

■■■■ A LEADING – EDGE
■■■■ SERVICE PROVIDER
■■■■ CREDIT SAISON CO., LTD.

Management Report FY2008

May 18, 2009



AGENDA

- ◆ **FY2008 Highlights** ... **1**
- ◆ **FY2008 Financial Report** ... **5**
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This report contains forward-looking statements that reflect our plans and expectation. These forward-looking statements are not guarantees of future performance and known and unknown risks, uncertainties and other factors that may cause our actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements.

FY2008 Highlights

- ★April: Qubitous Co., Ltd. became Credit Saison's subsidiary, jointly managed with Mizuho Bank, Ltd.
- ◇April: Business alliance with Shinhan Card Co., Ltd. (Korea)
- ◇May: Started accepting applications for "Credit nimoca" card.
- ◇June: Entered into rental business by forming alliance with Yamada Denki Co.,Ltd..
- ◇July: Preferential interest rates on Mizuho Bank fixed-term deposits offered for our card members.
- ◇September 1st: Merger by acquisition of LAWSON CS Card Inc.
- ◇September: Started issuing Mizuho Mileage Club Card 《Saison》"Suica"
- ◇September/October: Alliance with Higashi-Nippon Bank, Ltd. and Bank of the Ryukyu, Limited in the credit guarantee business
- ◇October: Started issuing "SMARK Card 《Saison》 together with a shopping mall in Isezaki City.
- ◇October: Started accepting applications for "Lala Garden Kawaguchi Card 《Saison》.
- ◇October: Formed alliance with Maruhiro Department Store, Ltd. (Saitama Prefecture) and started accepting applications for "Maruhiro M Club Card."
- ◇October: Started the Eikyu Fumetsu auction.
- ★February: Established the holding company JPN Holdings Co., Ltd.
- ◇March: Started the "Credit Saison Flat 35" business.
- ◇March: Started accepting applications for the "National Lawyers' Association 《Saison》 Platinum Business American Express Card," a premium card for lawyers.
- ★March: Announced restructuring plan for Atrium Co., Ltd.1

Qubitous became a subsidiary company on April 1, as we spun off our card processing division and transferred 2,000 staff to Qubitous.

1. Acquisition of 51% to made it a subsidiary (49% owned by Mizuho bank.)

- Largest specialized card processing company in Japan
- Clients other than Saison and UC: 80 companies

2. Launch of “Kansai Ubiquitous” on Oct. 1 Establishment of an operating system

- Scattered centers at 8 locations collected at Kansai Ubiquitous for higher efficiency.

3. Start of development for future core system

- Jointly developed by Saison, Orico, and Qubitous from December 2008.
- System will be introduced gradually beginning from the end of 2011. (Saison expects to switch to the system beginning from spring, 2012.)
- Vendor is IBM. Development cost for initial construction of common parts: Approx. 30 billion yen. (Hardware costs, development of unique parts for each company, and system transfer expenses not included.)

⇒ **Operation of a shared core system is a step toward integration of Saison/UC systems. Greatly improves operating efficiency. (Cost efficiency up 15% from FY 2009.)**

Overview of Kansai Ubiquitous

Locations: Minami-senba, Chuo-ku, Osaka

Floor space: 8,250 m² (9 floors above ground)

Configuration:

Qubitous

- Call center: 600 desks
- Registration work: 150 desks

Credit Saison

- Loan center
- Kansai branch



2.38 million MMC cards, 1.38 million LABI cards

~ The two cards account for 14% of all cards issued by our company and 33% of newly-issued cards. ~

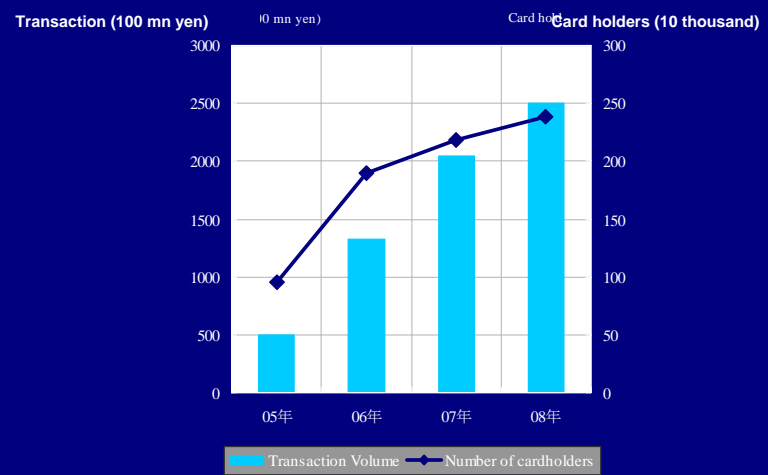
(1) MMC card: Extensive services and functions

- [1] Suica collaboration, AMEX with no annual fee
- [2] Abolition of mileage points
⇒ Change to “Eikyu Fumetsu points”
- (2) Services for platinum and gold members
 - Preferential interest rate for fixed-term savings at Mizuho Bank, others

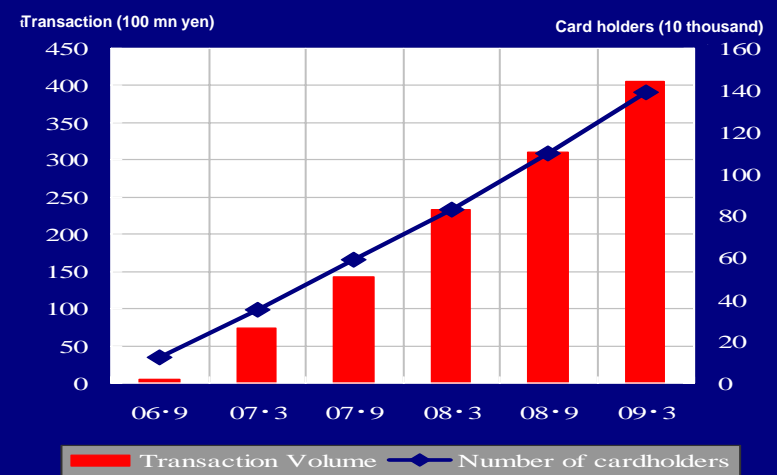
(1) LABI card new applications

- New cards during FY09: 660,000
- (2) Start of rental business (from July 2009)
 - Rental of home appliances to companies
 - Rental of new latest-model appliances
⇒ Business hotels, schools, hospitals, etc.

Number of issued MMC card and transaction of S card



Number of issued LABI card and transaction of S Card



Focus on FY2008 (3) LAWSON CS Card Merger

- **2002:** LAWSON CS Card Co., Ltd. established.
(30% Saison, 50% Lawson, 20% Mitsubishi Corporation)
Started issuing LAWSON PASS.
- **2004:** Started issuing LAWSON PASS VISA.
- **Apr. 2008:** LAWSON CS Card became a 100% subsidiary
(acquisition price: 670 million yen)
- **Sept. 2008:** LAWSON CS Card acquired by and merged with Saison.

(1) Results of the merger

LAWSON PASS Card (results as of March 31, 2009)

- **Members :** 1.35 million (65% members who do not use an account and who pay at the store)
- **New :** 100,000 (Acquiring only new cards that include VISA.)
members
(Internet sign-up percentage : 45%)
- **Total annual transactions :** 87.0 billion yen ▪ **Cashing outstanding :** 30.7 billion yen



(2) Card use promotion measures

- [1] Alliance with “JAL Mileage Bank” allows members to acquire JAL miles by using LAWSON PASS.
- [2] “Credit Premium Entry”
 - Card rank is boosted according to volume of use: awarding of “bonus points.”

1. Operating Results
2. Results by Business Segment
3. Contributions to Consolidated results
4. Main Indices (Non-Consolidated)
5. Credit Risk Trends
6. Financial Indices
7. Dividend Status
8. Revised Forecasts and Actual Results

1. Operating Results

(¥ billion)

		FY2007	YoY (%)	FY2008	YoY (%)	FY2009 (Estimate)	YoY (%)
Consolidated	Operating revenues	345.5	103.6	327.0	94.6	316.0	96.6
	Ordinary income	58.1	72.5	30.9	53.3	36.0	116.3
	Net income	26.7	180.5	(55.5)	—	17.0	—
	Earnings per share (¥)	148	179.7	(308)	—	94	—

Non-consolidated	Operating revenues	277.7	102.8	270.9	97.5	265.0	97.8
	Ordinary income	36.5	64.6	32.2	88.1	33.0	102.4
	Net income	24.5	240.5	(44.9)	—	16.5	—

2.Results by Business Segment

(¥ billion)

	Operating revenues			Operating income (loss)		
	FY2007	FY2008	YoY (%)	FY2007	FY2008	YoY (%)
Credit Service	254.7	254.7	0.0%	30.5	25.6	(16.0%)
Finance	44.3	46.7	5.3%	11.2	10.5	(6.3%)
Real Estate-related	37.9	18.5	(51.1%)	22.7	0.6	(97.3%)
Entertainment	14.3	15.5	7.9%	△3.0	1.6	—
Others	1.9	1.9	(2.8%)	1.3	1.3	1.4%
Total	353.4	337.4	(4.5%)	62.9	39.8	(36.7%)
Inter-segment Transactions	(7.8)	(10.3)	32.5%	(5.7)	(5.2)	(7.6%)
Consolidated	345.5	327.0	(5.4%)	57.1	34.5	(39.6%)

3. Contribution to Consolidated Results

Ordinary income: Difference between consolidated and non-consolidated figures

Contribution to consolidated results

	Non-consolidated	Consolidated	Difference
Ordinary income	¥32.2 billion	¥30.9 billion	(¥1.2) billion

Major consolidated subsidiaries	Contribution to ordinary income
Atrium Group • Atrium Co., Ltd. (liquidation of real estate) • Atrium Servicing Co., Ltd. (servicing business) • AIC (liquidation of real estate) • MAPJ (liquidation of real estate) • Grande Trust 9 (liquidation of real estate) • AW3 (liquidation of real estate)	(¥5.6) billion
Saison Fundex Group • Saison Fundex Corp. (loans) • House Planning Co., Ltd. (real estate)	¥2.6 billion
Concerto Inc. (entertainment business)	¥2.1 billion
JPN Holdings Co., Ltd. (servicing business)	¥1.2 billion

Major equity-method affiliates	Contribution to ordinary income
Saison Information Systems Co., Ltd. (information processing)	¥0.65 billion
Idemitsu Credit Co., Ltd. (credit card business)	¥0.17 billion
Resona Card Co., Ltd. (credit card business)	¥0.12 billion
Takashimaya Credit Co., Ltd. (credit card business)	¥0.01 billion

4. Main Indicators (Non-consolidated)

	FY2007		FY2008		FY2009	
		YoY (%)		YoY (%)	(Estimate)	YoY (%)
New applications (millions)	3.38	79.0	2.93	86.7	2.7	89.4
New card issued (millions)	2.84	78.9	2.52	88.7	2.2	87.3
Total cardholders (millions)	26.01 [+1.1]	104.4	27.57 [+1.56]	106.0	27.40 [(0.17)]	99.3
Active cardholders (millions)	13.22 [+0.73]	105.8	13.91 [+0.69]	105.2	14.2 [+0.29]	102.1
Transaction volume (¥ billion)	4,595.1	106.4	4,656.3	101.3	4,732.0	101.6
Card shopping	3,758.5	109.5	3,891.0	103.5	4,066.0	104.5
Cash advances	836.6	96.0	765.3	91.5	666.0	87.0

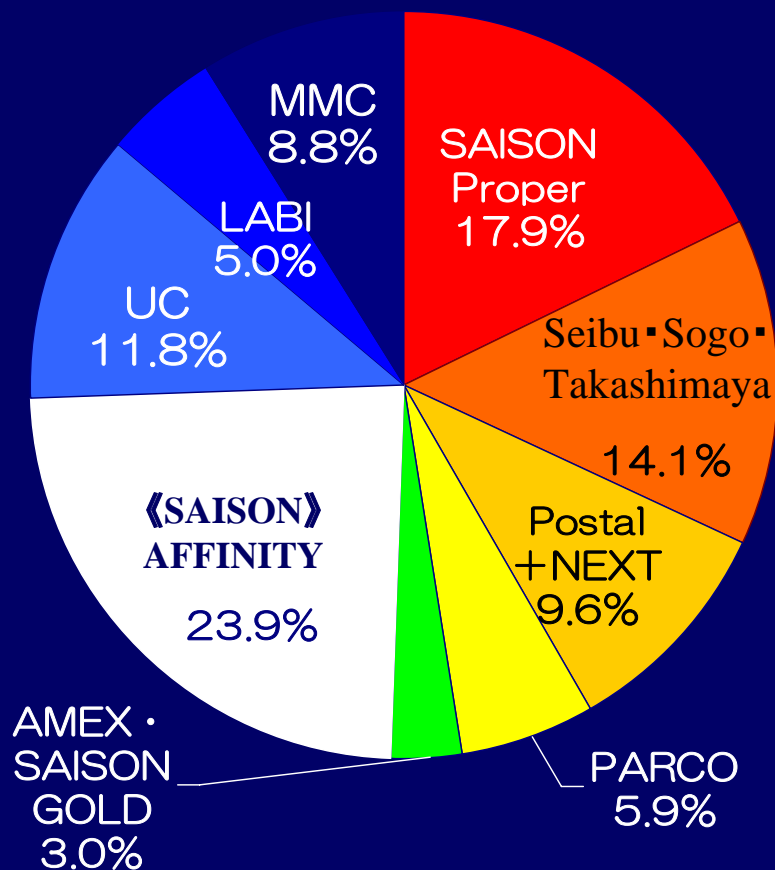
Figures in parentheses are year-on-year comparisons.

(Reference) Share of Cards

Transaction volume and number of premium cards are 5 times higher than other cards
 Number of 《Saison》 Affinity cardholders increased due to acquisition of Lawson CS Cards

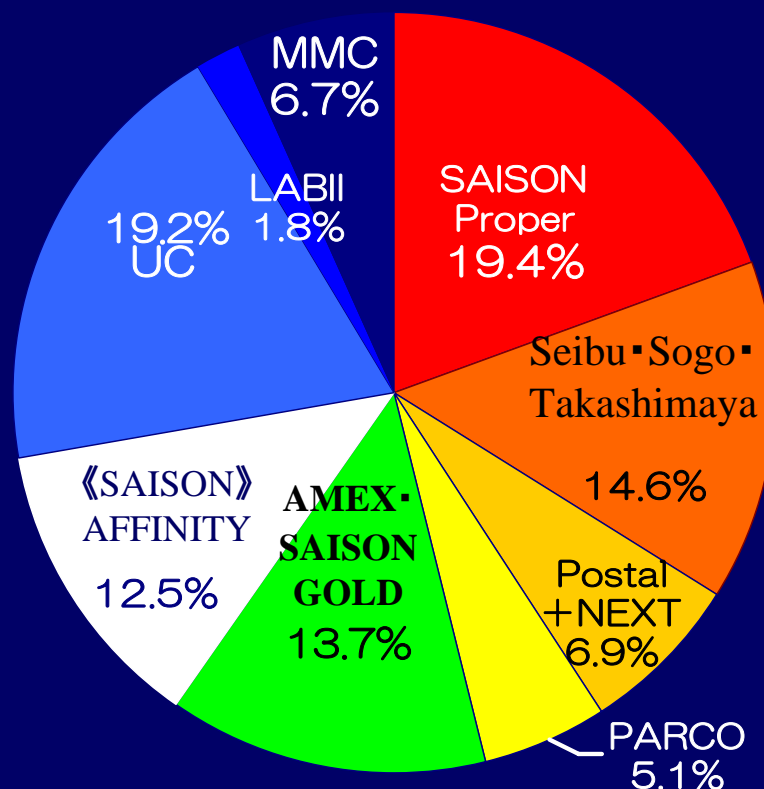
【Share of total cardholders】

(total: 275.7 billion)



【Share of shopping transaction volume】

(total: ¥3,891 billion)



※SAISON GOLD includes Affinity GOLD.

5. Credit Risk

(%)

	Delinquency of over 90 days		Write-off rate	
		Y-o-Y		Y-o-Y
Consolidated	2.80	(0.01)	2.97	+0.28
Credit Card	2.89	+0.14	3.49	+0.13
Card Shopping	2.10	+0.14	1.95	+0.16
Cash advances	4.12	+0.21	5.81	+0.17

※Delinquency rate: Percentage of total receivables 90days or more past due date

※Delinquency rate Including LCS Consolidated 2.89% Card shopping 2.17%, Cash advances 4.26% Credit card 3.01%

※Write off rate : Percentage of total receivables written off during the term

(¥ billion)

	Consolidated		Non-consolidated	
		Y-o-Y		Y-o-Y
Credit Cost	77.2	+2.8	65.7	+2.0
Interest Repayment Cost	14.8	+0.2	13.6	+1.2
Allowance for doubtful accounts	121.8	+30.9	135.9	+56.1
Provision for loss on interest repayment	44.6	(0.8)	39.7	(0.1)

6. Financial Indices

(¥ billion)

	Consolidated		Non-consolidated	
		Y-o-Y		Y-o-Y
Shareholders' equity	318.3	(67.9)	304.2	(57.2)
Total Assets	2,407	(43.5)	2,220.7	+154.2
Shareholders' equity ratio	13.2%	(2.6%)	13.7%	(3.8%)
※1 ROE	5.3%	(3.9%)	5.8%	(0.4%)
※2 ROA	1.3%	(1.0%)	1.5%	(0.2%)

※1 ROE is calculated to assume that return is based on ordinary income (excluding extraordinary income/loss) with corporate tax deducted at the rate of 40%.

※2 ROA is calculated that ordinary income is divided by total asset.

7.Dividends

Dividends

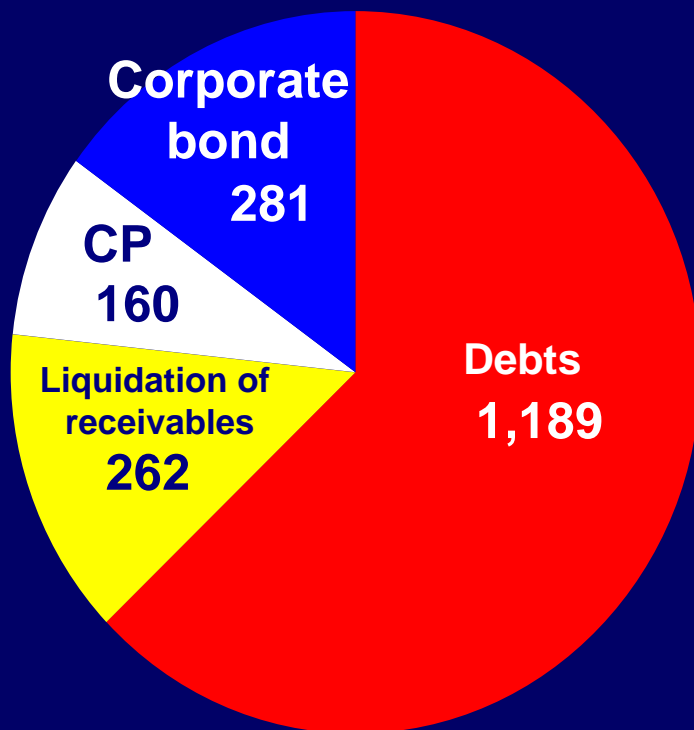
	FY2007	FY2008	FY2009 (Estimate)
Dividend per share	¥28	¥30	¥30
Total cash dividend	¥5.0 billion	¥5.4 billion	¥5.5 billion
Payout ratio (consolidated)	18.8%	—	31.8%

(Reference) Fund Structure

(¥ billion)

[Consolidated]

Total balance: 1,893

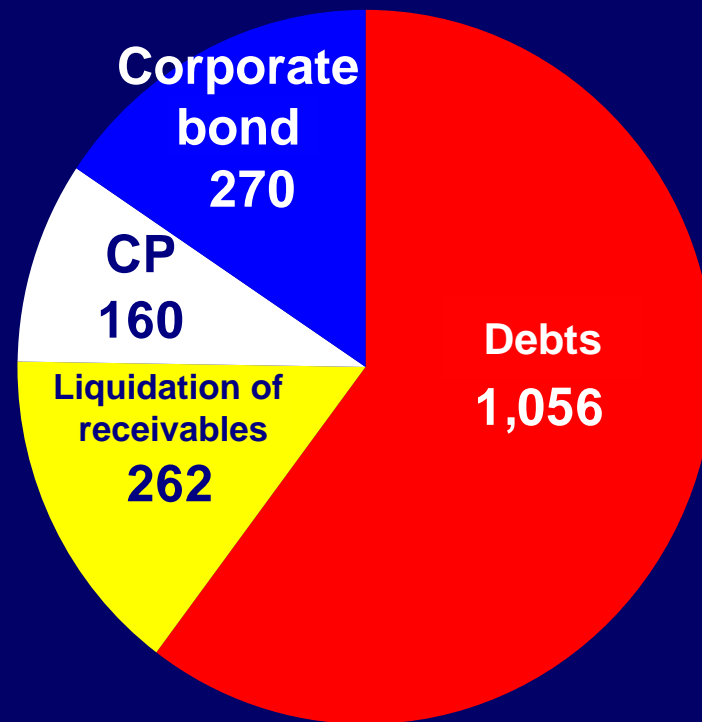


Long Term Ratio: 71%

[Rating]
R&I A⁺ Fitch A

[Non-consolidated]

Total balance: 1,748



Long Term Ratio: 72% Fixed Ratio: 63%

Bonds & Long Term Debts 993,4 billion yen
Average Remaining Term 4 years

8. Revised Forecast and Actual Results

Selling, general and administrative expenses (consolidated/non-consolidated)
 Provision for losses on interest repayment: ¥10.0 billion

Extraordinary gains (consolidated/non-consolidated)
 Gain on sale of investment securities (VISA stock): ¥11.3 billion

Extraordinary losses (consolidated) ¥96.5 billion

Valuation loss on inventories ¥46.9 billion

Provision for guarantor's claim and disputed claims etc. ¥42.7 billion

Extraordinary losses (non-consolidated) ¥70.5 billion

Loss on business restructuring of subsidiaries and affiliates ¥55.1 billion

Loss on valuation of stocks of Subsidiaries and affiliates ¥5.2 billion

<Consolidated>

<Non-consolidated>

Results forecast

Actual results

Results forecast

Actual results

Operating revenue

¥326.0 billion

¥327.0 billion

¥270.0 billion

¥270.9 billion

Ordinary income

¥31.0 billion

¥30.9 billion

¥32.0 billion

¥32.2 billion

Net income

(¥55.0) billion

(¥55.5) billion

(¥44.0) billion

(¥44.9) billion

8-1. Reasons for Increasing the Provision for Loss on Interest Repayment

Increasing occurrence of credit handling by lawyers and other parties

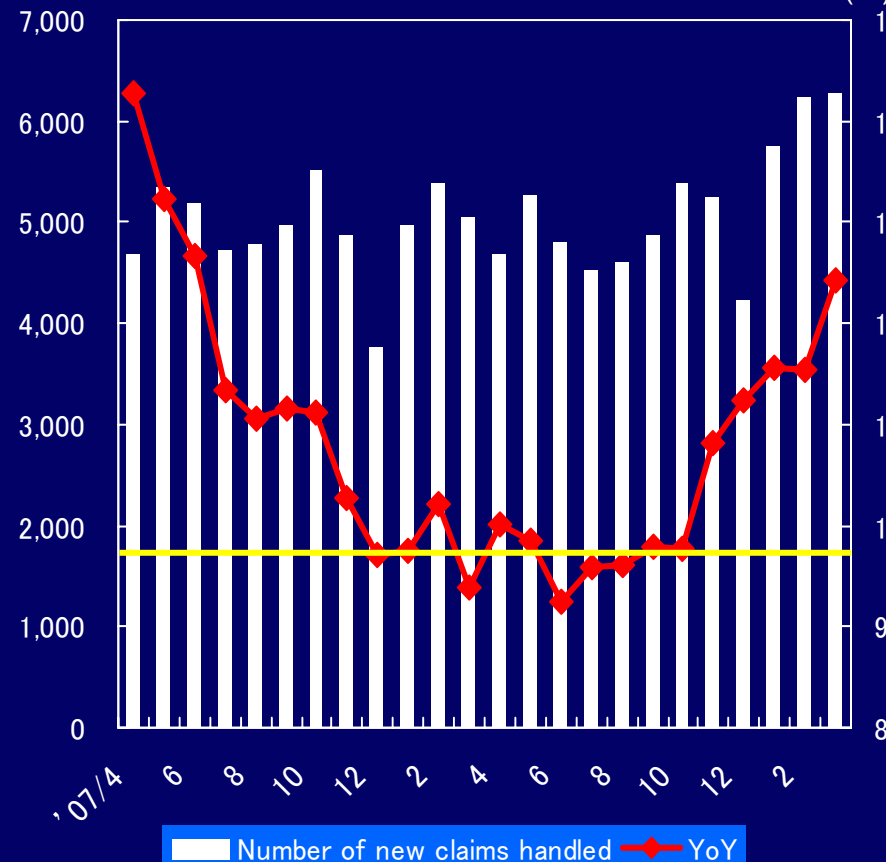
This trend is expected to continue for some time.

Provision for loss on interest repayment was increased by ¥10 billion.

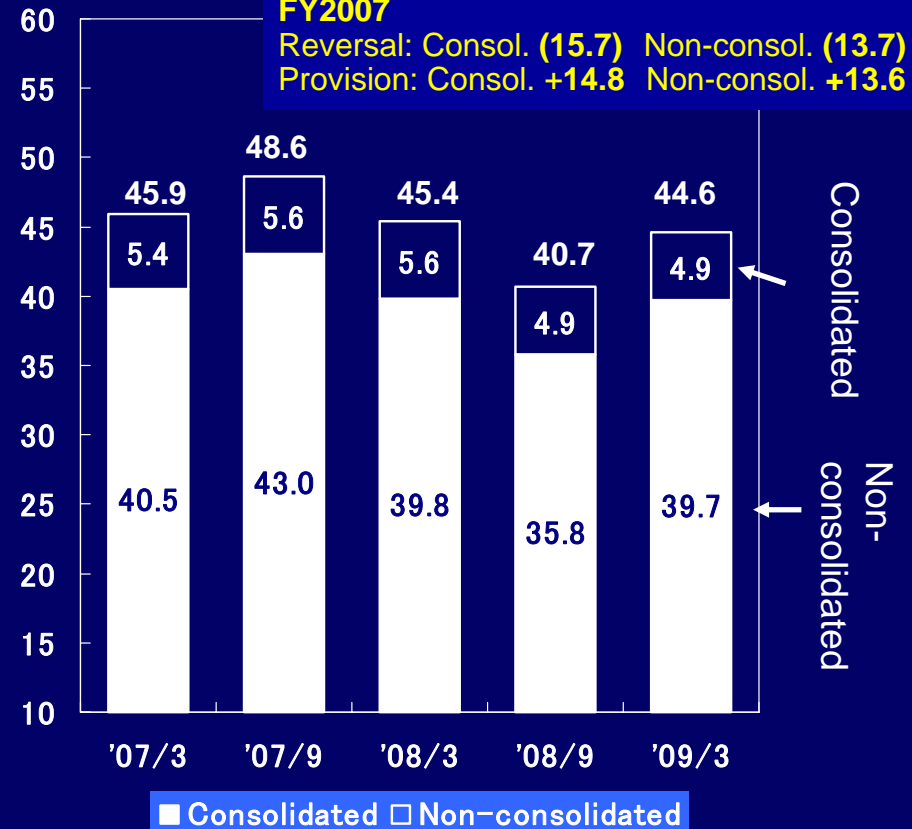
■ Trends in new interest repayment claims

■ Changes in the provision for loss on interest repayment

No. of new cases



(¥ billion)



8-2. Atrium Support Scheme

■ Details of financial support

Step 1 Indemnifying debt assumption and other financial support

Indemnifying assumption of ¥90.6 billion in debt consolidates the approximately ¥124.1 billion in Atrium interest-bearing liabilities at Credit Saison.

Acquisition of the guarantor's right of indemnity from Atrium for the same amount → End of March.

Balance of loans and company bonds issued for Atrium-related purposes: ¥336.7 billion

Step 2 Allocation of new shares to a third party (debt equity swap)

① First capital expansion: April 10, approx. ¥11.1 billion, equity ratio: approx. 81%

② Second capital expansion: June 1, approx. ¥48.3 billion, equity ratio: approx. 95%

Issue price: ¥112/share(*)

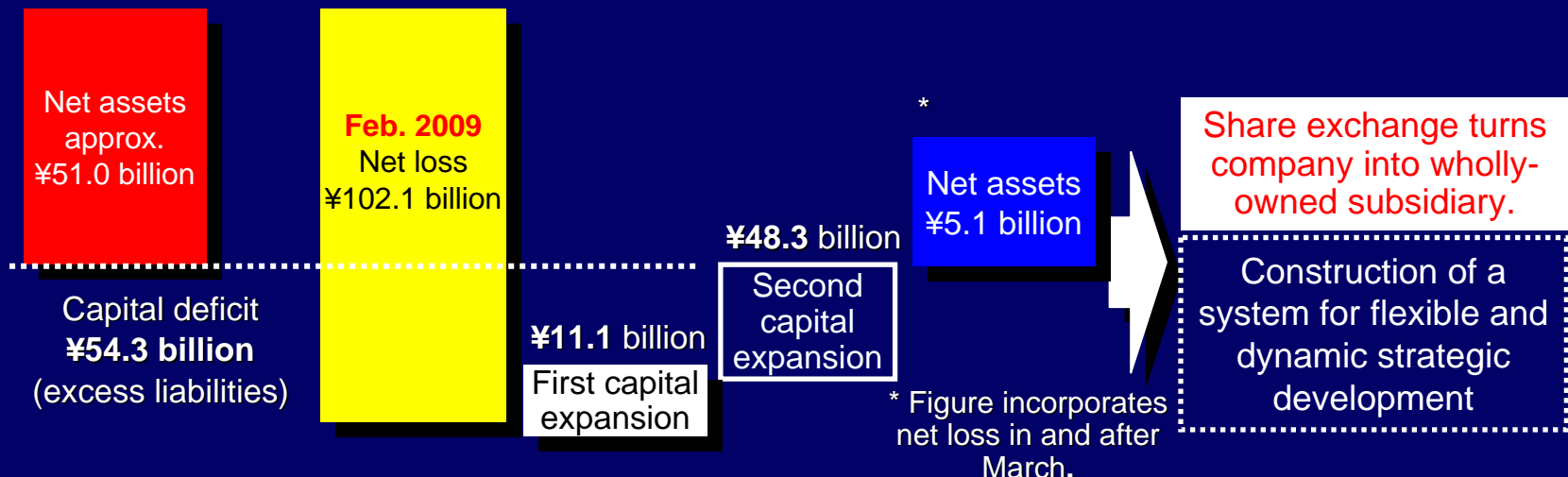
Approx. 503 million shares

Total amount: ¥59.4 billion
(estimated)

Step 3 Share exchange (becoming 100% subsidiary)

0.13 shares of Credit Saison are allocated for each share of Atrium common stock.

(Planning to deliver approx. 3.56 million shares. Maximum dilution rate 1.9%)



8-3. Atrium Reconstruction Plan

■ Selection and concentration of business

Specialization

Liquidation of real estate
Servicing business

Withdrawal

~~Loan guarantee business~~
~~Strategic investment business~~

■ Strengthening financial foundation by slimming-down the balance sheet and restructuring finances

	Early sale of real estate owned	Compression of interest-bearing liabilities	Expansion of shareholders' equity
2009/3	Approx.¥380 billion	Approx.¥330 billion	△ ¥54.3 billion
after 5 years	¥200 - ¥250 billion	¥210 billion	¥5.1 billion (carried out by DES)

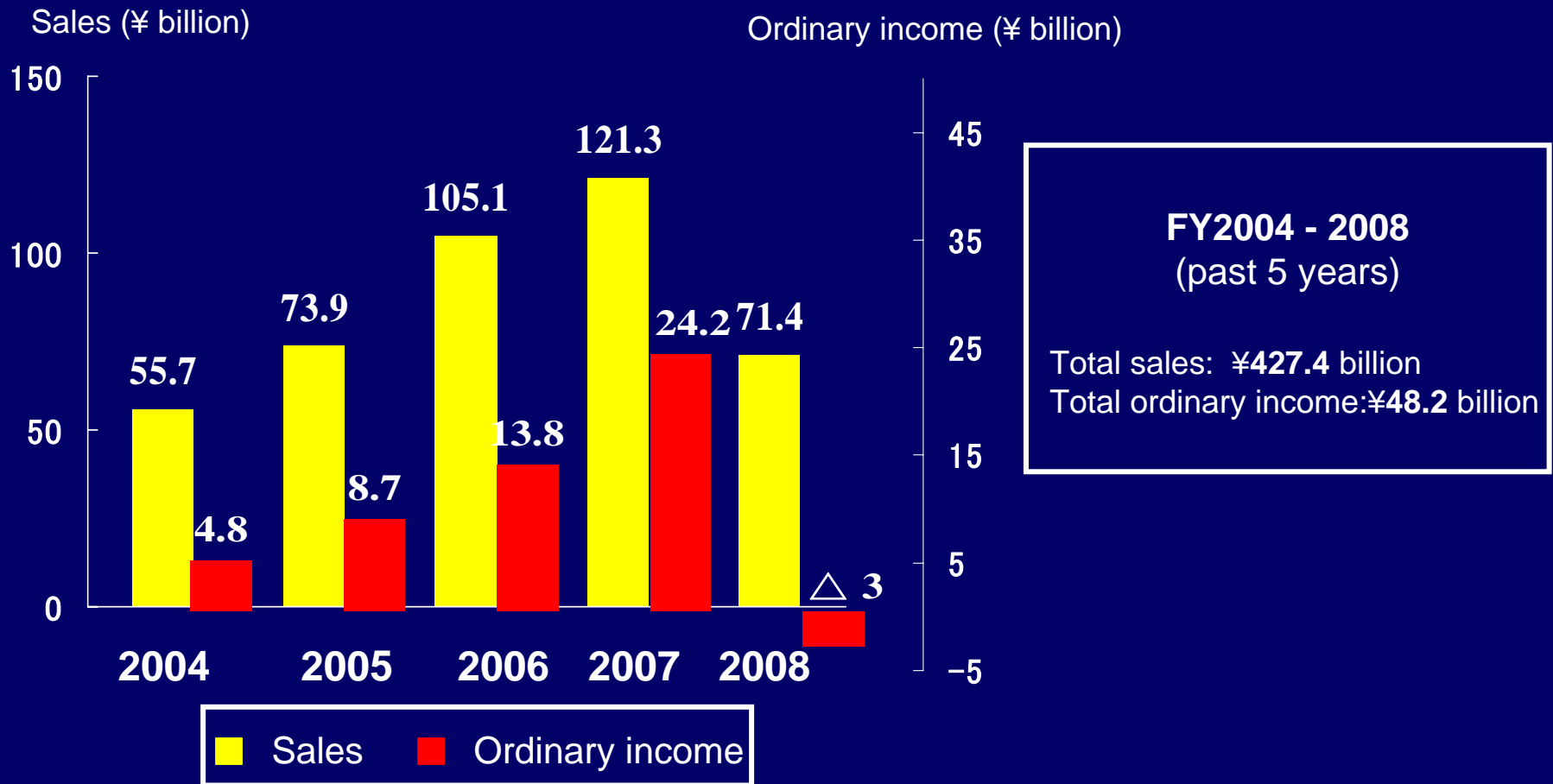
■ Rationalization of organization and personnel, clarification of management responsibilities

Consolidation/discontinuation of offices. 40% cut in personnel: 651 persons → 390 persons
(FY2008 personnel costs: ¥5.0 billion ⇒ FY2009 planned personnel costs: ¥3.0 billion)
Retirement of 5 out of 6 management staff. 40% cut in executive compensation.

Establish a system for delivering stable profits while maintaining a healthy B/S.

(Reference) Changes in Atrium Group Results

■ Changes in Atrium Group sales and ordinary income





Management Strategy

- I. Changes in the Business Environment and Their Impact on the Company**
- II. Verifying Our Competitive Superiority and Applying Our Strengths**
- III. Management Strategy for the Credit Saison Group**
- IV. FY2009 Priority Policies**

I. Changes in the Business Environment and Their Impact on the Company

■ Changes in the external environment

- Global recession which began with the financial crisis in the U.S., and its effects on the real economy in Japan
- Shrinking markets due to the accelerating graying of society, increased unemployment, declining wages, and the negative wealth effect due to falling asset values are having large effects, including psychological effects, on personal consumption.

■ Impact on our company's business

- Strengthening regulation, including the Money Lending Business Control Law and the Installment Sales Law, as well as continued high credit costs and overpayment return costs have decreased the earning power of credit cards and the credit business.
- Structural changes in personal consumption during recent years, and changes in the consumption style resulting from the poor economy, have had a large effect on our company's cards, which include large numbers of department store cardholders.
- The large impact on the real estate market triggered by the Lehman Shock has created circumstances which demand a drastic review of our group's business portfolio.

With the background of strengthening regulation and sluggish personal consumption, and as “advances in the internet society” and “structural changes in the card business” continue, we are aiming utilize our customer base and **“become a leading service industry”**.

II. Verifying Our Competitive Superiority and Applying our Strengths

(1) Customer base of 33 million cardholders

Strong customer base with two brands, SAISON and UC, containing credit and operation results (including from contracted agents) from 33 million cardholders, and with high value in attributes, areas, and spending trends

(2) Ability to understand our clients

Marketing and planning strength which allows us to pursue the customer needs which we have identified through our business as a retail card company, and also to consider issues from the perspective of the client

(3) On-site sales ability

A bright and energetic on-site sales force composed largely of women, integrated with Saison counters and other retail locations

(4) Alliance network

A network of alliances unrestricted by business groupings. We have concluded alliances with excellent companies in a broad range of fields, including retail, finance, communications, transportation, and various service industries.

(5) AMEX brand

Application of our exclusive service right for the four types of AMEX brand cards, the only high-status card brand

Structural reform and giving shape to innovation

(1) Reconstruction of the Group management

- ① Establishment of a Group management mechanism
- ② Simplification of the head office mechanism at each company
- ③ Human resource training through personnel rotation
- ④ Implementation of the Atrium reconstruction plan under the leadership of Credit Saison
- ⑤ Setting of high numerical objectives and determining the specific measures for achieving them

(2) Strengthening Credit Saison Group governance and the comprehensive risk management system

- ① Promote change of generations and renewed youth in the management system and important committees
- ② Strengthen credit risk management for financial products. Withdraw from high-risk businesses.
- ③ Prepare a comprehensive risk management system, covering compliance, internal control, system and operation risk, and credit risk.

(3) Reform of the card business

- ① Greater multi-function capabilities for branch operations
- ② Clarification of the card plan strategy
- ③ Verifying progress of the next-generation system, and streamlining of Qubitous operations
- ④ Development of plans in cooperation with the clients
- ⑤ Implementation of a service and market strategy with a clear understanding of the structural changes in consumption

(4) Development and expansion of internet business

- ① Expansion of “EikyuFumetsu.com”
- ② Establishing the ability to acquire new internet card business
- ③ Greater multi-function capabilities for the internet business

(5) Change to multi-core revenue sources

- ① Diversification of the financial business
- ② Revitalization of the lease and rental business
- ③ Remodeling of the credit guarantee business
- ④ Development of a comprehensive risk management system



IV. FY2009 Priority Policies

- 1. Measures for Expanding the Profitability of the Card Business**
- 2. Measures for Expanding the Profitability of Business Utilizing the Internet**
- 3. Development of the Financial Business**

[Chart (1)] Structural Changes in the Consumer Market

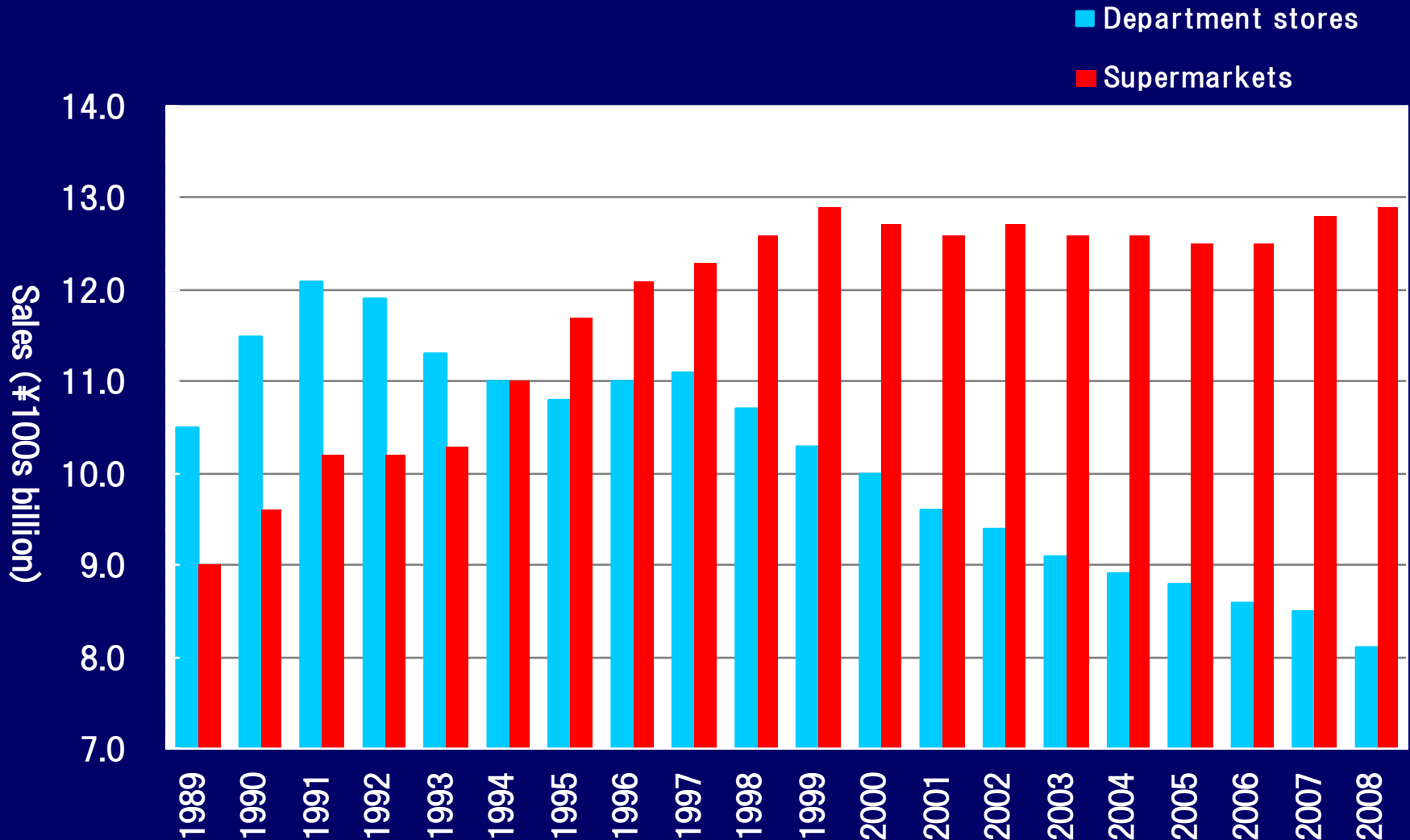
■ Changes in the domestic household final consumption expenditures by consumption item
(¥100s billion)

*Created from the Cabinet Office Annual Report on National Accounts

Expenditure item	FY1997		FY2002		FY2007		2007/1997 (%)
	Expenditure	% of total	Expenditure	% of total	Expenditure	% of total	
1. Food, non-alcoholic beverages	42.9	15.6	43.0	15.7	42.0	14.8	98.0
2. Alcoholic beverages, tobacco	9.0	3.3	9.5	3.5	8.8	3.1	97.3
3. Clothing, shoes	16.8	6.1	10.7	3.9	10.0	3.5	59.6
4. Housing, electricity, gas, water	60.9	22.1	66.1	24.0	70.1	24.7	115.2
5. Furniture, home appliances, domestic services	13.2	4.8	10.8	3.9	10.5	3.7	79.2
6. Health care, medicine	9.2	3.4	11.1	4.0	11.8	4.2	127.8
7. Transportation	29.7	10.8	29.0	10.6	31.5	11.1	106.0
8. communications	5.8	2.1	7.6	2.8	8.8	3.1	151.6
9. Entertainment, leisure, culture	29.5	10.7	30.4	11.1	29.5	10.4	99.9
10. Education	6.1	2.2	6.0	2.2	6.2	2.2	101.3
11. Restaurants, hotels	20.3	7.4	20.7	7.5	22.3	7.9	109.5
12. Others	31.6	11.5	29.8	10.8	32.4	11.4	102.6
Domestic household final consumption expenditures	275.2	100.0	275.0	100.0	283.9	100.0	103.2
Goods total	128.3	46.6	121.5	44.2	121.1	42.6	94.3
Services total	146.8	53.4	153.4	55.8	162.9	57.4	110.9

[Chart (2)] Structural Changes in the Consumer Market (2)

■ Changes in sales at large-scale retailers (department stores, supermarkets)

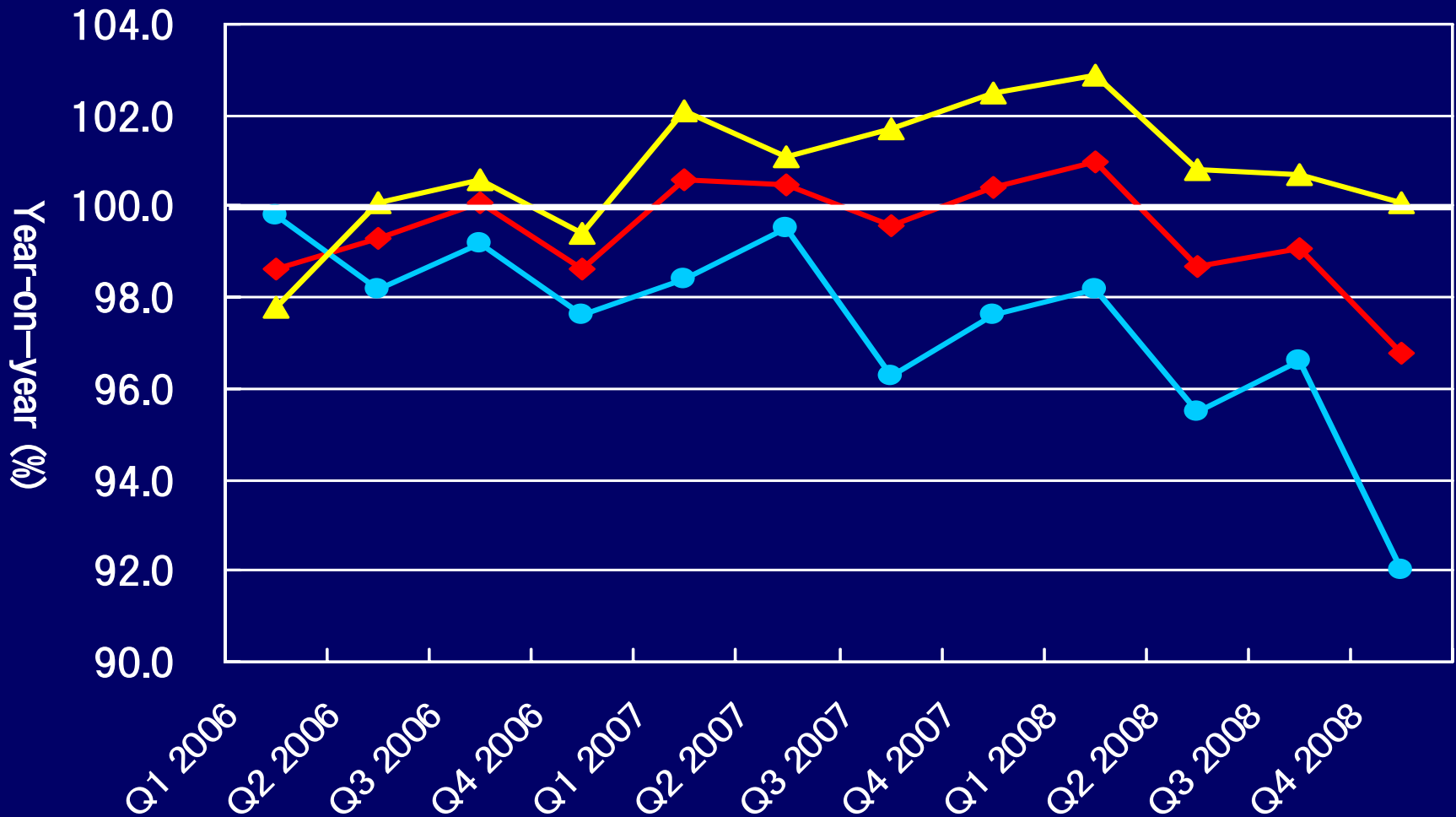


* Source: Time-series data from "Statistical Survey of Economic Dynamics," Ministry of Economy, Trade and Industry

[Chart (3)] Structural Changes in the Consumer Market (3)

■ Changes in sales at large-scale retailers
(department stores, supermarkets) (year-on-year)

◆ Total
● Department stores
▲ Supermarkets



* Source: Time-series data from "Statistical Survey of Economic Dynamics," Ministry of Economy, Trade and Industry

1. Measures for Expanding the Profitability of the Card Business (1)

Measure ① Collaboration with department store businesses

A **recovery of sales** at department stores is an **important issue** for our company's cards, which account for a high share of department store customers.

- **Creation of joint measures with department stores we are currently allied with**
 - Seibu Dept. Store, Sogo, Takashimaya, and other dept. stores with multiple stores over wide areas
 - Yamakataya (Kagoshima), Maruhiro Dept. Store (Saitama), Sakurano Dept. Store (Tohoku), and other regional dept. stores
- **In conjunction with store events, send promotions to “target customers” from among the Saison/UC cardholders and contracted agent cardholders (33 million cardholders).**
 - Gift periods, area ceremonies and events, etc.
- **Plans for regional (area) revitalization**
 - Conduct joint events bringing together multiple affiliated stores, primarily department stores, in the same area.
- **Sales expansion promotions making use of revolving repayment**
 - Promote sales by promoting revolving payment when the card is used for related sales or high-value products.

2009 target revolving repayment balance:
¥325 billion (up 10% YoY)

1. Measures for Expanding the Profitability of the Card Business (2)

Measure ② Collaboration on preferential treatment plans with allied large-scale retailers

■ Application of the client alliance expertise which we have developed as a retail-based card company

- Joint operations with *new retail businesses*
 - ⇒ Outlet stores, discount stores, specialty stores of private label apparel (SPA), train station stores, others

■ Creation of new plans to boost both our profits with the clients'

- Use the card as the medium to provide preferential treatment or special services from multiple allied companies to members.
- Construct plans which allow a customer to receive services from multiple companies using one card. (See the diagram on the following page.)

Example: Collaboration with Mitsui Real Estate

① Issue of two allied cards

- "Mitsui Shopping Park Card", "Mitsui Outlet Park Card"
- Can be used at 21 facilities, including Lala Port, Lala Garden, and outlets.

② Set up card counters, for joint operation with stores and facilities.

③ Improve the usage rate by using a common point system and other service and function improvements.

Total cards issued:
FY2009: 600,000
3 yrs later: 1,000,000
S transaction volume
FY2009: ¥37 billion
(up 32% YoY)

[Reference] Image of Preferential Alliance with Large-Scale Retailers

Allied large-scale retailers

Dept. stores

SPA

Supermarkets

Shopping centers ...

Regional dept. stores

Outlet stores

Discount stores

Specialist shops, station bldgs.

Provide preferential treatment, gifts.

SAISON card
UC card
Agent cards

Use card for shopping.

33 million
ALL-SAISON/UC
and contracted agent
cardholders

Allied companies...

- Provide preferential treatment and special services to our cardholders.
- Achieve lower expenses for attracting customers.
- Achieve higher sales with more cost-effective expenses.

Cardholders...

- Freed from the necessity of carrying a variety of allied cards.
- With one card, can receive preferential treatment and gifts from multiple large-scale retailers.

Our company...

- Notifies customers of services in place of the allied company.
- Receives improved card usage rate and an increase in cardholders.

We intend to approach 5 - 6 companies during this fiscal year.

1. Measures for Expanding the Profitability of the Card Business (3)

Measure ③ Joint Operation with Mizuho Bank

① Expanded issuing of MMC card

- Customers obtain MMC card at same time when a new bank account is opened. (Strengthen issuing via the internet.)
- Expand functional-type cards (ANA alliance, Suica alliance, others)

FY2009 MMC card target
New cards issued: 230,000
(total 25 million cards)
Monthly usage rate: 30%
(up 17% YoY)

② Issue of Mizuho 《Saison》 Platinum American Express Card (MSP Card) (from April)

- Target wealthy customers who have dealings with Mizuho bank.
* Preferential point services, preferential exchange rate for ANA miles, special treatment at hotels, etc.

FY2009 MSP card target
New cards issued: 40,000

③ Support service for settlement between Saison companies

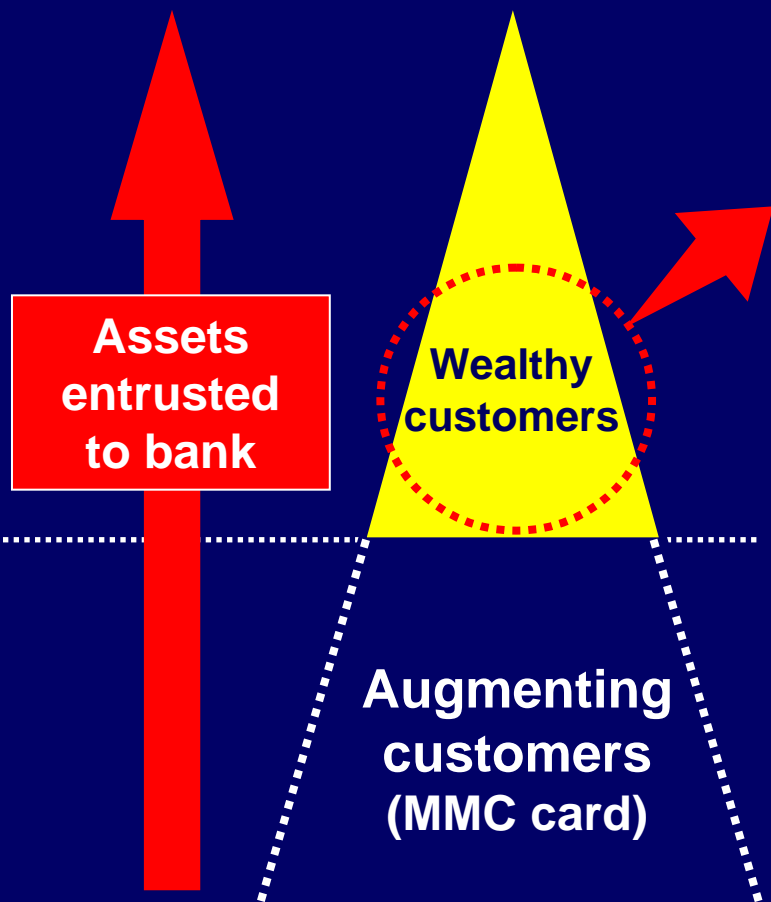
- Small and mid-size companies which have dealings with Mizuho bank
* For participating companies, provide agency service for billing, collection, and other operations that are performed with respect to the buyers.

Expected benefits Card S transaction volume: ¥370 billion (up 47% YoY)

[Reference] 2009 Mizuho Platinum Card Plan

Strengthening efforts aimed at the Mizuho Bank wealthy client market

[Mizuho Bank customers]



Mizuho Saison Platinum American Express Card

- EikyuFumetsu points (double)
- Favorable exchange rate for ANA miles
- Automatic provision of domestic and overseas travel insurance
- Permitted to use domestic and international airport lounges
- Premium hotel privileges
- Special parking services (Midtown, others)



	FY2009	FY2012
Valid cardholders	35,000	100,000
S transaction volume	¥34.0 billion	¥180.0 billion

1. Measures for Expanding the Profitability of the Card Business (4)

Measure ④ Measures for expanding premium cards, centered on AMEX cards

① “AMEX + GOLD” card (ASSOCIE card) program

- Issue an AMEX-GOLD with ¥2,000 annual fee to Proper Gold cardholders (from December).
- Planning to expand the target range to other gold cards also.

2009 ASSOCIE cards issued

Target: 30,000

② Expanding AMEX share of the cards issued by our company

- Add AMEX brand to our current alliance cards.
 - * Yamada Denki, Mitsui Shopping Park, United Air Lines, etc.

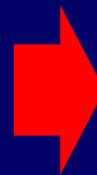
AMEX brand share targets

**Issued by Saison: 70%
Japan domestic: 30%**

③ Collaborate with AMEX in order to expand the AMEX share of the Japan domestic market

2009 (end of December) plan

- Cardholders **CS-GOLD: 450,000**
UC-GOLD: 350,000
AMEX: 1,200,000
- S transaction volume:
¥950.0 billion (up 11.7% YoY)

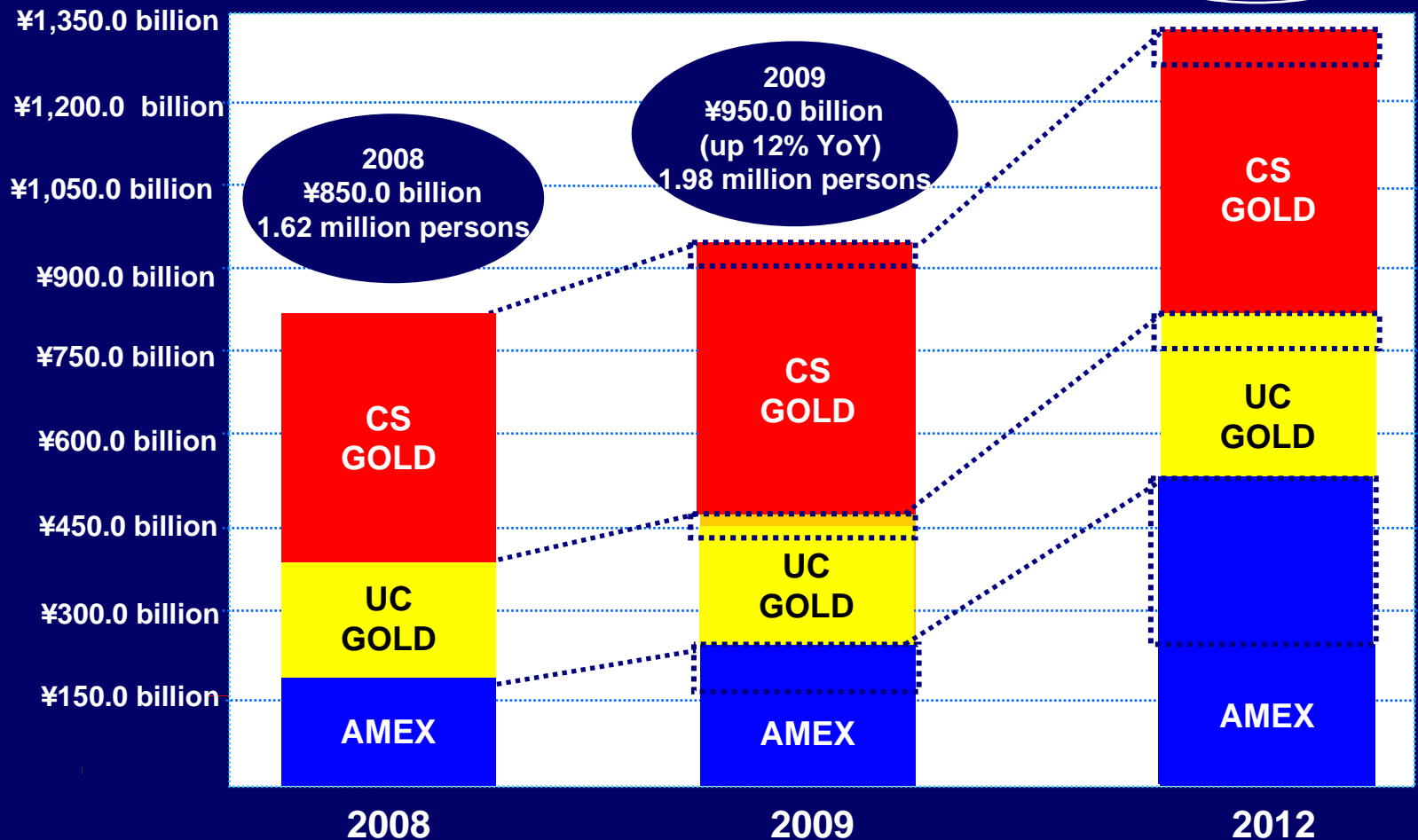


2012 (end of December) targets

- Cardholders **CS-GOLD: 480,000**
UC-GOLD: 370,000
AMEX: 2,000,000
- S transaction volume:
¥1,300.0 billion (up 36.8% from 2009)

[Reference] 2009 - 2012 AMEX+GOLD card plan

Annual shopping transaction volume



*AMEX includes all AMEX cards, including agents. *CS Gold includes all gold cards.

*UC gold includes personal cards only.

1. Measures for Expanding the Profitability of the Card Business (5)

Measure ⑤ Expanding corporate business utilizing our nationwide branch sales network

① Multifront corporate sales

- Company cards, corporate cards, intercorporate transactions (B to B)
Cross-sales for lease and rental business (customer development, maintenance, management)
- To corporate individuals at powerful companies in each area, promote applications for and switching to AMEX brand cards

FY2009 plan
New company and corporate cards issued:
130,000
(Total 860,000)

② New consignment business

- Agent sales for internet business (business consignment)

FY2012 target
Consignment business revenue
1 company: ¥500 million

Measure ⑥ Thorough cost cutting reviewing our business processes

- ① Review the economic conditions in the card business, and change renewal standards in order to reduce costs. (▲¥2.5 billion reduction)
- ② Reduce costs by using internet statements and promoting the transition of customer channels to the internet. (▲¥2.5 billion reduction)
- ③ Reduce credit costs by strengthening mid-term credit and the early recovery system. (▲¥7.5 billion reduction)
- ④ Rationalize processing operations. (▲¥1 billion reduction)
- ⑤ Re-verify all outsourcing costs. (▲¥1 billion reduction)

FY2009 plan
Sales management expenses:
▲10 billion yen reduction from previous year

1. Measures for Expanding the Profitability of the Card Business (6)

Measure ⑦ Minimizing negative effects from the “total lending restriction” in the Money Lending Business Control Law

① Cashing loan balances which will be affected

- Portions which overlap with other company cards and consumer financing companies
- Portions owned by cardholders which require proof of income or other documentation



Keep effects to within ¥100 billion

② Efforts for continued use (ensuring balances) by existing cardholders and prevention of customer loss

- Approach for acquisition of “proof of income or tax return documents” making maximum use of our counters and other company channels
- Acquisition of the latest customer information using the internet (static customer information).



Expected acquisitions: 300,000

③ Expansion of card loans

- Promote acquisition of new financing centered on the “MONEY CARD.”



Target year-end balance: ¥25 billion

Cash advances + card loan balance

End of FY2008: ¥593.9 billion (up 0.4% YoY)

Forecast for end of FY2009: ¥550 billion (down 7.4% YoY)

2. Measures for expanding the profitability of business utilizing the internet

Expand internet cardholders in order to:
reform the card business profit profile and construct infrastructure for new business.

① Low-cost operations using the internet

- Achieve large-scale reductions in personnel costs, advertising and PR costs, communications costs, and other costs by through internet card expansion, internet statements, and internet card news.

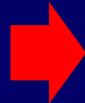
② Fee business utilizing the 27.5 million cardholder base

- Creation of fee revenue (contingency fees, advertising, contents, research, auctions, clicks, etc.)

③ Expansion of cardholders through alliances with companies that possess large internet memberships

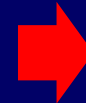
FY2008 results

- Internet cardholders: 3.3 million
- Internet statements: 380,000
- Eikyufumetsu.com transaction volume:
¥20 billion (up 120% YoY)
- Contribution to profits:
¥800 million



FY2009 plan

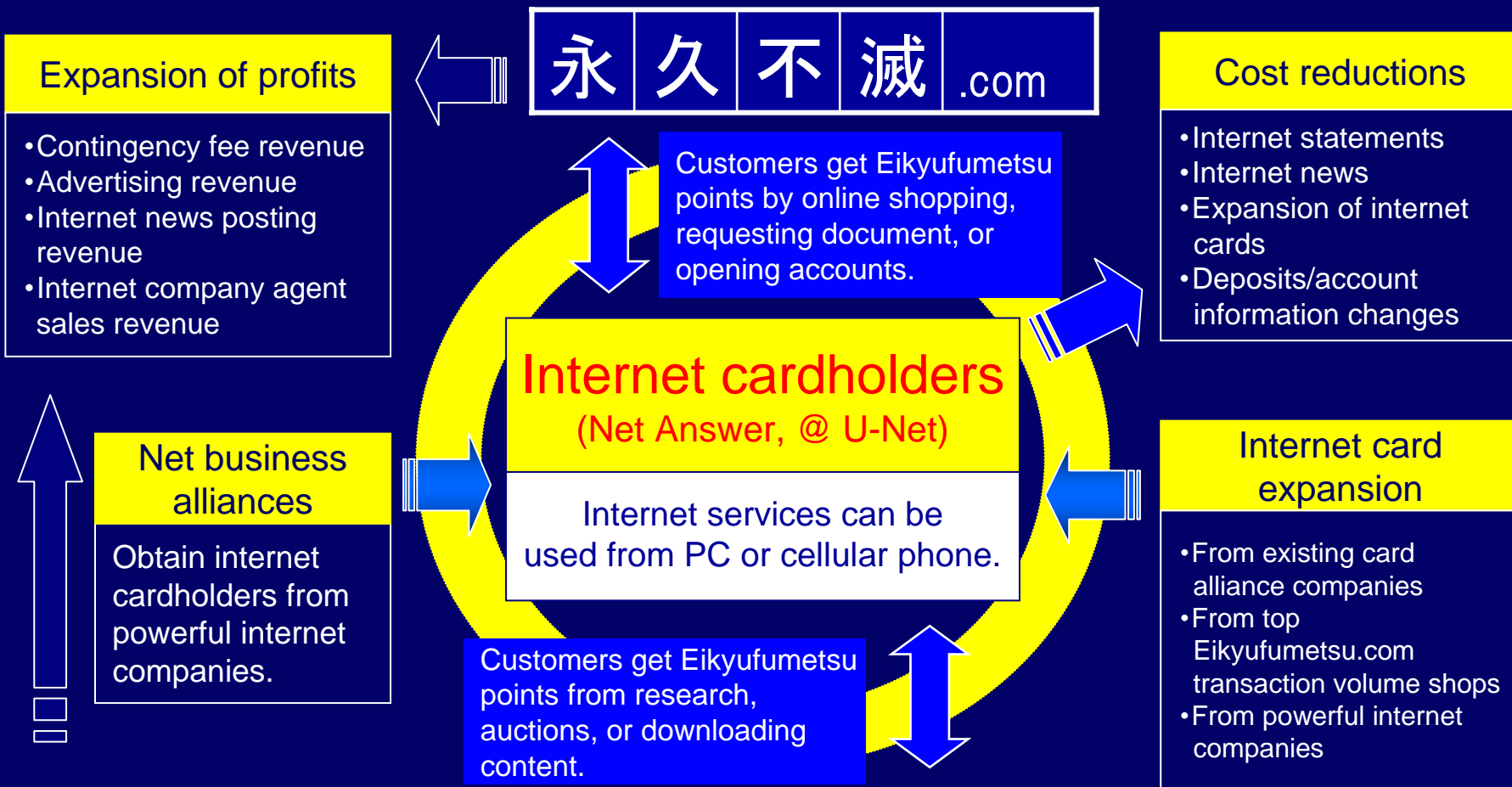
- Internet cardholders:
5 million
- Internet statements: 650,000
- Eikyufumetsu.com transaction volume:
¥36 billion (up 80% YoY)
- Contribution to profits:
¥2 billion



FY2011 (3 years later) targets

- Internet cardholders: 8 million
- Internet statements: 1.5 million
- Eikyufumetsu.com transaction volume: ¥120 billion
- Contribution to profits: ¥7 billion

[Reference] Schematic of Internet Business



Extensive menu in addition to shopping



永久不滅リサーチ



永久不滅オークション

価格.com



SAISON CARD INTERNATIONAL



永久不滅コンテンツ

Eikyufumetsu Search (search service)

3. Development of the financial business

Product lineup with the focus on risk control

① Credit guarantee business

- Promotion of new alliances with close-knit local and outwardly-expanding financial institutions.
- Negotiations to revise **economic conditions** according to the level of risk

FY2009 new
guarantee alliances:
24 financial
institutions

② Financing business

- Continue appropriate management of real estate collateral loans through alliance with Atrium.
- Develop newly-introduced “Flat 35” to become one of our main businesses.

FY2009
“Flat 35:”
Financing cases: 300

③ Lease and rental business

- Cross-sales of products for entrepreneurs through alliances with card divisions
- Aggressive expansion of new affiliated vendor lease stores

2009 vendor leases
Transaction volume
target:
¥102 billion

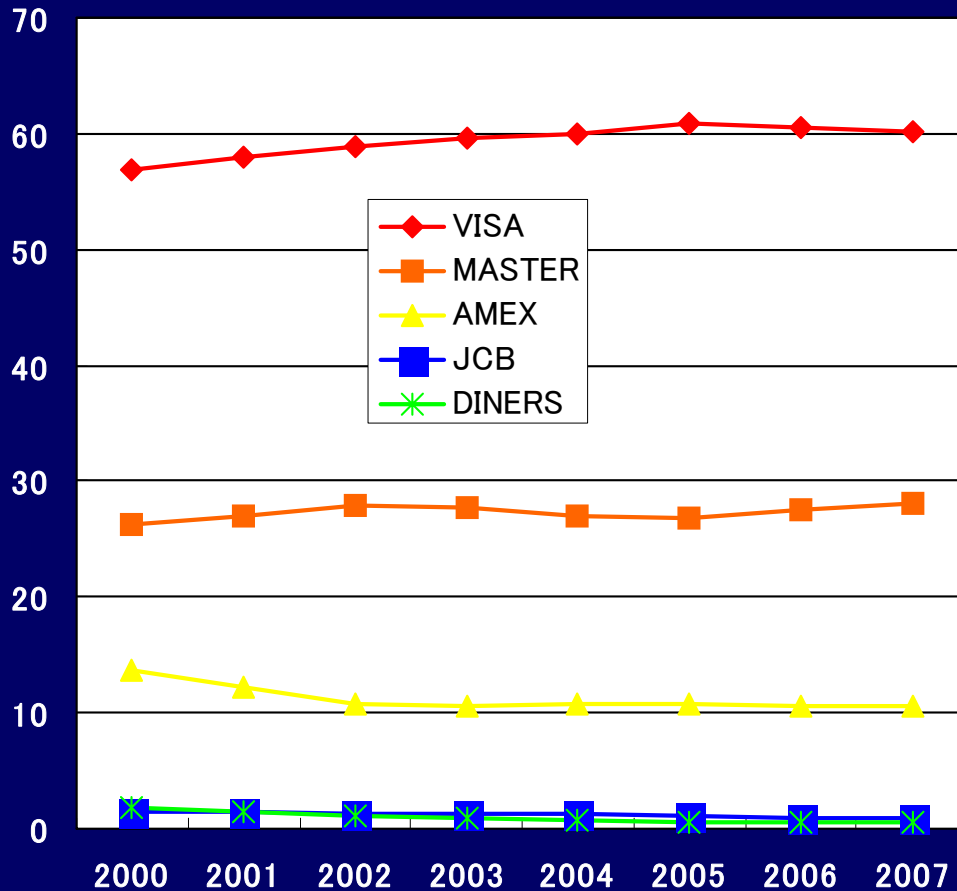
	Results at end of FY2008	Plan for end of FY2009
Credit guarantee balance	¥175.3 billion (114% YoY)	¥178.8 billion (102% YoY)
Financing balance	¥129.6 billion (81% YoY)	¥18.7 billion (14% YoY)
Lease and rental balance	¥249.3 billion (107% YoY)	¥262.5 billion (105% YoY)

* These balances are management figures from the Sales Division, and are different from the figures in the financial statement (quantitative edition).

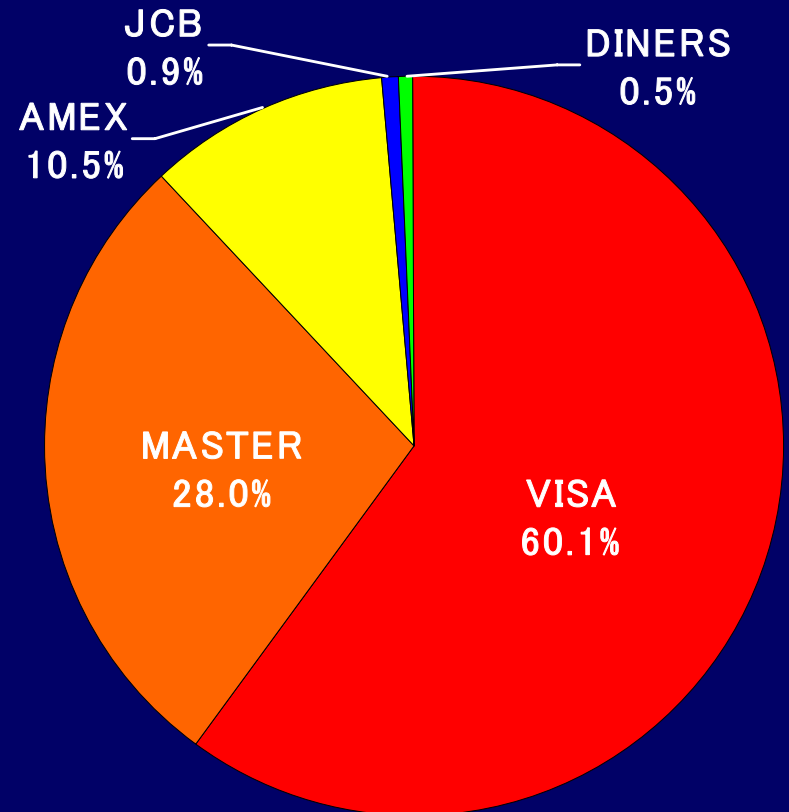
- 1. Share of the Global Card Market by Brand**
- 2. Share and Growth Potential by Area**
- 3. Changes in the U.S. Market Share**
- 4. Changes in U.S. Settlement Method and Forecast**
- 5. Reorganization of the Domestic Credit Card Industry**

1. Share of the Global Market by Brand

■ Changes in transaction volume share for each international brand



<2007 shares of global transaction volume>

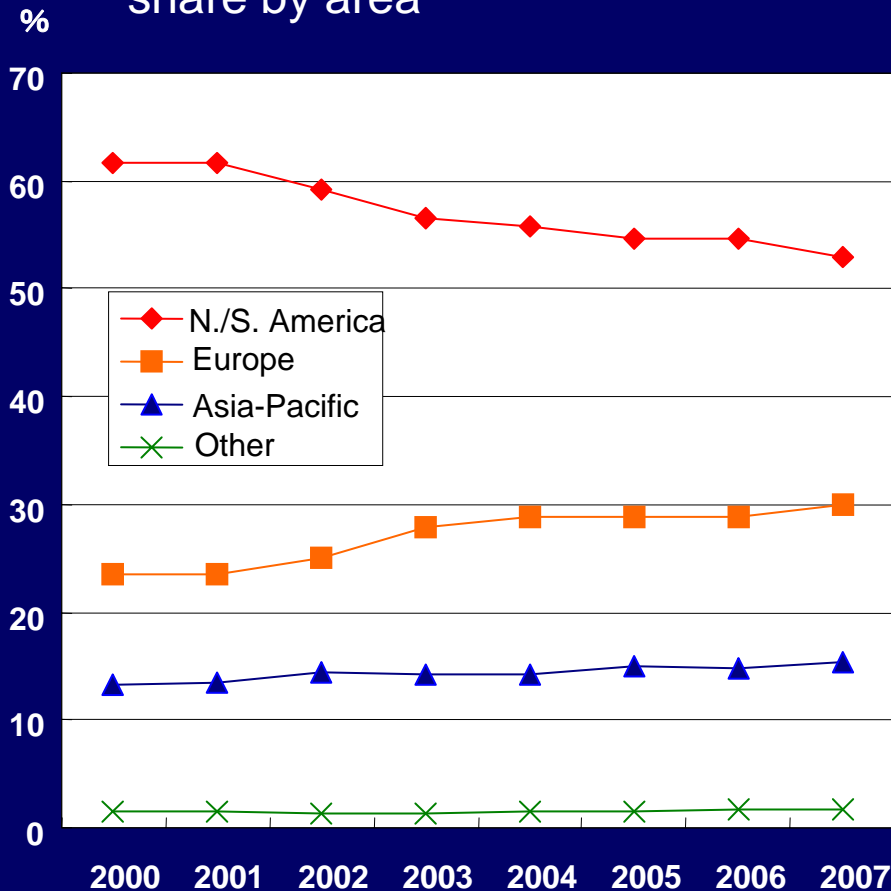


* Source: Nilson Report

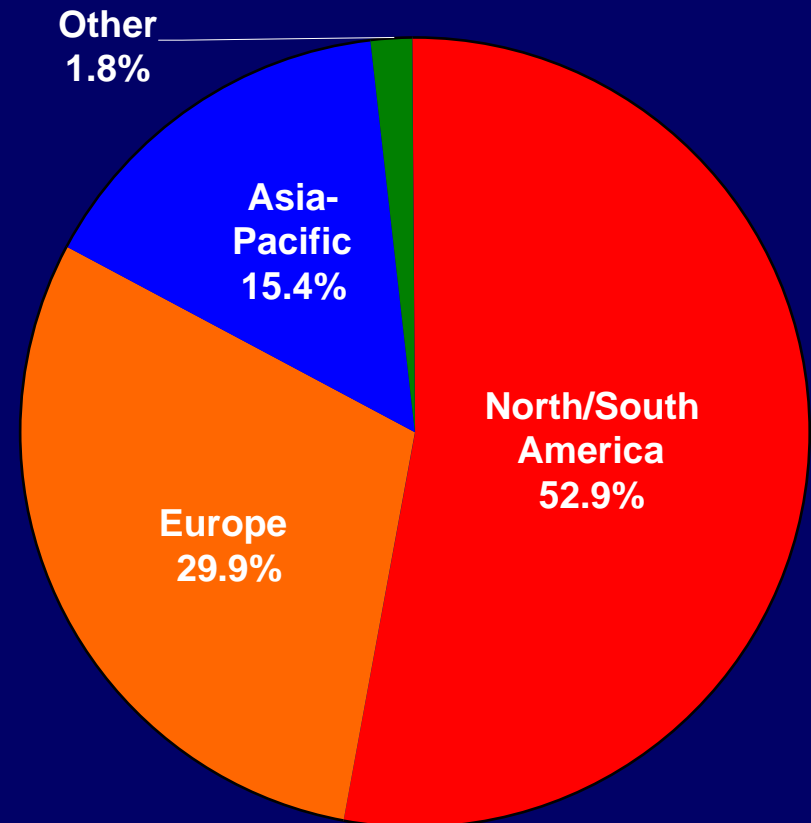
* Visa and MasterCard shares show the total of credit and debit transactions. All other shares show credit only.

2. Share and Growth Potential by Area

■ Changes in transaction volume share by area



<2007 transaction volume shares by area>



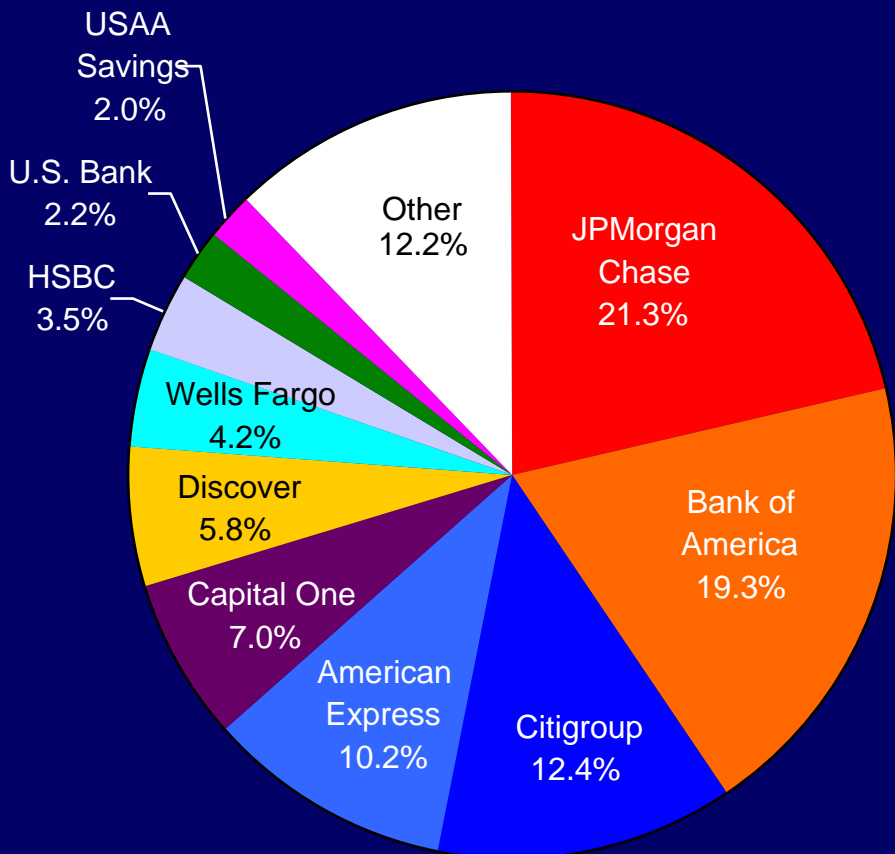
* Source: Nilson Report

* Shares for international brands show the total of credit and debit transactions.

3. Changes in U.S. Market Share

JPMorgan Chase, which purchased Washington Mutual, holds the top share, and further concentration is continuing. Citi and Amex were hurt by the financial crisis and both their balance and share dropped.

■ Loan balance share by issuer



■ Ranks by cards issued (10,000s cards)

Rank	Issuer name	Number of cards
1	JPMorgan Chase	11,940
2	Citigroup	9,200
3	Bank of America	8,020
4	Discover	4,800
5	American Express	4,650

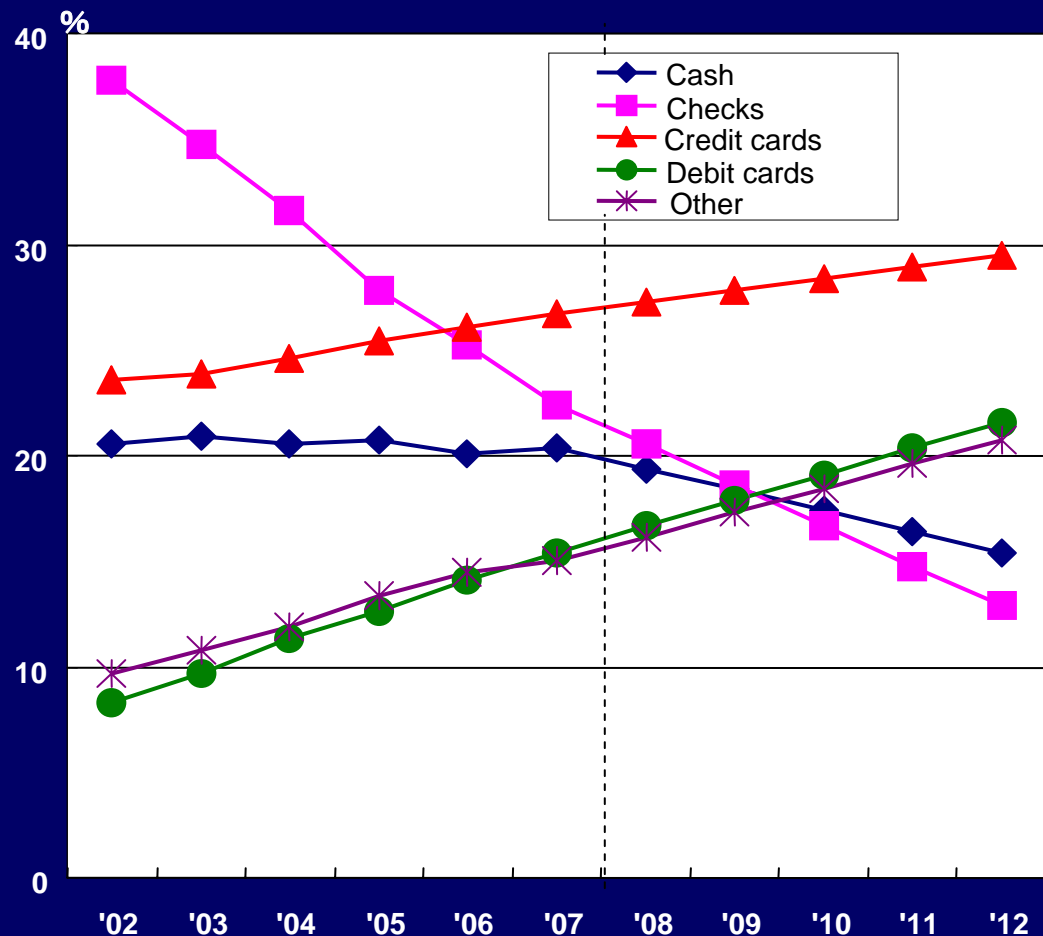
■ Rank by shopping transaction volume (\$100s million dollars)

Rank	Issuer name	Transaction volume
1	American Express	4,557
2	JPMorgan Chase	3,410
3	Bank of America	2,570
4	Citigroup	2,147
5	Discover	924

• Source: Nilson Report (2008 results for general-purpose cards, with some estimates)

4. Changes in U.S. settlement method and forecast

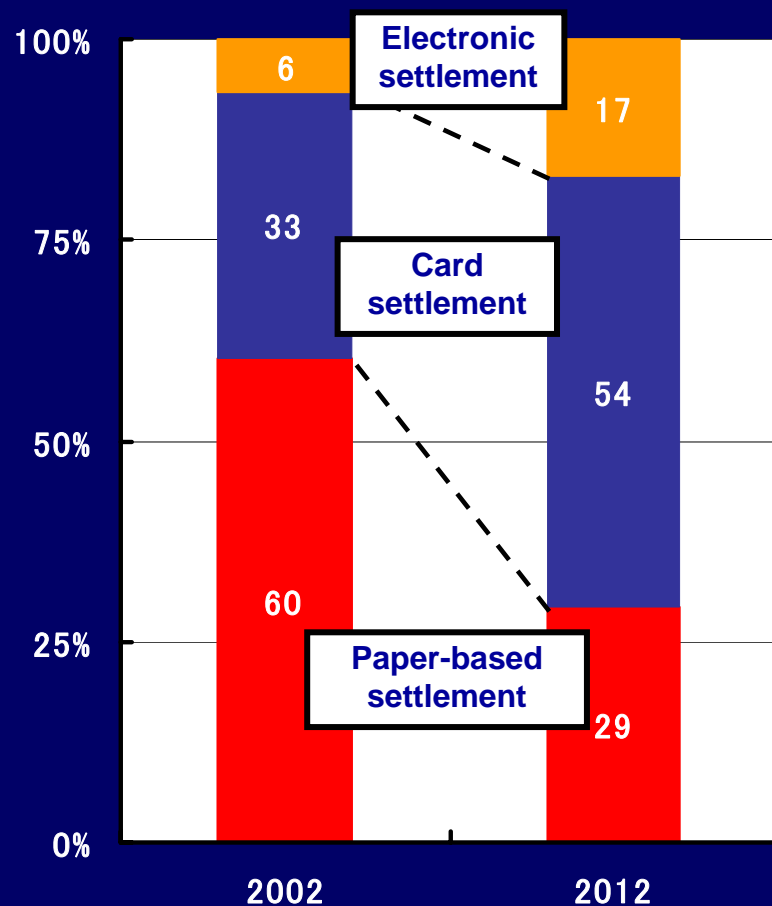
Changes in shares of major methods of settlement in household consumption



[2007 results]

Cash	Checks	Credit cards	Debit cards	Other
20.4%	22.4%	26.7%	15.4%	15.0%

[Trend development 2002 - 2012]



* Electronic settlement: Account withdrawal/transfer, etc.
 * Card settlement: Credit, debit, pre-paid, etc.
 * Paper-based settlement: Cash, checks, postal money order, travelers' check, etc.
 Source: Nilson Report (Figures from 2007 and later are forecasts.)

5. Reorganization of the domestic credit market

Mizuho FG



Credit Saison



Risona HD



Mitsui-Sumitomo FG



NTT DoCoMo



Sony



JR G



Mitsubishi UFJ FG



農林中央金庫 Norin Chukin

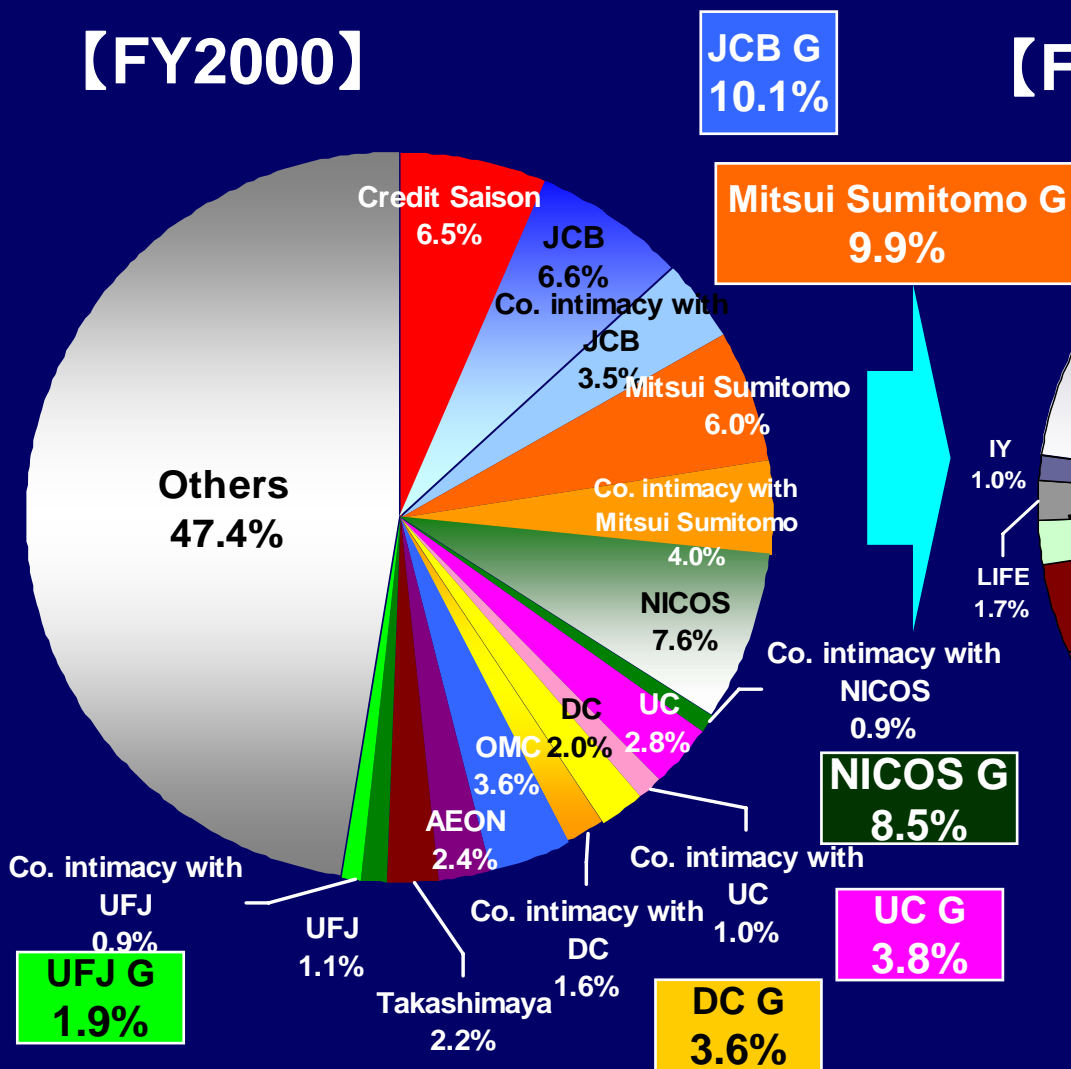


Others

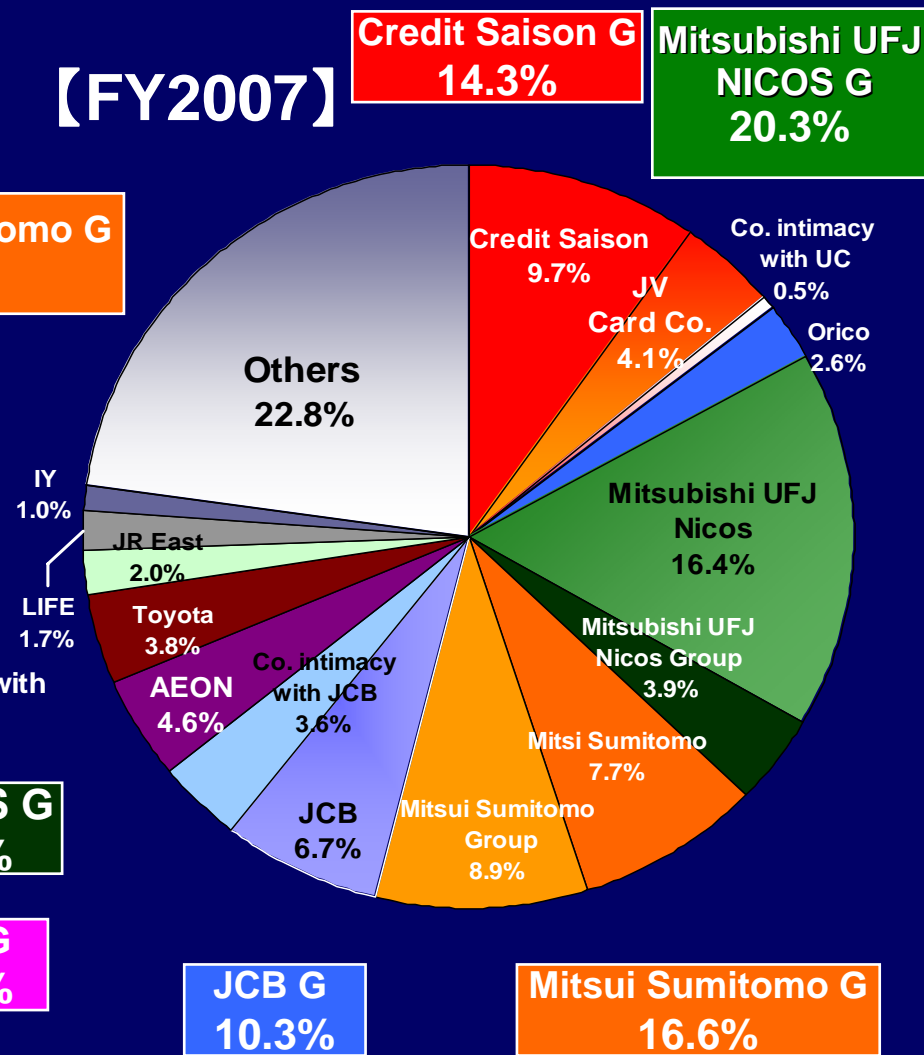


6. Change of domestic market share (shopping transaction volume)

【FY2000】



【FY2007】



※ Co. intimacy with: Companies, etc. using the brand (the "Group" includes all affiliated companies, capital alliance partners and close partners).

※ The figures of UFJ NICOS include data from its consolidated subsidiaries.

※ Calculated using our own estimates (combined total of card shopping and cash advances).

**Transaction volume FY2007 :
¥38.8 trillion**