

To the member of the press

April 13, 2004

Takashimaya Co., Ltd. (8233)
Credit Saison Co., Ltd. (8253)

Basic Agreement Reached between Takashimaya and Credit Saison for a Strategic Tie-up of their Card Business

Moves towards:

Joint Development of a New Credit Card

Takashimaya Holding a Part of Credit Saison's Share Equity

Credit Saison Acquiring 10% of Takashimaya Credit's Equity

This is to notify that Takashimaya Co., Ltd. (Head Office: Chuo-ku, Osaka; President and Chief Executive Officer: Koji Suzuki) and Credit Saison Co., Ltd. (Head Office: Toshima-ku, Tokyo; President and Chief Executive Officer: Hiroshi Rinno) have reached a basic agreement whereby the two companies are to form a strategic tie-up in order to further expand their respective credit card business. For this purpose, the companies will establish a partnership that will include the joint development of a new credit card and the holding by Takashimaya of a part of the share equity of Credit Saison on the one hand and on the other the acquisition by Credit Saison of a share in the capital equity of Takashimaya Credit Co., Ltd. (Head Office: Chuo-ku, Tokyo; President and Chief Executive Officer: Norihisa Nishihama), the Takashimaya Group member specializing in Takashimaya's credit card business.

- The main details of the tie-up can be summed up under the following three headings.

1. Establishment of a partnership between the two companies

Takashimaya and Credit Saison have reached a basic agreement for a strategic tie-up to build a partnership between the two companies through the development and operation of an attractive credit card service to meet the diversifying needs of Takashimaya's customers.

2. Joint issue of a new credit card

Takashimaya and Credit Saison will cooperate with each other and focus their efforts on credit card marketing by adopting the “customer-comes-first” principle, with the joint planning and issuing of an attractive credit card that will appeal to a wider range of customers. The new credit card will carry the service and functional features of the SAISON CARD and offer an extended range of convenience features for the user in an attempt to gain new members through the mutual cooperation of both companies.

3. Capital tie-up

The two companies will establish a partnership based on a strategic tie-up. For this purpose, Takashimaya will acquire a holding in part of the share equity of Credit Saison on the one hand and on the other, Credit Saison will acquire 10% of the shares issued by Takashimaya Credit, a wholly owned subsidiary of Takashimaya. At present, Takashimaya Credit has its own members subscribing to the Takashimaya card it issues itself. It also undertakes on behalf of Takashimaya the processing operations for the Gold Card issued by Takashimaya. Under the present agreement, Takashimaya Credit will be provided by Credit Saison with new know-how for upgrading its service offer to its existing card members as part of a deal aimed at the partial transfer of Takashimaya Credit’s share equity to Credit Saison.

- **Merits of the Tie-up Arrangement**

For Takashimaya, the receiving of know-how from Credit Saison with its superior customer service development capability has the potential of strengthening its department store business in terms of increased sales, more frequent visits to its stores by customers and an expansion of its business sphere as the result of the issue of a new credit card appealing to a wider customer segment. Further, Takashimaya Credit, a subsidiary specializing in the existing credit card business of Takashimaya, stands to consolidate its business base through the introduction of Credit Saison’s business know-how.

For Credit Saison, on the other hand, the tie-up with Takashimaya, as the leader of the department store business, provides the possibility of increasing its card membership. In addition to the use of the card at the Takashimaya department stores, the new jointly issued credit card is designed to appeal to a broader customer segment by offering convenience benefits that are attractive for shopping in general. Moreover, the acquisition of a share in the capital equity of Takashimaya Credit as the industry leader in the department store credit card business offers an opportunity for Credit Saison to enhance the value of its business by contributing to an improvement in the quality of Takashimaya Credit's service and to an upgrading of the existing Gold Card and Takashimaya Card services through the provision of its unique Credit Saison know-how.

While the two companies will determine the specific details of the functions and service features of the new credit card, deliberations are in progress favoring the introduction of a new point award system and the application of the services of the SAISON CARD currently issued by Credit Saison. Attempts are also made to enhance the convenience of the card to the customer in various ways, including the establishment of credit service counters in Takashimaya department stores in order to offer services to customers, the additional offer of a flexible repayment function ("Revolving Payment Scheme") to support customer expectations, expansion of the usable ATM network, the issue of a temporary card at the point of sale, and the issue of this card in a short time.