

August 4, 2003

## **Credit Saison Co., Ltd. and Idemitsu Kosan Co., Ltd. , Agree on Comprehensive Alliance**

**On August 4, 2003, Credit Saison Co., Ltd. (Headquarters: Toshima-ku, Tokyo; President: Hiroshi Rinno), and Idemitsu Kosan Co., Ltd. (Headquarters: Chiyoda-ku, Tokyo; President: Akihiko Tembo), agreed on a comprehensive business alliance. As part of the alliance aimed at expanding both companies' credit card business, Credit Saison will Obtain 50% Shareholding in the Idemitsu Group's card unit, Idemitsu Credit Co., Ltd. (Headquarters: Chuo-ku, Tokyo; President: Satoru Ueno).**

### **• Main Features of the Comprehensive Alliance**

#### **1. Conversion of Idemitsu Credit into a 50/50 Joint Venture**

Credit Saison and Idemitsu will strive to maximize the benefits of their partnership by creating a system of equal shareholdings in Idemitsu Credit and equal management responsibility for that company. The two partners have chosen October 1, 2003, as the target date for converting Idemitsu Credit into a 50/50 joint venture. Plans call for the joint venture to begin operating with a new organization system from April 2004.

#### **2. Expansion and Upgrading of Idemitsu Card Functions and Services**

The two partners will proactively cooperate in card marketing operations. In addition to designing card strategies based on a thorough understanding of customers' perspectives, the partners will implement thorough measures for increasing operational efficiency and proceed with the creation of cards that provide customers with convenience, speedy service, and a perception of premium value. By adding SAISON card functions and services to Idemitsu Cards, the partners will augment the usefulness and convenience of Idemitsu Cards. By leveraging Credit Saison's superior marketing know-how, the partners are aiming to register two million cardholders.

### 3. Outsourcing of Idemitsu Credit's Card Administration Operations

Card administration operations for the 1.2 million current Idemitsu Cards and new cards to be issued by Idemitsu Credit in the future will be entrusted to Credit Saison, which will endeavor to handle those operations with maximum efficiency.

#### **• Benefits of the Alliance**

By obtaining Credit Saison's superior know-how related to customer recruitment and customer services development, the Idemitsu Group is expected to upgrade its capabilities for new cardholder enrollment and credit screening, and it will also be able to increase the efficiency of its card administration operations by outsourcing them. It is anticipated that such factors will help augment the business base of Idemitsu Credit, which currently has 1.2 million cardholders. The Idemitsu Card is a key marketing tool and means of strengthening the management of the Idemitsu Group's marketing offices, service stations, and liquid petroleum gas (LPG) marketing outlets, and the alliance with Credit Saison is aimed at increasing the number of Idemitsu Card cardholders to two million.

The Idemitsu Group's approximately 6,000 service stations and 5,000 LPG outlets have close relationships to their customers. By collaborating with these facilities, Credit Saison will promote greater card usage. By undertaking the commissioned card processing operations for the 1.2 million current Idemitsu Card cardholders as well as newly enrolled cardholders, Credit Saison will obtain an additional revenue source. Within Credit Saison's commissioned processing operations, the scale of work on behalf of Idemitsu Credit will be large, second only to the scale of work related to the Lawson CS card. Credit Saison is seeking to strategically leverage its know-how and existing assets to further expand its commissioned processing work and other fee business. In addition, by investing in Idemitsu Credit, which has a solid financial position, Credit Saison expects to increase the overall corporate value of the Credit Saison Group.

While they will cooperatively determine the detailed specifications of Idemitsu Card functions and services in the future, the two partners are generally discussing supplementing the Idemitsu Card's features with the benefits and services associated with the SAISON Card. The partners are considering flexibly responding to customer desires for revolving credit and other payment schemes and increasing the number of ATMs compatible with the Idemitsu Card. In addition, they will be seeking to

increase customer convenience through such initiatives as those designed to reduce the time required for card issuance from two to three weeks to about 10 days.

For further information:

**Credit Saison Co., Ltd.**

Public Relations Office

(Sakamoto / Sato)

Phone: 03-3982-0700

**Idemitsu Kosan Co., Ltd.**

General Affairs Department,

Public Relations Section

(Adachi / Nishira)

Phone: 03-3213-3115

**Idemitsu Credit Co., Ltd.**

Marketing Department

(Yano)

Phone: 03-3663-0695