rights at a price lower than the market price, the amount to be subscribed shall be adjusted by applying the following formula, and the resulting fractions below one (1) yen due to the adjustment shall be rounded up. Provided, however, that such adjustment of the amount to be subscribed shall not be made, in cases of the exercise of new stock reservation rights, the transfer of its own stock under a resolution of the General Meeting of Shareholders as stipulated in Article 210-2, Paragraph 2, of the former Commercial Code and the exercise of new stock reservation rights having been issued.

Amount to be subscribed after adjustment = Amount to be subscribed before adjustment  $\times$  Number of shares outstanding + Number of shares newly issued  $\div$  Amount to be paid per share/Stock price before new stock issuance

$\div$  Number of shares outstanding + Number of shares newly issued

In the mathematical expression above, "Number of shares outstanding" excludes the number of its own shares owned by the Company from the Company's common shares issued and outstanding.

(5) Exercisable period of the new stock reservation rights

June 30, 2004, to June 29, 2007

(6) Exercise conditions of the new stock reservation rights

1) In case of retirement from office, age-limit retirement or death, a qualified person who has the new stock reservation right shall be treated as follows:

• Retirement from office (excluding dismissal) and age-limit retirement: The right is still exercisable for two (2) years after retirement.

• Death, voluntary retirement or punitive dismissal: This right shall be lost and lapsed immediately.

2) Other applicable conditions shall be prescribed by the agreement, which shall be entered into by and between the qualified persons and the Company, based on a resolution at this Ordinary General Meeting of Shareholders and a resolution at the Board of Directors.

(7) Cancellation of the new stock reservation rights and its conditions

1) In the event a consolidation agreement that determines the Company is to cease to exist is approved, if a proposal is approved for a stock swap agreement to the effect that the Company would become a fully owned subsidiary of another corporation, or if a proposal on stock transfer

is approved by a General Meeting of Shareholders, then the Company may cancel these new stock reservation rights without charge.

- 2) The Company may cancel the new stock reservation right without charge if a qualified person who has been entitled to the right no longer meets the conditions set forth in the preceding paragraph (6) 1) or 2) above.

(8) Restriction on transfer of new stock reservation rights

The transfer of new stock reservation rights shall require the approval of the Board of Directors.

**Proposal No. 5:** Election of one (1) director

To strengthen the current management system, we propose that the election of one director.

The nominee for the new director is as follows:

No.	Name (Date of birth)	Brief personal history and representative positions in other companies (*current position)	Number of the Company's shares held	Special interest in the Company
1	Fumio Ikeda (November 19, 1946)	March 1969: Joined Credit Saison Co., Ltd. March 1996: General Manager, an alliance Partner of Credit Saison Co., Ltd. October 2001: General Manager, Credit Sales Promotion Division, Credit Saison Co., Ltd.*	500	None

**Nonconsolidated Balance Sheet (as of March 31, 2002)**

(Millions of yen)

ASSETS		LIABILITIES	
Account item	Amount	Account item	Amount
<b>Current Assets</b>	<b>807,704</b>	<b>Current Liabilities</b>	<b>517,910</b>
Cash and bank deposits	43,590	Notes payable_trade	1,197
Accounts receivable_trade	420	Accounts payable_trade	115,791
Installment accounts receivable	756,397	Short-term loans	194,731
Merchandise	1,958	Current portion of long-term debt	35,171
Supplies	540	Bonds due redeemable within one year	10,000
Prepaid expenses	1,431	Convertible bonds due redeemable within one year	8,011
Deferred tax assets	5,988	Commercial paper	115,000
Short-term loans	9,998	Trade payables from assignment of obligations due redeemable within one year	11,850
Accounts receivable—other	9,339	Accounts payable—other	1,589
Other	3,830	Income taxes payable	3,642
Allowance for doubtful accounts	(25,792)	Accrued expenses	12,381
<b>Fixed Assets</b>	<b>247,131</b>	Accrued employees' bonuses	1,417
<b>Property and Equipment, at Cost</b>	<b>105,205</b>	Deposits received	2,386
Equipment for lease	77,083	Unearned income	188
Buildings	15,225	Deferred installment income	3,262
Vehicles and transport equipment	0	Other	569
Tools, furniture and fixture	6,380	<b>Long-Term Liabilities</b>	<b>296,438</b>
Land	6,433	Bonds	130,000
Construction in progress	81	Convertible bonds	7,445
Intangible Fixed Assets	6,802	Long-term debt	131,111
Leasehold rights	971	Trade payables from assignment of obligations	15,190
Software	5,573	Accrued retirement allowances for employees	8,681
Other	257	Accrued retirement allowances for directors and statutory auditors	436
<b>Investments and Other Assets</b>	<b>134,902</b>	Allowance for losses on guarantee	571
Investment securities	74,103	Guarantee money received	1,798
Investments in subsidiaries	7,642	Other	1,204
Other equity investments	790	<b>Total Liabilities</b>	<b>814,349</b>
Long-term loans	25,000		
Long-term loans to subsidiaries	10,085	<b>SHAREHOLDERS' EQUITY</b>	
Long-term prepaid expenses	5,403	<b>Common Stock</b>	<b>61,302</b>
Guarantee money deposited	7,217	<b>Statutory Reserve</b>	<b>67,736</b>
Deferred tax assets	4,365	Additional paid-in capital	64,716
Other	2,741	Legal reserve	3,020
Allowance for doubtful accounts	(2,225)	<b>Retained Earnings</b>	<b>113,692</b>
<b>Deferred Charges</b>	<b>3,004</b>	Voluntary reserve	91,756
Bond issue costs	204	Reserve for advanced depreciation of fixed assets	301
Development expenses	2,800	General reserve	91,455
		Unappropriated retained earnings at end of year	21,935
		[including net income]	[12,285]
		<b>Net Unrealized Gain on Available-for-Sale Securities</b>	<b>763</b>
		Unrealized gains on other securities	763
		<b>Treasury Stock</b>	<b>(3)</b>
		<b>Total Shareholders' Equity</b>	<b>243,491</b>
<b>Total Assets</b>	<b>1,057,840</b>	<b>Total Liabilities and Shareholders' Equity</b>	<b>1,057,840</b>



**Nonconsolidated Statement of Income** (From April 1, 2001, to March 31, 2002)

(Millions of yen)

Account item	Amount	
<b>(Ordinary Profit and Loss Section)</b>		
Ordinary profit and loss:		
<b>Operating Revenue</b>		
Comprehensive brokerage income		56,489
Individual brokerage income		1,565
Credit guarantee income		1,679
Financing fees		77,994
Operational agency income		6,375
Leasing income		
Leasing sales	27,187	
Leasing cost of sales	23,680	3,507
Income from merchandise sales		
Merchandise sales	9,281	
Merchandise cost of sales	8,308	972
Other		
Other sales	7,212	
Other cost of sales	2,237	4,975
Financial income		644
Total		154,204
<b>Operating Expenses</b>		
Selling, general and administrative expenses		105,554
Financial cost, net		
Interest expense	6,975	
Other financial expenses	426	7,401
Total		112,956
<b>Operating Income</b>		41,247
Nonoperating profit or loss:		
<b>Nonoperating Income</b>		616
<b>Nonoperating Expenses</b>		702
<b>Ordinary Profit</b>		41,161
<b>(Special Profit and Loss Section)</b>		
<b>Special Gains</b>		
Gain on sales of investment securities	27	
Gain on assignment of obligations	250	277
<b>Special Losses</b>		
Loss on disposition and sales of fixed assets	591	
Loss on write-down of investment securities	4,553	
Loss on sales of investment securities	220	
Loss on sales of investments in subsidiaries	1,596	
Loss on consolidation of subsidiaries	1,476	
Financial backup to Seiyo Development Co., Ltd.	11,700	
Other	38	20,177
<b>Income before Income Taxes</b>		21,261
Current	10,361	
Deferred	(1,385)	8,976
<b>Net Income</b>		12,285
Unappropriated retained earnings carried forward		9,650
<b>Unappropriated Retained Earnings at End of Year</b>		21,935