Credit Saison 2025
Integrated Report

CREDIT SAISON

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- Details of financial indicators, capital policy, and financial data
- Details of specific initiatives and KPIs by strategy
- An explanation of the Group's approach toward sustainability, measures aimed at mitigating risks, and specific initiatives
- Details of the Group's governance structure and efforts to confirm efficacy

Management Philosophy

We will fulfill our corporate social responsibility by striving to meet the expectations of all our customers, shareholders, and business partners.

We will compete successfully in the market by promoting our three shared values: practical implementation of the principles of customer satisfaction as a leading-edge service company; mutual respect for our interests and those of our business partners; and developing a corporate culture of creative innovation.

The Concept behind Our Logo

CREDIT SAISON

About the Company's Corporate Colors

Saison Blue

Symbolizing People's Happiness and Aspirations

Saison Green

Symbolizing Trust, Peace of Mind, Culture, and Innovation

Editorial Policy

One of Credit Saison's highest priorities is providing its wide range of stakeholders, including customers, shareholders, and investors, with accurate information in an equitable manner on a timely basis.

Credit Saison released the seventh edition of its Integrated Report in 2025. This report was prepared with the overarching theme of "An Integrated Report Told from the Future." Backcasting from our 2030 vision of becoming a "GLOBAL NEO FINANCE COMPANY," every effort has been made to clearly present the progress of our Medium-term Management Plan as well as details of the Group's strategies. We have intentionally included numerous topics that are underpinned by the Company's DNA, which has remained unchanged since its foundation, in order to convey the concrete initiatives behind each strategy. We have also featured feedback from many employees in a bid to provide background information and better communicate the commitment and sentiments of those involved.

Moreover, this report includes a "Guide to Key Points" as an adjunct to the Contents page. We hope this will help stakeholders better navigate the report based on their concerns and interests. Numerous links have also been incorporated into the report to enhance online readability. Our goal is to provide readers with a deeper understanding of our efforts to create value as we work toward our vision of a Saison Partner Economic Zone in a timely and efficient manner.

In compiling this report, we have referred to the International Integrated Reporting Framework recommended by the IFRS Foundation and the Guidance for Collaborative Value Creation issued by Japan's Ministry of Economy, Trade and Industry (METI) to produce an integrated report that is highly reliable and transparent.

To further deepen communication with our stakeholders in the years to come, we will continue to accept frank opinions from our readers, strive to disclose information in an appropriate manner, and commit to further enhancements to the report's content.

Environment Social Governance
Guidance for Collaborative Value Creation

Forward-looking Statements

This report contains information including details of the Company's management plans, projections, strategies, and estimates that are not historical facts. This information reflects the beliefs of management based on currently available information. Projections and forward-looking statements are subject to certain risks and uncertainties. As a result, projections of future performance, the business environment, and other forward-looking estimates might differ materially from actual results.

Reporting Period

This Report covers the 2024 fiscal year (FY2024: April 1, 2024, to March 31, 2025). Some activities in FY2025 are described as well.

Credit Saison's History of Business Transformation and Value Creation

GLOBAL NEO FINANCE COMPANY

—A global comprehensive life services group with finance at the core—

2030

GLOBAL
FINANCE
PAYMENT

2023 Entered the markets of Brazil and Mexico

2018 Established Kisetsu Saison Finance (India) Pvt. Ltd.

2023-2025 Selected as DX Stock for three consecutive years

2015 Established HD SAISON Finance Co., Ltd. in Vietnam

2022
Acceleration of digitalization
Transforming into a comprehensive life services group
Achieving customer success through the fusion of the real and digital worlds

2014
Acceleration of global business
Growing from a Japanese non-bank to a finance company distinctive in Asia
Established a subsidiary in Singapore

2022 Entered the mortgage guarantee business

Around 2015 Launched corporate business payment services

2017 Started offering Saison Rent Guarantee services

2013 Started offering Saison Asset Formation Loans

2002 Started Eikyufumetsu Points, a program for points that never expire

Business diversification and move away from an exclusively payment-focused business structure

2009 Entered the Flat 35 loans business

2000
Full-fledged finance business operations
Took steps to engage in the Finance Business in earnest and expanded the fee business as a new source of earnings

Early 2000s Timing for the launch of an affiliated card strategy

1985 Launched the credit guarantee business

1982 Issued the Seibu Card, a card with no annual fee, and started instant credit screening, instant card issuance, and instant use at Saison Card counters

1980
Transition to the payment business
Creating revolutionary innovations one after another to become the No. 1 credit card company

1951

The dawn of the Saison Group's philosophy and culture

Credit Saison began in May 1951 as Midoriya Co., Ltd., a department store that sold products on a monthly installment basis.
Midoriya joined the Seibu Distribution Group (later the Saison Group) due to a deterioration in its management in the 1970s and after entering a second establishment period transformed into a credit card company. Seiji Tsutsumi, the founder of the Saison Group, foresaw the growth of consumer demands after the needs for food, clothing, and shelter had been satisfied following World War II. Mr. Tsutsumi advocated an "integrated lifestyle industry" to promote distribution reform by expanding business to all areas of daily life while leading the consumption culture. "Always paying attention to the customer and providing society with new innovations"—this idea is at the heart of the Saison Group.

Value Creation Process

Contributing to the creation of a sustainable society that is even more convenient and prosperous than today's by resolving social and environmental issues

Management Philosophy Leading-edge service company

GLOBAL NEO FINANCE COMPANY

—A global comprehensive life services group with finance at the core—

Six Types of Capital

▶ P5

- Financial Capital
- Social and Related Capital
- Manufactured Capital
- Intellectual Capital
- Human Resource
- Natural Capital

Business Model

Value Created in Collaboration with Stakeholders*1

- Financial results
- Realization of a resilient organization
- Fostering motivation and diverse values
- New business/ product development
- Strengthening ability to resolve social and environmental issues

Materialities for sustainability ▶ P25

Requests from the market environment/society

[Societal issues]

- Declining birth rate, aging population
- Climate change
- Promoting conversion to cashless operations
- Digitalization
- Growing needs for asset formation

Financial results

Return on equity (ROE)	9.4% (previous fiscal year: 11.2%) *2
Shareholders' equity ratio (equity ratio attributable to owners of parent)	15.1% (previous fiscal year: 16.3%)
Group business profit	¥93.6 billion (previous fiscal year: ¥71.9 billion)
Total dividends	¥18.0 billion (previous fiscal year: ¥17.2 billion)
Total shareholder return (consolidated)	312.2% (previous fiscal year: 239.1%)

Fostering motivation and diverse values

Percentage of employees who are female	73.7%
Percentage of management personnel that are females*3	25.1%
Digital human resources	Approx. 500
Paid holiday usage rate	90.0%

New business/product development

Number of new product releases	Approx. 60
Number of NEXT SAISON*4 proposals and number of commercialization projects	Approx. 1,100 proposals 15 or more commercialized proposals

Realizing a resilient organization

Progress in social and environmental initiatives led primarily by the Sustainability Promotion Committee

Received CDP "B" score

Obtained SBTi validation/Independent third-party assurance

Implemented SaisoN eco Challenge aimed at reducing CO_2 emissions by employees

Number of dialogues held with shareholders/investors	391
Number of security incidents	0

Strengthening the ability to resolve social and environmental issues

Financial inclusion for the underserved worldwide, beyond Asia

Business alliances aimed at building a carbon-neutral and recycling-oriented society

Environmental protection activities (operation of Akagi Nature Park) About 57,000 visitors

*1 Stakeholders: Customers / Partners / Regions & Communities / Shareholders / Employees *2 Results excluding negative goodwill: 8.3% *3 General managers and managers
*4 In FY2024, we renewed our internal proposal system by integrating three initiatives: the in-house venture program "SWITCH SAISON," "Saison Kaizen" to foster a culture of continuous improvement and reform, and "NEXT SAISON" for developing new business ideas.

Six Types of Capital

Identifying the challenges and opportunities brought about by changes in society and the environment, Credit Saison is working diligently to enhance sustainable corporate value. Six types of capital are the driving force behind the Company's endeavors. By strategically leveraging and strengthening each type of capital and co-creating new value with diverse stakeholders, we will help realize a better future as a "leading-edge service company."

Six Types of Capital

Credit Saison's Strengths

Financial Capital

- Diverse financing based on high creditworthiness
- Highest level of creditworthiness for an independent non-bank

▶ P28

Social and Related Capital

- Focus on collaborative creation with all stakeholders
- Customer base with one of the highest numbers of members in the industry
- Broad-ranging customer base developed through our six businesses
- Multidimensional economic sphere consisting of credit card joint ventures, processing, and servicing

▶ P26

Rock-solid sales platform

Sound financial base

Manufactured Capital

- Track record of service development in the finance field
- System infrastructure capable of flexibly responding to change
- Tools and applications developed for internal and external use and in-house development capabilities through the CSDX strategy

▶ P22, 35

Intellectual Capital

- Meritocracy free in which age, gender, and educational background play no role
- Credit know-how nurtured over the 70-plus years since the Company's founding

▶ P22

Human Resource

- Professional human resources well-versed in the payment/finance fields
- Human resource portfolio that can implement customer strategies and improve productivity
- Organizational culture that allows creative destruction and failure
- Human resources that thrive within our universal system for all employees

▶ P18

A corporate culture that embraces challenge

Active and energetic human resources

Innovation creation capabilities

Natural Capital

- Business activities that strive to reduce environmental impacts such as those associated with climate change

▶ P25

Message from the Chairman

We are committed to building social infrastructure that enriches people's lives through innovation rooted in customers' needs

Hiroshi Rinno
Representative, Chairman and CEO

Harnessing innovation amid change

The world today is witnessing a host of disturbing trends, including the rise of single-party authoritarian regimes and countries that place their own interest above all others. This is in turn leading to unprecedented levels of division in geopolitics, both political and economic concerns as well as individual values. When considering Japan's role amid this sea of change, I believe it is vital for the nation to leverage its unique history and culture to foster multilateral cooperation and assert its presence. Should the world fall increasingly into political dysfunction, I would hope that the corporate sector would employ its strengths to bridge divisions and help resolve social issues.

Turning to the domestic economy, Japan's economic growth rate has hovered around 1% since 1997, consistently placing us last among developed countries in terms of growth potential. Against this backdrop, Japan's aging society and declining population is often viewed in negative terms. To the contrary, I would proffer that this seemingly negative aging society holds the potential to generate uniquely Japanese ideas, including the design and provision of inclusive financial services that draw on this reality.

While competition is part and parcel of business, innovation is a powerful tool for securing an edge. Credit Saison's growth is grounded in its track record of creative destruction and ability to provide innovative financial services. At the same time, we have contributed to economic growth by providing Japan's unique value to the world through both financial infrastructure and prosperity. With this in mind, I believe that the Japanese economy can achieve a level of growth that differs from that of the past by embracing new values and perspectives and expanding personal consumption, which accounts for roughly 60% of domestic GDP. Recognizing that DX and AI are key, I am convinced that our role is extremely significant.

Targeting new economic zone growth based on shared values

We are now in an era of economic zone competition. Credit Saison has declared its vision to become a "GLOBAL NEO FINANCE COMPANY" by 2030 with the aim of establishing the Saison Partner Economic Zone through shared values and flexible partnerships that extend well beyond the boundaries of a simple finance company. This economic zone differs from the enclosure-type zones of competitors that focus on point-based loyalty programs. Drawing a clear line of demarcation, we are committed to growing an economic zone that is rooted in customers' needs and one that is based on equal partnerships that are grounded in a mutual give-and-take approach, which we will then expand to the world.

Message from the Chairman

Credit Saison's focus is on B-to-B business. While Japan's cashless payment ratio exceeded the government's 40% target in FY2024, with credit cards accounting for 80%, the share of credit card payments between companies remains overwhelmingly low. Adopting a cup half full approach, this would indicate payments between companies offer considerable potential for growth. Leveraging the strength of the American Express brand, we will work diligently to realize this potential. In addition, we are engaged in the credit guarantee business through collaboration with Mitsui Fudosan Co., Ltd., TOKYU LAND CORPORATION, Daiwa House Industry Co., Ltd., and close to 400 financial institutions. Our capital and business alliance with Suruga Bank Ltd. was also a by-product of our activities in this arena. Driven by the need to address customers' concerns, we will work to resolve issues in the finance sector and contribute to the development of a sustainable society by integrating both bank and non-bank expertise and creating new financial services.

Our Global Business has steadily expanded into the Asia market. Most notably, our wholly owned subsidiary, Kisetsu Saison Finance (India) Pvt. Ltd., established in 2018, continues to exhibit remarkable growth. Kisetsu Saison Finance (India) Pvt. Ltd. is active in retail operations as well as a raft of in-house activities, including credit screening, lending, and collection. Taking also into consideration our efforts to develop financing methods that help the underserved*, including partnership lending in collaboration with FinTech operators, I am convinced that our expansion endeavors carry considerable significance. Moreover, we are contributing to regional economic growth by supporting the development of SMEs. Building on the success of our business model in India, we will take similar steps in other countries, including Brazil and Mexico.

* People and businesses that lack access to adequate financial services

Unlocking the future through the "power to be absorbed" and the "potential of human resources"

Recognizing the critical need to promote innovation, I have placed considerable importance on fostering a corporate culture that embraces challenge without the fear of failure, and securing human resources who are prepared to take on risks. In contrast to the belief that someone else will take action and the importance of an inward-looking approach, Credit Saison provides countless opportunities for its employees to think freely and to act on their own initiative. Having entrusted the Company's day-to-day management to Executive President Katsumi Mizuno, my role is to nurture people who have the ability to excel and to support their aspirations. Quite clearly, a diverse pool of human resources with a broad array of views can help accelerate the pace of innovation and corporate growth. Alternatively, people with a uniform background are unlikely to inspire free thinking or fresh viewpoints and perspectives. At the same time, for women to thrive, it is not simply a matter of increasing their representation. Women must be allowed to demonstrate their individual strengths for an organization to prosper. Reading the biographies of people who are recognized as "geniuses" worldwide, an enormous amount of hard work and effort is a common thread that sets them apart from the pack. In addition to this effort, I would offer that the "power to become absorbed" is another prerequisite for success. Based on this understanding, I strongly believe that actively promoting young employees who possess this "power to become absorbed" will bring fresh energy and dynamism to the organization. Placing confidence in and entrusting our young employees while promoting ongoing dialogue will help connect our organization that continues to generate innovation to the next generation.

Meanwhile, the next generation of human resources must pursue not only economic prosperity but also emotional well-being. Here, the "potential of human resources" is an increasingly important factor in today's digital society. In addition to understanding diversity as a matter of course, an ethical compass grounded in a liberal arts education and insights into social issues are absolutely critical. Similarly, while "the ability to uncover the right answer" is important, "the ability to ask the right question" is becoming increasingly significant.

Toward new growth as the result of innovation

The terms "leading edge" in our management philosophy, "leading-edge service company," and "NEO" in "GLOBAL NEO FINANCE COMPANY" embody our commitment to creating customer value through creative innovation. True to its management philosophy, Credit Saison has continued to promote innovation by identifying customers' needs that emerge from the gaps found in society. Our capital and business alliance with Suruga Bank Ltd. is a prime example. Moving forward, we will expand the DNA that we inherited from the former Saison Group as the Credit Saison brand worldwide.

Enriching people's lives and shaping finance as social infrastructure is the very essence of our significance to society. Traditionally defined as the creation of credit, we will work diligently to transform finance into a new form of social infrastructure through integration with data and services, thereby supporting people's lives and prosperity.

Message from the Executive President

Achieved record high profit in FY2024 In today’s world of rising interest rates, Credit Saison will accelerate growth through a process of selection and concentration

Katsumi Mizuno
Representative, Executive President and COO

Toward a GLOBAL NEO FINANCE COMPANY

Credit Saison continues to face challenges and initiate reforms, which is the essence of its DNA since the Company’s foundation. Today, this includes providing financial services to underserved people and businesses that lack access to adequate financial services. This aligns with the approach we adopted during the 1980s in Japan when we issued credit cards with no annual fees to women and young people on a same-day basis. At that time, only men employed by listed companies for an extended period could obtain a credit card. In this regard, we take great pride in promoting financial inclusion and providing women, particularly housewives, with access to financial services. Rooted in the need to address customers’ concerns and resolve issues, Credit Saison has consistently created value. Our vision for 2030 to become a “GLOBAL NEO FINANCE COMPANY”—A global comprehensive life services group with finance as our core—announced in May 2024, is in keeping with the concept of an integrated lifestyle industry advocated at that time. This vision incorporates our aspiration to grow globally with finance as our core and remains consistent with our DNA that continues to this day.

Our target business portfolio in 2030

Since assuming the position of Executive President in 2021, we have identified a 2030 business portfolio ratio structure target of 3:3:3:1 for the Payment, Finance, Global, and new businesses, respectively. While this target remains unchanged, the potential exists to raise the ratio of new businesses, which is currently set at “1,” and to achieve a ratio structure of 3:3:3:3 through the business expansion of such affiliated companies as Saison Fundex Corporation, which continue to exhibit remarkable growth, and through inorganic growth, including M&As. As far as our new business endeavors are concerned, however, we encountered a number of issues on which to reflect as we worked to become a comprehensive life services group by taking up the challenge of various business pursuits. In hindsight, our failure to succeed stemmed from our efforts to address customer concerns in areas outside the finance domain. Drawing on the lessons learned, I believe it is crucial that we maintain a core focus on finance. In this regard, we can avoid any incidence of conglomerate discount should our business diversify going forward.

▶ Medium-term Management Plan
https://corporate.saisoncard.co.jp/en/business/management/

Message from the Executive President

Toward a GLOBAL NEO FINANCE COMPANY

Credit Saison launched a new medium-term management plan in FY2024. Looking back on the first fiscal year of the plan, consolidated business profit hit a record high of ¥93.6 billion and ROE came in at 9.4%. After excluding such factors as the one-off reversal of the special allowance for the COVID-19 pandemic, the Company's consolidated business profit totaled ¥84.0 billion, which I believe is a true reflection of our underlying strength. Recognizing that this figure would pose a significant challenge just a few years ago, our ability to secure record high business profit is both a source of considerable confidence and a result that I consider worthy of note.

Credit Saison has set a business profit target of more than ¥100 billion in FY2026, the final fiscal year of its Medium-term Management Plan. Looking further ahead, and on a personal note, my goal is to help transform the Company into an entity that is capable of generating ¥200 billion in business profit by FY2030. As our competitors in Japan, including financial institutions and telecommunications carriers, launch their own economic zone concepts, I believe that establishing a solid financial base will serve as an important selection criterion for the Company, which is building the "Saison Partner Economic Zone" through flexible partnerships. Here, I am convinced that the ability to generate earnings in Japan is extremely important. Of equal importance, and as discussed later, is the need to ensure that profits are properly returned to both shareholders and employees.

Credit Saison has identified four priority themes under its Medium-term Management Plan. The first, "Thoroughly bulk up domestic businesses," continues to progress well with successful steps taken to reform the structure of the Payment Business. Our DX endeavors have also had a significant impact in recent years. In addition to the trend toward in-house paperless operations and workflows across a wide range of activities, including those in the Finance Business, through the use of IT and digitalization, we have witnessed substantial improvements in usability from various initiatives aimed at enhancing frontline interaction with customers, including reducing the time required for screening and digitalization.

As far as the second priority theme, "Utilize banking functions to accelerate each business, and strengthen financial functions," is concerned, steady progress has been made with our alliance with Suruga Bank Ltd., collaboration loans, and personnel interaction. In joining the business and screening departments of Suruga Bank, Credit Saison employees are gaining expertise in a wide range of fields, including financial techniques. More than just a one-way street, positive steps are being taken to ensure a mutually beneficial relationship. In addition to accelerating collaboration in the payment field, discussions on the exchange of personnel and use of the Company's customer base to facilitate integration with Suruga Bank accounts commenced from April 2025.

Turning to the third priority theme, "Evolution of unique global development starting from India, and bidirectional fusion between Japan and overseas," all of the Company's executives visited India in FY2024 to inspect local operations and review the status of risk management while exchanging opinions with local staff. Experiencing the growth of our business in India firsthand was extremely stimulating. Interaction between the Head Office and local Indian members also helped deepen mutual understanding. Moving forward, we will allocate resources to push forward the expansion of our business model in India to other countries, including Brazil, over the course of the Medium-term Management Plan.

Looking finally at the fourth priority theme, "Business strategy–linked employee growth and strengthening of the management base," I truly believe that a culture that welcomes challenge has been reinforced. For example, more and more employees are actively seeking the positions of manager and general manager through accelerated promotion and raising their hands for assignment to affiliated companies to broaden their experience. Credit Saison is actively encouraging employees to obtain qualifications through classroom-based study, including securities broker representative and IT passport, fostering a culture of self-improvement and learning.

Our understanding of pending issues

Despite our extremely positive results in FY2024, I recognize the need to adapt to a changing business environment.

The return to a world with interest rates is a prime example of this change. As a company that has operated under the norm of zero interest rates for many years, rising rates have significantly altered our funding environment, adding hundreds of millions to billions of yen to annual costs. However, as someone who joined the Company directly from school, Credit Saison has overcome business crises of far greater magnitude. Having recently surpassed the profit record set 18 years ago, I am confident that we can leverage the strengths of our robust management foundation to address changes in our business environment going forward.

Message from the Executive President

Another major change is the rapid evolution of AI over the past few years. While taking pride in our forward-looking efforts to promote digitalization, the sudden surge and proliferation of new technologies coupled with dramatic improvements in the precision of AI pose significant issues, most notably practical application in the Company's operations. Against this backdrop, I am convinced that this particular issue is a matter of considerable urgency and recognize the critical need to position digitalization at the heart of our management policies if we are to survive and thrive. In particular, I feel that the digitalization of the corporate division, which consolidates and manages data from various departments, has lagged compared to business division implementation owing to the disparate issues between departments. As a result, we plan to accelerate data-driven decision-making and management.

Furthermore, certain risks, including valuation losses on investments in the global business's Investment Business and sudden changes to overseas legal systems emerged in FY2024. We recognize that such unforeseen risks are part and parcel of doing business in emerging markets.

Our policy in FY2025

Despite continued progress in our structural reform endeavors in FY2024, plans are in place to review the Company's assets in FY2025 while adapting to a world with interest rates. As a part of this review, we will consider divesting or reallocating assets that fail to reach a certain level of profitability. In this sense, we will pursue a selection and concentration policy in FY 2025 when deciding where to allocate management resources and what activities to discontinue, taking into consideration future potential as well as market conditions. I am confident that this review will help lay the foundation for future profit growth.

Fostering an organizational culture and engaging in human capital management

Human resources and the Company's corporate culture that our employees help to shape generate value that is difficult to quantify. Unlike the period during which we were solely dependent on our Payment Business, our workforce has become increasingly diverse as the scope of our business has expanded into the finance, global, and related fields. In recent years, roughly one-third of the employees hired were new graduates, with the remainder recruited for their existing technological and finance expertise. Rather than prevent disparate values from entering the Company, we are refining our strengths through a process of mutual respect and recognition. I make it a point to personally meet with mid-career recruits and ask that they not abandon their existing values and freely share what it was like in their previous companies. While preserving the important aspects of our corporate culture that we have consistently upheld, I recognize that there are parts that should continue to evolve in line with changes in the market and environment.

The diversity of our human resources is also evident in the makeup of our Board of Directors. I am, for example, the only member who joined Credit Saison straight from school as a regular employee. Board members freely voice their opinions and engage in lively debate. This ability to draw on multifaceted perspectives allows us to find the optimal solution.

Dialogue with employees is also one area on which I have particularly focused. On numerous occasions each year, I make it a point to communicate directly with employees the business challenges that we face and the course that we hope to take over the medium term. These face-to-face meetings are an opportunity to bridge the gap between management and the front line. Naturally, the directors and general managers in charge of each business also convey a uniform message. As such, I believe that management issues and our medium-term direction is well shared throughout the Company as a whole. For example, should you ask what is a key management issue today, the uniform answer will be rising interest rates. I am convinced that this unity with the front line is a significant strength.

Human resources are the cornerstone of our business foundation. As I look to the future, I will work to expand the return of profits not only to shareholders but also employees, focusing especially on improving compensation. In FY2024, the Company paid an across the board financial bonus to all employees of just under ¥1 million. I believe that this payment encouraged many employees to pay closer attention to the Company's performance and that the amount made an impact both internally and externally. The next step is to allow for base pay increases. In his 2025 New Year's address, Chairman Rinno announced that he hoped to lift the Company's average annual salary to ¥10 million. I too am committed to achieving this target and will endeavor to establish a system that allows us to generously reward employees who are particularly dedicated and hardworking.

Message from the Executive President

Enhancing our governance structure

Members of the Board of Directors engage in lively debate while commenting on and asking questions from a variety of perspectives about the explanations provided by executive officers. While witnessing a certain degree of turnover since 2025, I feel that Board's effectiveness has increased.

Corporate governance is an ongoing endeavor with no fixed end goal. While certain institutional investors have shared their opinions about our current structure largely driven by Chairman Rinno and myself, I am confident that this very structure is a key factor that allows us to secure an effective governance function with execution entrusted to me. I believe that the benefits to accrue from my unique position as the only Board member with firsthand knowledge of the Company's history, coupled with the networks that only Chairman Rinno can provide, are plentiful. Moving forward, I hope to maintain this structure as a source of corporate value.

A message for stakeholders

I strongly believe that the record profits of FY2024 are a reflection of the substantial transformation of our portfolio from the days when we were solely dependent on our Payment Business. Having said this, I also believe that Credit Saison is only part way through its growth journey. My expectations toward the Global Business, which is exhibiting remarkable growth, are especially high given its unlimited potential. After a decade-long period of preparation, I feel that the Global Business is finally taking shape. I am confident that we can accelerate growth even further over the next decade.

Meanwhile, Credit Saison's PBR currently stands below 1 times and is below its book value. As a result of the steady progress made in structural reforms and our capital strategy, we are already in sight of the targets set for the final fiscal year of the Medium-term Management Plan—¥100 billion in business profit and an ROE of 9.5%—in the first fiscal year. As far as the Company's PBR is concerned, we plan to steadfastly address those aspects that are within our control and move closer to our target through continuous hard work.

While welcoming the expectations of stakeholders, I humbly ask for your continued understanding and support over the long term.

Message from the Executive Vice President

Working to sustainably enhance our corporate value by putting in place the necessary pieces one by one

Naoki Takahashi
Representative, Executive Vice President and CHO

Toward a GLOBAL NEO FINANCE COMPANY

Credit Saison's vision is to become a "GLOBAL NEO FINANCE COMPANY" by 2030. If we equate this to the summit of a mountain, I believe that we are gradually putting in place the necessary pieces to realize our vision and have reached the fourth or fifth station of our journey.

Drawing on our track record as a non-bank grounded in retail operations, one missing piece is the ability to fulfill a banking function. In the finance sector in Japan, banks and non-banks are governed by the Banking Act and the Money Lending Business Act, respectively, each with different areas of expertise. Taking into consideration the convenience of customers, collaboration between banks and non-banks and the ability to provide timely, one-stop services is ideal. With this in mind, Credit Saison and Suruga Bank Ltd., both with strengths in the retail sector, entered into a capital and business alliance in May 2023. While it is common for domestic banks to invest in non-banks, the reverse, our investment as a non-bank in a bank, was a first in Japan. Before entering into this alliance, we carefully reviewed Suruga Bank's governance structure and financial soundness as well as such factors as any past history of fraudulent loan practices. As a result, we determined that the bank's finances were extremely robust and that the benefits that would accrue from securing banking functions far outweighed any reputational risks.

Another missing piece of considerable importance is the need to strengthen the Payment Business. Today, we are confronted by the structural issue of climbing funding costs attributable to the upswing in interest rates. This in turn is placing undue pressure on Payment Business earnings. Under these circumstances, and in an effort to ensure sustainable growth, it is imperative that we upgrade and expand revolving and installment payment services, thereby increasing profits through commission fees.

At the same time, we must put in place a structure that is capable of generating profits through not only debt (lending) but also equity (investment) to establish a revenue base that is less susceptible to economic fluctuations. Based on this understanding, we launched a joint fund business in collaboration with a domestic independent fund focusing mainly on small and medium-sized enterprises (SMEs). In a bid to address business revitalization and succession concerns, we are working to provide companies with support on a hands-on basis through the development of a revitalization fund business. This includes supporting companies burdened by excessive debt in their restructuring endeavors and addressing the business succession concerns of companies facing a lack of candidates.

Regardless of whether they are unsecured or secured, the likelihood that non-performing loans will occur increases as economic conditions deteriorate. With this in mind, we put in place a structure where secured and unsecured loans are handled by the servicer business of Saison Fundex Corporation and SAISON COLLECTION SERVICE, respectively, in preparation for a downturn in the economy.

The securities business is also an important piece of the puzzle. Engaging in the securities business allows us to expand the balance of assets under custody while creating fee and commission income opportunities through the application of customers' assets. In addition to asset formation loans, we are focusing on the development and provision of a wide range of financial products that support members' asset management.

Moreover, the independent financial advisor (IFA) business is crucial to our expansion endeavors going forward. In the United States, payments for asset management advice from independent financial planners (FPs) are well-entrenched. While still in a development phase, member surveys have confirmed growing demand for asset management advice in Japan. In light of this demand, Credit Saison entered into a business and capital alliance with Broad-minded Co., Ltd., which boasts a large network of independent FPs. Looking ahead, we will strengthen the activities of SAISON ASSET MANAGEMENT CO.,LTD. and work to increase future fee and commission income through Broad-minded.

Credit Saison is committed to entering other fields. By filling in the pieces one by one, we will realize our vision of becoming a "GLOBAL NEO FINANCE COMPANY."

Message from the Executive Vice President

Results of our alliance with Suruga Bank

Credit Saison has enjoyed steady growth since the start of collaboration with Suruga Bank in FY2023. The balance of new collaboration loans exceeded ¥100 billion as of June 30, 2025, with mortgage guarantees expanding to approximately ¥25 billion. Suruga Bank's housing loans feature a number of distinctive characteristics. In addition to loans to foreign nationals without permanent residency, the bank offers, for example, loans of up to 50 years and in excess of ¥200 million. Making the most of these strengths, we began undertaking housing loan brokerage activities as an agent of the bank from March 2024.

Moreover, synergies continue to emerge through mutual customer referrals. As a case in point, there are instances where we take on applications that have fallen short of Suruga Bank's screening process. Alternatively, we refer applications such as loans secured by residential properties that are difficult to handle to the bank. In this manner, we are witnessing steady progress in collaboration that complements each other's functions.

Cognizant of the bank's need to build up its sticky deposit balances, we commenced the joint development of an American Express (AMEX) credit card for Suruga Bank depositors from FY2024 in the payment domain. This product lifts the level of stickiness by linking credit cards to Suruga Bank accounts for payment. Currently, the number of accounts has expanded to just under 3,000.

This partnership also extends to the active exchange of personnel. To maximize the benefits of the capital and business alliance, it is vital that we develop diverse services under an integrated platform. Both Credit Saison and Suruga Bank maintain nationwide customer networks, focus largely on the retail sector, and share compatible corporate cultures. Against this backdrop, I sense that the employees of both entities are working to secure additional results from the capital and business alliance. Engaging in collaboration that extends beyond departmental boundaries, employees are becoming increasingly aware of the importance of generating synergies.

Addressing two issues to enhance corporate value

Credit Saison must address two important issues if it is to enhance its corporate value going forward.

First, we must engage in management that focuses on the balance sheet. For many years, Credit Saison's operations focused largely on profit and loss, centered on the Credit Card Business. With interest rates projected to rise, however, it is vital that we rebuild our business portfolio taking into consideration asset efficiency and such key indices as RORA, ROE, and ROIC, as well as WACC. In addition, we will undertake a review of the quantified risks of each existing business as necessary and allocate risk capital accordingly. In doing so, we will flexibly reallocate management resources to actively expand into new fields while ensuring the soundness of existing businesses.

As a second issue, we must improve employee compensation. As we work to transform our business, it is important that we put in place a compensation structure and systems that compare favorably with not only the traditional credit card industry but also the broader finance sector, including financial institutions in general and companies that target high net worth individuals and SMEs. In July 2025, Credit Saison paid a financial bonus to all employees of approximately ¥1 million, a portion of which was in the form of phantom stock. I would argue, however, that this is still not enough to consistently secure talented personnel. Conscious of the need to revise our human resources profile in line with the transformation of our business, we will work to further develop existing personnel while ramping up our mid-career hiring endeavors.

A distinctively unique flexible economic zone

Credit Saison largely targets wealthy individuals and SMEs, including sole proprietors and SME owners. Here, we work to build a flexible economic zone not found in other markets. To date, we have pursued broad partnerships with diverse companies in a bid to expand our membership base. In the future, we will further refine our membership of approximately 33 million and look toward tailoring our lineup of services in line with their contribution to earnings. Moreover, we will build mutually beneficial relationships when cultivating new partners by providing services from both the bank and non-bank perspectives to companies that share our target demographic and customer base but lack financial functions.

To our stakeholders

Credit Saison's stakeholders include shareholders, investors, customers, employees, local communities, and government authorities. It is important that we convey details of the Company's vision and its plans going forward in a clear and easy-to-understand way.

Looking ahead, we will continue to emphasize dialogue and work to further enhance communication. As we work toward achieving our goals, we ask for your continued support and understanding.

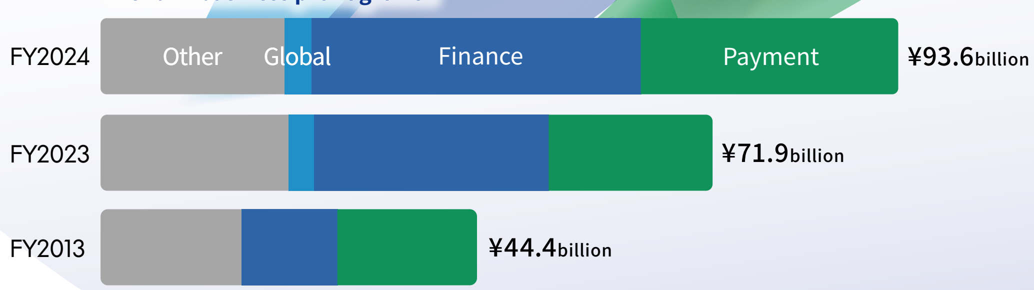
Transforming the Business Portfolio

A DNA of facing challenges and initiating reforms aimed at 2030 and beyond

Driven by its DNA of facing challenges and initiating reforms, something that has been a part of the Company since its founding, Credit Saison ceaselessly generates innovation through its customer-centric thinking and partnerships while balancing business portfolio transformation with growth acceleration. The Payment Business, which is grounded on premium strategies; the Finance Business, which is centered on the Credit Guarantee and Real Estate Finance businesses, and the Global Business, which is underpinned by activities in India, Brazil, and Vietnam, are seeking to achieve business transformation. At the same time, every effort is being made to strengthen human capital in a way that encourages employees to take on challenges and to evolve. This is all while bolstering employee growth and the management base through the CSDX Strategy, which seeks to apply digital technologies as a means of business innovation and transformation. Through the power to create value in a way that does not fear change, Credit Saison will work steadily to realize its vision of becoming a "GLOBAL NEO FINANCE COMPANY."

Our vision for 2030

Trend in business profit growth



DNA of facing challenges and initiating reforms

Creation of customer-centric services

Ceaseless innovation

Credit Saison's Strengths

Overview of the First Year of the Medium-term Management Plan

As the first year of the three-year Medium-term Management Plan, FY2024 was a year in which Credit Saison aimed to evolve into a "GLOBAL NEO FINANCE COMPANY" and endeavored to strengthen its foundation.

▶ Financial Results Briefing https://corporate.saisoncard.co.jp/wr_html/ir/data/en/o3g2as00000001ja-att/o3g2as00000001l2.pdf

Overall Review

A year of redefining and implementing our "earning power" to achieve the ¥100.0 billion business profit target

During the first year of the Medium-term Management Plan, Credit Saison committed to strengthening the foundation of each strategy. Specifically, we worked to deploy various strategies under four priority themes: (1) Thoroughly bulk up domestic businesses; (2) Utilize banking functions to accelerate each business and strengthen financial functions; (3) Evolve unique global development starting from India and create bidirectional fusion between Japan and overseas; and (4) Business strategy–linked employee growth and strengthen the management base. Along with steady growth in the domestic Payment and Finance businesses, expansion in the Global Business as our third core business and other positive trends in each segment drove consolidated business profit to a historic high of ¥93.6 billion.

Moreover, having announced our approach to achieving management that is conscious of the cost of capital and the stock price, we advanced a capital policy aimed at achieving a PBR of more than 1. Of the ¥70 billion target for share buybacks under the three-year Medium-term Management Plan, we acquired ¥50 billion in treasury shares during the first fiscal year. In addition to presenting a policy for acquiring the remaining ¥20 billion during the second year, we made steady progress in our policy of achieving reductions equivalent to 70% of cross-shareholdings.

Results

- Achieved steady growth in the three core businesses of Payment, Finance, and Global
- Enhanced productivity through the CSDX Strategy for supporting business and was selected as a DX Stock for the third consecutive year
- Strengthened management that is conscious of the cost of capital and the stock price to enhance corporate value
- Acquired ¥50 billion in treasury shares during the first year of the Medium-term Management Plan, with plans to continue reducing cross-shareholdings
- Realized a 10% average annual salary increase through end-of-fiscal-year bonus payments, and increased awareness of business results and the stock price among employees

FY2024 Financial Results Summary

Record high profit

* Also achieved record high consolidated business profit (¥84.0 billion) excluding special factors, such as the reversal of the special allowance

"Earning power"

	FY2023 Consolidated Results	FY2024 Consolidated Targets	FY2024 Consolidated Results
Net revenue	¥361.6 billion	¥413.0 billion	¥422.8 billion
Business profit	¥71.9 billion	¥77.0 billion	¥93.6 billion
Net income	¥72.9 billion	¥52.0 billion*1	¥66.3 billion
EPS	¥332*2	¥319	¥423
ROE	8.3%*2	7.5%	9.4%
Shareholders' equity ratio	16.3%	Approx. 15%	15.1%

*1 Profits decreased due to the impact of recording an amount equivalent to gain on negative goodwill due to the conversion of Suruga Bank into an affiliated company accounted for by the equity-method application to Suruga Bank in the previous fiscal year as investment profit under the equity method.
*2 Results excluding negative goodwill

▶ Investor Relations (IR) https://corporate.saisoncard.co.jp/en/ir/

Overview of the First Year of the Medium-term Management Plan

GLOBAL

Global Business

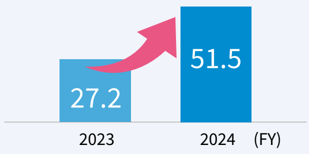
- Our core lending business grew steadily. Business profit came in at ¥3.3 billion, yen and there was an increased allowance for expected credit loss (ECL) in response to the regulatory and market environment in each country. Other factors impacting business profit included valuation losses on investments in the Investment Business.

Kisetsu Saison Finance (India) Pvt. Ltd. steadily expanded its receivables balance while engaging in risk control activities. In addition to Vietnam trending toward a recovery, Brazil steadily embarked on a path to growth based on the Company's successful India playbook.

Net revenue **51.5** billion yen

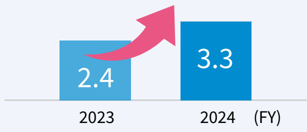
Up 89.4% YoY

(Billions of yen)



Business profit **3.3** billion yen

Up 36.6% YoY



FINANCE

Finance Business

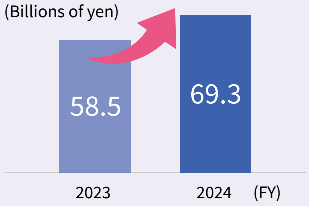
- Credit Saison expanded real estate finance–related products, and earnings from variable interest rate products increased in line with rising interest rates.
- Saison Fundex and Suruga Bank continued to expand their profit contribution, coming in at ¥38.6 billion.

The receivables balance in the Credit Guarantee and Real Estate Finance areas for Credit Saison and Saison Fundex grew steadily owing to an expanded range of partners. The past year saw solid progress in the Group's efforts to expand the business foundation, including steady advancement in collaboration with Suruga Bank.

Net revenue **69.3** billion yen

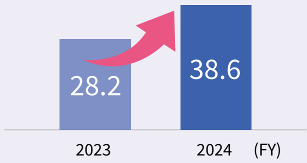
Up 18.6% YoY

(Billions of yen)



Business profit **38.6** billion yen

Up 36.8% YoY



PAYMENT

Payment Business

- Changes in the customer base driven by promotions for our premium strategy, along with the increase in revolving fee rates and the impact of special factors such as the reversal of the special allowance contributed to increased profits, which came in at ¥30.3 billion.

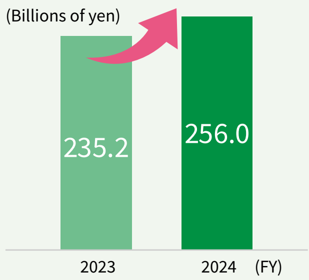
The Payment Business made a clear shift from credit cards with no annual fee to credit cards for premium segments and SMEs, while strategies that prioritize profitability found success.

Segment profit expanded significantly to ¥30.3 billion, and the Payment Business produced results, including the shift to a structure in which premium members generate approximately 45% of profit while accounting for approximately 20% of all active members.

Net revenue **256.0** billion yen

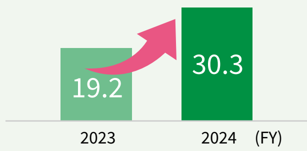
Up 8.8% YoY

(Billions of yen)



Business profit **30.3** billion yen

Up 57.4% YoY



Second Year of the Medium-term Management Plan: Implementing and Verifying Efforts Aimed at Sustainable Growth

Enhancing "sustainable growth potential" with the aim of evolving into a robust business model and management base for the future

Achieved Record High Profit in FY2024. In FY2025, We will Work to "Accelerate Growth on the Basis of Merit."

When looking at FY2024 in terms of consolidated business profit, we achieved a record high ¥84 billion excluding the special allowance, showcasing that our "earning power" has strengthened. In FY2025, we will work to achieve consolidated business profit of ¥96 billion while eliminating special factors from the previous fiscal year and fending off the impacts of interest rate hikes. Moreover, to accomplish our evolution into a robust business model and management base for the future, we will strive to enhance "sustainable growth potential" with an eye to the final fiscal year of the Medium-term Management Plan and beyond.

FY2025 Progress Update

Released in August 2025, first-quarter financial results indicated higher revenue and profit, with net revenue of ¥108.9 billion and business profit of ¥22.9 billion. On the other hand, quarterly profit declined ¥16 billion due to the recording of impairment losses associated with the sale of a portion of Suruga Bank shares. Although we will revise the segment plans in response to the differences in performance for each segment due to the rebound from the previous fiscal year and special factors, we will continue to pursue efforts aimed at achieving the planned consolidated business profit target for the full fiscal year, which remains unchanged at ¥96 billion.

Medium-term Management Plan and Priority Themes (P)

- Thoroughly bulk up domestic businesses
- Utilize banking functions to accelerate each business and strengthen financial functions
- Evolve unique global development starting from India and create bidirectional fusion between Japan and overseas
- Business strategy–linked employee growth and strengthen the management base

FY2024 Initiatives (D)

- Global: Expand the India business and implement horizontal development of the India model
- Finance: Increase profits through Group business
- Payment: Improve profitability through a premium strategy and structural membership reforms
- Human Resource Strategy: Foster competitiveness
- CSDX Strategy: Promote DX by all Group employees

FY2025 Direction (A)

- FY2025 plan: Consolidated business profit ¥96.0 billion/ ROE 9.4%

Global ▶P31
Expanding business in India and Brazil, and risk management

Finance ▶P35
Integrating Finance with the Payment Business through new product releases, and ongoing cultivation of Group business

Payment ▶P39
Improving profitability through profitability-enhancing DX centered on premium strategies

Human Resource Strategy ▶P18 CSDX Strategy ▶P22

FY2024 Results (C)

- Global: Business expansion in India and steady growth in Brazil
- Finance: Expansion of real estate finance–related products and a higher profit contribution by Suruga Bank and other Group companies
- Payment: Progress in premium strategies and higher profitability resulting from a review of product appeal
- Human Resource Strategy: +10% average growth in annual wages and implementation of an engagement survey
- CSDX Strategy: Selected as a DX Stock for three consecutive years, and received the "Excellence Award in the Business Transformation (BX) Category" of the "Japan DX Awards 2024"

Capital Policy

Under our capital policy, we have made steady progress in the various initiatives raised in the Medium-term Management Plan and had undertaken the acquisition of ¥61.5 billion in treasury shares (87.9% progress rate) as of the end of July 2025. In terms of reductions equivalent to 70% of cross-shareholdings, our progress rate reached 58.7%. Moreover, under our policy of delivering stable and continuous dividends, in FY2025 we expect to increase the dividend for a fifth consecutive year to ¥130 per share, a level that stands approximately three times above that from five years ago. We will continue our efforts in a bid to secure a payout ratio of at least 30%.

Summary

To achieve our vision for 2030 to become a "GLOBAL NEO FINANCE COMPANY," we will work diligently to reach our consolidated business profit target of ¥100 billion and a PBR of more than 1 in FY2026, the final fiscal year of the Medium-term Management Plan. In light of this, we are striving to enhance corporate value. To move beyond the scope of a simple finance company, we will continue to drive forward with the goal of emerging as a presence that achieves synergy on a global basis through the "Saison Partner Economic Zone" in which we create partnerships.

Human Resources Strategy

Message from the Managing Executive Officer in charge

Connecting human resources who possess the power to be absorbed and organizations to businesses as we carry out our management strategies

Ryuki Tabata
Managing Executive Officer
Head of General Affairs Dept.,
Strategic Human Resources Dept.,
In charge of Processing Sales Dept.

I define the "diverse human resources who enjoy change and continue to take on the challenge of creating value" as "human resources who possess the power to be absorbed." Having adopted becoming a "GLOBAL NEO FINANCE COMPANY" by 2030 as our overarching vision, we are continually taking on new challenges. We are working to develop the Credit Saison Group by linking management and human resource strategies in a bid to carry out our management strategies.

Increasing the Human Resources Who Are Persistent and Can Create and Expand Businesses

Credit Saison has a culture of nurturing people through its business, and we entrust young employees with work that gives them a certain amount of decision-making authority. In line with our corporate culture of being "open, frank, and innovative," we also provide growth opportunities where employees can take on challenges without fear of failure. We invest in human resource development and growth to encourage employees to learn and acquire abilities and skills as well as to take the next step on their own while making the most of their own strengths.

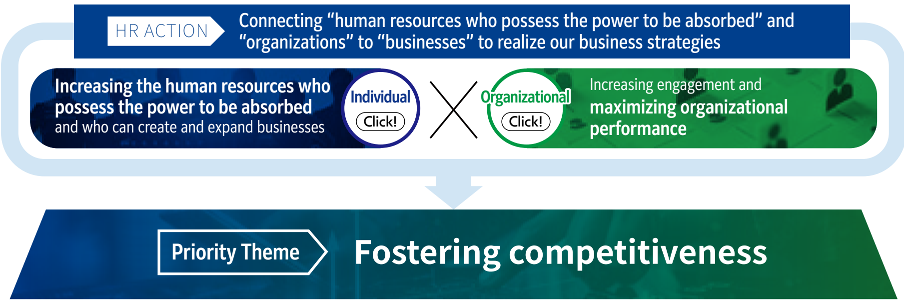
Increasing Engagement and Maximizing Organizational Performance

To continue to create new value as a "leading-edge service company," I believe it is important to promote organizational culture reform that allows employees to take on challenges without fear of failure and to maximize the performance of each and every employee.

The Human Resource Business Partner (HRBP) within the Strategic Human Resources Department is responsible for supporting business growth from a human resources perspective as an HR business partner for business divisions and Group companies. Our human resources mission is to connect people and organizations to business and achieve the growth of both. Cognizant of the connection between employee growth and business strategies going forward, I will aim for the ongoing evolution of the Credit Saison Group while fulfilling my role as a human resources manager.

—Medium-term HR Strategy (FY2024-2026)

Implementing a more consistent human resources strategy by adopting a human resources policy that articulates the unique essence of Credit Saison.



Rewarding High-achieving Employees with Commensurate Compensation

For FY2025, the second year of our Medium-term Management Plan, we have set as a priority theme "Building a culture that rewards challenges, properly evaluates results, and enhances the vitality of the entire organization." To foster a competitive organizational culture, the Strategic Human Resources Department rewards employees who achieve high results. In line with the basic policy of our compensation system, which states that advanced roles (with higher compensation) to be challenged for and earned by employees through their own will and actions, we are promoting priority investments in a selective manner to expand growth opportunities for our human resources and to support their skill development. Ultimately, I believe that this will not only help to develop the skills of our employees but also increase the Company's market value. In an uncertain world where the future is difficult to predict, it is my belief that this essentially protects employees.

In April 2025, we conducted a review of the evaluation process and undertook an evaluation of actions when taking on challenges and their results. We also devised ways to foster an organizational culture in which all employees worked to achieve our corporate profit and improve employee motivation through the payment of a financial bonus based on a performance-linked bonus system, and return profits to our employees. We will continue to consider how we should invest in our human resources and promote human resources strategies that are in line with our management strategies.

Human Resource Strategy

Formulating the “Credit Saison Human Resource Policy”

Among the many issues that need to be addressed if we are to realize our management strategy, we felt it was necessary to clarify our thoughts on what we value in terms of human resources and how we interact with our employees. In light of the aforementioned, we formulated the “Credit Saison Human Resource Policy” in September 2024. The Human Resource Policy was not decided by a few members of the management team and managers, but rather through repeated discussions where many members, regardless of position or age, participated and exchanged opinions to arrive at the optimal solution. The aim was to clearly put into words what stays true to “Credit Saison,” such as those things that the Company has always held dear throughout its history. On the basis that the Policy remains acutely aware of the connection between employee growth and management and business strategies going forward, I am committed to pursuing the ongoing evolution of the Credit Saison Group while fulfilling my role as a human resources manager.

POLICY 01 — The meaning of work
Realizing our management philosophy through an open, frank, and innovative culture

POLICY 02 — Desired talent profile
Employing diverse talent that can enjoy change and continue to take on the challenge of creating value.

POLICY 03 — Recruitment
Combining human resources who can adapt to diverse business development with human resources who possess specialized skills to flexibly respond to business expansion.

POLICY 04 — Wages
Paying salaries based on expected roles while providing bonuses for those who actively take on challenges and produce results through their actions.

POLICY 05 — Assessment
Completing assessments of actions and results that come from employees taking on challenges through their own will.

POLICY 06 — Human resource utilization
Utilizing human resources while enabling them to demonstrate their individual strengths regardless of age, gender, or occupation.

Individual Increasing the human resources who possess the power to be absorbed and who can create and expand businesses

Key Indicators

Number of Group employees	3,624
Ratio of female managers	25.1% ▶ Maintain at 25.0% or higher (FY2025 Target)
Ratio of men taking childcare leave	86.2% ▶ 100.0% (FY2025 Target)
Human resource development investment per employee	¥177,900 〈101.7%〉
Internal recruitment system Number of “Open Challenge” entries	88 〈135.4%〉
Number of people seconded to affiliated companies	506 〈107.4%〉
Ratio of health checkups for lifestyle-related diseases	99.9%
Ratio of employees who have undergone a mental health stress test	87.3%

* As of the end of March 2025 / Credit Saison non-consolidated / 〈 〉: YoY

Feedback from Employees

After taking (paternity) childcare leave

I knew of many other employees who were also taking childcare leave, so there was no hesitation on my part to apply. The handover of work was also smooth, and I was able to create an environment in which I could focus on looking after my child without worry. While taking leave, I was able to spend a significant amount of time with my child, including being present at birth, which was an extremely valuable experience. While feeling the joy of watching my child grow up healthily and change every day, the lessons learned and insights gained from spending time with my family were of great value, so I am glad I took childcare leave.

Atsuhiro Tanaka
Saison AMEX Sales Dept.

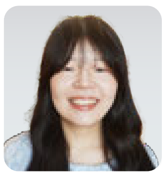
“Open Challenge” internal recruitment system

We are implementing the “Open Challenge” internal open recruitment system with two aims: To encourage employees to take on challenges and pursue career self-direction, and to give added impetus to the achievement of organizational results at the Company and its affiliates. In FY2024, the number of placement postings from affiliated companies increased to 20 (an increase of 200% compared with the previous fiscal year), and thus many employees have been transferred and are taking on new challenges and playing active roles in new fields.

Feedback from Employees

“Leveraging previous experience to take on new challenges”

Before the open challenge, I had worked at a call center. As I had heard feedback from customers on a daily basis, I wanted to be involved in creating better online customer services and so applied for a position in the Digital System Department, which is responsible for cardholder services. Not only making use of my previous experience, I am also learning something new every day, so I am glad I decided to take on the challenges of the internal recruitment system.



Kumiko Nakano
Digital System Dept.

Human Resource Strategy

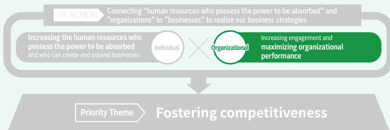
NEXT SAISON

Credit Saison renewed "NEXT SAISON" in FY2024. Held annually since FY2021, this initiative calls on executives to demonstrate leadership in realizing management strategies and to work with employees to develop new business plans. With the aim of cultivating a culture in which proposals and opinions are simultaneously exchanged by all employees, we undertook a renewal, which integrated the SWITCH SAISON in-house ventures program and the "Saison Kaizen" program for cultivating a culture of improvement and reform. The Company received 25 proposals in FY2024.

Challenge-based promotion system

The product of a NEXT SAISON proposal, the challenge-based promotion system values the spirit of "creative destruction" that has been passed down as Credit Saison's DNA. This is a new system that aims to foster a culture that encourages proactive responses to challenges and allows all employees, regardless of employment status, to raise their hands and take on challenges in managerial positions. In FY2024, there were more than 10 applicants, three of whom were able to obtain their desired positions.

Organizational Increasing engagement and **maximizing organizational performance**



Engagement surveys

With the aim of fostering an organizational climate that maximizes performance, we collect feedback from the front lines to obtain in visual form the current status of organizations, teams, and individuals. The issues identified through the engagement survey are used in dialogue with each business division as part of HRBP activities, and the scores are used to examine and implement initiatives to revitalize the organization. This also helps to improve the working environment with the aim of sustainable corporate growth.

Engagement surveys × Creation of communication opportunities that transcend departments and business performance

We launched the Full of Communication (FOC) promotion meeting initiative in April 2023 to facilitate smooth communication in our operations by expanding our network both inside and outside the Company. Working to create opportunities for communication across departments and companies while enjoying food and drinks, the Company held a TGIF event for section managers with the aim of "making teams even stronger" in February 2025. We shared how to utilize engagement survey data and each team's efforts to improve engagement.

Saison Resilience

With the aim of developing people and organizations that are resilient to change, we are implementing Saison Resilience for executives and department heads to enhance their ability to lead the organization powerfully in times of adversity. In FY2024, we expanded the scope of eligibility to include executives of affiliated companies, and the cumulative total of people who have participated in the program since its introduction stands at 40.

New employee orientation ceremony held at Akagi Nature Park

In October 2024, we held a new employee orientation ceremony at the Company-operated Akagi Nature Park for those who were scheduled to join the Company in FY2025. Unique to Credit Saison, this "new employee orientation ceremony held in nature" has been held every year since 2023 with the aim of allowing employees to experience the Company's DNA, which places importance on cultural activities.

"Toward the organizational revitalization of the entire Public Relations Office"

Feedback from Employees

While we have seen positive changes among individuals, particularly in areas such as health, the most meaningful outcome has been the realization of the true purpose of resilience—fostering a transformation in organizational behavior.

To address the "second area" that is not urgent but remains highly important, the Public Relations Office is setting clear goals and advancing the PDCA cycle with a focus on aligning initiatives with each individual's values.

Mariko Yamabe
Manager, Public Relations Office

"The confidence and connection gifted by nature"

Feedback from Employees

The new employee orientation ceremony in natural surroundings was a special experience, just like going on a short trip. With activities that included the throwing game mölkky and making baked apples, as well as listening to lectures with the sunlight filtering through the trees, I bonded and made friends in an open spirit with my colleagues through nature. The ceremony helped to ease the trepidation I had felt about joining a workforce and having lifted a weight from my shoulders gave me the confidence to take the first step.

Soichiro Urata
FY2025 New Employee
Credit Guarantee Dept.

Human Resource Strategy

Diversity, Equity & Inclusion

As a "leading-edge service company," Credit Saison works to create an organization in which diverse human resources can fulfill active roles in their own way to provide new value to society. The DE&I Promotion Working Group (WG), a subordinate body of the Sustainability Promotion Committee, which was established in August 2021 and is also attended by the Representative, Executive President and COO, is central to these efforts. By improving systems and fostering mutual understanding, we are working to create environments in which all employees can work comfortably and demonstrate their abilities.

Business Support Team

The Business Support Team was established in April 2024 with the aim of creating new employment opportunities for people with disabilities. Team members perform routine internal tasks, thereby contributing to the improvement of work efficiency and resource creation in each department. Since the start of its operations, we have received a great deal of positive feedback from within the Company and the number of requests has increased. Currently recruiting new members to expand our team, we will continue to contribute to further improving work efficiency within the Company.

Turning Diversity into a Strength WEEK 2025

Following on from the previous fiscal year, we held a Group-wide event on DE&I in March 2025. Although this year's event was held over fewer days, a total of 300 people participated. By considering DE&I from various angles, for example, with talks by experts and roundtable discussions between management and employees, the aspects we covered included how to instill understanding in the workplace and how each individual should approach the subject of diversity.

Creating an organizational culture in which everyone works together to increase corporate value

TOPICS All employees received a financial bonus of approximately ¥1 million

We have introduced a performance-linked compensation system so that each and every one of our employees remains conscious of our business performance and stock price. Through these efforts, we aim to foster a greater desire to achieve business targets and to motivate our employees in their work.
(For the press release, please click here [Japanese only].)

The financial bonus is a fixed percentage of any non-consolidated ordinary profit that exceeds the initial plan for the fiscal year. Under the system we have in place, two-thirds of this bonus is paid to employees in the form of cash and one-third in phantom stock. In July 2025, we paid a flat-rate payment of approximately ¥978,000* to all employees. Compared to the theoretical annual salary, young employees who just joined the Company received an increase of around 23%, while those responsible for routine tasks such as operations, who account for more than 20% of our total workforce, saw an increase of around 30%.

The ratio of employees who are members in our Ownership association plan stood at 53.8% as of the end of FY2024. Factors such as the number of companies participating in the Group stock Ownership plan, which has expanded to six, have led to heightened employee awareness of our corporate value (stock price) and their increased participation in management.

* Total of cash payments in FY2024 and phantom stocks in FY2022 and FY2023

Feedback from Employees

"An opportunity to become aware of the stock price"

Since receiving my financial bonus, I have become much more aware of the Company's stock price and performance. Having received payment in the form of phantom stock in past years, I gained an even stronger sense of how my work is directly linked to the Company's success. While I want to grow as a person who can contribute to business profit, I feel that there is also a need for me to keep an eye on social and economic trends. Going forward, I will work to help enhance corporate value by adopting a broader approach to my work.

Yuki Ikehata
Finance Planning Dept.

CSDX Strategy

Message from the Director in Charge

Taking up the challenge of CSAX (Credit Saison AI Transformation)

Kazutoshi Ono
Director, Senior Managing Executive Officer and CDO, CTO
Group-wide DX strategy
Head of CSDX Development Dept., Information Security Management Dept., Customer Success Division

Since ChatGPT sent shockwaves through society in 2022, generative AI has continued to dramatically and rapidly change the traditional ways of working and living. Credit Saison had begun full-scale DX in 2019, building and expanding an in-house development organization from scratch to around 200 people. We have been developing many systems in-house, including both front-end and core systems. Now that we have in our possession the powerful tool known as in-house development, we are currently working toward the transformation of processing operations by means of AI. With Credit Saison AI Transformation (CSAX), which we have adopted as Phase 4 of CSDX, we aim to "redesign work processes Group-wide using AI."

Call center operations are one example. Customer inquiries received via various channels, including by telephone, smartphone apps, and e-mail, are interpreted by the AI in charge of reception. The application programming interface (API) of each relevant system is then called and the results summarized by generative AI. After final confirmation by an operator, an answer is provided to the customer. Were such a call center to become a reality, it could have a major impact on the revenue structure of our business. To this end, the existing system must not only be usable by employees but also by the system itself (capable of being called from other systems via APIs). At the present time, this kind of API process is progressing steadily through in-house development, and by linking the in-house development efforts and AI utilization with each other, we can expect to see multiplier effects.

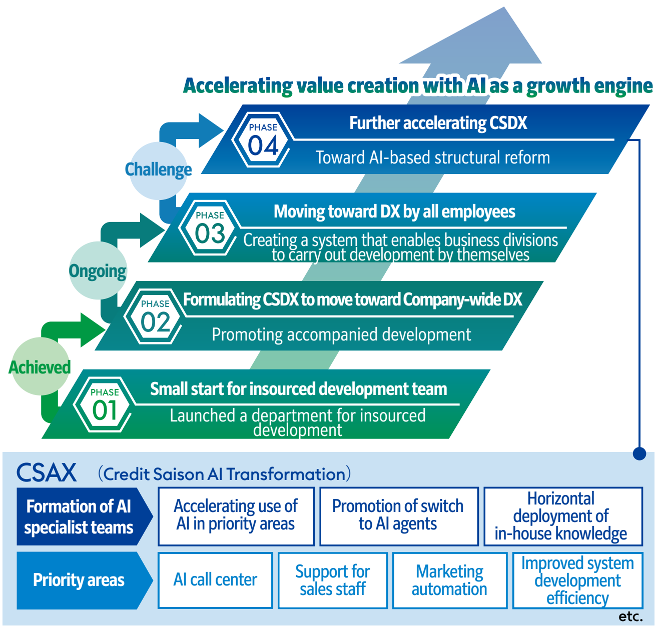
The utilization of AI is also expected to have a significant effect on the daily operations of our career-track employees. Having already been released for internal use, SAISON ASSIST (ChatGPT for in-house use) receives nearly 60,000 inquiries from employees every month. Yet SAISON ASSIST only costs about the same as one newly hired employee. Currently collecting case studies of business improvements by holding contests for generative AI use, my feeling is that there is room for improvement in many business operations by means of AI. We aim to dramatically improve the efficiency of processing operations throughout the Group by "redesigning work processes Group-wide using AI."

Overview of FY2024

Credit Saison has worked diligently on a variety of activities in FY2024. Of these, there are two in particular that are noteworthy.

One is the advances made in the automation of manual tasks, which we have been promoting for some time. Compared with 2019, when we first began DX in earnest, 1.6 million hours of work (the equivalent of 800 employees) have been automated.

Another achievement has been our successes in external sales of the Company's credit card business core systems, which were completed in 2018 and have generally been operating stably, despite some minor issues. Having successfully brought in-house and used a cloud-based open gateway computing system, the internal API infrastructure in which this core system is embedded, we were able to quickly add and modify functions and adjust system resources with the high flexibility that only the cloud can provide in 2022. I believe that our ability to achieve both stability and speed (the bimodal strategy that Credit Saison is adopting) has borne fruit, leading to the completion of project orders and an order system, which is a major topic of discussion.



CSDX Strategy

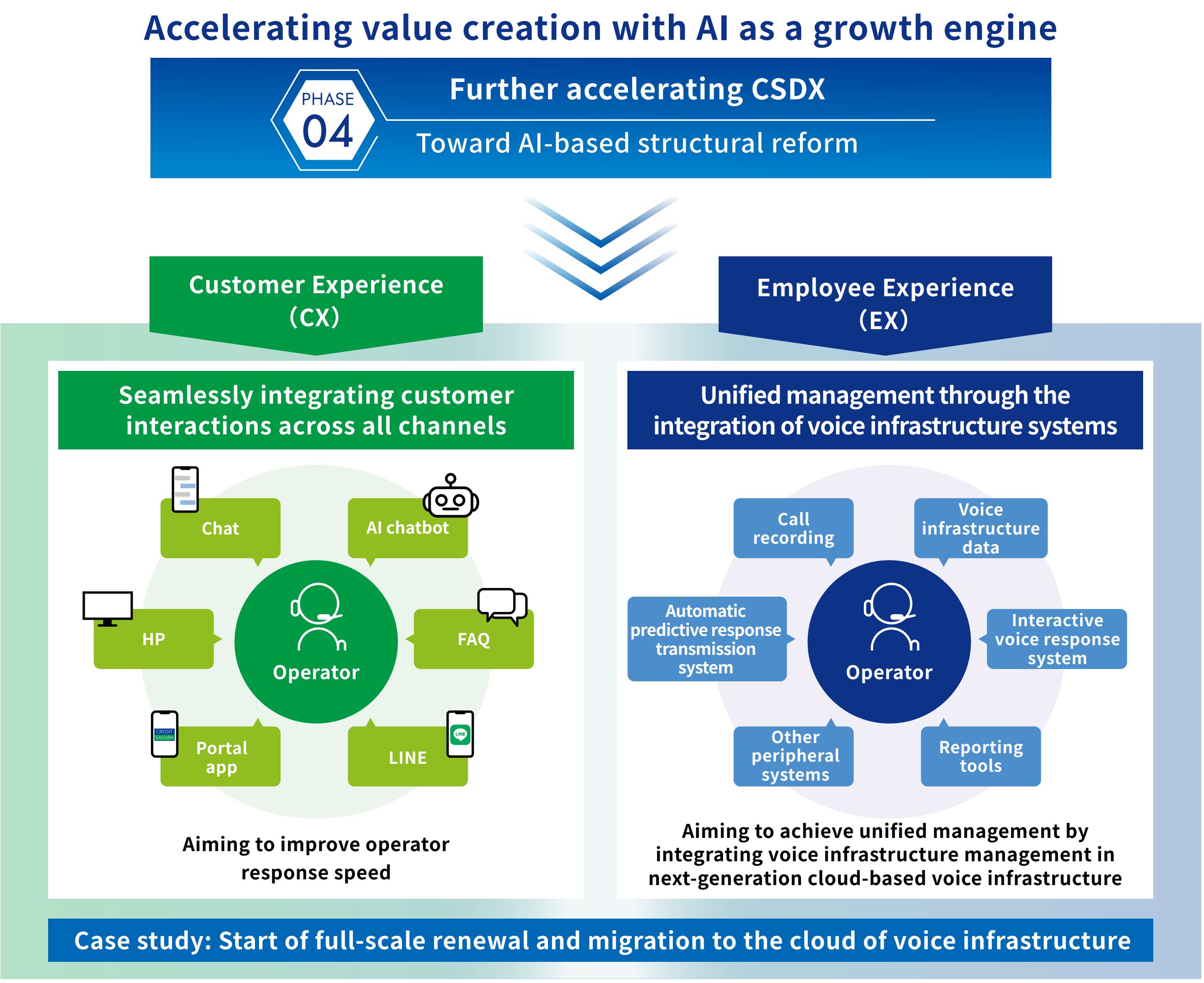
CSDX Strategy to Improve Productivity

Since launching the Technology Center that is our in-house development organization in 2019, we have been formulating a CSDX strategy—with the aim of creating new experiences for customers (CX: Customer Experience) and transforming the experience for employees (EX: Employee Experience)—while working to promote DX.

In FY2024, the CSDX strategy will enter Phase 3. Having worked toward the complete digitalization of business processes, we have achieved a reduction of 1.61 million work hours (cumulative total from FY2019 to FY2024) and a reduction of 102 tons of paper (compared with FY2019).

In FY2025, we will advance our CSDX strategy to Phase 4 and accelerate value creation with AI as a growth engine. We have been working to improve Employee Experience (EX), and case studies of our AI utilization to date include the in-house development of our own ChatGPT specifically for internal purposes, an in-house Slack chatbot for inquiries, and a system that prepares minutes of meetings.

To take this to the next level, we will work to bring in-house the voice infrastructure systems that support our call center operations, which represent the closest point of contact with our customers, to seamlessly consolidate customer interactions from all channels. In parallel with those efforts, we will focus on achieving results that are even more practical by installing advanced generative AI technology.



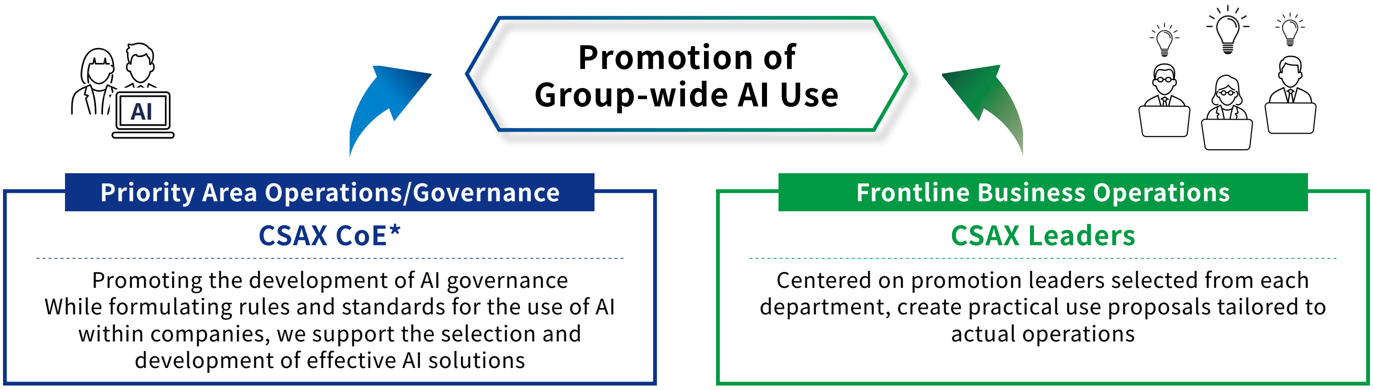
Toward Business Transformation through AI

Launch of the CSAX Project to Promote Generative AI

To promote the Group-wide use of generative AI, we launched the Generative AI Promotion Project in April 2025. This project is pursuing two approaches: a top-down approach to accelerate the introduction of AI in priority areas and a bottom-up approach to promote its frontline-driven use.

First, in introducing AI into priority areas, the in-house development department and the AI secretariat are working together to reform business processes across the organization. In consultation with management, we will promote the transition to generative AI-based operations in selected areas. We will also put in place security rules and create an environment in which AI can be utilized both safely and securely. In the meantime, in promoting the bottom-up, frontline-led utilization of AI, leaders selected from each department will implement cases suited to their work with the goal of solving issues in their own departments. The AI secretariat will collect these and turn particularly effective initiatives into templates for horizontal deployment. The plan is to also hold learning content sessions and hackathons tailored to the necessary knowledge and skills to help improve skills and foster a culture of AI utilization.

By promoting AI from both top-down and bottom-up perspectives, we will work to place AI at the core of our corporate transformation and achieve sustainable growth.



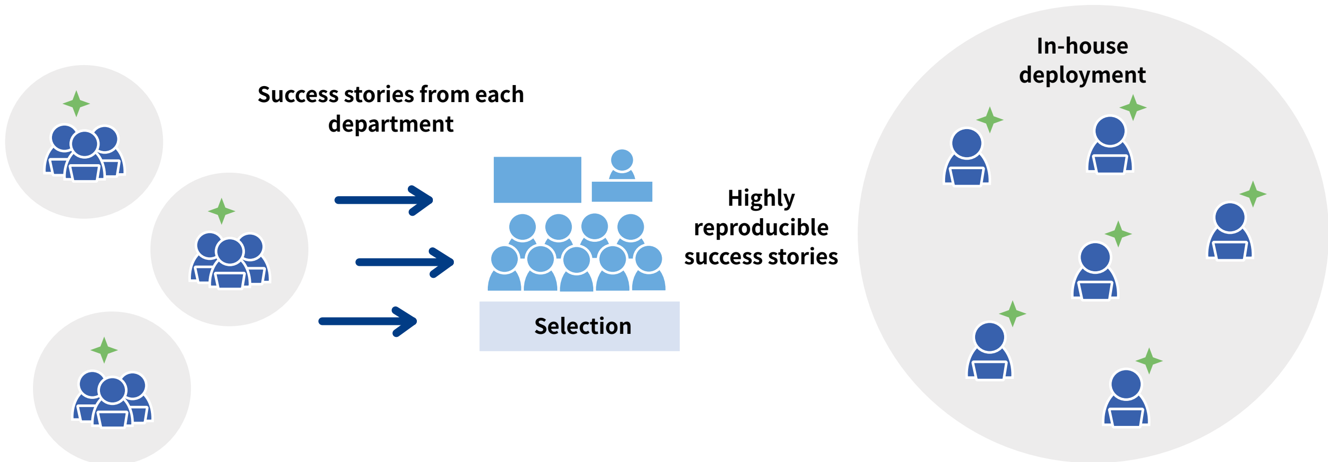
* CoE (Center of Excellence): A specialized organization that aggregates knowledge and skills in specific fields and deploys them on a Group-wide basis.

Enabling All Employees to Become AI Workers

To strengthen the bottom-up promotion system, we will develop new initiatives to further deepen AI utilization on the front line and instill its use throughout the organization. Until now, generative AI tools have often only been used to improve work efficiency at the individual level, and there have been problems caused by the difficulties in utilizing such tools on a team basis or in deploying the lessons from superior case studies across an entire company.

We will therefore introduce a new generative AI workshop for small teams and build a system to consolidate individual know-how into common use cases. Specifically, each team will target the work of their own department and go through a cycle of planning → implementation → verification for a period of one to several months. From these initiatives, the AI secretariat will select projects that will be highly effective in reducing time and highly reproducible as success stories that can be deployed across the organization. Such projects will then be made into templates and deployed in-house.

In this way, by means of team collaboration and standardization, we will systematize the use of generative AI that had previously been scattered on an individual basis, thereby bringing about improvements in productivity across the entire organization.



Sustainability

—Issues Faced by the Company, and Initiatives for Meeting the Expectations of the Future and Society —

Basic Stance on Sustainability

Being a "leading-edge service company" as stated in our management philosophy, we will continue to be committed to helping establish a society that is more convenient, prosperous, and sustainable than it is now by leveraging our unique expertise, management resources, and the experience of our employees and by contributing to the development of society and the resolution of problems in a way that only the Credit Saison Group can through its usual business operations.

Special Feature

Ongoing Support for Realizing Carbon Neutrality Using "SAISON CARD Digital for becoz" to Visualize Individuals' CO_2 Emissions Based on Settlement Data

As the first credit card in Japan with the ability to visualize CO_2 emissions, "SAISON CARD Digital for becoz" (hereafter, becoz card) was issued in June 2022 and recently celebrated its third anniversary this year.

Issued in a digital credit card format rather than as a plastic credit card, becoz card uses a dedicated mobile app to visualize CO_2 emissions based on credit card usage history. By proposing "environmental value" as a new criterion for users to assess their personal lifestyles, Credit Saison supports consumers who aspire to a carbon-neutral lifestyle.

Interview with employees involved in becoz card

Wakamatsu: Mr. Tanaka, becoz card was released when you were a member of the Corporate Planning Department. Can you tell us about the background behind its conception and the response from those around you?

Tanaka: We began considering the concept in 2021 after the president saw a newspaper article about DATAFLUCT, Inc., which is one of our business partners today.

Although we developed this service in cooperation with DATAFLUCT as an initiative for potentially reducing CO_2 emissions together with customers who have links to Credit Saison's business, some in the Company felt the idea was too far ahead of its time. This put us in a position where we struggled to gain support, so the journey for this project was not necessarily smooth. After overcoming countless challenges and releasing the service in June 2022, however, the project won various accolades from society, including the grand prize in the "NIKKEI Decarbonization Awards (project category)," as well as the grand prize in the "Japan Financial Innovation Award 2023." In line with increased awareness and use as well as the uptick in media coverage, successful steps are being taken to realize a sustainable society.

Wakamatsu: Ms. Takahashi, you have been involved in becoz card through your participation in the Eco-business Task Force since FY2024, correct?

Takahashi: I have always been interested in environmental issues, so I was thrilled when Credit Saison announced a credit card that took on the issue of climate change three years ago. I applied without hesitation the moment I learned of this task force through the internal recruitment system, which I check on a regular basis. Amid the different themes the task force was tackling, I chose to work on becoz card because I felt that while it offered various possibilities, it deserved more and still lacked name recognition. As I engaged more closely with the team members, I recognized that my thoughts and those of the other members were closely aligned.

Tanaka: As you proceeded with the market survey and analysis for becoz card, did you notice anything?

Takahashi: What I found really interesting was that unlike our other credit cards, becoz card received particularly strong support from males in their 30s and younger. I felt deep significance in the fact that we were using a tool as familiar as a credit card to increase awareness toward the environment in people's everyday lives in a way that tracks different lifestyles across a broad demographic, including younger generations.

Tanaka: Ms. Wakamatsu, as General Manager of the Sustainability Department, you also serve as the secretariat of the Sustainability Promotion Committee. How do you want to develop becoz card going forward?

Wakamatsu: Even as more and more of our customers become interested in environmental issues, I still receive comments to the effect that people do not know where to begin. The reason becoz card was conceived three years ago was in part to provide a gentle push to these people as a trigger that would change their behavior. We will continue to support the aspiration of customers to do something about the global environment and to find solutions to global environmental issues together with as many people as possible.

Sustainability

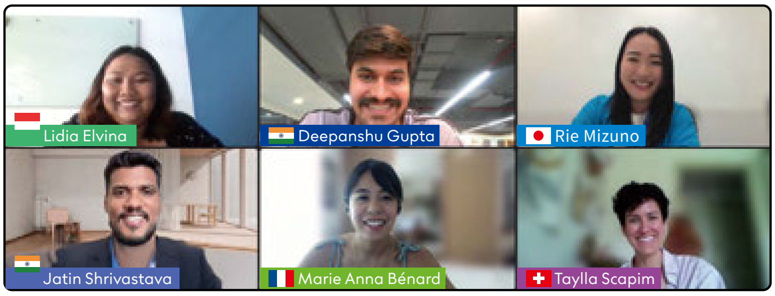
Credit Saison is promoting initiatives that prioritize the development of future generations along with diversity, equity and inclusion (DE&I), while balancing a global perspective with contributions to local communities.

Our Approach to Create a Positive Impact

The Credit Saison Group started our impact business in 2021. The initial team of 2 were formed and it has grown into a six-member team representing five nationalities and operating from five locations (including two experts) in the following year. The team strives every day to expand the Group's positive impact with the aim of realizing financial inclusion.

Driving impact and ESG leads to sustainable growth

Impact investment provides access to financial services to individuals and enterprises (underserved populations). Working in partnership with FinTech companies and microfinance institutions, these efforts not only support sustainable growth and ESG enhancement of our investees and borrowers; they also contribute to our own growth. Team members are working hard to solve social problems and making positive changes in their respective markets, and they will share their thoughts on this initiative.



Marie Anna: While we have spent the last couple of years building the foundations of our ESG and Impact management practice, I am now looking forward to expanding the depth of our Impact practice and achieving greater operational effectiveness. Specifically, where efforts will be put on upskilling our team and onboarding topic experts, but also focusing on efficiency and data-informed decisions, managing the evolving regulatory requirements, aligning more directly with business strategies and client demands, and finally by nurturing our genuine commitment to impact. Our ambition is to be able to demonstrate our leadership and enhance the breadth of our impact practice in the near future. When we formulated the Mission, Vision, and Value (MVV) statement that outlines the common values of the Global Business which reflects employee's thoughts and our evolving corporate culture, We strategically incorporated the concept of "impact." It seems revolutionary to me that impact has become an important pillar for us.

Rie: The impact market in Japan has undergone a notable transformation, with assets under management nearly doubling over the past year. In my experience during due diligence, each time I see how impact investing changes lives, I'm reminded that impact is not a mere metric—it transforms people's lives. When a woman entrepreneur secures her first formal financing, or when we see children able to attend school due to our support, I feel the power of financial inclusion.

Lidia: In Indonesia, the impact market has changed dramatically over the past three years—moving from a niche topic to an issue of national priority. Players have increased and momentum is building across the country. For me, impact work begins with empathy, sustains curiosity, and challenges the status quo. It is where ideals meet action, and we need more people who share this mindset. I therefore intend to establish a more robust impact ecosystem going forward.

Jatin: The Indian impact market is driving the global market in part due to the tailwind from the regulatory environment. On the other hand, it is still a relatively new concept for many market stakeholders, so effectively conveying its importance and working through cooperation still has a long journey ahead. I work daily to ensure everyone recognizes its important role as a driver for long-term value creation and as a strategic risk management tool.

Deepanshu: While Kisetsu Saison Finance (India) Pvt. Ltd. (hereafter, Credit Saison India) lends to as part of India's non-bank sector, I was originally on a recipient side. After joining Credit Saison India and shifting to the lender's side, which has allowed me to see first-hand the transformational power that financial inclusion has to transform people's lifestyles and the community. I always keep in mind the reality that borrowers are faced with, as we strive to strike a careful balance between financial prudence and measurable impact creation.

Taylla: When you think about the significance of our commitment to impact, there probably isn't anyone who would stand against the positive outcomes for society and the environment. Leveraging our Group's practical, investor-minded framework and its ambition for business growth and scale, I am excited to work with a young, forward-looking team. I feel it is a great opportunity that allows me to support a Japanese company engaging in global business.

Disbursed by our subsidiaries	¥370 billion
Loans disbursed (number of cases) by our subsidiaries	2.4M
MSMEs reached by our partner financial institutions	28M
Women-led businesses	69%
Individual borrowers reached by our partner financial institutions	28M

* As of March 31, 2024

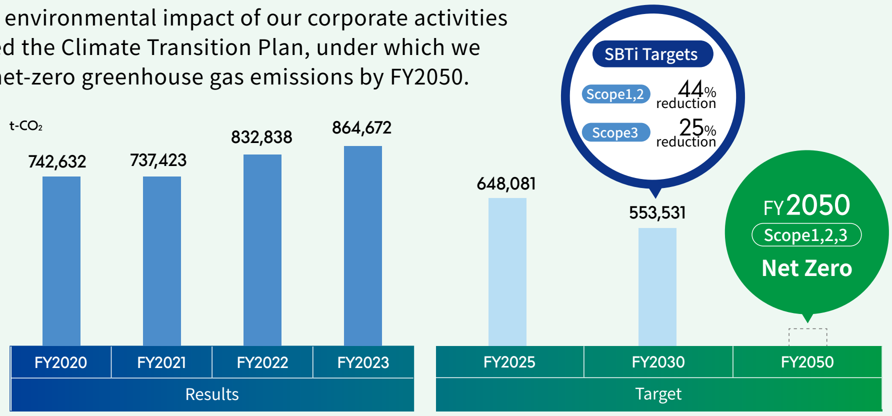
Impact Report https://saison-international.com/wp-content/uploads/2024/10/impact-report-23Oct.pdf

Sustainability

TOPICS Toward Net Zero Carbon Emissions

In order to accelerate the reduction of the environmental impact of our corporate activities toward a sustainable future, we formulated the Climate Transition Plan, under which we will strengthen our initiatives to achieve net-zero greenhouse gas emissions by FY2050.

- 2021 Establishment of the new Sustainability Promotion Committee
- 2022 Support for the TCFD recommendations
- 2023 Full conversion of Credit Saison-owned buildings to renewable energy
- 2024 Acquired SBTi validation
- 2025 Formulated the Climate Transition Plan and Net Zero Declaration



Information disclosure in accordance with the TCFD recommendations https://corporate.saisoncard.co.jp/en/sustainability/environment/tcfd/

Initiatives for Future Generations

Credit Saison conducts CSR activities and financial education programs for children, students, and others in Japan and abroad who will take responsibility for the coming future. In addition, we are also working to pass on the beliefs of our founder through initiatives that seek to preserve nature for future generations.


Proactive CSR Activity Initiatives (India)

As our subsidiary in India, Kisetsu Saison Finance (India) Pvt. Ltd., donates a certain percentage of its earnings for the purpose of fulfilling its social responsibility.

One of the NGOs it donated to in FY2024 administers a facility where the elderly, women, and children can stay with peace of mind, thereby supporting a sanitary environment where 30 children can stay in safety and health through these donations. Seeing children who before coming to the facility spent their days feeling anxious now talk about how they have dreams for the future leaves a strong impression. Kisetsu Saison Finance will continue to actively expand the number of organizations it supports.


Financial Education Initiatives (Japan, Singapore)

Along with its subsidiaries in Japan and overseas, Credit Saison continues to provide financial education for future generations to various stakeholders. Centered on our "SAISON TEACHER" on-site workshops for middle and high school students, in Japan we offer financial education programs in which our employees serve as instructors (held 672 Classes in FY2024 for approx. 29,000 attendees). In FY2024, we held "Welcome Kids Day–Does money really grow ?!" programs where the children of our employees visit workplaces under the guidance of volunteers. As part of this program, children experience investing through original games for elementary and middle school students, thereby providing them with the chance to learn that money can be grown. Participants shared that their children became interested in investing after experiencing firsthand how money can support companies and how it grows.


Akagi Nature Park: Initiatives to Preserve Nature for Future Generations (Japan)

Our Akagi Nature Park, in Shibukawa City, Gunma Prefecture, has spent roughly four decades regenerating a mixed forest while striving to maintain the ecosystem and manage vegetation. The park engages in plant conservation and planting activities that create a forest that takes into consideration biodiversity, including the distribution of groundwater throughout the park to replenish rivers and ponds that enrich the entire area. Survey results have confirmed that the Satoyama ecosystem is well maintained, which contributes to the preservation of biodiversity. The park has also been certified as a forest therapy site, and as a best practice under the Gunma Prefecture Nature Positive Promotion Platform.

Akagi Nature Park https://akagishizenen.jp/english/

Human Rights Initiatives

Credit Saison formulated our "Action Declaration" and "Behavioral Standards," and included respect for human rights as one of the principles for action. In order to strengthen the infrastructure for realizing our management philosophy of being a leading-edge service company, we are advancing human rights initiatives and aim to create an organization and society in which everyone respects each other's diversity.

In September 2024, we conducted a training program attended by 220 people to deepen the understanding of unconscious bias for those in management positions. In FY2023, we held a similar training program for all executives and general managers, and will implement measures to foster a greater understanding of this issue across all other levels of the Company from FY2025 on. Going forward, we will go beyond internal initiatives to implement human rights due diligence and further strengthen our efforts in this area.

Human rights https://corporate.saisoncard.co.jp/en/sustainability/csr/human_rights/

Financial Capital Policy

Message from the Managing Executive Officer in charge

We will work steadfastly toward achieving our medium-term management targets while making adjustments in accordance with interest rate hikes.

Masaki Negishi
Managing Executive Officer and CFO
Head of Public Relations Office,
Treasury & Accounting Dept.,
Credit & Leasing Business Division,
General Manager,
Credit & Leasing Business Division

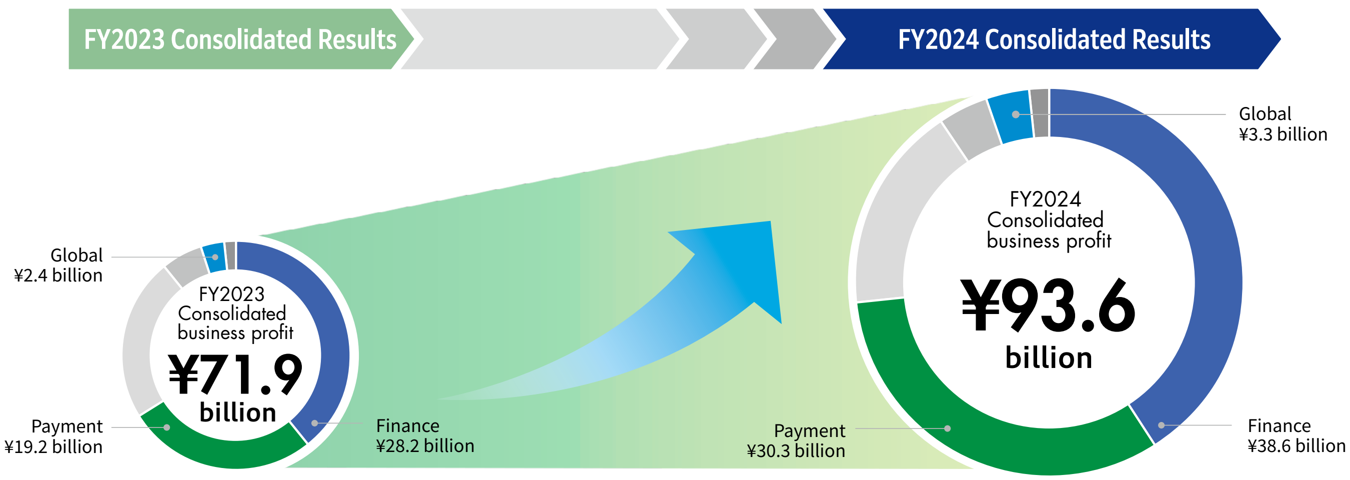
In Light of Changes in the Business Environment

In 2024, the transition to a world with interest rates progressed, and the business environment underwent significant change. Although interest rate hikes were factored into the current Medium-term Management Plan, actual trends have progressed at a greater-than-expected pace. Against this backdrop, we are considering the need to revise business plans, various initiative priorities, and portfolios in light of changes in underlying conditions.

Looking back at our performance for FY2024, the Payment Business made steady progress with its structural reforms. In the Finance Business, Credit Saison, Saison Fundex, and Suruga Bank all performed well and saw increases in their results. Although our Global Business did not meet initial expectations, we can definitely see business growth ahead. Based on results that confirm the growth of each business, we are now reviewing our business plan with a certain degree of confidence as well as a forward-looking perspective. This review focuses on how to proactively evolve existing business strategies while anticipating further interest rate hikes.

I feel that a major factor in our ability to maintain this positive attitude is that we have been able to move away from a structure that relied solely on the Payment Business and to reach a point where interest rates have started to rise after our Finance Business had been established as a second pillar. Our Finance Business mostly consists of floating-rate assets, making that business highly resistant to rising interest rates. In the Payment Business, we have scaled back and streamlined our business operations through systemization and digitalization over the past few years. As a result, we are building a portfolio that can more flexibly respond to increased costs brought about by interest rate hikes, and it is my belief that each business is now in a position to continue taking on challenges without being unduly concerned about rising interest rates.

Even if the business environment does change, under the current Medium-term Management Plan, we will continue to focus on the three pillars of our business: Payment, Finance, and Global. In the first fiscal year of the Plan, we were able to confirm strong growth opportunities in our domestic business. As a result, while actively investing in our Global Business, we will allocate some of that investment to the domestic market and seek out investment opportunities that will contribute to the growth of our domestic business. For example, besides the compatibility between a bank and a non-bank, in our alliance with Suruga Bank we are able to accumulate high-quality assets by leveraging the screening capabilities and sales speed of both companies. I believe this is a growth opportunity that will create new value and is difficult for Credit Saison to achieve on its own.



FY2023	FY2024
EPS ¥332*	EPS ¥423
ROE 8.3%*	ROE 9.4%

* Consolidated result, excluding negative goodwill

Financial Capital Policy

Increased Certainty of Achieving Business Profit Targets

While consolidated business profit for FY2024 totaled ¥93.6 billion, I estimate that the actual amount, after excluding one-off factors, was ¥84 billion. With this in mind, we will work to increase profit by approximately ¥12 billion to ¥96 billion. Should we achieve this figure, we will come within sight of our Medium-term Management Plan target of more than ¥100 billion in FY2026.

For our Global Business in FY2025, the continued healthy growth of India and the realization of a specific growth strategy in Brazil, our next pillar of growth, will be priority themes. While advancing structural reforms, in the Payment Business we are expanding our customer base and developing and revising products to respond to changes in the environment that are causing procurement costs to rise, based on a premium strategy that primarily targets individual customers in the moderately wealthy class and above as well as sole proprietors (SMEs).

In light of changes in the interest rate environment, we aim to grow from both on- and off-balance sheet perspectives in the Finance Business. Our Finance Business is broadly divided into two categories: the Credit Guarantee Business and Real Estate Finance Business. In the former, we repay financial institutions when end users become unable to repay. Although this involves a certain amount of repayment risk, this business places a light burden on our balance sheet and is fee-based. If we can identify growth opportunities in these off-balance sheet businesses and generate solid earnings growth there, I believe we will be able to achieve sustainable growth while avoiding excessive reliance on on-balance sheet business that inflates our balance sheets.

Of course, even in businesses where the burden on the balance sheet is light, if the fulfillment of a guarantee arises, Credit Saison could be temporarily affected. Therefore, it is necessary to handle risk with an awareness of risk caps and to discuss business and investment decisions for each fiscal year. In particular, as we also provide credit guarantees for real estate-backed loans, while enjoying the benefits of off-balance sheet assets, we must always keep a close eye on trends in the underlying real estate market and carefully determine the extent to which we should take action.

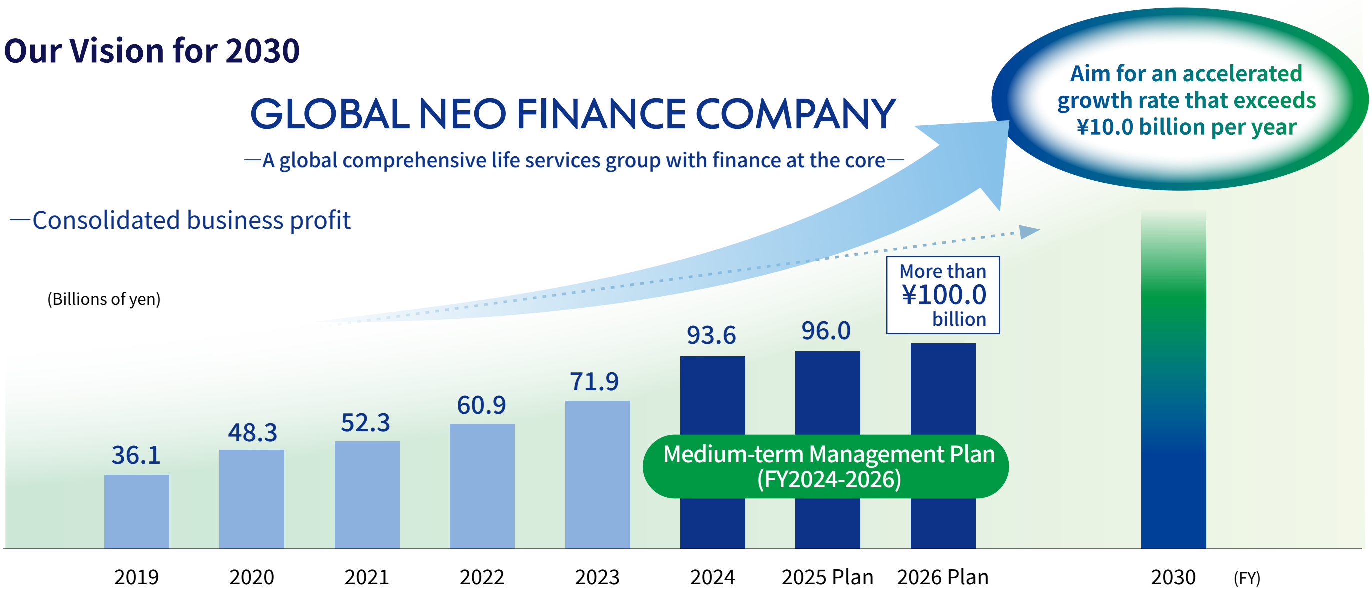
From a financial perspective, the balance of interest-bearing debt already stands at more than ¥3 trillion, indicating a large scale of borrowings. The challenge is that we will have to balance the aggressiveness of growth investments (including M&As) with capital efficiency, while also being mindful of the profit margins of the business, and will have to go for volume if necessary. Because there is the possibility that spreads corresponding to a certain degree of credit risk will also change, I believe it is important to focus on generating profits without expanding the balance sheet.

Business Growth with an Eye Toward 2030

Executive President and COO Mizuno has stated that his personal target is to ensure that Credit Saison achieves business profit of ¥200 billion by FY2030. We have received many inquiries from the capital markets with regard to this matter, asking us how we will achieve this. On a personal note, I believe it as a positive step that a senior executive of the Company has expressed his ambitious target to the outside world. Harboring a renewed desire to face up to the challenges that lie ahead, I also feel it has had a positive impact on the Company as well.

Of course, if we consider only organic growth, it is true that there are major obstacles to achieving business profit of ¥200 billion in FY2030. However, I feel that there has been a significant positive change in the attitudes of our employees over the past few years. Having achieved our business profit target of ¥70 billion one year in advance under the previous Medium-term Management Plan, the probability of achieving the target of more than ¥100 billion in FY2026 has increased since the first fiscal year of our current Medium-term Management Plan. In this environment, the numbers that were initially perceived as ambitious both inside and outside the Company have now become more realistic, which has led to increased confidence among employees. I now feel that this has further invigorated the culture of using our ingenuity to take on challenges.

Our Vision for 2030



Financial Capital Policy

As far as our growth prospects up to 2030 are concerned, the Global Business is of the utmost importance. In addition to our Indian business, which has grown rapidly since we obtained our license in 2019, we need to accelerate investment in our business in Brazil as our next pillar of growth. Although some aspects of our India business did not go as planned during the course of its rapid growth, we will strive for growth from both the offensive and defensive perspectives while strengthening risk management and governance. Having basically undertaken the local procurement of funds through business with around 40 financial institutions in India and raising corporate bonds, our India business has established a high level of creditworthiness through its track record to date. I am confident this will enable us to continue to raise funds stably and at a low cost going forward.

The Payment Business has reentered a growth stage, and the premium strategy of the past few years is showing signs of getting back on track. As previously mentioned, we will continue to build our business model around the clarification of our target customers and the development of products that respond to changes in the environment in the years to come. In the Finance Business, Credit Saison, Saison Fundex, and Suruga Bank will leverage their respective strengths to focus on capturing business opportunities.

Management with an Awareness toward Capital Efficiency and the Stock Price

Since formulating the current Medium-term Management Plan, we have held extensive discussions internally about capital efficiency. On the assumption that our cost of capital will roughly fall within the 8% to 11% range, we have adopted an ROE target of 9.5% for the final fiscal year of the Medium-term Management Plan, with ROE as of the end of FY2024 coming in at 9.4%. While capital and profits are expected to increase, my belief is that we will maintain an ROE level of 9.4% as of the end of FY2025 by purchasing treasury stock worth ¥20 billion. Of course, reducing capital to balance ROE is not essential. Here, our goal is to secure an ROE that surpasses 9.5% by pursuing more productive profit growth toward FY2026. Having said this, 9.5% is just a stepping stone. I would like to increase the productivity of each business and exceed 10% in the near future.

The PBR remains at less than 1, meaning there is a need to improve capital efficiency. The key to achieving a PBR of more than 1 is to improve capital efficiency on an ROE basis. In the past, there were times when ROE was low and business performance volatile, but we first focused on improving our business performance in a stable, sustainable manner. At the same time, I would hope to improve capital efficiency as a result, which will have a positive impact on our stock price.

Growth Investments and Shareholder Returns

As far as growth investments are concerned, we are considering not only organic but also inorganic growth. As a global comprehensive life services group, we advocate building in a loosely connected economic zone through various alliances. While placing importance on becoming a Group with finance at its core, we remain constantly aware that M&As contribute to inorganic growth.

When making new investments, we set quantitative targets and criteria for withdrawal for each project over a certain time frame, and then regularly track our progress. In principle, we consider withdrawing from projects that deviate downward from the initial plan, but if we analyze the causes and see a prospect of recovery, we do not withdraw immediately, but rather set a new time limit and verify the project at the next checkpoint.

From a shareholder returns perspective, there is no change to our basic policy of implementing stable and continuous dividends. Assuming sustainable growth, we would like to continue increasing dividends as much as possible. In addition to returning profits to shareholders, our goal is also to increase returns to the employees who support our growth.

To All Our Stakeholders

Companies must continue to achieve sustainable profit growth. To this end, it is important that companies continue to boldly evolve in response to changes in the environment. Based on this perspective, I believe that our business portfolio for 2030 has the potential to evolve through future changes and challenges.

In addition to the Payment Business, Credit Saison has undergone a process of continuous transformation by incorporating the Finance and Global businesses. I hope that you will continue to watch over the ever-changing Credit Saison Group and provide your continued support in the years to come.

Global Business

Message from the Director in Charge

Our ever-evolving Global Business: Pursuing growth and enabling financial inclusion

Kosuke Mori
Director, Senior Managing Executive Officer
Overall Global Business execution,
Head of Global Business Division,
Sustainability Dept., General Manager,
Global Business Division

Current Phase of Evolution: Achievements and Next Challenges in the First Year of the Medium-term Management Plan

One of the first tangible outcomes of our Medium-term Management Plan has been the progress in our Brazil and Mexico markets, where we leveraged the learnings from our India business model and launched operations in 2023. Both markets began delivering results in FY2024 and have continued to demonstrate steady growth. While macroeconomic conditions, credit environments, and risk trends differ by country, our diversified portfolio has enabled us to offset the challenges we are seeing in some markets. In addition, collaboration between our investment and lending businesses across countries has enhanced our capacity to build new partnerships. These complementary effects within the portfolio and synergies among our businesses are driving the evolution toward a more organic, integrated business structure.

In FY2025, our focus is on further advancing our existing businesses. In India, we aim to deepen expansion by leveraging our established strengths, while in Brazil, we are moving into the next phase of growth. At the same time, we are reviewing our portfolio with agility—reallocating and recycling capital as needed—based on careful evaluation of each market's opportunities and challenges. We are also working to diversify our funding sources and enhance capital efficiency, with the goal of strengthening our capital strategy globally.

Driving Change through Global Transformation

Global transformation represents our ambitions to accelerate Credit Saison's evolution into a truly global company. What is most important to us in initiative is instilling our unique DNA within local team members and establishing a structured process to ensure repeatability of success. Over the past year, sharing the objectives of our Medium-term Management Plan and clearly defining and cascading our Mission, Vision, and Values, employees across countries have developed a stronger awareness—not only of their individual contributions but also of our collective global goals—fostering a deeper sense of unity across the organization.

We also place great importance on empowering diverse talent, particularly our younger employees. By taking on important roles early in their careers and opportunities to gain hands-on experience in building businesses from the ground up, we nurture a strong entrepreneurial spirit and sense of ownership and in their work. This culture of empowerment is what continues to drive our global transformation forward, supported by increasing cross-border collaboration and the active exchange of talent and expertise.
Our International Headquarters in Singapore works closely with the head office to strengthen corporate governance across our global business. As our business expands and our global footprint grows, the IHQ is solidifying its role as the backbone of our global operations. In line with this, we are pleased to welcome Managing Executive Officer Kazuo Koshi, whose leadership will further reinforce our international management structure.

Our Value to Create as a "GLOBAL NEO FINANCE COMPANY"

By addressing social issues through our business activities, we aim to advance financial inclusion in a way that reflects Credit Saison's historical legacy of serving the underserved since its inception. In particular, through partnerships with FinTech companies, we strive to contribute to the development of local ecosystems and markets while pursuing mutual growth. With the continued evolution of digital infrastructure and AI, we aim to build and deliver financial services that harnesses the possibilities of our time. We believe that our ongoing innovation in the financial field—and the growing global recognition of the impact we are making—will create meaningful value for all our stakeholders, including partners, customers, and employees.

We see the key to value creation in our Global Business as the aggregation of Growth, Returns, and Resilience. From a growth perspective, we will continue to lead the Group's expansion in high-potential markets such as India and Brazil. In terms of returns, we are committed to meeting the expectations of shareholders, customers, and all stakeholders while maintaining strong resilience in navigating evolving regulatory, economic, and governance challenges.

By continuously strengthening our growth, returns, and resilience, we will advance a truly distinctive Global Business, one that embodies the spirit of Credit Saison and drives sustainable growth in harmony with society.

Global Business

Global Business Development and Profit Growth

Since the full launch of our Global Business in 2014, we have been working diligently to realize financial inclusion by providing localized financial services to underserved individuals and companies that lack adequate access to appropriate financial services. After more than 10 years of challenges since the full-scale launch of operations, we have now expanded into seven countries through 11 operating companies.

In India, as well as in new markets such as Brazil, our profit levels are increasing, and in FY2024 business profit reached ¥3.3 billion. Looking ahead, we will pursue further growth and business expansion with the goal of achieving business profit of ¥20 billion.

International Headquarters: The Backbone of Our Global Business

To establish the foundation for expanding our Global Business and strengthen the overseas governance framework, we established Saison International Pte. Ltd. in Singapore as our International Headquarters (IHQ) in April 2022. The IHQ provides cross-border support to Group companies in each country and strengthens collaboration among them. At the IHQ, specialists with professional expertise in each functional area—including corporate functions such as accounting, legal, people and culture, and internal audit, as well as business development and branding—are leading the transformation and supporting our business. We are enhancing functions while expanding our talent pool, and since FY2024, have been stepping up personnel exchanges among overseas bases, centered on the IHQ, to advance talent development and reinforce collaboration among businesses in each country. In FY2025 in particular, we are accelerating initiatives to strengthen governance, which is essential for business growth in each country.

▶ Please visit our website below for details on the management team of Saison International. https://saison-international.com/leadership

Governance: Foundation of Business Growth in each Country

In April 2025, I was appointed Managing Executive Officer of Credit Saison as well as Director and Chief Governance Officer of Saison International, responsible for building internal control frameworks in line with the expansion of our Global Business. Previously, I spent over 20 years in the United States at Mitsubishi UFJ Financial Group, where I led initiatives to establish global governance structures. Through this experience, I have acquired a tenet that effective governance lies in ensuring a management model that balances offense and defense in strategy execution. I am committed to adopting this approach to foster a resilient business that focuses on realizing our Mission, Vision, and Values, and can achieve sustainable success even in times of uncertainty.
I also strongly feel that Credit Saison has a corporate culture that values sound and responsible growth, and I am confident in the further development of our Global Business.

Kazuo Koshi
Managing Executive Officer
In charge of Global Management Dept.

Unlocking the Potential of Global Talent

As the Global Head of People & Culture at Saison International, we have laid a strong foundation to position it as a strategic driver of our global expansion. Looking ahead from 2025, our priorities are clear: embedding a consistent global employee experience to enhance engagement and performance; developing leadership and talent pipelines to support sustainable growth; championing inclusion and collaboration to ensure that everyone can thrive; and driving data-informed decision-making to strengthen workforce capabilities worldwide. These initiatives are integral to Credit Saison's ambition—to be the partner of choice—while empowering our people to thrive and deliver sustainable global impact.

Sarah McKensey
Global Head of People & Culture
Saison International Pte. Ltd.

Global Business

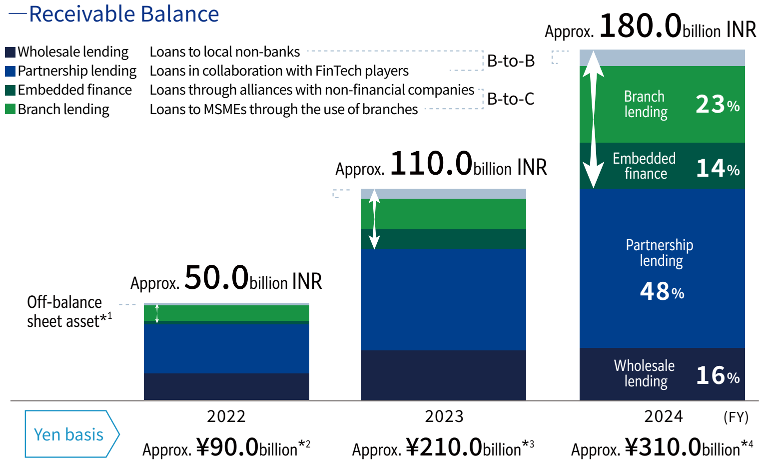
India Business Driving Global Business Growth

Launched in 2019, Kisetsu Saison Finance (India) Pvt. Ltd. (hereafter, Credit Saison India) has rapidly expanded by gradually diversifying its business models while appropriately managing risk. It has four business models tailored to different customer types and is steadily expanding its network and receivable balance within India. At the end of FY2024, its receivable balance reached approximately ¥310 billion.

In FY2025, we will continue to focus on direct lending* while aiming to expand secured loan products. We will continue to leverage strengths in its advanced risk management framework, abundant tech talent, fundraising capacity, and governance structure to build a foundation that will drive growth in the Global Business going forward.

* Direct lending: Refers to Embedded finance and Branch lending

Receivable Balance



*1 Off-balance sheet asset: Credit Saison India sells loan receivables to financial institutions such as banks to improve asset efficiency
*2 Year-end rate: 1INR = ¥1.63　*3 Year-end rate: 1INR = ¥1.82　*4 Year-end rate: 1INR = ¥1.75

Our strengths in robust risk and credit management

At Credit Saison India, the risk management team, which makes up about 30% of employees, designs and implements optimal credit methods tailored to products and customer attributes for the purpose of mitigating credit risk. Given the company’s high ratio of unsecured lending, managing credit costs is crucial. Its advanced risk models and robust monitoring framework, which can flexibly respond to changes in the market and at customers, underpin its stable and sustainable credit operations.

Diversifying Liability and Robust Lending Base

On the liability side, Credit Saison India leverages its locally cultivated creditworthiness, underpinned by long-term AAA ratings from CRISIL and CARE, India's leading credit rating agencies. We have diversified our liabilities through borrowings from 40 financial institutions in India and overseas as well as issuing bonds and commercial paper. In 2025, in addition to an external commercial borrowing (ECB) loan from Mizuho Bank, we also borrowed through syndicated loans participated in by leading domestic and overseas banks, such as DBS Bank, Singapore's largest bank, and CTBC Bank, one of Taiwan’s largest banks. We aim to further broaden both funding methods and funding sources.

Solid Foundations: Scaling Toward India’s Top 10 NBFCs

Presha Paragash
CEO
Credit Saison India

In FY2024, amidst continued market and regulatory uncertainty, we faced challenges following guidance from the Reserve Bank of India to increase provisioning for certain loan products. Through persistent and constructive dialogue with the regulator, we responded diligently and ensured thorough compliance, enabling sustained business growth. Our B-to-B business*1 continues to generate profits and support our scale-up on the B-to-C business*2. In our B-to-C segment, we are working to expand our branch network and increase partnerships, providing broader financial access while managing risks through advanced credit models and real-time monitoring.

Originating from a concept first sketched on paper, this NBFC has, in just five years, grown into a company with a solid foundation and accelerating scale. We remain committed to becoming one of India’s top 10 NBFC. We are committed to empowering India’s financial journey through innovative, inclusive, and responsible credit solutions.

Credit Saison India’s fifth anniversary event

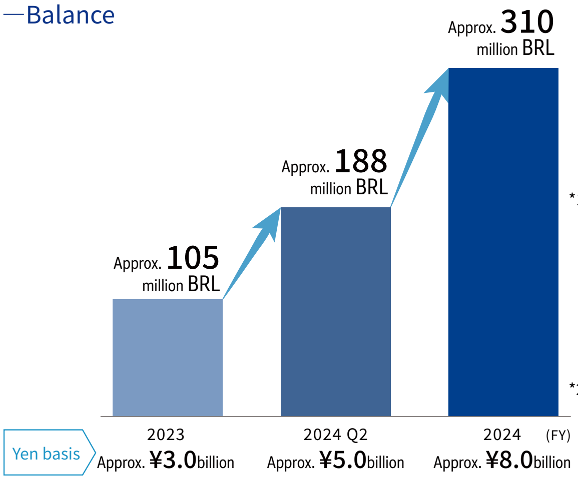
*1 B-to-B Business: Wholesale lending and Partnership lending
*2 B-to-C Business: Embedded finance and Branch lending

Global Business

Brazil, the Next Growth Market Following India

Established in early 2023, Credit Saison Brazil Participações Ltda. (hereafter, Credit Saison Brazil) ensures business stability and growth potential by diversifying its lending across a wide range of sectors and industries, including education, healthcare, automobile/motorcycle, real estate, and supply chains, etc., through partnerships with local FinTech players. Leveraging the expertise and know-how gained through our 2-step strategy in India, we are providing financial services tailored to local needs, with balances reaching approximately ¥8.0 billion as of the end of March 2025. We are steadily expanding our business.

—Balance



Number in the Pipeline*1
34 deals

*1 Includes additional finance to existing borrowers

Number of executions*2
22 companies

*2 Includes four deals scheduled for execution

Members working at Credit Saison Brazil

Examples of Lending Partners

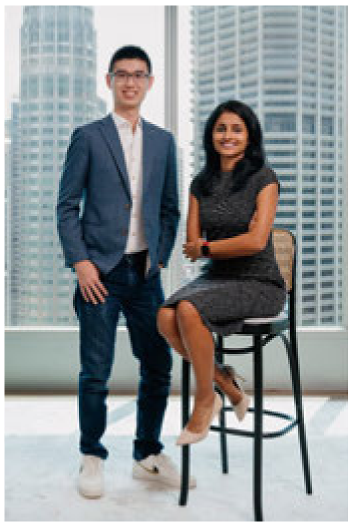
Partners/Originators	Overview
terra magna	A FinTech company based in São Paulo providing financial products to farmers and agricultural goods retailers
capim	Provides Buy Now, Pay Later (BNPL) services to patients through dental clinics, supporting low-income individuals with medical expenses, in partnership with more than 3,000 clinics

Investment Business: Creating Synergies across the Group

Saison Capital Pte. Ltd. and Saison Crypto Pte. Ltd., based in Singapore, invest in promising start-ups in FinTech, B-to-B, e-commerce, and Web3 across India, Southeast Asia, Latin America, and other regions. Leveraging the networks built through start-up investments, we support sourcing partners for our lending subsidiaries in Brazil and Mexico. In India, we have introduced more than 80 start-ups to Credit Saison India, marking the start of strategic investments aimed at creating synergies across the Group.

In March 2025, we participated in Japan Fintech Week 2025, hosted by Japan's Financial Services Agency, while also hosting a side event at Credit Saison's head office. In May 2025, we again held the ONCHAIN event in Bangkok, following on from the previous fiscal year. The event featured practical discussions on the latest developments surrounding Real World Assets and the application of blockchain technology in traditional finance. Going forward, in addition to participating in and hosting events, we will strategically engage in media appearances and other activities to raise our profile as a global investor.

▶ Credit Saison official note: Article regarding the ONCHAIN event
https://note.saisoncard.co.jp/n/n90a474702e3b



Saison Capital Pte. Ltd.

Qin En Looi
Partner (left)

Visa Kannan
Managing Partner (right)

Finance Business

Message from the Director in Charge

Eyeing the creation and provision of new value

Naoki Nakayama
Director, Managing Executive Officer
Head of Finance Division,
General Manager, Finance Division

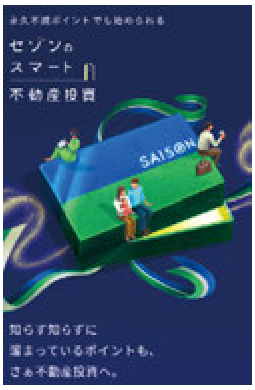
Over the past 10 years, Credit Saison and Saison Fundex Corporation have steadily expanded, developing the Finance Business into a core pillar of operations. Profit in the Finance Business reached ¥38.6 billion in FY2024, roughly three times the level of FY2014. Core offerings include credit guarantees, real estate finance, and Flat 35 housing loans. In the Guarantee Business, we have continued to provide non-secured loan guarantees for domestic financial institutions and mortgage guarantees since FY2022. In the Real Estate Finance Business, we offer asset formation loans to meet individual real estate investment needs, secured loans for real estate businesses, non-recourse loans for SPCs, and equity investments in private REITs. Through this wide-ranging Finance Business, we are steadily building up loan and investment balances while expanding earnings.

We are never satisfied with the status quo and continue to provide new finance products that meet changing market and customer needs. As Japan enters an era of 100-year life spans and individual needs for asset formation shift from savings to investment, we must create new growth business models that leverage our cardholder base established in the Payment Business. One answer to this is our May 2025 launch of Saison Smart Real Estate Investment, Japan’s first real estate security token created by a credit card company. This new business domain maximizes our expertise and track record in the Finance Business, combining our strengths in the member base of the Payment Business, real estate finance know-how, and technology. In doing so, we launched a new service that offers an easy, stable investment product that can be started with small amounts. Saison Smart Real Estate Investment is not a limited-time product, but one we plan to continue offering as a series.

We believe that the role of the Finance Business is to act as a forerunner in responding to constantly diversifying market needs. We will continue to leverage our strength of creating and delivering new values to fulfill this role.

In April 2025, we launched Saison Smart Real Estate Investment as Japan’s first* real estate security token issued by a credit card company. Traditionally, real estate investment required substantial up-front capital to purchase properties and was generally considered suitable only for people with ample wealth. By digitizing and fractionalizing real estate into securities, Saison Smart Real Estate Investment provides new investment opportunities that can be started with small amounts of money, supporting asset formation for a wider range of customers.

* As of the April 2025 press release; based on our research, as a publicly offered product.

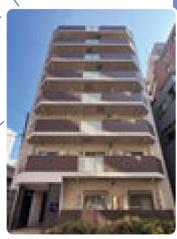


What is Saison Smart Real Estate Investment?

Five Key Features

1. Eikyufumetsu Points can be used
2. Product design that mitigates customer risk
3. Attractive real estate investment opportunities in Tokyo’s 23 wards
4. Start from ¥100,000, no securities account required
5. Real estate investment made more accessible through digital technology

Examples of investment properties



KISETSU Kagurazaka

KISETSU Waseda I

Finance Business

Special Feature

Saison Smart Real Estate Investment Interview with managers

From left

Yoshiyuki Ishii
Finance Planning Dept., Finance Division

Yui Hidaka
Structured Finance Dept., Finance Division

— Please tell us the back story that led to the creation of Saison Smart Real Estate Investment.

Ishii: Among younger generations in particular, concern about relying solely on the national pension system for retirement has heightened awareness of the need to take responsibility for asset formation from an early age. We have provided our cardholders with opportunities for asset formation through programs such as point investment and credit card installment savings. We wanted to take these initiatives a step further by designing and developing our own investment products, thereby providing more direct support for asset formation.

Hidaka: With the launch of the new Nippon Individual Savings Account (NISA) system, individuals are becoming more interested in investing. We also wanted to leverage our real estate-related assets to give our cardholders more accessible investment opportunities, and that desire informed the development of this product.

— What impact do you aim to have by entering the real estate security token (ST) business?

Ishii: By offering both payment (card settlement) and finance (asset formation and investment) to our cardholders, we can be more involved in customers' lifestyles and connect more deeply with them. In turn, this should enhance customer loyalty and enable us to build long-term relationships.

Hidaka: Up to now, our limited "points" of contact with cardholders have been mainly through credit card payments and lending. However, with the features of this ST product and the self-offering method of selling directly to customers without going through a securities company, we believe we can build broader, "multidimensional" relationships with customers. We aim to go beyond meeting traditional payment and daily finance needs to cultivate relationships that address deeper interests, such as investment orientation and asset formation.

— This is the first ST product offered by a credit card company. What are its main features?

Ishii: One feature is that investment product purchases can be paid for using Eikyufumetsu Points, namely points that never expire. This allows cardholders to use points accumulated through daily card use for asset formation. As investments can also be started with a small amount of cash, we believe this will encourage more cardholders to begin real estate investing with ease.

Hidaka: We have adopted a senior-subordinated structure. In particular, the fact that we assume the subordinated portion is, to put it in other words, a statement that this is a product worth investing in ourselves. It shows our stan ce of not simply selling and being done with it, but of sharing risk with investors and growing value together.

— How have cardholders responded, and what have the actual sales been like?

Ishii: More than 2,000 investors applied, and about half of them used Eikyufumetsu Points for their purchases. Despite the offering being limited to cardholders, the results exceeded our expectations. We believe the low entry barrier of being able to start from small amounts, combined with the ability to use Eikyufumetsu Points, lowered hurdles to investing and made the product attractive to many members.

— What are your future plans for development?

Hidaka: With the first offering, we focused on designing a product that a broad range of investors could hold with confidence. Going forward, while listening attentively to investor needs, we also aim to consider products with higher risks and returns, contributing to market development. By expanding the range of return options, we believe a market that meets diverse investor needs will be formed, and through real estate ST products we will strive to promote "the democratization of finance."

Finance Business

Medium-term Management Plan: Priority theme

Expanding profits and enhancing competitiveness through Group business

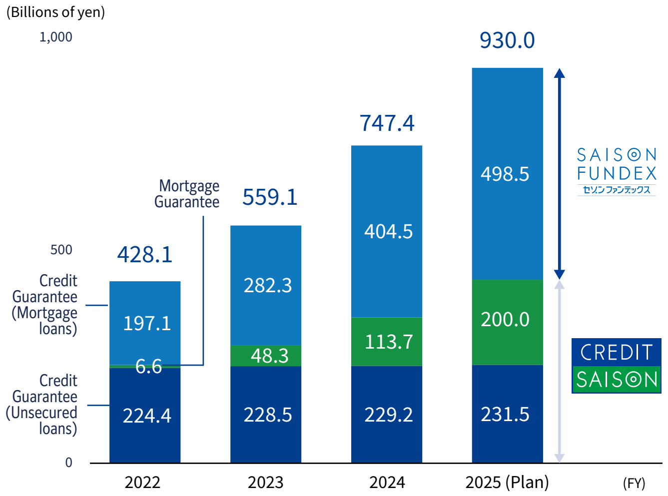
As the Group's largest growth driver, we will continue to secure stable revenue from existing products while also working to expand our business foundation by improving our off-balance sheet ratio with an emphasis on asset efficiency.

We aim to create products that meet market needs and build our customer base by leveraging our unique strengths, such as digital transformation (DX) and sales capabilities.

Please refer to the results presentation materials for the latest progress on our initiatives. ▶ Results-related materials https://corporate.saisoncard.co.jp/en/ir/data/

Guarantee Business

—Guarantee Business balance



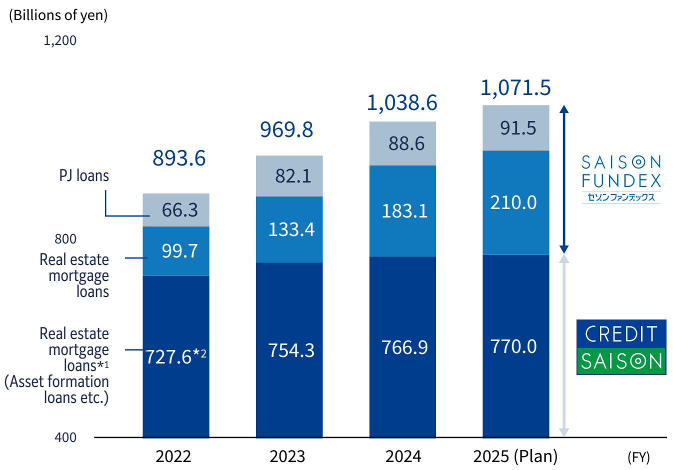
We provide guarantee services for loans offered by partner financial institutions.

Since launching our unsecured loan guarantee business in 1985, we have expanded our network of partner financial institutions to about 400. In April 2022, we entered the mortgage guarantee business, promoting cross-selling of unsecured loans, and since October 2023, we have expanded balances further through collaboration with Suruga Bank.

Saison Fundex has been expanding balances by providing long-term guarantees for a wide range of funding needs, including unsecured loans, business loans, and real estate purchases, secured by real estate. Through stronger collaboration with Credit Saison, the number of partner financial institutions reached 48 nationwide as of the end of March 2025.

Real Estate Finance Business

—Real Estate Finance Business balance



*1 Figures for real estate-secured loans include not only asset formation loans but also loans to corporations and high-net-worth individuals.

*2 Asset formation loans
Sales of receivables FY2021-FY2022 cumulative total ¥110.0 billion

Credit Saison is expanding services to meet the diverse needs of a wide range of customers, including individuals and real estate businesses.

For individuals, we added a short-term prime rate-linked product in August 2024 to our asset formation loans, which are loans to individuals for purchasing condominiums for investment purposes, in addition to our conventional long-term prime rate-linked products. While transaction volumes are increasing, repayments in a rising interest rate environment have kept balances flat.

In addition, balances for the collaboration loan we launched with Suruga Bank in November 2023 are steadily expanding. We will continue to promote this initiative with Suruga Bank by leveraging the expertise of both companies.

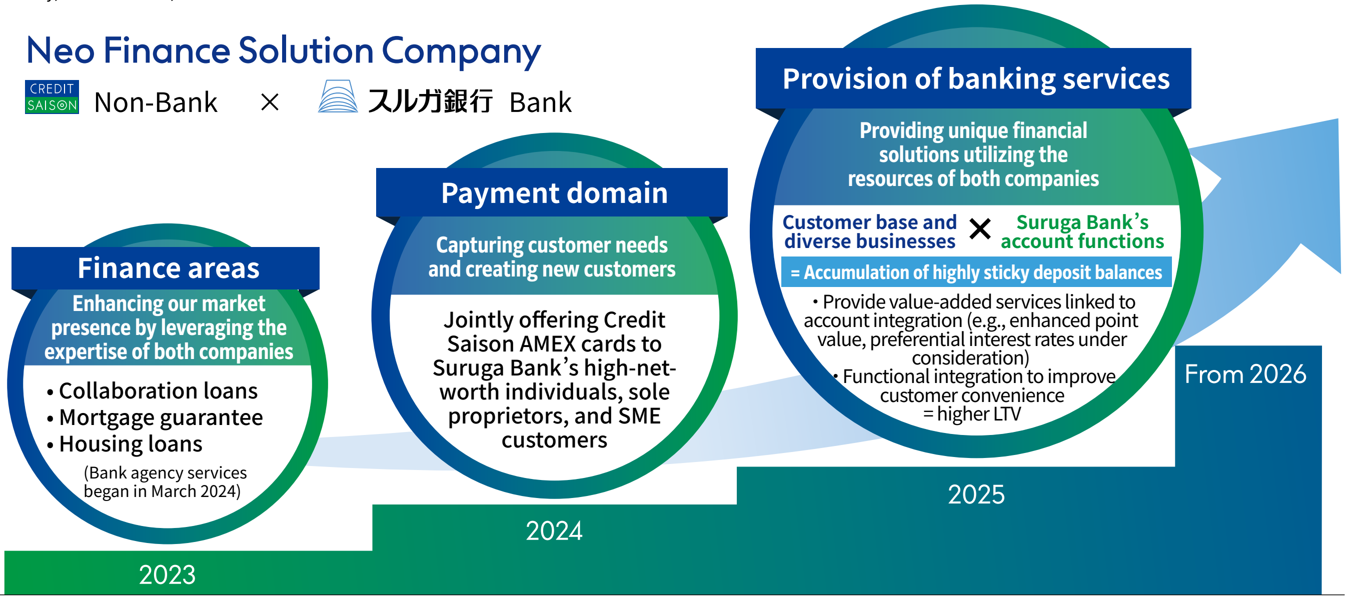
Saison Fundex leverages its strengths in screening speed and expertise to offer real estate-secured loans that address diverse funding needs, such as real estate investment and financing, as well as project financing that provides procurement funds to real estate businesses. By strengthening web promotions, enhancing relationships with existing clients, and expanding new partnerships, we aim to steadily expand balances.

Finance Business

Status of Initiatives with Suruga Bank

The capital and business alliance with Suruga Bank, launched in FY2023, has been progressing well, centered on the finance and payment domains, through leveraging the know-how and human resources of both companies. From FY2025, we will further deepen our initiatives toward providing unique financial solutions, aiming to become a Neo Finance Solution Company that offers solutions to every customer challenge and uncertainty*1.

*1 Anxiety, inconvenience, dissatisfaction



Credit Saison × Suruga Bank: Example of human resource exchange activities

The exchange of personnel between the two companies, which began in August 2023, has increased. As of the end of April 2025, 20 individuals were participating in the exchange program, with a cumulative total of 27 since its inception. This deepens mutual understanding of each company's products and businesses, strengthening our sense of unity as a Group. To jointly utilize management resources, we will continue to accelerate personnel exchanges, invigorating our businesses and deepening collaboration.

A cumulative total of 25 employees dispatched from Credit Saison to Suruga Bank (19 as of the end of April 2025)

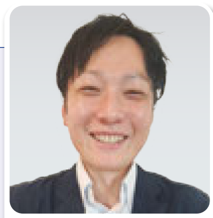
Fostering mutual understanding

A cumulative total of two employees dispatched from Suruga Bank to the Credit Saison Group (one as of the end of April 2025)

Seconded from Credit Saison to Suruga Bank

After about a year of being dispatched to the Internet Branch to handle mortgage lending, I now belong to the Metropolitan Sales Department III, responsible for investment real estate loans. My role involves providing loans to investors as well as sales and marketing to real estate brokers and intermediaries. It is highly rewarding to be involved in major decisions, such as purchasing investment real estate, which form part of customers' long-term life plans, and to contribute to their life design. For the lending products I oversaw in the past, I focused on making swift credit decisions, but in my current role, it is more important to view real estate investment as a business. I have come to realize the importance of taking the necessary time to conduct risk analysis on many levels.

At Suruga Bank, I feel there are similarities with Credit Saison in terms of customer-first service development, product creation, and a customer-centric approach. At the same time, the significant emphasis on compliance as a bank also stands out, with thorough initiatives and training in place. I also see this secondment as an opportunity to deepen my own knowledge and experience as a financial professional. By incorporating diverse perspectives, I will continue working to improve my skills while contributing to the growth of Suruga Bank.



Takuya Terada
Metropolitan Sales Department III
Metropolitan & Wide-Area Bank Division
Suruga Bank Ltd.

Payment Business

Message from the Director in Charge

Building a robust revenue base through the premium strategy and DX

Shunji Ashikaga
Director, Managing Executive Officer
Company-wide Corporate Sales strategy
Head of Branding Strategy Dept.,
SaisonAMEX Division,
General Manager, SaisonAMEX Division

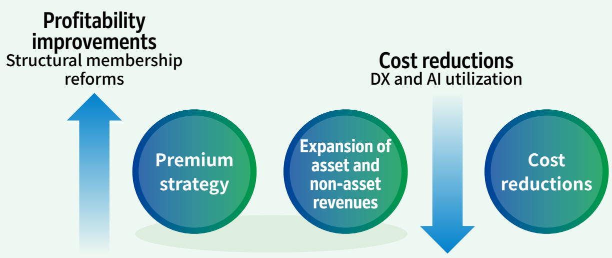
In FY2024, the Payment Business achieved major successes in terms of both profitability and growth potential as a result of efforts aimed at accelerating the premium strategy and driving structural reforms. With rising prices, growing wages, and other changes in the macro environment acting as a tailwind, a forward-looking stance on consumption and investment spread throughout the economy. Against this backdrop, we expanded our lineup of premium cards and revised our revolving fee rate, which ultimately led to record high levels of profit on an individual segment basis. In October 2024, we launched the "post-purchase revolving payments" service in part to help capture new customer segments. Similarly, we achieved steady progress in building a sustainable revenue base by applying DX and AI to streamline operations, and by revising the cost structure.

In FY2025, we will introduce a service fee for inactive card users to strengthen our reach over customer segments with a strong intention to use their cards. We will also seek to enhance the customer experience in terms of both digital and emotional value, by strengthening our comprehensive partnership with the Mitsui Fudosan Group, including affiliated cards with Mitsui retail facilities, providing discount movie tickets for TOHO Cinemas, issuing the "DMM JCB Card" in cooperation with DMM, and collaborating with Hoshino Resorts.

Centered on expansion of the non-asset area, the Payment Business growth strategy will accelerate our entry into loan factoring services for SMEs in collaboration with Suruga Bank, as well as the insurance and securities fields, with the aim of sustainably raising corporate value.

Medium-term Management Plan: Priority Theme — **Accelerating the premium strategy and reducing costs through structural reforms**

As part of our efforts to improve profitability in the Payment Business, we are promoting a "premium strategy" that aims to reform the membership structure and improve loyalty by promoting premium cards and providing added value, as well as "expanding asset and non-asset revenue" in an effort to improve the revenue ratio by designing a fee structure commensurate with services in line with revisions to market appeal, a review of revolving rates, and other measures. In the area of cost reduction, we will work to expand profits by implementing "cost structure reform" through a review of operations utilizing DX and AI, as well as reallocating personnel to growth businesses and reducing temporary employment.



▶ Please refer to financial results briefing materials for progress updates on the latest initiatives. Financial Announcement https://corporate.saisoncard.co.jp/en/ir/data/

Providing Value Derived from the Saison Partner Economic Zone

Leveraging its existing strengths as an independent non-bank, Credit Saison has issued affiliated cards with partners in different industries and provided original services. In March 2025, we launched an exclusive new service for members of cards issued by Credit Saison called "Saison Thursdays," which allows cardholders to watch a movie of their choice at TOHO Cinemas throughout Japan every Thursday for ¥1,200 (tax included). We will continue to consider additional benefits for all Saison card members, and plan to leverage the "Saison Partner Economic Zone" to provide services that pursue emotional value above functional value while staying true to Credit Saison.

Providing services that embody Saison's uniqueness

As a new service that allows our customers to enjoy movies for ¥1,200, "Saison Thursdays" has been well received by our members, thereby providing a smooth start as a new service that prioritizes emotional value. This service offers a rich experience through movie viewing, thereby allowing our members to experience something of special value. Going forward, we will further strengthen our alliances with partner companies and increasingly broaden the unique content and experience value of Saison with the aim of enhancing brand value.

Yuki Takashita
Alliance Sales Dept.

Payment Business

Enhancing Profitability through the Premium Strategy

Along with GOLD cards and other more-exclusive paid cards for individuals, the premium strategy defines cards for sole proprietors and SMEs as "Premium Cards," for which we aim to expand membership. Compared to other cards, these tend to achieve higher profitability because premium card members use them more often and make high-unit-price purchases. Although premium card members only accounted for approximately 20% of all active credit card members as of the end of FY2024, they made up around 45% of profit and contributed to higher profit margins.

Initiatives for Expanding Profit and Building a Membership Base

Leveraging its alliances with various partners, Credit Saison is working to expand the membership base and update card benefits and services in an effort to advance profit expansion and customer return initiatives.

Releasing the DMM JCB Card

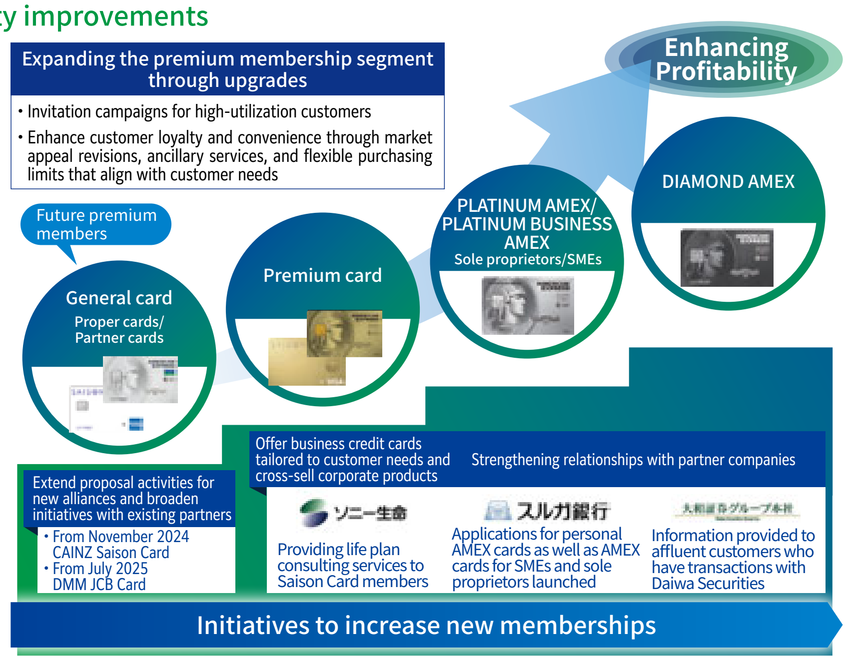
In July 2025, we released the "DMM JCB Card" as part of a new partnership strategy that targets use of digital services. This card is designed for DMM users, who tend to be from younger customer segments, and offers a high return rate of 3% in the form of DMM points (1% for non-DMM services). Available in 13 card designs, including collaboration designs with popular products from DMM GAMES, it also offers a variety of services centered on the card.

Revising the market appeal for profitability improvements

Credit Saison is working to revise and expand card benefits in line with customer needs, and to design fee structures that are commensurate with its services. In June 2025, we revised annual membership fees for the Saison Platinum American Express® Card and Saison Platinum Business American Express® Card. This revision was in line with efforts to enhance services, which included raising the Eikyufumetsu Points ratio and introducing an additional digital concierge service and new insurance coverage.

Initiatives for expanding asset revenue

In light of changes in the financial environment, we raised the Saison brand revolving fee rate up to 18% starting with withdrawals in November 2024. Making this move as we sought to acquire the understanding of our credit card members mitigated the impacts of customer attrition more than expected, thereby enabling us to present an outlook for profit growth of approximately ¥9.0 billion per year.



* "American Express" is a registered trademark of American Express. Credit Saison Co., Ltd., uses the trademark under license from American Express.

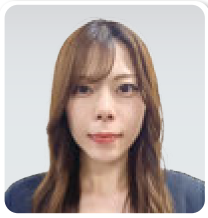
Structural Reforms Leveraging DX and AI

We aim to improve profit margins by downsizing and eliminating unprofitable operations and streamlining operations through the use of DX and AI. Our structural reforms have reduced the headcount from approximately 4,000 as of April 2023 to approximately 3,300 as of March 31, 2025 (a 17.5% decline over two years) and have reallocated personnel to growth businesses.

Effects generated by structural reforms

Through a cycle of "consolidation, decluttering, DX, and improvements," our structural reforms have steadily produced outcomes and successfully reduced 25,500 hours' worth of work over the two-year period from April 2023 to March 2025.

As part of this effort, we employed in-house development using low-code tools to streamline manual work, including settlement operations, as well as personalized work, and have sought to create an environment in which employees can focus on value-creation activities. I was particularly impressed by how this effort enabled fast-paced responses and flexible improvements through development within business divisions, and by how we have experienced the outcomes of operational improvements on the front lines.



Sakura Kato
Strategic Planning Dept.
Structural Reform DX Group

Roundtable Discussion among Outside Directors

Hitoshi Yokokura
Outside Director
(Independent)

Yumiko Hoshiba
Outside Director
(Independent)

Kozo Makiyama
Outside Director
(Independent)

Eiji Sakaguchi
Outside Director
(Independent)

Working toward a corporate structure that performs well under change for the next stage of growth

Assessment of the first fiscal year of the Medium-term Management Plan and future issues

Yokokura: I give the first fiscal year of the Medium-term Management Plan passing marks in that it generally progressed as planned. Although the Payment Business proceeded with structural reforms and performed above expectations, the Global Business seems to have produced varying results depending on the region, despite having shown strength in India and Vietnam.

Sakaguchi: Given the strong financial results for the first fiscal year, indications are that Credit Saison will likely achieve the targets set under its Medium-term Management Plan. On the other hand, I get the impression that with the faster-than-expected rise in interest rates the Company has now moved from a stage of expansion based on asset growth into a new stage in which the performance of businesses focused on asset efficiency will come into question. I also feel the Global Business has exhibited certain weaknesses because it operates in emerging countries.
In a similar vein, at the Board of Directors, I have pointed out that ROIC has fallen below the risk-free rate in some countries. When considering ROIC improvements against the backdrop of rising interest rates, I believe that the Company is approaching a stage where it must consider strategically focusing on its core competencies with an eye to the profitability of each business. The Company must therefore engage in more debate over ways to organize budgets and set KPIs. Looking especially at the Global Business, I feel that Credit Saison must further deepen discussions over the levels of return in emerging countries, which present both high risk and high potential, that would be required for success, and other similar perspectives.

Hoshiba: Credit Saison's monthly performance reports clearly reveal the strong commitment to achieving numerical targets among the directors in charge. The Company has also sought to evolve its governance structure, for example, by renaming the Audit Office to the Audit Department in FY2024, and establishing a new Domestic Audit Office and Global Audit Office within this department. While the existing structure is designed so that the low-profitability Payment Business underpins the Company, it seems to me that achieving the targets in the Medium-term Management Plan is highly reliant on the Global Business. Providing loans to underserved segments in emerging countries, however, is a business with major social significance from the perspective of financial inclusion, and as long as the loan collection system functions, I expect this business to serve as a means of increasing profits and strengthening the credibility of the Credit Saison brand. I look forward to and anticipate much from the Saison brand spreading throughout the world. Yet as Mr. Sakaguchi just pointed out, I feel the Company must also carefully identify the roles that new businesses are to play as part of efforts to achieve the Medium-term Management Plan.

Makiyama: The better the times, the more careful the Company must be in sowing the seeds in anticipation of the next Medium-term Management Plan. Although I understand Credit Saison is focused on the global stage, as interest rate conditions sway wildly with changes in international affairs, the Global Business will serve as a centrifugal force for growth while presenting risks. Risk management as part of business expansion in emerging countries is therefore important, which is why I feel the Audit Department must be objective in its analyses. During good times it becomes more difficult to make regressive judgments like business downsizing and withdrawals, yet I feel the era we now enjoy demands more flexible, faster decision-making that accounts for international affairs and is based on risk assessments.
In Japan, Credit Saison is recognized as a brand backed by the support of the middle-aged and senior customer segments that have enjoyed a spiritually rich lifestyle. However, the key to future growth as I see it will be efforts to extend the brand through proposals to younger customer segments. Although these younger segments involve a relatively high risk of bad debt, the Company can minimize the risk of fraud through strict screenings and advanced systems.

Roundtable Discussion among Outside Directors

Yokokura: The Global Business has only been around for a short time, so amid the different regulations, economic and interest rate trends, and other aspects of the business environment in each country, variation in growth curves is only natural. Rather, you could say this variation offers greater stability given the risk of failure when over-focusing on any one country. On the other hand, I feel Credit Saison is now at the stage where it must firmly review the areas where the Global Business has succeeded and struggled, and consider resource allocation, the setting of country- and business-specific KPIs, and supportive measures while managing the balance sheet as part of an overall strategy.

Hoshiba: The Company should also clarify its risk appetite and exit strategy for each country.

Yokokura: I agree. Based on the experience that Credit Saison has accumulated to date, I expect it to steadily advance to the next stage of growth.

Sakaguchi: Although exit strategies are also important, it seems that as the Global Business takes risks on one hand, it also faces a gap between actual profits and anticipated profitability. We must work together to deeply debate the desired return for the Global Business, but not exclusively so, and aim for growth after determining the policy following a judgment on this return.

Makiyama: When reality diverges from what was initially expected, companies will sometimes decide to establish an extraordinary extension for achieving targets. The world today, however, demands that we make fast-paced, flexible management decisions because the business environment now changes drastically on an annual basis.

Improving capital efficiency and PBR

Sakaguchi: Although we have debated what needs to be done to improve PBR fairly often and have calculated the return for each business, there are still many businesses that have not met the cost of capital (as measured by WACC, for example), which means ROA remains low. With this in mind, I feel the Company has reached a point where we should debate the merits of business continuity while keeping an eye on the profitability of each business against the backdrop of faster-than-expected interest rate hikes. In the past, when I suggested that Credit Saison should be more aware of the productivity of every employee on an individual basis, each department immediately stepped up and significantly improved labor productivity within a short time. Combining labor productivity with asset efficiency is what leads to a better ROA, so if the Company further enhances asset efficiency, I believe we will also start to see it achieve a PBR above 1.

Hoshiba: It seems to me that the Company's stance on challenging unprecedented projects in the credit card industry like real estate security tokens and the corporate restructuring business in an effort to effectively utilize assets stays true to Credit Saison. In turn, I expect to see this help improve PBR.

Makiyama: In the case of Credit Saison, I think that the right approach would be for it to prioritize the balance between balance sheet management and ROA, and begin by seeking to increase ROA before ultimately linking this to an improvement in ROIC.

Yokokura: As the balance sheet balloons in terms of the business structure, Credit Saison's efforts to increase profits through businesses that do not rely on the balance sheet, like guarantee services and service fee businesses, and its more recent real estate security token business, lie along this path. At the same time, however, the Company is also striving to expand products that generate yields whenever possible as part of the replacement of assets. With its major impact on the balance sheet, the Payment Business must secure financing, which is why the Company is looking to improve ROA by advancing structural reforms as it faces rising financing costs and downward pressure on participating merchant service fees.
This is a challenging approach in that the outcomes will not create drastic improvements in the overall balance sheet. That said, along with making repeated efforts in this direction, I believe this approach will also connect to improved PBR if the Company can foster growth expectations on the capital markets by bolstering the Global Business and through proactive IR activities.

Sakaguchi: The Payment Business relies heavily on the balance sheet, so the first step to improving ROA will be to discuss how to strengthen competitiveness for the Payment Business looking 10 years into the future in a way that also involves earnings structure reform.

Roundtable Discussion among Outside Directors

Credit Saison's corporate culture

Makiyama: In my previous position, I could not have been further from the management team at Credit Saison, which gave me the opportunity to see just how employees worked with pride in the Saison Group and with a sense of job satisfaction. The former Saison Group possessed the ability to create new cultures and change lifestyles. As the core of that group, the Company had continuously solicited various ideas from its employees. This is a strength I hope to see it carry over.

Yokokura: Despite the Company's strait-laced corporate culture, my impression is that this culture actually has a kind of cultural playfulness in terms of its true nature.
It appears to me that the concept of a comprehensive life services group actually emerged from Saison's true nature, which is why I am interested in how this idea will enrich the lives of people around the core of finance.

Sakaguchi: To me, it seemed the Saison Group had an impact on many young people in the 1980s as a presence that led the era by proposing new value. In addition to edgy ideas, I also feel it possessed a coexisting culture that prioritized active opinion exchanges within the organization. Once I began participating in the Company as an outside director, I was happy to see that the camaraderie among employees and shared values remained intact, yet I rarely see hints that employees are consciously seeking to create a new era through their own proposals. So, I hope to see the younger generations discover the true nature of Saison.

Hoshiba: The first credit card I ever had with my own name on it was a Saison card. I experienced its cutting-edge culture unlike any other, and I grew attached because it felt so familiar to me as a consumer. The Company maintains its flexible culture, while its innovative atmosphere that gives young people a chance remains strong.

Yokokura: Credit Saison's card members tend to be from relatively older age groups, and the image of Saison among these segments and younger people also differs. I therefore feel the key point is figuring out how to extend branding efforts to the different generations while firmly securing profits.

Assessment of the governance structure and issues

Yokokura: The Board of Directors holds constructive discussions, and has steadily evolved just over the five years since I became a director. The Board has been agile enough to rapidly respond, even for example with respect to the productivity of individual employees pointed out by Mr. Sakaguchi, and earnestly acknowledges the opinions of outside directors. The future issue, therefore, is strengthening Group governance and global governance with the aim of promoting increased sophistication.

Sakaguchi: I feel that the Company's approach to governance is effective in that outside directors are able to easily comment and ask questions in a free and open manner. Yet I also believe the Company can still improve the Board's supervisory function if it further increases the ratio of outside directors on the Board.

Yokokura: I agree. Both the outside and inside directors have made increasing numbers of comments in recent years. However, it seems to me that directors still rarely present opinions on much beyond their own area of responsibility. When debating global resource allocation, for example, I feel that we can enhance governance by ensuring the inside directors go beyond their area of responsibility and engage in debate with a strong interest in issues that affect the entire Group. This would also help prevent the organization from becoming siloed and help avoid scandals.

Hoshiba: Before Board of Directors meetings, we receive detailed explanations, during which time we are able to ask questions and offer opinions. The Company prepares materials and documents before the Board of Directors based on this feedback. Going forward, however, I hope to see the Nomination & Remuneration Committee clarify the vision for the next generation of leaders and to advance preparations for a human resource development policy based on this vision.

Makiyama: I feel that one potential option for further enhancing the effectiveness of the Board of Directors would be to increase the ratio of outside directors and to clarify the responsibilities of top management. Moreover, half the population is women. So, I also expect to see the Company further strengthen efforts to promote female directors from the perspective of advancing diversity as well.

Roundtable Discussion among Outside Directors

A message for stakeholders

Sakaguchi: I believe the role of outside directors is to place important topics and anything we feel requires discussion firmly on the stage of debate, so I will play this role without assuming anything is off limits.

Hoshiba: As someone with a viewpoint similar to that of a regular consumer, I will contribute by asking questions and offering feedback from a perspective that differs from that of the professionals.

Makiyama: Despite the already highly open culture, I see one of my core roles as ensuring that the various ideas from within the Company reach the Board of Directors, and will make every effort to ensure this happens.

Yokokura: Debates in which those with different viewpoints share their honest opinions will prevent tunnel vision. It is the outside directors that play this role. I will continue to fulfill this duty with a full understanding of where the Company stands today and without creating any sacred spaces.

Greeting from the Newly Appointed Outside Director

Kozo Makiyama
Outside Director
(Independent)

My name is Kozo Makiyama and I was recently appointed as an outside director. For many years, I was part of PARCO CO., LTD., which emerged from the same Saison Group as the Company, and am proud to have experienced the so-called "Saison Culture."

One part of this culture that I felt was wonderful is the support Credit Saison provided every year for concerts performed by Jose Carreras. PARCO also supported these events for many years, and it continued to produce and organize a stage for Philippe Genty in a similar manner as Credit Saison even after Mr. Carreras was no longer able to come to Japan. This shows that Credit Saison has fostered a culture in which the employees involved in each business stay true to Credit Saison on an individual basis. The employees that are involved in these events pass on the Saison culture even as they seek to innovate it as a matter of course, and I am confident that the results of their efforts have given rise to long-standing projects and plans that have gone on to emerge as major academic projects.

I will spare no effort to ensure that the Credit Saison Group becomes an essential presence for those who enjoy enriched lifestyles even as I value this cultural creation that was established by my predecessors. I will do the same to ensure that I can contribute to sustainable management while engaging in friendly competition with the employees as we aim to evolve the Company into a corporate group that can consistently offer attractive proposals in a global environment.

Thank you for your continued support.

Corporate Governance

Our basic view on corporate governance, as well as the organizational design and structure

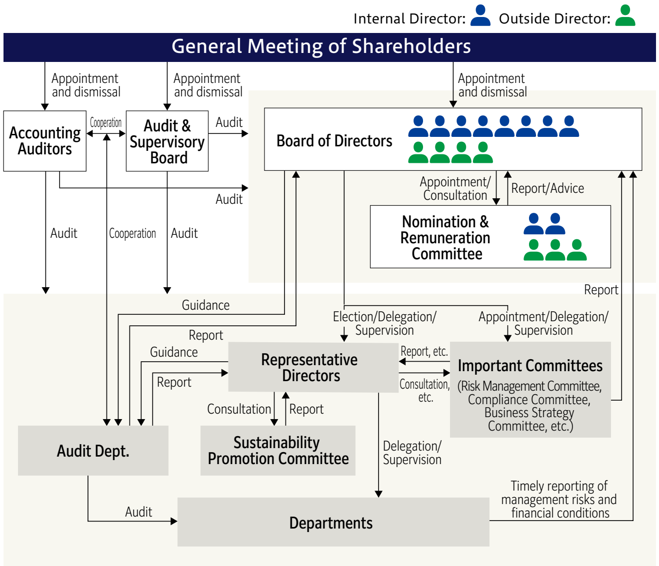
Basic approach

To realize our basic management policy of obtaining the understanding and approval of our stakeholders such as our customers, business partners, employees, shareholders, and society by continuously improving corporate value over time and creating innovative services, the Company is implementing a variety of initiatives to improve and strengthen its corporate governance in recognition of the enormous importance of enhancing management transparency and bolstering management supervisory functions to attain business objectives.

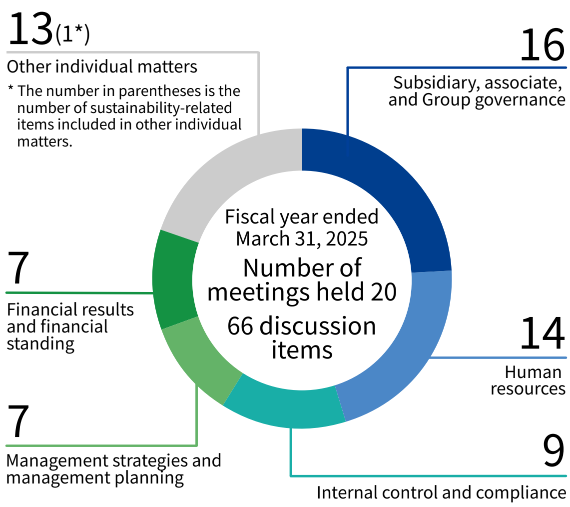
Please refer to the following reports for details of the Company’s corporate governance and related matters.

- Securities Report
  https://corporate.saisoncard.co.jp/ir/securities_report/ (In Japanese only)
- Corporate Governance Report
  https://corporate.saisoncard.co.jp/en/sustainability/governance/

Corporate Governance Structure



Board of Directors

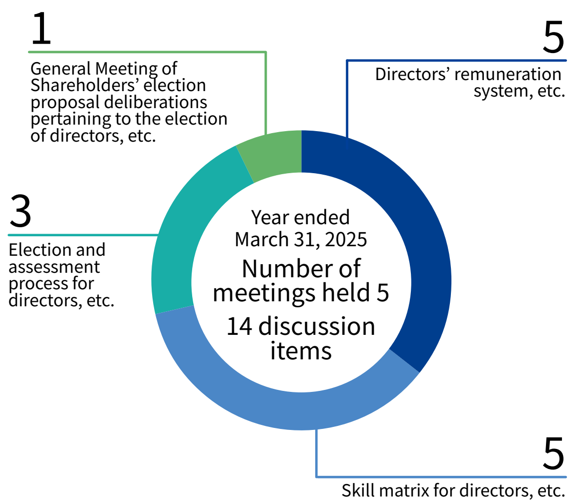


The Board of Directors consists of 12 directors (including four independent outside directors). In addition to deliberating on important matters concerning management, the Board oversees the performance of duties by directors and actively exchanges opinions, including with outside directors, in order to ensure the effectiveness of decision-making and oversight. Outside directors provide useful advice and guidance on the Company’s management from an objective and neutral perspective.

For details of the ratio of outside directors and ratio of female directors, please refer to the sustainability data.

- Sustainability data
  https://corporate.saisoncard.co.jp/en/sustainability/data/

Nomination & Remuneration Committee



Established as an advisory body to the Board of Directors, the Nomination & Remuneration Committee is made up of directors elected by a resolution of the Board of Directors and is currently composed of five members, the majority of whom are outside independent directors and which include the Representative Chairman and CEO.

At least once a year, the Nomination & Remuneration Committee will deliberate on the following matters: (i) General Meeting of Shareholders’ proposals relating to the appointment and dismissal of Directors; (ii) the formulation of policies regarding remuneration, etc., to be received by Directors as well as standards for individual remuneration, etc., to be received by Directors; (iii) other matters on which the Nomination & Remuneration Committee provides its advice to the Board of Directors; (iv) the formulation, amendment, and abolishment of basic policies, etc., necessary for deliberating on the preceding items; and (v) other matters deemed of importance by the Nomination & Remuneration Committee. The Committee will also report the results of its deliberations to the Board of Directors.

Management/Executive system

Credit Saison has adopted the Audit & Supervisory Board (ASB) model.

The Company has established the Board of Directors, the ASB, and the accounting auditor as the corporate organization. To ensure the Company retains the confidence of its shareholders and other investors, the Company strives to improve and strengthen corporate governance by nominating outside directors and outside ASB members. The Board of Directors and Nomination & Remuneration Committee receive advice and recommendations from outside directors to ensure the appropriateness of business decision-making.

This enables directors, who are well versed in business matters, to maintain and improve management efficiency. In addition, the ASB is strengthening its management oversight function by coordinating with directors, executive officers, and others from the Internal Audit Office and the unit responsible for supervision of internal controls. At the same time, the Audit Department ensures its independence by having a direct reporting line to the Board of Directors, separate from reports to the Representative Director.

Credit Saison reviewed the composition of the Board of Directors and introduced an executive officer system in order to further strengthen its corporate governance system through the separation of business execution and management oversight. In doing so, the Company has put in place more appropriate management and supervisory functions and established an efficient business execution system. The term of office for directors is set at one year to ensure the Board can respond flexibly to changes in the business environment and to ensure that shareholders can have confidence in the Company's management.

Overview of the Board of Directors' effectiveness evaluation results

With the goal of improving the effectiveness of the Board of Directors, the Company, in principle, implements a self-evaluation based annual assessment and analysis for all directors and ASB members (including retirees before the expiration of their term of office) selected in the previous fiscal year. Questionnaires are given to each director and ASB member covering the following items, with the Board of Directors conducting discussions based on feedback from the results.

Assessment Items

(1) Composition of the Board of Directors

(2) Management of the Board of Directors

(3) Roles and Responsibilities of the Board of Directors

Overview of Assessment Results

We have confirmed that the Board of Directors is operating at a generally proper level and that the effectiveness of the Board of Directors has been secured.

With regard to the risk and compliance management system, which was identified as an issue in the evaluation of the effectiveness of the Board of Directors, the initiative policy of current issues and future policies was reported to the Board of Directors, and the Company reviewed important risks that are essential for the realization of the medium-term management plan and rebuilt a system to control them, based on (a) identification, evaluation, and analysis of risks based on risk assessments that refer to international standards; (b) identification of events that have become apparent; (c) individual interviews with directors, ASB members, and executive officers who are members of the Risk Management Committee; and (d) analysis of the external environment. In particular, in the area of information security, the Information Security Control Department was newly established to strengthen risk management and governance in this area by not only strengthening technical measures but also fostering Group-wide security awareness and formulating security policies, etc.

Credit Saison will continue to improve operations to further enhance the effectiveness of the Board of Directors, based on the recognition of operational challenges and roles and responsibilities identified, in order to further revitalize discussions aimed at enhancing corporate value with respect to the Board of Directors.

Examples of effectiveness evaluation initiatives —Risk and compliance management system review process—

Identification, evaluation, and analysis of risks based on risk assessments that refer to international standards, etc.

Identification of events that have become apparent

Individual interviews with directors, ASB members, and executive officers who are members of the Risk Management Committee

Analysis of the external environment

Examples of initiatives

Establishment of the Information Security Control Department

Steps taken to strengthen technical measures in the information security field, foster Group-wide security awareness, and formulate security policies, etc.

Risk Management and Compliance

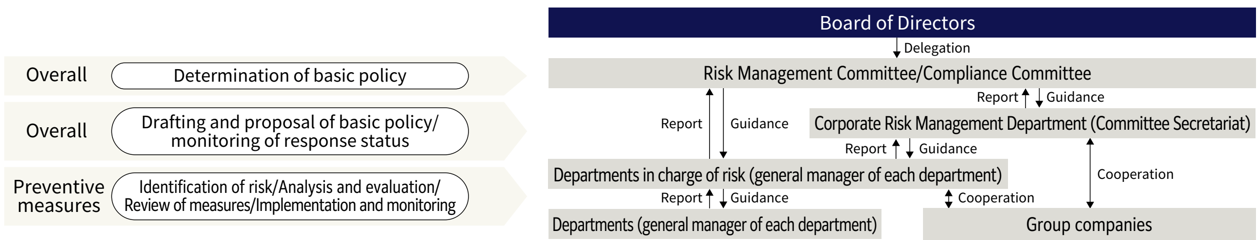
Risk Management

Risk management
https://corporate.saisoncard.co.jp/en/sustainability/riskmanagement/

To ensure its sustainable growth as a "GLOBAL NEO FINANCE COMPANY – A global comprehensive life services group with finance as our core," Credit Saison has established a framework to comprehensively identify and manage various risks faced by the Company as well as the Group. Under this framework, we strive to maintain a sound, resilient management foundation by classifying and assessing these risks in accordance with the characteristics of each business and changes in the external environment. This includes, for example, taking appropriate action. The Risk Management Committee identifies major risks through risk assessments as well as the appropriate response. The Committee also cooperates with each business division to confirm the progress and effectiveness of each risk response on a regular basis, and leverages Risk Capital Management (RCM), Asset-Liability Management (ALM), and other methods in an effort to build a financial base that is resilient to risk.

The Payment and Finance businesses seek to stabilize operations and achieve sustainable growth through a process that entails ensuring appropriate credit, risk management, and loan collection. As part of our credit management endeavors, we undertake a careful assessment of customer creditworthiness based on strict screening criteria, and strive to reduce bad debt risk. Once a transaction begins, we have established a system that identifies signs of risk at the earliest stages and takes the necessary action by confirming and analyzing both the credit and repayment status of customers on a regular basis. As far as our loan collection activities are concerned, we have established an efficient collection process to maintain the soundness of loans. Moreover, as a company that engages in business across the globe, we are working to strengthen our global governance structure in a bid to address changes in financial regulations in each country, foreign currency exchange risk, economic and political instability, and a number of other risks. This effort is being led by the International Headquarters (IHQ) of Saison International Pte. Ltd. In cooperation with local financial institutions, attorney offices, and others, we continuously monitor the latest regulatory trends and market environments, and strive to reduce risk based on their expertise.

Moreover, as an enterprise that is responsible for aspects of social infrastructure, we have formulated a BCP to ensure the continuity of critical operations whenever possible, even in the event of an earthquake, other natural disaster, or accident. Under our BCP, we have also established emergency systems and identified roles as well as response matters for the purpose of restoring operations at the earliest possible time. Furthermore, we prepared an internal reporting system in accordance with Japan's Whistleblower Protection Act for the purpose of preventing and rapidly addressing legal violations and improper acts. Through these initiatives, we are working to strengthen the business foundation and build a stable earnings structure.



Compliance

Compliance
https://corporate.saisoncard.co.jp/en/sustainability/compliance/

Credit Saison has positioned legal compliance, fairness, and ethical standards in its corporate activities as one of the Company's most important priorities. Likewise, we established the "Declaration of Conduct" as a basic action guideline to clearly illustrate the stance upon which we must engage with society. In addition, we formulated our "Standards of Conduct" to define the specific actions that officers and employees must take, which enables us to appropriately execute business under a unified Group-wide approach.

To build a compliance system, we have established the Compliance Committee, which is chaired by the officer responsible for the Corporate Risk Management Department. The Compliance Committee reports on and verifies compliance promotion plans, training plans, and the status of compliance with each law, and implements improvements on an ongoing basis.

We have also assigned compliance officers and compliance staff to each department in an effort to instill an awareness toward compliance throughout the organization. At the same time, we have strengthened the framework for ensuring that business operations are consistently performed at a practical level. Moreover, we disclose information through the employee website and regularly hold compliance training programs as part of our efforts to organize an environment that ensures each employee thoroughly understands the latest rules and can make appropriate judgments. Through these initiatives, employees come to practice compliance of their own initiative, and we commit ourselves to instilling compliance on a Group-wide basis.

Preventing Bribery and Corruption

The Company prohibits bribery and improper benefits. We provide no entertainment or gifts to public civil servants or equivalents who are prohibited by law from receiving entertainment or gifts. We also prohibit giving or accepting excessive entertainment or gifts even in the case of business partners. We will continue to instill awareness among all employees through training programs that use the employee website with the goal of ensuring that our employees do not provide entertainment or gifts beyond the scope of social common sense.

Anti-money Laundering

Credit Saison has built a framework and operational system with respect to money laundering and terrorism financing measures under the active leadership of the management team. This system is based on the Guidelines for Anti-money Laundering and Combating the Financing of Terrorism published by Japan's Financial Services Agency and Ministry of Economy, Trade and Industry.

Board of Directors/Audit & Supervisory Board Members/ Executive Officers (As of June 26, 2025)

Name		Position
Hiroshi Rinno		Representative, Chairman and CEO
Katsumi Mizuno		Representative, Executive President and COO
Naoki Takahashi		Representative, Executive Vice President and CHO
Kazutoshi Ono		Director, Senior Managing Executive Officer and CDO, CTO
Kosuke Mori		Director, Senior Managing Executive Officer
Naoki Nakayama		Director, Managing Executive Officer
Shunji Ashikaga		Director, Managing Executive Officer

Name		Position
Kosuke Kato		Director (Non-executive)
Hitoshi Yokokura	Outside/Independent	Director
Eiji Sakaguchi	Outside/Independent	Director
Yumiko Hoshiba	Outside/Independent	Director
Kozo Makiyama	Outside/Independent, Newly appointed Director	Director
Hideo Suzuki		Standing Audit & Supervisory Board Member
Hiroaki Igawa	Outside/Independent	Standing Audit & Supervisory Board Member

Name		Position
Chie Kasahara	Outside/Independent	Audit & Supervisory Board Member
Kazue Yasumori		Managing Executive Officer
Masaki Negishi		Managing Executive Officer and CFO
Ryuki Tabata		Managing Executive Officer
Kazuo Koshi	Newly appointed Director	Managing Executive Officer
Yuichi Kawahara		Executive Officer
Naoki Misaka		Executive Officer

Name		Position
Hironao Wakamei		Executive Officer
Ryo Kihara		Executive Officer
Koji Sugahara		Executive Officer
Yoshiyuki Kimura		Executive Officer
Takehiko Hayashi		Executive Officer
Noriyuki Abe		Executive Officer

Skill Matrix

Name	Position	Outside/ Independent	Board of Directors	Audit & Supervisory Board	Nomination & Remuneration Committee	Corporate management	Global	Financial affairs/ Accounting	Human resources/ Labor affairs	Legal affairs/ Risk management	Sales/ Marketing	Digital/ IT	M&A/New businesses	Real estate	Finance/ Loans	ESG
			◎: Chair・Chairperson ○: Member													
Hiroshi Rinno	Representative, Chairman and CEO		○		◎	●	●		●		●		●	●	●	
Katsumi Mizuno	Representative, Executive President and COO		◎		○	●	●				●		●	●	●	●
Naoki Takahashi	Representative, Executive Vice President and CHO		○			●		●	●				●	●	●	●
Kazutoshi Ono	Director, Senior Managing Executive Officer and CDO, CTO		○			●	●					●	●			
Kosuke Mori	Director, Senior Managing Executive Officer		○			●	●	●				●	●			●
Naoki Nakayama	Director, Managing Executive Officer		○			●		●			●			●	●	
Shunji Ashikaga	Director, Managing Executive Officer		○			●					●		●		●	
Kosuke Kato	Director (Non-executive)		○			●		●		●	●	●	●		●	
Hitoshi Yokokura	Director	Outside/ Independent	○		○	●		●		●						
Eiji Sakaguchi	Director	Outside/ Independent	○			●	●	●			●		●	●	●	
Yumiko Hoshiba	Director	Outside/ Independent	○		○	●	●				●					●
Kozo Makiyama	Director	Outside/ Independent	○		○	●			●		●	●				●
Hideo Suzuki	Standing Audit & Supervisory Board Member			◎		●					●					
Hiroaki Igawa	Standing Audit & Supervisory Board Member	Outside/ Independent		○				●		●				●	●	●
Chie Kasahara	Audit & Supervisory Board Member	Outside/ Independent		○			●			●	●	●	●			
Kazue Yasumori	Managing Executive Officer								●	●						●
Masaki Negishi	Managing Executive Officer and CFO						●	●			●		●		●	
Ryuki Tabata	Managing Executive Officer								●		●				●	
Kazuo Koshi	Managing Executive Officer					●	●	●		●			●			
Yuichi Kawahara	Executive Officer										●	●	●			
Naoki Misaka	Executive Officer						●				●		●		●	
Hironao Wakamei	Executive Officer					●					●		●			
Ryo Kihara	Executive Officer									●	●			●	●	
Koji Sugahara	Executive Officer						●				●		●			
Yoshiyuki Kimura	Executive Officer						●	●		●			●		●	●
Takehiko Hayashi	Executive Officer						●	●		●	●		●	●	●	
Noriyuki Abe	Executive Officer										●		●	●	●	

* The data presented in this table do not reflect all the skills possessed by the Board of Directors, Audit & Supervisory Board members, and executive officers. Up to seven of the major skills and other attributes are marked.
* To transform into a comprehensive life services group, we are placing particular focus on global, digital/IT, and M&A/new business skills for our business strategy.

Dialogue with Shareholders and Investors

System for Promoting Dialogue

Credit Saison believes it is important to promote constructive dialogue with shareholders and investors in order to achieve sustainable growth for the Company and to enhance corporate value over the medium to long term. The Corporate Planning Department, the department in charge of IR, works closely with the Public Relations Office, the Treasury & Accounting Department, and other related departments to ensure that investor relations activities, as well as dialogue with shareholders by management, go smoothly. At the same time, steps are taken to actively exchange opinions. This includes increasing opportunities to engage in direct dialogue with the Representative, Executive President and COO who is the director in charge, Managing Executive Officer and CFO, and relevant executive officers in charge. The Corporate Planning Department and the General Affairs Department also serve as the contact points for meetings with shareholders. Generally, directors (including outside directors), executive officers, and ASB members deal with these matters appropriately within a reasonable scope, based on the purpose of the shareholders' meetings and other factors.

Initiatives Pertaining to Constructive Dialogue with Shareholders and Investors

Credit Saison works actively and continuously to build relationships with shareholders and investors in Japan and overseas. In addition to individual meetings at the time of each quarterly results briefing as well as conferences held in Japan and overseas, the Representative, Executive President and COO, Managing Executive Officer and CFO, and director in charge of the Global Business traveled overseas during FY2024. In this manner, the Company places considerable emphasis on its overseas IR activities, which include visits to local institutional investors and individual meetings.

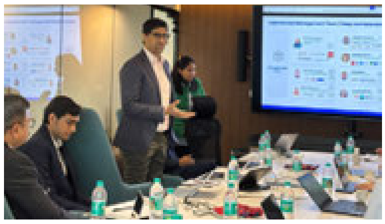
(Number of times)

	FY2022	FY2023	FY2024
Financial results briefings	2	2	4
Conferences organized by securities companies	2	2	4
Individual meetings with sell-side analysts/institutional investors	214	251	391
Briefings for individual investors	1	1	1

Credit Saison held a total of 391 individual meetings with sell-side analysts and institutional investors both in Japan and overseas, up more than 1.5 times compared with the previous year. Focusing mainly on overseas investor relations and dialogue with major shareholders, the Representative, Executive President and COO was an active participant. In addition, the Managing Executive Officer and CFO participated in approximately 70% of these meetings, increasing opportunities for direct dialogue. Shareholder as well as investor opinions and requests obtained through various means, including this dialogue and analyst reports, are relayed as appropriate to management and related departments. Through reports presented during Board of Directors and management meetings, etc., this feedback is applied in discussions for enhancing corporate value.

Initiatives Based on Opinions from Shareholders and Investors

India business: Local inspection tour



Our operations in India, which form an integral part of our Global Business, continue to attract considerable interest during meetings. Given this interest and to foster deeper understanding, we held a Global Strategy Briefing, focusing on our business in India in June 2024, while upgrading and expanding the disclosure of financial results-related materials. To supplement these activities, we conducted our first local inspection tour for sell-side analysts in April 2025. In addition to presentations from local management, ample time was provided for direct dialogue. In this manner, every effort was made to provide participants with a clear understanding of our activities as well as our future outlook. Moreover, through visits to local sales agents and partner companies to convey details of concrete measures aimed at capturing new customers, we received positive feedback regarding "the Company's strong sense of resolve," "the strength of its differentiation strategy," and "competitive advantage, including its digital preparedness and management quality."

Small meeting held with the Representative, Executive President and COO

Credit Saison held its first small meeting for sell-side analysts in July 2025 with the Representative, Executive President and COO and Managing Executive Officer and CFO in attendance. This small meeting was a forum to outline various aspects of the Company's business, including business strategies, capital policy, management structure, and long-term vision while deepening the understanding of participants. Looking ahead, we will continue to push forward measures aimed at increasing opportunities for direct dialogue with management.

Expanding information disclosure

Drawing on the opinions and requests received from shareholders and investors through dialogue, we continue to review our disclosure materials. Under the Medium-term Management Plan announced in May 2024, we disclosed details of business profit plans by segment as well as the allocation of cash for the first time. I believe that this has further reinforced dialogue. Recognizing that our corporate website is also a critical point of contact with investors, we are working to upgrade and expand the volume and quality of information. As a result of these endeavors, Credit Saison was selected as a grade "AAA Website" in the "All Markets" ranking of the All Listed Companies' Website Ranking in 2024 published by Nikko Investor Relations Co., Ltd., and a Bronze Award winner in the "Gomez IR Site Ranking 2024," both for the first time.

6-year Summary of Selected Financial Data (As of March 31, 2025)

(Millions of yen)

IFRS		FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Financial Data							
Consolidated							
The year ended March 31	Net revenue	311,410	282,625	299,017	322,638	361,604	422,818
	Selling, general and administrative expenses	236,910	202,380	222,541	228,367	242,778	261,698
	Impairment losses on financial assets	39,376	31,867	24,575	34,611	38,285	43,283
	Financial costs	10,471	11,266	11,461	15,257	24,896	39,770
	Business profit	36,184	48,352	52,336	60,977	71,941	93,621
	Profit attributable to owners of the parent	22,863	36,132	35,375	43,599	72,987	66,397
As of March 31	Equity	485,476	532,057	563, 738	600,041	717,611	719,028
	Total assets	3,357,229	3,409,247	3,610,778	3,896,105	4,335,852	4,671,143
	Interest-bearing debt	2,413,565	2,429,488	2,569,040	2,805,175	3,048,797	3,404,400
Per share data (yen)	Basic earnings per share	143	231	226	278	453	423
	Equity attributable to owners of the parent per share	3,102	3,397	3,598	3,827	4,323	4,740
Key financial ratios (%)	Return on equity (ROE)	4.7	7.1	6.5	7.5	11.2*1	9.4
	Return on assets (ROA)	0.7	1.1	1.0	1.2	1.8	1.5
	Equity ratio	14.4	15.6	15.6	15.4	16.3	15.1
Non-Consolidated							
The year ended March 31	Operating revenue	268,020	251,307	252,416	266,103	283,868	310,066
	Selling, general and administrative expenses	235,794	208,269	219,371	220,557	231,388	242,409
	Financial costs	10,535	11,530	11,381	11,923	14,606	20,475
	Operating profit	21,690	31,507	21,663	33,622	37,873	47,181
	Ordinary profit	28,348	38,026	30,421	43,424	46,158	54,783
	Profit	33,391	29,931	21,909	34,220	35,924	52,617
As of March 31	Net assets	404,809	441,683	456,739	483,683	532,483	507,540
	Total assets	3,210,925	3,280,302	3,444,915	3,665,162	3,933,236	4,111,773
	Interest-bearing debt	2,378,701	2,413,154	2,536,247	2,713,246	2,858,475	3,076,272
Key financial ratios (%)	Return on equity (ROE)	8.2	7.1	4.9	7.3	7.1	10.1
	Return on assets (ROA)	1.1	0.9	0.7	1.0	0.9	1.3
	Equity ratio	12.6	13.5	13.3	13.2	13.5	12.3
Transaction volume*2	Credit card business	4,946,908	4,500,366	4,823,174	5,287,073	5,687,693	5,987,041
	Cash advances	237,555	155,004	160,622	164,720	161,390	149,667
	Agency services	2,985,255	2,609,412	2,737,512	2,894,900	3,017,818	3,250,704
	Lease business total	127,178	114,885	113,159	126,631	146,684	148,341
	Credit guarantee	101,510	70,283	84,586	98,914	132,485	155,052
	Real estate mortgage loans	175,621	141,698	124,417	122,539	139,862	203,704
	Other (Finance Business)	341,131	322,366	252,894	218,676	150,206	101,450
	Other	30,260	26,696	106,075	152,840	221,301	228,632
	Total volume of new contracts	8,945,420	7,940,715	8,402,442	9,066,297	9,657,439	10,224,591

*1 Excluding negative goodwill: 8.3%
*2 Certain Other (Finance Business) and Other transaction volumes after FY2021 have been reclassified owing to a change in the rent guarantee business from the Finance Business to the Payment Business in the third quarter of FY2022.

Segment Highlights (As of March 31, 2025)

(Millions of yen)

IFRS	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Net revenue						
Payment Business*1	232,441	209,130	213,148	220,222	235,237	256,014
Lease Business	12,269	12,290	11,837	12,049	12,544	13,346
Finance Business*1	43,112	43,412	47,144	50,754	58,502	69,361
Real Estate-related Business	17,227	14,595	22,704	24,177	23,942	28,295
Global Business*2	—	—	—	11,368	27,208	51,520
Entertainment Business	8,822	5,536	6,407	6,214	6,319	6,665
Adjustment	(2,462)	(2,340)	(2,224)	(2,148)	(2,150)	(2,385)
Total net revenue	311,410	282,625	299,017	322,638	361,604	422,818
Business profit						
Payment Business*1	6,297	22,332	14,166	10,141	19,270	30,328
Lease Business	2,951	4,706	5,800	5,182	4,355	4,110
Finance Business*1	18,004	17,664	19,777	22,211	28,265	38,675
Real Estate-related Business	6,957	5,390	12,350	13,064	16,407	16,273
Global Business*2	—	—	—	9,039	2,478	3,384
Entertainment Business	1,969	-1,745	237	719	1,079	1,420
Adjustment	3	3	3	618	84	-570
Total business profit	36,184	48,352	52,336	60,977	71,941	93,621
Breakdown of Payment Business revenue						
Card shopping	140,579	131,029	132,081	143,024	152,143	166,054
Cash advances	32,932	28,882	26,106	24,741	25,166	25,236
Loans on deeds	844	654	517	412	344	265
Processing	31,014	27,402	27,437	27,213	27,829	30,068
Agency services	12,491	5,069	5,061	5,286	5,790	6,068
Payment-related income*1	12,297	13,684	19,573	17,580	21,491	23,803
Finance revenue	767	1,024	987	586	741	2,419
Intersegment internal net revenue or transfer amount	1,512	1,384	1,383	1,377	1,730	2,098
Total Payment Business revenue*1	232,441	209,130	213,148	220,222	235,237	256,014
Main card indices (non-consolidated)						
New cards issued (ten thousand)	180	125	152	170	172	138
Total membership (ten thousand)	2,639	2,570	2,540	2,503	2,462	2,342
Active membership (ten thousand)	1,496	1,395	1,389	1,381	1,372	1,353
Transaction volume (100 million yen)	51,844	46,553	49,837	54,517	58,489	61,366
Shopping	49,469	45,003	48,231	52,870	56,876	59,870
Cashing	2,375	1,550	1,606	1,647	1,613	1,496
Balance (100 million yen)	6,457	5,730	5,573	5,818	6,309	6,688
Card shopping revolving credit balance	4,268	3,888	3,833	4,090	4,534	4,905
Cashing	2,188	1,842	1,739	1,728	1,775	1,783

*1 Segment highlights since FY2021 have been reclassified owing to a change in the rent guarantee business from the Finance Business to the Payment Business in the third quarter of FY2022.
*2 From the first quarter of FY2023, "Global Business" included in "Payment Business" has been changed to an independent reporting segment.

6-year Summary of Non-financial Data (As of March 31, 2025)

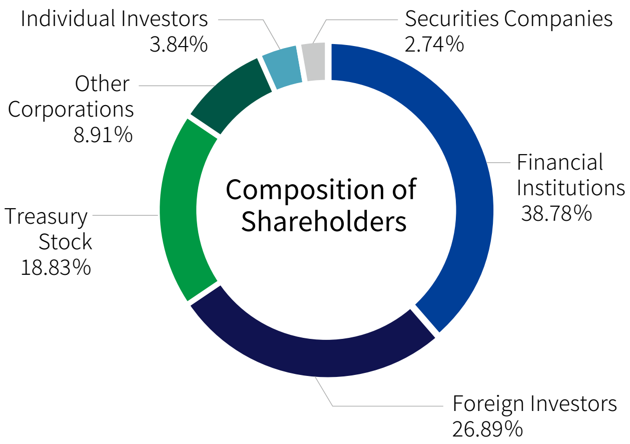
IFRS	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
E: Environment						
Total CO_2 emissions (tons of CO_2)						
Scope 1 + Scope 2 (market base)	—	18,563	18,235	18,250	12,619	8,803
Scope 1 + Scope 2 (location base)	—	18,879	18,334	18,054	14,758	14,144
Scope 3*1	—	724,069	719,188	814,588	852,053	794,899
Energy usage amount (power consumption) (kWh)	8,807,000	8,557,000	8,296,000	7,800,000	7,370,732	7,278,000
Paper usage (copy paper) (t)	183	143	129	107	97	81
Water resource input (for own buildings only) (thousand m³)	—	39	37	23	34	30
S: Society						
Number of employees (persons)	2,981	4,319	4,084	3,966	3,783	3,624
(by women)	2,169	3,250	3,058	2,956	2,792	2,670
(by men)	812	1,069	1,026	1,010	991	954
Ratio of female managers (%/department head positions)	21.0	24.3	24.5	24.9	25.3	25.1
Number of overseas employees (persons)	89	126	272	563	1,134	1,584
Employment ratio of persons with disabilities (%)	2.16	2.33	2.31	2.32	2.41	2.46
Average length of service (years/total of men and women)	11.8	12.4	13.3	14.0	14.6	14.9
(by women)	11.6	12.1	13.1	13.8	14.7	15.2
(by men)	12.2	13.4	14.0	14.3	14.1	14.2
Ratio of men taking childcare leave (%)	0.0	57.8	48.7	58.5	65.5	86.2
Number of people taking long-term care leave (persons/total of men and women)	24	36	26	53	60	75
(by women)	23	35	23	52	58	72
(by men)	1	1	3	1	2	3
Average annual salary (ten thousand yen/total)	534	517	519	547	586	602
(by managers)	1,051	1,026	1,016	1,068	1,092	1,108
(by non-managers)	487	472	477	497	534	557
(by women)	467	457	458	484	525	541
(by men)	728	709	707	737	764	784
Average monthly overtime hours worked (hours)	10.8	9.3	10.1	11.4	12.1	13.1
Amount invested in human resource development (ten thousand yen)	44,556	48,330	51,413	54,128	66,075	64,464
Average paid holidays used (days)	15.0	13.1	14.0	15.2	16.0	17.0
Acquisition rate (%)	82.5	72.4	73.5	86.3	85.2	90.0
Turnover (%)	3.3	3.6	7.8	6.8	6.0	5.2
(by women)	5.6	4.4	7.4	6.5	5.7	4.8
(by men)	5.9	3.3	6.6	7.0	7.1	6.7
Training/challenge system						
LGBT Manners Training — Number of people/number of times	—	12/4	19/4	13/3	0/0	0/0
Universal Manners Training — Number of people/number of times	13/4	26/7	25/5	27/5	43/4	54/7
Internal Proposal System NEXT SAISON*2 — Number of projects	308	489	182	47	7	25
Dementia Supporter Training Workshop — Number of people/number of times	13/4	495/15	307/14	238/16	236/14	205/18
Ownership association plan enrollment rate (%)	8.6	8.5	9.0	11.5	48.5	53.8
Number of visitors to Akagi Nature Park (persons)	70,345	59,173	74,161	65,748	67,140	57,214
Total amount of point donations (thousands of yen)	37,312	37,782	18,673	61,652	89,778	5,461
G: Governance						
Number of meetings of the Board of Directors	19	19	19	20	19	20
Attendance rate of outside directors (%)	98.2	100.0	100.0	100.0	97.0	97.5
Number of directors	9	9	9	9	12	12
(number/ratio of outside directors)	3/33.3	3/33.3	3/33.3	3/33.3	4/33.3	4/33.3
(number/ratio of independent outside directors)	3/33.3	3/33.3	3/33.3	3/33.3	4/33.3	4/33.3
(number/ratio of female directors)	1/11.1	1/11.1	1/11.1	1/11.1	1/8.3	1/8.3
Number of executive officers	10	10	11	11	11	11
(number/ratio of female executive officers)	2/20.0	2/20.0	2/18.2	2/18.2	1/9.1	1/9.1
Number of Audit & Supervisory Board members	4	4	4	4	3	3
(number/ratio of female Audit & Supervisory Board members)	1/25.0	1/25.0	1/25.0	1/25.0	1/33.3	1/33.3
Number of serious legal violations	0	0	0	0	0	0
Corruption-related fines, penalties, and settlements (yen)	0	0	0	0	0	0
Number of reports to the internal whistleblower hotline	16	20	23	13	20	21

*1 The calculation values for the transitional years have been partially recalculated due to the acquisition of Science Based Targets Initiative (SBTi) accreditation.
*2 In FY2024, we renewed our internal proposal system by integrating three initiatives: the in-house venture program "SWITCH SAISON," "Saison Kaizen" to foster a culture of continuous improvement and reform, and "NEXT SAISON" for developing new business ideas.

Corporate Information/Investor Relations Information (As of March 31, 2025)

Stock information

Common Stock Authorized	300,000 thousand shares
Common Stock Outstanding	185,444 thousand shares
Number of Shareholders	19,048



Major shareholders (Top 10)

Institution	Equity stake: Number of shares (thousands)	Equity stake: Ownership percentage (%)
The Master Trust Bank of Japan Ltd. (trust account)	38,194	25.37
Custody Bank of Japan, Ltd. (trust account)	15,241	10.13
Suruga Bank Ltd.	8,224	5.46
Daiwa Securities Group Inc.	8,050	5.35
STATE STREET BANK AND TRUST COMPANY 505001	3,963	2.63
STATE STREET BANK AND TRUST COMPANY 505301	3,850	2.56
Mizuho Bank, Ltd.	3,000	1.99
JPMorgan Securities Japan Co., Ltd.	2,327	1.55
HSBC BANK PLC A/C M AND G(ACS) VALUE PARTNERS CHINA EQUITY FUND	2,209	1.47
STATE STREET BANK AND TRUST COMPANY 505223	2,181	1.45

* The 34,921,178 treasury shares held by Credit Saison are not included in the above list of major shareholders.
* Ownership percentages are based on the number of outstanding shares, excluding treasury shares.

Shareholders memo

Fiscal Year	Period beginning on April 1 and ending on March 31 of the following year
Ordinary General Meeting of Shareholders	Convened each year in June
Record Date	Ordinary general meeting of shareholders and year-end dividend payments: March 31 Should any other record date be required, a public notice will be issued in advance.
Transfer Agent and Administrator of Special Accounts	Sumitomo Mitsui Trust Bank Limited, 1-4-1, Marunouchi, Chiyoda-ku, Tokyo, Japan
Administrative Office of Transfer Agent	Stock Transfer Agency Business Department, Sumitomo Mitsui Trust Bank Limited, 1-4-1, Marunouchi, Chiyoda-ku, Tokyo, Japan
(Mailing Address)	Stock Transfer Agency Business Department, Sumitomo Mitsui Trust Bank Limited, 2-8-4, Izumi, Suginami-ku, Tokyo 168-0063, Japan
(Telephone Inquiries)	0120-782-031 (9 a.m.–5 p.m., excluding weekends and holidays)
(URL)	https://www.smtb.jp/personal/procedure/agency/
Method of Public Notice	Electronic public notice (published on the Credit Saison website) https://corporate.saisoncard.co.jp/en/public_announcement/
Stock Listing	Tokyo Stock Exchange (Prime)
Securities Code	8253

Corporate profile

Name	Credit Saison Co., Ltd.
In English	Credit Saison Co., Ltd.
Incorporated	May 1, 1951
Head Office	52F, Sunshine 60 Bldg., 1-1 Higashi-Ikebukuro 3-chome, Toshima-ku, Tokyo 170-6073, Japan
Representative	Hiroshi Rinno, Representative, Chairman and CEO Katsumi Mizuno, Representative, Executive President and COO Naoki Takahashi, Representative, Executive Vice President and CHO
Business	(1) Payment Business (2) Lease Business (3) Finance Business (4) Real Estate–related Business (5) Global Business (6) Entertainment Business
Paid-in Capital	¥75,929 million
Number of Regular Employees (non-consolidated)	3,624

Note: In addition to our regular employees, we employ temporary and part-time employees, with the annual average number of non-regular employees per term at 1,354 (based on conversion to a 7.5-hour workday).

[Notice of Address Change, etc., and Inquiries Relating to Shares] Shareholders who have an account with a securities company are asked to contact the relevant securities company regarding address change and other notices, as well as inquiries. Shareholders who do not have an account with a securities company are asked to call the number indicated above for telephone inquiries.
[Special Accounts] For shareholders who were not using the "Hofuri" system (Japan Securities Depository Center, Inc.) prior to the introduction of the electronic share certificate system, an account (special account) has been opened at Sumitomo Mitsui Trust Bank Limited above as the transfer agent. Inquiries on special accounts should be directed to the transfer agent at the number indicated above for telephone inquiries.
[Information on Additional Purchase System/Buy Back System for Shares Less Than One Unit] Our Company has established a system in which shareholders who own shares less than one unit (100 shares) can purchase additional shares at the market price (Additional Purchase System) and a system in which shareholders can sell shares less than one unit back to our Company (Buy Back System). For shares less than one unit recorded in a special account, please contact the telephone inquiry number listed above. For shares less than one unit deposited with a financial securities firm, please contact the financial securities firm where you have an account.

CREDIT SAISON

FINANCIAL SECTION 2025

For the Year Ended March 31, 2025

The accompanying consolidated financial statements expressed in Japanese yen are the translation of those issued domestically. The amounts expressed in U.S. dollars are not included in the original audited consolidated financial statements. Such U.S. dollar amounts are translated in accordance with the basis stated in "Basis of Presentation" on the next page and are additionally presented herein solely for the convenience of readers outside Japan, and are not subject to audit.

Basis of Presentation

The consolidated financial statements are stated in Japanese yen, the currency of the country in which Credit Saison Co.,Ltd. (the “Company”) is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥149.53 to $1, the approximate rate of exchange at March 31, 2025. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	FY2024 (As of March 31, 2025)	
	Millions of yen	Thousands of U.S. dollars
Assets		
Cash and cash equivalents	¥139,399	$932,250
Trade and other receivables	3,615,701	24,180,441
Inventories	170,309	1,138,962
Operational investment securities	96,364	644,452
Investment securities	62,587	418,559
Other financial assets	44,436	297,171
Property, plant, and equipment	29,253	195,633
Right-of-use assets	14,998	100,303
Intangible assets	127,125	850,167
Investment property	168,243	1,125,151
Investments accounted for using equity method	140,220	937,741
Deferred tax assets	40,117	268,293
Other assets	20,966	140,215
Assets held for sale	1,419	9,491
Total assets	¥4,671,143	$31,238,837

	FY2024 (As of March 31, 2025)	
	Millions of yen	Thousands of U.S. dollars
Liabilities and equity		
Liabilities		
Trade and other payables	¥283,171	$1,893,741
Financial guarantee liabilities	8,714	58,278
Bonds and borrowings	3,404,400	22,767,340
Other financial liabilities	19,811	132,492
Income taxes payable	24,367	162,957
Provision for point card certificates	132,627	886,960
Provision for loss on interest repayment	11,794	78,875
Other provisions	1,488	9,955
Deferred tax liabilities	378	2,529
Other liabilities	65,362	437,117
Total liabilities	3,952,115	26,430,250
Equity		
Share capital	75,929	507,786
Capital surplus	93,947	628,285
Retained earnings	602,903	4,031,988
Treasury shares	(96,356)	(644,396)
Other components of equity	29,254	195,642
Total equity attributable to owners of parent	705,678	4,719,307
Non-controlling interests	13,350	89,279
Total equity	719,028	4,808,587
Total liabilities and equity	¥4,671,143	$31,238,837

CONSOLIDATED STATEMENT OF INCOME

	FY2024 (From April 1, 2024 to March 31, 2025)	
	Millions of yen	Thousands of U.S. dollars
Revenue		
Income from the payment business	¥251,496	$1,681,916
Income from the lease business	13,344	89,240
Income from the finance business	70,471	471,287
Revenue from the real estate-related business	67,536	451,655
Revenue from the global business	48,206	322,386
Revenue from the entertainment business	35,438	236,999
Finance income	5,744	38,415
Total	492,238	3,291,901
Of which, interest income	186,866	1,249,692
Cost of sales		
Cost of sales for the finance business	1,110	7,424
Cost of sales for the real estate-related business	39,536	264,403
Cost of sales for the entertainment business	28,773	192,426
Total	69,419	464,254
Net revenue	422,818	2,827,646
Selling, general, and administrative expenses	261,698	1,750,140
Impairment losses on financial assets	43,283	289,463
Finance costs	39,770	265,970
Gain arising from the derecognition of financial assets measured at amortized cost	662	4,428
Share of profit of investments accounted for using equity method	13,030	87,140
Other income	5,304	35,474
Other expenses	4,275	28,595
Profit before tax	92,786	620,519
Income tax expense	25,435	170,103
Profit	67,350	450,415
Profit attributable to		
Owners of parent	66,397	444,044
Non-controlling interests	952	6,371
Profit	¥67,350	$450,415

RECONCILIATION FROM PROFIT BEFORE TAX TO BUSINESS PROFIT

	FY2024 (From April 1, 2024 to March 31, 2025)	
	Millions of yen	Thousands of U.S. dollars
Profit before tax	¥92,786	$620,519
Reconciliations (Share of profit of investments accounted for using equity method)	(240)	(1,607)
Reconciliations (Other income)	(1,902)	12,271
Reconciliations (Other expenses)	3,043	20,351
Adjustments for the application of the effective interest method to financial assets	(65)	(437)
Subtotal	835	5,584
Business profit	¥93,621	$626,103

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FY2024 (From April 1, 2024 to March 31, 2025)

	Millions of yen							
	Equity attributable to owners of parent						Non-controlling interests	Total
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Total		
Balance as of April 1, 2024	¥75,929	¥93,178	¥542,602	¥ (47,767)	¥41,110	¥705,053	¥12,558	¥717,611
Profit	-	-	66,397	-	-	66,397	952	67,350
Other comprehensive income	-	-	-	-	(661)	(661)	(469)	(1,130)
Comprehensive income	-	-	66,397	-	(661)	65,736	483	66,220
Purchase of treasury shares	-	-	-	(48,626)	-	(48,626)	-	(48,626)
Share-based payment transactions	-	897	-	36	-	934	-	934
Dividends	-	-	(17,288)	-	-	(17,288)	(108)	(17,397)
Transfer from other components of equity to retained earnings	-	-	11,191	-	(11,191)	-	-	-
Loss of control of subsidiaries	-	-	-	-	-	-	(16)	(16)
Changes in ownership interest in subsidiaries	-	(103)	-	-	(3)	(106)	433	326
Other	-	(25)	-	-	-	(25)	-	(25)
Total transactions with owners	-	768	(6,097)	(48,589)	(11,195)	(65,112)	308	(64,804)
Balance as of March 31, 2025	¥75,929	¥93,947	¥602,903	¥ (96,356)	¥29,254	¥705,678	¥13,350	¥719,028

	Thousands of U.S. dollars							
	Equity attributable to owners of parent						Non-controlling interests	Total
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Total		
Balance as of April 1, 2024	$507,786	$623,143	$3,628,719	$(319,447)	$274,931	$4,715,132	$83,983	$4,799,116
Profit	-	-	444,044	-	-	444,044	6,371	450,415
Other comprehensive income	-	-	-	-	(4,420)	(4,420)	(3,137)	(7,557)
Comprehensive income	-	-	444,044	-	(4,420)	439,623	3,234	442,858
Purchase of treasury shares	-	-	-	(325,194)	-	(325,194)	-	(325,194)
Share-based payment transactions	-	6,002	-	245	-	6,248	-	6,248
Dividends	-	-	(115,621)	-	-	(115,621)	(726)	(116,347)
Transfer from other components of equity to retained earnings	-	-	74,845	-	(74,845)	-	-	-
Loss of control of subsidiaries	-	-	-	-	-	-	(111)	(111)
Changes in ownership interest in subsidiaries	-	(690)	-	-	(22)	(713)	2,899	2,186
Other	-	(168)	-	-	-	(168)	-	(168)
Total transactions with owners	-	5,142	(40,775)	(324,948)	(74,868)	(435,449)	2,061	(433,387)
Balance as of March 31, 2025	$507,786	$628,285	$4,031,988	$(644,396)	$195,642	$4,719,307	$89,279	$4,808,587

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Notes on important matters forming the basis for preparation of consolidated financial statements)

1. BASIS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of Credit Saison Co., Ltd. (the “Company”) and its subsidiaries (the “Group”) are prepared in accordance with International Financial Reporting Standards (IFRS) pursuant to the provisions of Article 120-1 the Regulations for Companies Accounting Regulation. In accordance with the second sentence of the same paragraph, some of the disclosure items required by IFRS have been omitted from the consolidated financial statements. Consolidated statements of comprehensive income and cash flows are not required as part of the basic financial statements under the Companies Act of Japan and applicable regulations and, accordingly, are not presented herein.

2. SCOPE OF CONSOLIDATION

Number of consolidated subsidiaries	39
Names of principal consolidated subsidiaries	・SAISON FUNDEX CORPORATION ・SAISON COLLECTION SERVICE CO., LTD. ・SAISON ASSET MANAGEMENT CO., LTD. ・Fundex Servicing Co.,Ltd. ・Saison Personalplus Co., Ltd. ・Saison Realty Co., Ltd. ・Concerto Inc. ・Saison Partners CO., LTD. ・L-BLUE ・Saison International Pte. Ltd. ・Kisetsu Saison Finance(India)Pvt. Ltd. ・Saison Capital Pte. Ltd. ・PT Credit Saison Indonesia Finance ・Saison Investment Management Pte. Ltd. ・Credit Saison Brazil Participações Ltda. ・Credit Saison Mexico S.A. de C.V., SOFOM E.N.R. ・Saison Crypto Pte. Ltd. ・Saison Omni India Pvt. Ltd. ・Saison Omni Singapore Pte. Ltd.

3. ACCOUNTED FOR USING EQUITY METHOD

Number of companies accounted for using equity method	55
Names of principal companies	・Saison Technology Co., Ltd. ・IDEMITSU CREDIT CO., LTD. ・Resona Card Co., Ltd. ・Shizugin Saison Card Co., Ltd. ・Daiwa House Financial Co., Ltd. ・Takashimaya Financial Partners Co., Ltd. ・Seven CS Card Service Co., Ltd. ・eplus Inc. ・Suruga Bank Ltd. ・HD SAISON Finance Co., Ltd.

4. FISCAL YEAR OF CONSOLIDATED SUBSIDIARIES

When the reporting date of a subsidiary is different from that of the Company, the subsidiary prepares, for consolidation purposes, additional financial information as of the reporting date of the consolidated financial statements.

5. ACCOUNTING POLICIES

(1) Valuation standards and methods for financial assets

(a) Financial assets

1) Initial recognition and measurement

The Group classifies financial assets into financial assets measured at amortized cost, at fair value through profit or loss, or at fair value through other comprehensive income. The Group determines such classification at the time of initial recognition.

The Group recognizes financial assets on the transaction date when it becomes a party to the contract for such financial instruments.

All financial assets are measured at fair value plus any transaction costs, except for those classified as financial assets measured at fair value through profit or loss.

Financial assets that meet both of the following conditions are classified as financial assets measured at amortized cost:

・ The assets are held within a business model whose objective is to hold the assets in order to collect contractual cash flows.

・ The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets other than those measured at amortized cost are classified as financial assets measured at fair value.

Equity instruments measured at fair value are individually designated as measured at fair value through profit or loss or at fair value through other comprehensive income, and such designation is applied consistently after initial recognition.

Debt instruments measured at fair value that meet both of the following conditions are classified as debt instruments measured at fair value through other comprehensive income:

・ The financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

・ The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Operational investment securities include stocks, investment trusts, and investments in partnerships, which are held solely for the purpose of investment. Investment securities include stocks, investment trusts, investments in partnerships held for the purpose of promoting business primarily through business, and capital alliances.

2) Subsequent measurement

After initial recognition, financial assets are measured as follows, depending on their classifications:

(i) Financial assets measured at amortized cost

Financial assets are measured at amortized cost using the effective interest method.

(ii) Debt instruments measured at fair value through other comprehensive income

A gain or loss on debt instruments measured at fair value through other comprehensive income is recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the debt instrument is derecognized or reclassified. When the financial asset is derecognized, cumulative gain or loss previously recognized in other comprehensive income is reclassified to profit or loss.

(iii) Financial assets measured at fair value through profit or loss

A gain or loss on financial assets measured at fair value through profit or loss is recognized in profit or loss.

(iv) Equity instruments measured at fair value through other comprehensive income

A gain or loss on equity instruments designated as those measured at fair value through other comprehensive income is recognized in other comprehensive income.

Dividends received from such financial assets are recorded in profit or loss under “Other income.”

3) Derecognition of financial assets

Financial assets are derecognized if the contractual rights to receive cash flows from the financial assets expire or if the Group has transferred substantially all the risks and rewards of ownership of the financial assets. If the Group retains control of a transferred asset, the asset and any liability associated with the asset are recognized to the extent of their continuing involvement.

4) Impairment of financial assets

Allowance for doubtful accounts is recognized for expected credit losses on financial assets measured at amortized cost and debt instruments measured at fair value through other comprehensive income.

If the credit risk on financial assets at the end of the reporting period has not increased significantly since initial recognition, allowance for doubtful accounts is measured at an amount equal to the amount of expected credit losses from possible defaults in the next 12 months after the end of the reporting period (12-month expected credit losses). In this case, 12-month expected credit losses are collectively estimated to measure the allowance for doubtful accounts based on information such as the probability of default, subsequent collection rates, and other reasonable and supportable information, including forward-looking data.

Conversely, if the credit risk on financial assets at the end of the reporting period has increased significantly since initial recognition, allowance for doubtful accounts is measured at an amount equal to the expected credit losses that result from all possible default events over the expected life of such financial assets (lifetime expected credit losses). In this case, allowance for doubtful accounts is determined by estimating the lifetime expected credit losses related to the collection of such financial assets based on information such as the probability of default, future recoverable amounts, and other reasonable and supportable information, including forward-looking data. In principle, it is presumed that the credit risk on financial assets has increased significantly when contractual payments are more than 30 days past due. In assessing whether the credit risk has increased significantly, the Group considers reasonably available and supportable information in addition to past due information.

However, for trade receivables that result from transactions that are within the scope of IFRS 15, “Revenue from Contracts with Customers” and that do not contain a significant financing component, allowance for doubtful accounts is always recognized at an amount equal to the lifetime expected credit losses, regardless of whether or not the credit risk has increased significantly since initial recognition.

As a general rule, the Group determines that a default has occurred when the contractual payment of a receivable is 90 days or more past due. When it is determined that there is a default of a receivable, such receivable is deemed to be a credit-impaired receivable.

The Group directly reduces the gross carrying amount of a financial asset when it has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

(b) Financial liabilities

1) Initial recognition and measurement

The Group classifies financial liabilities as subsequently measured at amortized cost, except for derivatives and financial guarantee liabilities. The classification is made at the time of initial recognition.

Debt securities issued by the Group are initially recognized at the date of issuance. All other financial liabilities are recognized on the transaction date when the Group becomes a party to the contract for such financial liabilities.

Financial liabilities measured at amortized cost are recognized at an amount after deducting transaction costs directly attributable to the issuance of the liabilities.

2) Subsequent measurement

After initial recognition, financial liabilities are measured at amortized cost using the effective interest method, except for derivatives and financial guarantee liabilities.

Amortization using the effective interest method, as well as gains and losses arising from derecognition are recognized as “Finance costs” in profit or loss of the period.

3) Derecognition of financial liabilities

The Group derecognizes financial liabilities when they are extinguished (i.e., when the obligation specified in the contract is discharged), canceled, or expired.

(c) Presentation of financial assets and financial liabilities

Financial assets and financial liabilities offset each other with the net amount presented in the consolidated statement of financial position only if the Group has a legal right to offset and has the intention to either settle amounts on a net basis or realize the assets and settle the liabilities simultaneously.

(d) Derivatives and hedge accounting

The Group utilizes derivatives, such as interest rate swaps, for the purpose of hedging interest rate risk and foreign currency risk. These derivatives are initially recognized at fair value at the date when the contracts are entered into and are subsequently remeasured at fair value.

At the inception of the hedging relationship, there is formal designation and documentation of the hedging relationship to which the Group plans to apply hedge accounting as well as the Group’s risk management objective and strategy for undertaking the hedge. That documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged, and a description of how the Group will assess the effectiveness of changes in the fair value of the hedging instruments used in offsetting its exposures to changes in the fair value or cash flows of the hedged items arising from the hedged risk.

A hedging relationship is considered to be effective when it meets all the following requirements:

- There is an economic relationship between the hedged item and the hedging instrument.
- The effect of credit risk does not dominate the value changes that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

The Group prospectively assesses whether the hedging relationships will be effective on an ongoing basis. Hedge ineffectiveness may arise when the fair value change on the hedging instrument exceeds or falls below that of the hedged item.

Hedge ratio is appropriately determined based on an economic relationship between the hedged item and the hedging instrument, as well as the Group’s risk management strategies.

If a hedging relationship ceases to meet the hedging effectiveness requirement, but the risk management objective remains the same, the Group adjusts the hedge ratio so that the hedging relationship becomes effective again. The Group terminates hedge accounting if the risk management objective for the designated hedge relationship is changed.

Hedges that qualify for hedge accounting are classified and accounted for as follows:

1) Fair value hedges

Fair value changes on derivatives are recognized in profit or loss in the consolidated statement of income. Fair value changes on hedged items attributable to hedged risks are recognized in profit or loss in the consolidated statement of income with the carrying amounts of the hedged items being adjusted.

2) Cash flow hedges

The effective portion of gains or losses on hedging instruments is recognized in other comprehensive income in the consolidated statement of comprehensive income, while the ineffective portion is immediately recognized in profit or loss in the consolidated statement of income.

The amount posted in other comprehensive income is reclassified to profit or loss when the hedged transaction affects profit or loss.

If a forecast transaction or a firm commitment is no longer expected to occur, cumulative gains or losses previously recognized in equity through other comprehensive income are reclassified to profit or loss. If a hedged future cash flow is still expected to occur, the amount previously recognized in equity through other comprehensive income remains in equity until the future cash flow occurs.

(e) Financial guarantee liabilities

A financial guarantee contract is a contract that requires a contract issuer to make specified payments to reimburse the holder of a guarantee contract for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Revenue is recognized by multiplying the balance of guarantee by the guarantee fee rate.

Financial guarantee liability is measured at fair value when the contract is initially signed. After initial recognition, the amount is measured at the higher of the following:

1) The amount of allowance for doubtful accounts calculated in accordance with the section above titled “Impairment of financial assets”

2) The initially measured amount, less the cumulative amount of revenue recognized in accordance with IFRS 15

(2) Valuation standards and methods for inventories

Inventories are measured at the lower of cost or net realizable value. Net realizable value is determined at the estimated selling price in the ordinary course of business, less estimated costs for completion and estimated selling expenses. Cost is calculated mainly based on the specific identification method.

(3) Valuation standards and methods for property, plant, equipment and depreciation methods

(a) Recognition and measurement

Property, plant, and equipment are measured using the cost model and are stated at acquisition cost less accumulated depreciation and accumulated impairment losses. Acquisition cost includes costs directly attributable to the acquisition of the assets and costs involved in dismantling, removing and restoring them. Gain or loss on disposal of an item of property, plant and equipment represents the net amount of proceeds from disposal less the carrying amount, which is recognized in profit or loss.

(b) Depreciation

Depreciation is calculated based on the depreciable amount. The depreciable amount is calculated by deducting the residual value from the acquisition cost of the asset. Depreciation is recognized in profit or loss by mainly using the straight-line method over the estimated useful life of each component of property, plant and equipment. Land and construction in progress are not subject to depreciation.

The estimated useful lives of main assets are as follows:

Buildings	39 to 50 years
Other	5 to 6 years

Depreciation methods, estimated useful lives, and residual values are reviewed at the end of each reporting period. Any change is applied prospectively as a change in accounting estimates.

(4) Depreciation method for investment property

Investment property is property (including property under construction) held to earn rental income or capital gains, or both. Investment property is measured using the cost model and is measured at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is calculated based on the depreciable amount. The depreciable amount is calculated by deducting the residual value from the acquisition cost or the amount equivalent to the acquisition cost. Depreciation is recognized in profit or loss over the estimated useful life of each asset, other than land, by mainly using the straight-line method.

The estimated useful lives of main assets are as follows:

Investment property	9 to 50 years

An investment property is derecognized on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses arising from the derecognition are calculated as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss at the time of derecognition.

(5) Valuation standards and methods for intangible assets (excluding goodwill) and amortization methods

Intangible assets acquired individually are measured using the cost model. Intangible assets are stated at cost, less accumulated amortization and accumulated impairment losses. These intangible assets include borrowing costs to be capitalized.

After initial recognition, intangible assets other than goodwill and software in progress are amortized over their estimated useful lives using the straight-line method and are recognized in profit or loss, except for intangible assets with indefinite useful lives.

The estimated useful lives of main assets are as follows:

Software	5 to 15 years
Other	5 to 10 years

Amortization methods, estimated useful lives, and residual values are reviewed at the end of each reporting period, and any change is applied prospectively as a change in accounting estimates.

(6) Leases

(a) Leases as a lessee

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

If a contract is, or contains, a lease, the Group recognizes a right-of-use asset and a lease liability at the commencement date. The lease liability is measured at the present value of the lease payments that are not paid at the commencement date. The right-of-use asset is measured at cost, which is the amount of the initial measurement of the lease liability, adjusted for any lease payments made on or before the commencement date, any initial direct costs incurred by the lessee, and any other costs such as obligations to restore the leased assets to their original condition as required under lease agreements.

After initial recognition, the right-of-use asset is depreciated over the shorter of the useful life or the lease term using the straight-line method.

Lease payments are allocated to finance costs and repayments of lease liabilities based on the interest method. Finance costs are recognized in the consolidated statement of income.

However, for short-term leases with a lease term of 12 months or less or leases for which the underlying asset is of low value, the right-of-use asset and lease liability are not recognized. The lease payments are recognized as expenses over the lease term.

(b) Leases as a lessor

The Group classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

For a finance lease, the Group recognizes assets held under a finance lease in its consolidated statement of financial position at the commencement date and presents them as receivable at an amount equal to the net investment in the lease.

For an operating lease, the Group presents assets subject to operating leases in its consolidated statement of financial position and recognizes lease payments to be received as income over the lease term using the straight-line method in the consolidated statement of income.

(7) Goodwill

The Group measures goodwill as the excess of the aggregate of the consideration transferred and the amount of any non-controlling interests in the acquiree measured at the acquisition date over the net of the identifiable assets acquired and liabilities assumed at the acquisition date (ordinarily in their fair value).

Goodwill is not amortized but is tested for impairment in each reporting period or each time when there is an indication of impairment.

Impairment losses of goodwill are recognized in the consolidated statement of income and not reversed subsequently.

Goodwill is stated at cost less accumulated impairment losses in the consolidated statement of financial position.

(8) Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amount of non-financial assets to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. Recoverable amounts of goodwill and intangible assets with indefinite useful lives or those not yet available for use are estimated at the same time each year, regardless of whether or not there is an indication of impairment.

The recoverable amount of an asset or a cash-generating unit is the higher of value in use or fair value less costs of disposal. In calculating the value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects the time value of money and risks specific to the asset. Assets that are not tested individually for impairment are integrated into the smallest cash-generating unit that generates cash inflows through continuing use that are largely independent of those from other assets or groups of assets. At the time of goodwill impairment testing, cash-generating units to which goodwill is allocated are integrated so that impairment testing is conducted in a manner that reflects the smallest unit with which goodwill can be associated. Goodwill acquired in a business combination is allocated to each cash-generating unit that is expected to benefit from synergies of the combination.

Impairment losses are recognized in profit or loss when the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. Impairment loss recognized for a cash-generating unit is first allocated to reduce the carrying amount of goodwill allocated to the unit and subsequently allocated to reduce other assets of the unit on a pro -rata basis, based on the carrying amount of each asset in the unit.

Impairment losses recognized for goodwill are not reversed. Impairment loss recognized in prior periods for other assets is assessed at the end of each reporting period to determine whether there is any indication that such impairment losses may no longer exist or may have decreased. If any change has been made to the estimate used to determine the recoverable amount of an asset, an impairment loss for the asset is reversed up to the carrying amount of the asset that would have been determined had no impairment loss been recognized for the asset in prior years (net of any associated depreciation and amortization expenses).

(9) Accounting policy for significant provisions

A provision is recognized when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the time value of money is significant, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects the time value of money and risks specific to the liability. Unwinding of the discounted amount arising from the passage of time is recognized in profit or loss.

(a) Provision for point card certificates

The Group offers a rewards program to its card holders (members) as the major benefit of holding a credit card. Under the program, card holders can exchange points earned based on the amount of credit card purchases for a variety of items. Points granted to members do not have an expiry date.

The Group recognizes a provision for point card certificates as a liability by estimating the costs to be incurred through the exchange of points in the future. To measure this liability, the Group determines the estimated points to be exchanged in the future out of the outstanding number of points at the end of the period, which is multiplied by a point unit value. The use of points by members involves uncertainty.

(b) Provision for loss on interest repayment

The Group recognizes a provision for loss on interest repayment at an amount required in preparation for future claims for interest repayment, considering historical data on repayment and other information.

(c) Other provisions

Other provisions include asset retirement obligations, and provision for loss on collecting gift tickets, all of which are individually immaterial.

(10) Employee benefits

(a) Defined contribution pension plans

The Group adopts defined contribution pension plans. Defined contribution pension plans are post-employment benefit plans under which an employer pays fixed contributions to an independent entity and has no legal or constructive obligation to pay further contributions. Contributions under the defined contribution pension plans are recognized in profit or loss in the period in which employees render the related services.

(b) Short-term employee benefits

Undiscounted amount of short-term employee benefits is recognized as an expense in the period in which the employees render related services.

Expenses for bonuses and paid absences are recognized as a liability at an amount estimated to be paid based on applicable policies for the bonuses and paid absences when the Group has a legal or constructive obligation for the payment and a reliable estimate can be made for the amount.

(11) Revenue

Centering on the card business, the Group engages in multiple business domains, such as the Internet business, lease business, and finance business. For the purpose of segment reporting, the Group's businesses are divided into six reportable segments: Payment business, Lease business, Finance business, Real estate-related business, Global business and Entertainment business. Revenue recognition criteria by segment are as follows:

(a) Payment business

The payment business provides services such as credit card shopping, credit card cash advances, term loans, and processing/agency for other companies' credit cards and business agencies. Revenue recognition criteria by service are as follows:

1) Credit card shopping

(i) Affiliated store fees

Revenue is recognized at the time when a credit card is used, which is when service is completed and the performance obligation is satisfied under the contracts with affiliated stores, which are the customers of the Group.

(ii) Customer fees

Customer fees mainly represent fees received from cardholders for using revolving payments and other services. Revenue is recognized using the effective interest method under IFRS 9, "Financial Instruments" which stated in Note "5. ACCOUNTING POLICIES, (1) Valuation standards and methods for financial assets, (a) Financial assets and 2) Subsequent measurement,".

(iii) Annual membership fees, etc.

Revenue is recognized over a certain period determined under the contracts with cardholders to which performance obligation is satisfied for the membership fees received.

2) Credit card cash advance

Revenue from cash advance services represents fees received from cardholders for using credit card cash advance via credit cards or loan cards issued by the Group. Revenue is recognized using the effective interest method under IFRS 9 which stated in Note "5. ACCOUNTING POLICIES, (1) Valuation standards and methods for financial assets, (a) Financial assets and 2) Subsequent measurement,".

3) Term loans

Revenue from term loan services represents fees received from cardholders or customers who obtain loans directly from the Group in forms other than credit card cash advance. Revenue is recognized using the effective interest method under IFRS 9 which stated in Note "5. ACCOUNTING POLICIES, (1) Valuation standards and methods for financial assets, (a) Financial assets, and 2) Subsequent measurement,".

4) Processing/agency for other companies' credit cards and business agencies

Processing/agency for other companies' credit cards is a service provided on a contractual basis for processing and use of the Company's ATMs, for which the Company receives fees from its partner companies. Business agencies refer to receivables collection businesses and temporary staffing businesses, which receive fees from their partner companies. Revenue is recognized when the service is rendered, and the performance obligation is satisfied on a contractual basis.

(b) Lease business

Revenue is recognized under IFRS 16, "Leases.". For details, see Note "5. ACCOUNTING POLICIES, (6) Leases, (b) Leases as a lessor."

(c) Finance business

1) Credit guarantees

Fees are received when the Group guarantee loans provided by their partner financial institutions. Revenue is recognized under IFRS 9. For details, see Note "5 ACCOUNTING POLICIES, (1) Valuation standards and methods for financial assets, (e) Financial guarantee liabilities ."

2) Finance-related business

Fees are directly received from customers who obtain loans directly from the Group, and claim management business, etc. Revenue is recognized using the effective interest method under IFRS 9 which stated in Note “5. ACCOUNTING POLICIES, (1) Valuation standards and methods for financial assets, (a) Financial assets, and 2) Subsequent measurement,”. Fees are from claim management business, etc, are recognized as revenue at the time the performance obligation is satisfied upon completion of the provision of services for each contract.

(d) Real estate-related business

For real estate sales, revenue is recognized when property is delivered to customers, which is when a performance obligation is satisfied. For real estate rentals, revenue is recognized under IFRS 16.

(e) Global business

1) Lending business

Interest revenue from loans to customers is recognized primarily using the effective interest method under IFRS 9 which stated in Note “5. ACCOUNTING POLICIES, (1) Valuation standards and methods for financial assets, (a) Financial assets, and 2) Subsequent measurement,”.

2) Investment Business

Revenue and loss from investments in financial assets is recognized primarily by changes in fair value under IFRS 9, as stated in Note “5. ACCOUNTING POLICIES, (1) Valuation standards and methods for financial assets, (a) Financial assets and 2) Subsequent measurement,”.

(f) Entertainment business

Revenue is recognized primarily when services are rendered at stores engaged in amusement business, which is when a performance obligation is satisfied.

Revenues from the above businesses are recognized at an amount reflecting the amount of consideration to which the Group expects to be entitled in exchange for transferring the goods or services to the customer based on the following five-step approach in accordance with IFRS 15, except for interest and dividend income received under IFRS 9 and income from lease arrangements under IFRS 16:

Step 1: Identify contract(s) with a customer.

Step 2: Identify the performance obligations in the contract.

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price to performance obligations in the contract.

Step 5: Recognize revenue when (or as) the performance obligation is satisfied.

Revenue recognized under IFRS 15 is based on contracts with customers, and the amount of revenue containing variable consideration is immaterial. No significant financing component is included in the amount of promised consideration.

(12) Foreign currency translation

(a) Foreign currency transactions

Foreign currency transactions are translated into functional currency of each entity of the Group by using the spot exchange rate at the date of the transaction.

Foreign currency monetary assets and liabilities at the end of the reporting period are translated into functional currency using the spot exchange rate at the end of the reporting period.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into functional currency using the exchange rate at the date when the fair value was measured.

Exchange differences arising from translations or settlements are recognized in profit or loss. Exchange differences arising from the translation of equity instruments measured at fair value through other comprehensive income are recognized in other comprehensive income.

(b) Foreign operations

Assets and liabilities of foreign operations, including any goodwill arising on the acquisition of a foreign operation and any fair value adjustments, are translated into Japanese yen using the spot exchange rate at the end of the reporting period, while income and expenses are translated into Japanese yen using average exchange rates during the period.

Exchange differences arising from the translation of financial statements of foreign operations are recognized in other comprehensive income.

Upon the disposal of a foreign operation, exchange differences relating to the foreign operation are reclassified to profit or loss as part of the gain or loss on disposal.

(Notes on accounting estimates)

The items that are included in the consolidated financial statements for the current fiscal year as a result of accounting estimates and which may have a significant impact on the consolidated financial statements for the following fiscal year are as follows:

	Millions of yen	Thousands of U.S. dollars
Trade and other receivables	¥3,615,701	$24,180,441
Other financial assets	39,405	263,530
Property, plant, and equipment	29,253	195,633
Right-of-use assets	14,998	100,303
Intangible assets	127,125	850,167
Investment property	168,243	1,125,151
Deferred tax assets	40,117	268,293
Financial guarantee liabilities	8,714	58,278
Other financial liabilities	1,056	7,064
Provision for point card certificates	132,627	886,960
Provision for loss on interest repayment	¥11,794	$78,875

The above amounts for "Trade and other receivables" and "Other financial assets" are net of the allowance for doubtful debts; the amounts are ¥98,080 million (U.S. $655,928 thousand) and ¥12 million (U.S. $84 thousand), respectively.

SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

The Group makes estimates and assumptions on future events in preparing the consolidated financial statements in compliance with IFRS. Results of accounting estimates may differ from the related actual results by nature. Estimates and assumptions with risks of significantly affecting the carrying amounts of assets and liabilities in the following fiscal year are as follows:

(a) Impairment of financial assets measured at amortized cost and debt instruments measured at fair value through other comprehensive income (Allowance for doubtful accounts and financial guarantee liabilities)

The Group recognizes expected credit losses for financial assets measured at amortized cost and debt instruments measured at fair value through other comprehensive income as the present value of differences between contractual future cash flows that it will receive in accordance with the contract and future cash flows that it expects to receive.

In estimating future cash flows, the Group takes into account not only historical information, such as the possibility of default and the collection rate of receivables after default, but also reasonably expected future events and other factors. Specifically, when various macroeconomic variables are expected to deteriorate in the future and the probability of default of the Group's receivables is expected to increase, the Group adjusts the probability of default by using macroeconomic variables, such as Gross Domestic Product and the unemployment rate, which are correlated with expected credit losses. At each reporting date, the Group obtains the most recent future forecast values for macroeconomic variables and considers whether the estimate needs to be changed.

Regarding the probability of default, collection rate of receivables after default, forecast of economic environment using macroeconomic variables, evaluation of correlation between macroeconomic variables and expected credit losses, and the amount of impairment losses recognized for the financial assets may substantially differ if assumed circumstances change.

(b) Provision for point card certificates

The Group offers a rewards program to its card holders (members) as the major benefit of holding a credit card. Under the program, card holders can exchange points earned based on the amount of credit card purchases for a variety of items. Points granted to members have no expiry date.

The Group recognizes a provision for point card certificates as a liability by estimating costs to be incurred through the exchange of points in the future. To measure liability, the Group determines the estimated points to be exchanged in the future out of the outstanding number of points at the end of the period, which is multiplied by a point unit value. The use of points by members involves uncertainty. These estimates and assumptions may significantly affect provision amounts if assumed circumstances change.

(c) Provision for loss on interest repayment

The Group recognizes a provision for loss on interest repayment at an amount required for future claims by considering historical data on interest repayment. If such claims for interest repayment unexpectedly increase or decrease due to a change in legal regulations or other reasons, the actual amount of repayment may differ from the initial estimate, resulting in the over or understatement of provision for loss on interest repayment.

(d) Impairment of non-financial assets

The Group conducts impairment testing for property, plant, equipment, and intangible assets including goodwill and investment property. In determining recoverable amounts through the impairment test, the Group makes certain assumptions on useful lives of assets, future cash flows, pretax discount rate, long-term growth rate, and other factors. These assumptions are determined based on management's best estimates and judgments; however, the assumptions may be affected by results of changes in uncertain economic conditions in the future. If the assumptions need to be reviewed, this may significantly affect amounts recognized in the consolidated financial statements in the following fiscal years.

(e) Financial instruments measured at fair value, including derivatives

The Group determines the value of financial assets and liabilities measured at fair value, including derivatives, using the following: quoted prices in an active market for identical assets or liabilities; fair values determined using inputs other than the abovementioned quoted prices that are observable for the assets and liabilities, either directly or indirectly; or fair values determined using valuation techniques that incorporate unobservable inputs. Among others, fair values determined using valuation techniques that incorporate unobservable inputs are based on management judgments and assumptions, including appropriate actuarial assumptions and calculation models. These estimates and assumptions may significantly affect the fair values of financial instruments if assumed circumstances change.

The details and amounts of fair values of financial instruments are stated in the note of financial instruments.

(f) Recoverability of deferred tax assets

Deferred tax assets and liabilities are recognized for temporary differences between the carrying amounts of assets and liabilities in the consolidated statement of financial position and their tax bases. Deferred tax assets and deferred tax liabilities are calculated using the tax rates expected to be applicable at the time when the relevant deferred tax assets are realized or deferred tax liabilities are settled in accordance with laws and regulations enacted or substantially enacted at the end of the reporting period. Deferred tax assets are recognized for all of the deductible temporary differences, unused tax losses, and unused tax credits to the extent that it is probable that the Group will earn sufficient future taxable profit. Estimates of future taxable profit are based on subjective judgments and assumptions made by the Group's management, which are supported primarily by business plans approved by management. The changes in assumed circumstances or amendment to tax laws in the future may significantly affect the amounts of deferred tax assets and deferred tax liabilities.

(NOTES TO CONSOLIDATED FINANCIAL STATEMENTS)

1. ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT LOSSES OF PROPERTY, PLANT, AND EQUIPMENT

Millions of yen	Thousands of U.S. dollars
32,319	216,140

2. ALLOWANCE FOR DOUBTFUL ACCOUNTS DEDUCTED DIRECTLY FROM ASSETS

	Millions of yen	Thousands of U.S. dollars
Trade and other receivables	98,080	655,928
Other financial assets	12	84

3. ASSETS PLEDGED AS COLLATERAL AND LIABILITIES RELATED TO COLLATERAL

Assets pledged as collateral		Liabilities related to collateral	
Type	Ending balance	Type	Ending balance
Trade and other receivables (Accounts receivable – installment) (Finance lease receivables)	542,246 Millions of yen 3,626,338 Thousands of U.S. dollars	Bonds and borrowings (Bonds) (Short-term borrowings) (Long-term borrowings) (Long-term loans payable under securitized borrowings)	519,409 Millions of yen 3,473,614 Thousands of U.S. dollars
Inventories (Real estate for sale)	4,518 Millions of yen 30,215 Thousands of U.S. dollars		
Other financial assets (Guarantee deposits)	211 Millions of yen 1,411 Thousands of U.S. dollars	Other financial liabilities (Deposits received)	36 Millions of yen 245 Thousands of U.S. dollars
Total	546,975 Millions of yen 3,657,965 Thousands of U.S. dollars	Total	519,446 Millions of yen 3,473,859 Thousands of U.S. dollars

"Long-term loans payable under securitized borrowings" are liabilities arising from the securitization of instalment receivables and finance lease receivables.
"Guarantee deposits" are deposited as guarantee money for issuance, etc., in accordance with Article 14-1 of the Law Concerning Funds Settlement.
"Real estate for sale" has been pledged as collateral for loans from financial institutions.

4. INVESTMENT SECURITIES

Investment securities of ¥4,061 million (U.S. $27,158 thousand) are subject to stock lending agreements.

5. CONTINGENCIES

Debt guarantee

	Millions of yen	Thousands of U.S. dollars
Customers related to retail loans provided by partner financial institutions	¥219,102	$1,465,275
Customers related to loans with pictures pledged as collateral provided by partner financial institutions	12	81
Customers related to rent guarantee business	476,381	3,185,860
Customers related to mortgage loans provided by partner financial institutions	404,087	2,702,387
Customers related to housing loans provided by partner financial institutions	114,574	766,232
Total	¥1,214,159	$8,119,837

6. COMMITMENTS

(Lender)

The Group provide cash advance and card loan services that accompany its credit card operations in the Payment business, and loan services in the Finance business. The amount of undrawn loans equivalent to loan commitments in the line of credit facility for these operations, as well as for unconsolidated subsidiaries and associates is as follows:

	Millions of yen	Thousands of U.S. dollars
Total loan commitments	¥3,850,859	$25,753,090
Balance of loans taken out	194,600	1,301,413
Net amount	¥3,656,259	$24,451,677

Regarding the contracts equivalent to loan commitments above, the majority are for cash advance services that accompany credit card services furnished to the Company's cardholders, and thus, not all loan commitments will be taken out.

(Borrower)

The Company enters into loan commitment contracts with five banks to finance working capital efficiently.

The unused portion of the loan commitment under these contracts is as follows:

	Millions of yen	Thousands of U.S. dollars
Total amount of commitments	¥350,000	$2,340,667
Borrowings made under the commitment	−	−
Net amount	¥350,000	$2,340,667

(NOTES TO CONSOLIDATED STATEMENT OF INCOME)

BUSINESS PROFIT

Business profit is determined by adding or subtracting certain reconciliation items to or from profit before tax.

Given the nature and frequency of income and expenses, reconciliations are determined based on a judgement of whether they can help provide effective comparative information on the Group's performance and appropriately reflect how the businesses are managed.

The breakdown of reconciliations is as follows:

	Millions of yen	Thousands of U.S. dollars
Reconciliations (Other income)	¥(1,902)	$(12,721)
Gain on sale of fixed assets	(1,731)	(11,577)
Other	(171)	(1,144)
Reconciliations (Other expenses)	3,043	20,351
Loss on valuation of investment securities (stocks, etc.)	1,338	8,951
Impairment losses on non-financial assets	670	4,481
Loss on sale of fixed assets	335	2,242
Loss on disposal of fixed assets	159	1,069
Impairment losses related to investments accounted for using equity method	512	3,425
Other	26	180
Reconciliations (Share of profit of investments accounted for using equity method)	(240)	(1,607)
Gain on negative goodwill	(240)	(1,607)
Adjustments for the application of the effective interest method to financial assets(*)	(65)	(437)
Reconciliations - total	¥835	$5,584

* Mainly reversal of effective interest rate adjustments, such as loan administration fees and transaction costs.

(NOTES TO CONSOLIDATED STATEMENT OF CHANGES IN EQUITY)

1. TYPE AND NUMBER OF SHARES ISSUED AS OF MARCH 31, 2025

Common stock 185,444,772 shares

2. DIVIDENDS

(1) Dividends paid

Resolution	Class of shares	Total amount of dividends(Millions of yen) *Thousands of U.S. dollars	Dividends per share (Yen) *U.S. dollars	Record date	Effective date
Ordinary general meeting of shareholders held on June 19, 2024	Common stock	¥17,288 *$115,621	¥105 *$0.70	March 31, 2024	June 20, 2024

(2) Dividends with an effective date falling in the following fiscal year are as follows:

Resolution (planned)	Class of shares	Resource of dividends	Total amount of dividends (Millions of yen) *Thousands of U.S. dollars	Annual (Yen) *U.S. dollars	Record date	Effective date
Ordinary general meeting of shareholders held on June 25, 2025	Common stock	Retained earnings	¥18,062 *$120,797	¥120 *$0.80	March 31, 2025	June 26, 2025

(NOTES TO FINANCIAL INSTRUMENTS)

1. STATUS OF FINANCIAL INSTRUMENTS

(1) Policy on financial instruments

The Group is engaged in the payment business, lease business, finance business, real estate-related business, global business and entertainment business. While considering market forces and the balance of short-term and long-term borrowings, the Group utilizes both indirect financing through bank borrowings and direct financing through the issuance of bonds and commercial papers as well as securitization of receivables to operate businesses in each segment. As the Group is significantly affected by interest rate fluctuations, it mitigates interest rate risks by promoting the use of Asset-Liability Management (ALM), which is the practice of managing assets and liabilities in a comprehensive manner. For the same purpose, the Group also enters into derivative transactions, such as interest rate swaps.

(2) Description of financial instruments and risks

Financial assets of the Group are mainly composed of accounts receivable – installment from its card members. The Group is exposed to credit risks mainly when the repayment ability of credit card members deteriorates. The majority of accounts receivable – installment as of March 31, 2025, resulted from the payment business. Changes in economic environment surrounding the business, such as labor conditions, household disposable income, and consumer spending due to recession, may hinder card members from fulfilling their obligations in accordance with contract terms and conditions.
The Group’s (operational) investment securities mainly consist of stocks, investment trusts, and investments in partnerships, which are held for the purpose of pure investment and business promotion.
The Group is exposed to liquidity risk, which represents the risk that it cannot fulfil its repayment obligations when due for interest-bearing debts, such as borrowings, bonds, and commercial papers, under certain circumstances. For example, a greater-than-expected change might be seen in financial markets or the Group might not be able to participate in markets due to a downgrade of the Group’s credit rating. In addition, the Group has borrowings with floating interest rates, which expose it to

the risk of interest rate fluctuations, but some of these borrowings are hedged against this risk by interest rate swap transactions.
Derivative transactions include interest rate swap transactions conducted as part of ALM. The Group applies hedge accounting to these hedging instruments for interest rate fluctuation risks associated with borrowings that are hedged items.

(3) Risk management system for financial instruments

(a) Credit risk management
The Group strives for continuous improvement in the quality of receivables, and develops and operates a system related to credit control, such as credit limits, credit information control, and internal ratings, in accordance with the Company's internal rules for credit risk management. The Group periodically holds Board of Directors and other relevant meetings to discuss and report the status of credit controls. The ALM Committee is responsible for the management of (operational) investment securities by regularly obtaining credit and fair value information. Long-term loans receivable are regularly monitored at the level of each department for borrowers' credit risk and other risks. In dealing with counterparty risk in derivative transactions, in order to avoid credit risk that arises from default, the Group contracts with domestic and foreign banks and securities companies with high creditworthiness.

(b) Market risks management

1) Interest rate risk management
The Group manages interest rate fluctuation risks through ALM. Methods and procedures for risk management are stated under internal rules for ALM. Based on the policy determined by the ALM Committee, the Board of Directors understands the implementation status and discusses matters to be addressed. The relevant departments regularly review the overall status of interest rates and terms of financial assets and liabilities and monitor them through sensitivity (gap) analysis and other measures. Through ALM, the Group also enters into derivative transactions for interest rate swaps to hedge interest rate fluctuation risks.

2) Price fluctuation risk management
Based on the ALM policy, the Group mitigates price fluctuation risks of investment products, including (operational)investment securities by implementing preliminary investigations, setting a cap on investment amounts, and also implementing ongoing monitoring for potential investments. Additionally, stocks held for the purpose of promoting business through business or capital alliances are monitored by relevant departments of the Group for issuers' market environments, financial conditions, and other risk factors.
Relevant departments are responsible for regularly reporting to the ALM Committee and other management.

3) Derivative transactions
Regarding the derivative transactions, relevant departments are responsible for executing derivative transactions in accordance with procedures specified in internal control regulations stipulated by the Board of Directors, and the total transaction limit and the range of the hedge ratios are authorized by the Board of Directors in advance. The status of major derivative transactions is reported to the Board of Directors on a quarterly basis.
Consolidated subsidiaries enter into derivative transactions in accordance with control regulations stipulated by each subsidiary. Subsidiaries are required to report to the Company on a quarterly basis regarding the hedging relationships between derivatives and corresponding receivables/payables, counterparties, transaction amounts, remaining periods, and the fair values of transactions.

4) Quantitative information about market risk
Financial instruments affected by interest rate risk, the main risk variable of the Group, mainly consist of trade and other receivables, bonds and borrowings, and interest rate swap transactions. Quantitative analysis for the management of interest rate fluctuation risks for such financial assets and liabilities is conducted by reasonably estimating changes in interest rates over the next year or so after the end of the reporting period and the effect on profit or loss for the year due to the change. To determine the effect on profit or loss, the Group classifies financial assets and liabilities into those with fixed interest rates and those with floating interest rates and takes the

difference between floating rate assets and floating rate liabilities to calculate an interest rate gap. Assuming that all risk variables other than interest rates remain constant, when the benchmark interest rate as of March 31, 2025, rises by one basis point (0.01%), profit before tax for the fiscal year ended March 31, 2025, would increase by ¥1 million (U.S. $6 thousand), and conversely, when the benchmark interest rate falls by one basis point (0.01%), profit before tax for the fiscal year ended March 31, 2025, would decrease by ¥1 million (U.S. $6 thousand). The effect assumes that risk variables other than interest rates remain constant and that there are no correlations between interest rates and other risk variables. When actual interest rates go beyond the reasonably estimated range, it could have a greater impact on profit or loss compared to the estimated amount.

(c) Liquidity risk management related to financing

The Group manages liquidity risks through ALM to implement timely cash management, diversify financing methods, obtain commitment lines from multiple financial institutions, and balance short-term and long-term borrowings in consideration of market forces.

(4) Supplementary explanation of matters concerning fair value of financial instruments

The fair values of financial instruments include values based on quoted market prices and also include reasonably estimated values in case there are no quoted market prices. Since certain assumptions are used in the calculation of such values, the values may differ if different assumptions are used. In addition, the contract amounts of derivative transactions in "2. Fair Value of Financial Instruments" do not indicate the market risk associated with derivative transactions.

2. MATTERS RELATED TO THE FAIR VALUE OF FINANCIAL INSTRUMENTS

Classification based on fair value hierarchy

The Group analyzes financial assets and financial liabilities measured at fair value or those whose fair value is disclosed in the notes. The following shows the classification of fair value from Level 1 to Level 3 based on the fair value hierarchy.

The levels under the fair value hierarchy are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Fair value, other than Level 1, that is determined directly or indirectly, by using the observable price

Level 3: Fair value determined by using valuation techniques that incorporate unobservable inputs

(1) Fair Value Calculation Methodology

The fair value of financial instruments is calculated as follows:

Assets

1) Cash and cash equivalents

As cash and cash equivalents have short maturities, and the carrying amount approximates the fair value, the amounts are stated at that carrying amount.

2) Trade and other receivables

(i) Accounts receivable – installment

Accounts receivable – installment with variable interest rates reflect market interest rates in the short term and are stated at carrying amount given that the carrying amount approximates the fair value, unless the credit status of debtors changes significantly in later periods. In contrast, the fair value is determined for accounts receivable – installment with fixed interest rates by discounting credit risk-adjusted future cash flows from the group of financial assets classified by the type of loans and maturity terms, using a risk-free market interest rate. The fair value of certain delinquent receivables is measured by deducting the estimated amount of loss allowance from the carrying amount of receivables at the end of the reporting period, assuming that the calculated amount approximates the fair value.

The fair value of certain receivables without a due date but with other limitations, such as limiting the loan amount to the value of collateralized asset, is measured at the carrying amount, assuming that the carrying amount approximates the fair value based on expected repayment periods and interest rate terms.

The fair value calculation does not incorporate future interest repayment.

(ii) Finance lease receivables

The fair value of finance lease receivables is determined by estimating future cash flows of the principal and interests arising from respective lease periods and subtracting the debtor's credit risk, which is then discounted using a risk-free market rate.

3) Operational investment securities and investment securities

The fair value of operational investment securities and investment securities is determined as follows: Listed stocks are valued at prices on the stock exchanges; bonds are valued at prices on the exchange markets or information provided by counterpart financial institutions, or at prices that are reasonably calculated based on the value of underlying assets; and investment trusts are based on the disclosed net asset value. The fair value of investments in limited liability investment partnerships and similar partnerships is deemed to be the amount proportionate to the Group's share of equity interests, which is determined based on the fair value of assets belonging to the partnership as long as they can be fair valued. The fair value of unlisted stocks is calculated by using valuation techniques based on discounted cash flow, transactions and the market price of comparable companies. When determining the fair value of unlisted stocks, unobservable inputs, such as weighted-average cost of capital, price-earnings ratio, and price-book value ratio, are used.

4) Other financial assets

Derivatives and short-term investments, as financial assets or liabilities measured at fair value through profit or loss, are calculated based on prices quoted by counterparty financial institutions. Financial assets other than derivatives and short-term investments are stated at that carrying amount since these are settled in a short period of time and the carrying amount approximates the fair value.

Liabilities

1) Trade and other payables

Trade and other payables are stated at carrying amount as the carrying amount approximates the fair value due to the short settlement period.

2) Bonds and borrowings

(i) Short-term loans payable

Short-term loans payable are stated at the carrying amount as the carrying amount approximates the fair value due to the short settlement period.

(ii) Commercial papers

Commercial papers are stated at the carrying amount as the carrying amount approximates the fair value due to the short settlement period.

(iii) Long-term loans payable

Long-term loans payable with variable interest rates only take a change in credit spread into account as variable interest rates reflect market interest rates in a short period. The current credit spread is determined by referring to a credit spread that would be offered by financial institutions if the Group was to newly obtain finance with similar terms and conditions for the average remaining maturity for the outstanding borrowings. To calculate the difference between the carrying amount and the fair value, the Group calculates the fair value by first compartmentalizing the differences of interest arising from fluctuation of the credit spread by certain period of time, and then discounting them at risk-free market interest rates corresponding to each period of time. The fair value of long-term loans payable with fixed interest rates is determined by discounting the aggregate amount of principal and interest of the long-term loans compartmentalized by certain periods of time at interest rates that would be offered for similar borrowings.

(iv) Bonds

The fair value of public offering bonds issued by the Company is measured based on the market price, which is the Reference Statistical Prices (Yields) for Over-the-Counter Bond Transactions issued by the Japan Securities Dealers Association. As private placement bonds issued by the Company are those subscribed privately by its main banks, the fair value is calculated in the same way as described in "(c) Long-term loans payable."

(v) Long-term loans payable under securitized borrowings

Long-term loans payable under securitized borrowings will not be affected by ups and downs in the Company's creditworthiness; therefore, the fair value measurement of such payables only takes into account changes in market interest rates. The fair value of long-term loans payable under securitized borrowings is determined by discounting the aggregate amount of principal and interests of the borrowings compartmentalized by certain periods of time at interest rates that would be offered for similar borrowings.

3) Other financial liabilities

With regard to derivatives, they are stated in "Assets 4) Other financial assets". For liabilities other than derivatives, since these are settled in a short period of time, the carrying amount approximates the fair value, and is therefore stated at that carrying amount.

4) Financial guarantee liabilities

The fair value of financial guarantee liabilities is determined by discounting future cash outflows for guarantees to be provided under financial guarantee contracts, which are adjusted by debtor's credit risk.

The amount of financial guarantee contracts classified as contingent liabilities is ¥ 1,222,873 million (U.S. $ 8,178,116 thousand). The liability amount recognized in the consolidated statement of financial position is ¥ 8,714 million (U.S. $ 58,278 thousand) and the fair value is ¥ 31,578 million (U.S. $ 211,182 thousand) (asset).

(2) Financial instruments measured at fair value

Financial instruments measured at fair value and the breakdown by level of the fair value hierarchy are as follows:

(Millions of yen)

	Level 1	Level 2	Level 3	Total
Assets				
Measured at fair value through profit or loss				
Trade and other receivables	¥−	¥19,431	¥−	¥19,431
Operational investment securities	−	49	96,315	96,364
Investment securities	−	5,531	19,830	25,361
Other financial assets	−	16,745	−	16,745
Equity instruments measured at fair value through other comprehensive income				
Investment securities	33,507	1,694	2,024	37,225
Debt instruments measured at fair value through other comprehensive income				
Trade and other receivables	−	−	3,425	3,425
Total	33,507	43,451	121,595	198,554
Liabilities				
Measured at fair value through profit or loss				
Other financial liabilities	−	1,056	−	1,056
Total	¥−	¥1,056	¥−	¥1,056

(Thousands of U.S. dollars)

	Level 1	Level 2	Level 3	Total
Assets				
Measured at fair value through profit or loss				
Trade and other receivables	$–	$129,953	$–	$129,953
Operational investment securities	–	330	644,121	644,452
Investment securities	–	36,990	132,620	169,610
Other financial assets	–	111,985	–	111,985
Equity instruments measured at fair value through other comprehensive income				
Investment securities	224,082	11,329	13,536	248,949
Debt instruments measured at fair value through other comprehensive income				
Trade and other receivables	–	–	22,907	22,907
Total	224,082	290,589	813,186	1,327,858
Liabilities				
Measured at fair value through profit or loss				
Other financial liabilities	–	7,064	–	7,064
Total	$–	$7,064	$–	$7,064

(3) Quantitative information on financial instruments classified as Level 3

Significant unobservable inputs used to measure the fair value of financial instruments classified as Level 3 are as follows:

	Fair value (Millions of yen)	Fair value (Thousands of U.S. dollars)	Valuation techniques	Unobservable inputs	Range
Measured at fair value through profit or loss					
Operational investment securities	¥89,386	$597,785	Capitalization method	Capitalization rate	3.30% – 5.10%
			Net asset value	–	–
			Discounted cash flow	weighted average cost of capital(WACC)	4.23% – 11.97%
Investment securities	18,786	125,634	Market prices of comparable companies	price-earnings ratio(PER)	11.1 – 23.2
				price book-value ratio (PBR)	0.9 – 2.3
			Net asset value	–	–
Measured at fair value through other comprehensive income					
Trade and other receivables	3,425	22,907	Discounted cash flow	Discount rate	2.12% – 12.05%
Investment securities	2,024	13,536	Net asset value	–	–
Total	¥113,622	$759,863			

(Notes)
1. Operational investment securities are mainly composed of investments in funds for real estate.
2. Investment securities are mainly composed of unlisted stocks and investments in funds for unlisted stocks.
3. In addition to the valuation techniques in the table above, some issues are measured by the transaction case method, etc.

(4) Reconciliation of financial instruments classified as Level 3 from the beginning to the end of the period

The reconciliation of financial instruments measured at fair value classified as Level 3 is as follows:

(Millions of yen)

	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income	Total
Balance at beginning of period	¥104,318	¥4,917	¥109,236
Total gains and losses	(1,474)	(939)	(2,413)
Profit or loss (Note 1)	(1,474)	(946)	(2,420)
Other comprehensive income	–	6	6
Purchases	29,407	–	29,407
Sales	(14,119)	(354)	(14,474)
Others	(1,985)	1,826	(159)
Balance at end of period	116,146	5,449	121,595
Change in unrealized gains or losses for the period included in profit or loss for assets held at the end of the reporting period (Note 1)	¥429	¥36	¥465

(Thousands of U.S. dollars)

	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income	Total
Balance at beginning of period	$697,642	$32,888	$730,531
Total gains and losses	(9,860)	(6,283)	(16,143)
Profit or loss (Note 1)	(9,860)	(6,328)	(16,188)
Other comprehensive income	–	44	44
Purchases	196,663	–	196,663
Sales	(94,423)	(2,373)	(96,797)
Other	(13,279)	12,212	(1,067)
Balance at end of period	776,741	36,444	813,186
Change in unrealized gains or losses for the period included in profit or loss for assets held at the end of the reporting period (Note 1)	$2,869	$243	$3,113

(Note) 1. The amounts are included in "Revenue from the payment business," "Revenue from the finance business," "Revenue from the real estate-related business," "Revenue from the Global business," "Other income," as well as "Impairment losses on financial assets" and "Other expenses" per the consolidated statement of income.

(5) Valuation processes

Valuations and procedures to determine the fair value of financial instruments classified as Level 3 are undertaken by the Group's independent administrative division, which is responsible for regularly checking the details of investees' businesses, the availability of their business plans, and comparable listed companies to determine whether fair value measurements, including valuation models, are appropriate.

(6) Sensitivity analysis of fair value measurement classified as Level 3

Fair value measurements classified as Level 3 are conducted using valuation techniques based on inputs, such as prices and rates, whose fair values are not observable in the market. The following sensitivity analysis shows the effect on profit or loss and other comprehensive income for changes in unobservable inputs within a reasonably possible range, which are used to measure the fair value of financial assets classified as Level 3 in the consolidated statement of financial position. Sensitivity analysis is conducted by taking the type of financial instruments and market conditions into account at the time of analysis. Changes in significant assumptions for each valuation technique are set as follows:

・ Capitalization method: Capitalization rate changes within the range of plus/minus 0.5%

・ Discounted cash flow method: WACC changes within the range of plus/minus 1%

・ Market price of comparable companies: PBR and PER change within the range of plus/minus 0.1 and plus/minus 1.0, respectively

When fair values of operational investment securities, investment securities, and trade and other receivables classified as Level 3 are measured through a valuation technique other than the above using reasonably possible alternative assumptions for unobservable inputs, such fair values would not be included in the table below if the change in fair value is not material.

(Millions of yen)

	Total fair value	Impact on profit or loss		Impact on other comprehensive income	
		Favorable changes	Unfavorable changes	Favorable changes	Unfavorable changes
Measured at fair value through profit or loss					
Operational investment securities	¥25,165	¥9,633	¥(7,542)	¥–	¥–
Investment securities	8,857	1,045	(867)	–	–

(Thousands of U.S. dollars)

	Total fair value	Impact on profit or loss		Impact on other comprehensive income	
		Favorable changes	Unfavorable changes	Favorable changes	Unfavorable changes
Measured at fair value through profit or loss					
Operational investment securities	$168,295	$64,428	$(50,439)	$–	$–
Investment securities	59,232	6,989	(5,798)	–	–

(7) Financial instruments that are not measured at fair value

Fair value of financial instruments that are not measured at fair value and the fair value hierarchy by level are as follows. Financial instruments whose carrying amounts approximate fair value are not included in the table below.

(Millions of yen)

	Fair value				Total carrying amount
	Level 1	Level 2	Level 3	Total	
Assets					
Trade and other receivables	¥–	2,350,680	1,450,192	3,800,873	3,592,844
Total	–	2,350,680	1,450,192	3,800,873	3,592,844
Liabilities					
Financial guarantee liabilities (assets)	–	–	(31,578)	(31,578)	8,714
Bonds and borrowings	–	3,356,241	–	3,356,241	3,404,400
Total	¥–	¥3,356,241	¥(31,578)	¥3,324,662	¥3,413,114

(Thousands of U.S. dollars)

	Fair value				Total carrying amount
	Level 1	Level 2	Level 3	Total	
Assets					
Trade and other receivables	$–	$15,720,460	$9,698,339	$25,418,799	$24,027,581
Total	–	15,720,460	9,698,339	25,418,799	24,027,581
Liabilities					
Financial guarantee liabilities (assets)	–	–	(211,182)	(211,182)	58,278
Bonds and borrowings	–	22,445,269	–	22,445,269	22,767,340
Total	$–	$22,445,269	$(211,182)	$22,234,086	$22,825,619

(NOTES TO INVESTMENT PROPERTY)

1. STATUS OF INVESTMENT PROPERTY

The Company and some of its consolidated subsidiaries have investment properties in Tokyo and other areas.

2. FAIR VALUE OF INVESTMENT PROPERTY

	Millions of yen	Thousands of U.S. dollars
Carrying amount	¥168,243	$1,125,151
Fair value	¥201,766	$1,349,335

(Note) 1. The carrying amount recorded in the consolidated statement of financial position is acquisition cost less accumulated depreciation and accumulated impairment losses.
2. Fair value at the end of the period is mainly determined by the Group, which refers to the Real Estate Appraisal Standard (and the appraisal value is adjusted using indicators as necessary).

(NOTES TO REVENUE RECOGNITION)

1. BREAKDOWN OF REVENUE

The breakdown of revenue recognized from contracts with customers and other sources is as follows:

(Millions of yen)

	Revenue recognized from contracts with customers	Revenue recognized from other sources	Total
Income from the payment business	¥156,191	¥95,305	¥251,496
Income from the lease business	–	13,344	13,344
Income from the finance business	3,833	66,637	70,471
Revenue from the real estate-related business	59,962	7,574	67,536
Revenue from the global business	1,266	46,940	48,206
Revenue from the entertainment business	35,438	–	35,438
Finance income	–	5,744	5,744
Total	¥256,692	¥235,545	¥492,238

(Thousands of U.S. dollars)

	Revenue recognized from contracts with customers	Revenue recognized from other sources	Total
Income from the payment business	$1,044,550	$637,365	$1,681,916
Income from the lease business	–	89,240	89,240
Income from the finance business	25,639	445,647	471,287
Revenue from the real estate-related business	401,003	50,652	451,655
Revenue from the global business	8,467	313,919	322,386
Revenue from the entertainment business	236,999	–	236,999
Finance income	–	38,415	38,415
Total	$1,716,660	$1,575,240	$3,291,901

Revenue recognized from other sources includes interest and dividend income based on IFRS 9 and lease income based on IFRS 16.

Interest and dividend income are recognized as revenue in accordance with IFRS 9, and income from the lease business, and also from real estate rentals in the real estate-related business, is recognized as revenue in accordance with IFRS 16. Revenue recognized in accordance with IFRS 9 amounted to ¥217,885million (U.S. $1,457,134 thousand) for FY2024. Revenue recognized in accordance with IFRS 16 amounted to ¥17,660 million (U.S. $118,106 thousand) for FY2024.

2. CONTRACT BALANCE

The breakdown of contract balances is as follows:

	Millions of yen		Thousands of U.S. dollars	
	Beginning of period (April 1, 2024)	End of period (March 31, 2025)	Beginning of period (April 1, 2024)	End of period (March 31, 2025)
Receivables arising from contracts with customers				
Trade and other receivables	¥113,997	¥113,763	$762,369	$760,803
Contract liabilities	7,791	7,950	52,103	53,166

Contract liabilities mainly represent a deferred portion of annual membership fees. The amounts of revenue recognized in FY2024 that were included in the beginning balance of contract liabilities were ¥6,310 million (U.S. $42,200 thousand).
None of the revenue recognized in FY2024 arose from performance obligations satisfied (or partially satisfied) in previous periods.

3. TRANSACTION PRICE ALLOCATED TO REMAINING PERFORMANCE OBLIGATIONS

The total amount of the transaction price allocated to the remaining performance obligations and the periods in which revenue is expected to be recognized for the current fiscal year as of March 31, 2025 are as follows. This mainly pertains to contracted processing operations.

Within one year	Millions of yen	¥1,286
	Thousands of U.S. dollars	$8,600
More than one year	Millions of yen	¥3,352
	Thousands of U.S. dollars	$22,422
Total	Millions of Yen	¥4,638
	Thousands of U.S. dollars	$31,023

Additionally, our group applies the practical expedient in paragraph 121 of IFRS 15, and the transaction prices for the following remaining performance obligations are not included in the above amounts:

・Transaction prices for contracts with an original expected term of one year or less

・Transaction prices for contracts in which consideration from customers corresponds directly to the amount of services provided

(NOTES TO EARNINGS PER SHARE)

1. EQUITY ATTRIBUTABLE TO OWNERS OF PARENT PER SHARE	(Yen)	¥4,740.04
	*U.S. dollars	$31.70

2. BASIC EARNINGS PER SHARE	(Yen)	¥423.02
	*U.S. dollars	$2.83

(NOTES TO SIGNIFICANT SUBSEQUENT EVENTS)

Tendering in response to Suruga Bank, Ltd.'s tender offer for its own shares

We have decided to accept the tender offer for Suruga Bank, Ltd. ("Suruga Bank")'s own shares (5,648,100 shares) (the "Tender Offer"), which was resolved by Suruga Bank at its board of directors meeting on May 12, 2025.

The impact of the Tender Offer on our consolidated financial statements has not yet been determined. Suruga Bank is expected to remain an equity-method affiliate of our company following the Tender Offer.

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

May 14, 2025

To the Board of Directors of
Credit Saison Co., Ltd.:

Deloitte Touche Tohmatsu LLC
Tokyo office

Designated Engagement Partner,
Certified Public Accountant:

Mitsuo Kimura

Designated Engagement Partner,
Certified Public Accountant:

Takahisa Kudo

Opinion

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements of Credit Saison Co., Ltd. and its consolidated subsidiaries (the "Group"), namely, the consolidated statement of financial position as of March 31, 2025, and the consolidated statement of income and consolidated statement of changes in equity for the fiscal year from April 1, 2024 to March 31, 2025, and material accounting policy information and the related notes.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2025, and its consolidated financial performance for the year then ended in accordance with accounting standards prescribed pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting that omit a part of the disclosures required under Designated IFRS Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Business Report and the accompanying supplemental schedules.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting standards prescribed pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting that omit a part of the disclosures required under Designated IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting standards prescribed pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting that omit a part of the disclosures required under Designated IFRS Accounting Standards.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with accounting standards prescribed pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting that omit a part of the disclosures required under Designated IFRS Accounting Standards, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader. The other information in "the Business Report and the accompanying supplemental schedules" referred to in the "Other Information" section of this English translation is not translated.