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To all whom it may concern

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Notice Regarding Establishment of the Credit Saison Group Medium-term Management Plan for Fiscal Years 2024 to 2026 and Action on Cost of Capital and Share Price-Conscious Management

Credit Saison Co., Ltd. (hereinafter: "Credit Saison") has formulated a vision for 2030 and the "Credit Saison Group Medium-term Management Plan for Fiscal Years 2024 to 2026," as a plan for executing that vision, at the board of directors meeting held on May 15, 2024. In addition, in order to achieve sustainable growth and increase corporate value over the medium to long term, Credit Saison also announces that it has made a decision concerning "action on cost of capital and share price-conscious management."

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1. Review of the previous medium-term management plan (fiscal years 2022 to 2024)

The consolidated business profit target was achieved one year ahead of schedule, as a result of growth in shopping transaction volume in the payment business and the balance of receivables in the finance business, as well as profit growth at group companies.

In addition, Credit Saison was able to lay the groundwork for the next stage, including the start of collaboration with Suruga Bank through a capital and business alliance that combines the companies' strengths in both banking and non-banking businesses, and steady growth toward making the global business, centered on India, a core business.

2. Vision for 2030

GLOBAL NEO FINANCE COMPANY
– A global comprehensive life services group with finance at its core –

Credit Saison will not remain a mere finance company, but will instead build a "Saison Partner Economic Zone" based on partnerships that are "rooted in customer needs," and aim to achieve synergies on a global scale, while building relationships that facilitate give and take, by achieving the following three goals.

1) Leverage presence in affluent and SME markets

By providing financial services optimized for the needs of each customer through expert financial personnel and enhanced functions, Credit Saison will create opportunities for cross-selling and up-selling, while also building an approach for deep entry into the affluent and SME segments.

2) Develop comprehensive life services with financial services at the core

By improving productivity through digital technology and innovation and establishing a portfolio of human resources for executing customer strategies, Credit Saison will grow the core "financial services" business and expand its economic zone.

3) "Saison" as a global financial business player

Credit Saison aims to transform itself into a "comprehensive life services group" through the establishment of the Saison Partner Economic Zone in Japan, while also building optimized Partner Economic Zones in each country where it can demonstrate its strength on a global scale.

3. Credit Saison Group Medium-term Management Plan for Fiscal Years 2024 to 2026

In order to realize the vision for 2030 and to ensure the establishment of the Saison Partner Economic Zone, Credit Saison will steadily strengthen its business strategy and management foundations as it works to achieve numerical management targets, based on the following key themes.

1) Key themes of the medium-term management plan

(1) Thorough efforts to create a lean and powerful structure in domestic businesses
(2) Utilization of banking functions to accelerate each business and strengthening of financial functions
(3) Evolution of unique global expansion with India as a starting point and the integration of both domestic and overseas operations
(4) Employee growth linked to business strategies and strengthening of management foundations

2) Numerical management targets

	Fiscal year 2023 actual result	Fiscal year 2026 target
Consolidated business profit	71.9 billion yen	100.0 billion yen
Consolidated ROE	11.2%	9.5% or more
Dividend payout ratio	23.2%	30% or more
Share buybacks	-	Fiscal years 2024 to 2026 Targeting 70.0 billion yen
Reduction of cross-shareholdings	-	Fiscal years 2024 to 2026 Equivalent to 70% of balance held

3) Business and growth strategies

(1) Global business

- Increase business profit through the expansion of the India business and ensuring that businesses in Brazil, Mexico, etc., begin generating earnings
- In addition to organic growth, also consider business expansion through M&A
- Strengthen the International Headquarters (IHQ) to support rapid business growth. Expand governance and risk management systems

(2) Payment business

- Acquire quality members through the AMEX and new GOLD strategies and strengthen sales targeting the affluent and SME segments
- Improve profitability through measures such as increases to revolving credit fee rates and annual membership fees in line with rising service costs, and offering paid options
- Promote productivity improvement and structural reforms by utilizing digital technology and revisions to operations to conserve labor and reform the personnel structure

(3) Finance business

- Focus on product development and sales expansion in the real estate finance domain, in ways that meet the needs of affluent customers and business owners

- Expand non-asset revenues by building up the balance in the secured credit domain in the credit guarantee business
- Expand investment and loan services and diversify earnings opportunities through deeper cooperation with Suruga Bank

4) Financial strategy and capital policy

As action on cost of capital and share-price conscious management, Credit Saison will reduce cross-shareholdings and strengthen shareholder returns, while also working to optimize the amount of equity through the following three measures, based on the premise of maintaining an R&I rating of A+ or higher.

(1) Reduction of cross-shareholdings

During the period of the medium-term management plan, Credit Saison plans to reduce the balance of cross-shareholdings by an amount equivalent to 70% of the balance of 64.1 billion yen as of March 31, 2024 (the amount recorded on the balance sheet; 27.2 billion yen acquisition cost for these shareholdings). Extraordinary gains or losses (difference between amount recorded on the balance sheet and acquisition cost) may be recorded on a non-consolidated basis for Credit Saison as a result of the reduction. (On a consolidated basis, Credit Saison values its holdings at fair value through net income or other comprehensive income. The reduction of such holdings, which are measured at fair value through net income, could potentially impact the current period's net income.)

(2) Dividend payout ratio

While maintaining a policy of stable and continuous dividends, the dividend payout ratio shall be 30% or more.

(3) Share buybacks

In order to optimize the amount of equity, Credit Saison currently plans to repurchase its own shares with a target of 70 billion yen during the period of the mid-term management plan. Of this amount, 50 billion yen will be implemented in the first fiscal year of the medium-term management plan.

5) Strengthening the group's management foundations

(1) Human resources strategy

Credit Saison will focus on the following three areas, in order to build a portfolio of human resources consisting of finance and settlement expert human resources, real estate expert human resources, digital human resources, and global human resources, and promote the enhancement of the Group's culture and human resource capabilities.

- Training to enhance financial and real estate expertise
  - Support for employees to acquire qualifications through an extensive in-house training program
  - Incorporation of practical experience into the training curriculum and measures to improve skills
  - Consideration of career paths, etc., for qualified employees

- Acquisition, development, and retention of professional human resources
  - Disclose career opportunities within the group and indicate directions for growth
  - Provide clear evaluations and feedback to maintain employee motivation
  - Establish a competitive compensation structure and provide financial incentives

- Increase employee engagement
  - Promote understanding of company-wide policies through regular sharing of the management vision and targets
  - Utilize open communication platforms and actively embrace employee feedback

• Support for work-life balance through flexible work styles and the enhancement of benefit programs

(2) CSDX VISION – "Create an exhilarating experience for customers" "Transform the experience of employees" –

As part of its aim to reform and transform its businesses by utilizing digital technology, and to become a leading company in the digital age, Credit Saison will focus on the following five basic CSDX strategies.

- Digital human resource development
  - Continued expansion of in-house development team of engineers, designers, etc., which has grown to 145 employees
  - Establish training programs for no-code and low-code tools to promote the development of citizen developers
  - Continuously provide HR systems to support career development of digital human resources

- Digital development process
  - Promote the utilization of generative AI for operational process innovation and further digitalize back-office operations
  - Promote cooperative in-house development in which business units and in-house development teams work together to solve issues
  - Continue to promote a bimodal IT strategy that leverages the strengths of both waterfall and agile development

- Digital infrastructure
  - Consolidate various systems on new IT infrastructure developed in-house to achieve greater elasticity and scalability
  - Promote in-house development in infrastructure domains such as terminals, networks, and data centers
  - Continue to promote cloud-first new development and the migration of key systems to the cloud

- Business creation
  - Accelerate the implementation of new services and functions in smartphone apps
  - Create new businesses by utilizing software modules developed in-house
  - Utilize generative AI and other new technologies to create customer experiences

- Business co-creation
  - Continuation of business alliances, provision of technology, etc., through investment in and alliances with technology startups
  - Creation of sales promotion opportunities for the Credit Saison Group and partner companies by utilizing data accumulated by Credit Saison
  - Continuation and expansion of support for group companies by experts in the IT domain