

November 9, 2005

Credit Saison Co., Ltd.
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Merger with UC CARD Co., Ltd.

Credit Saison Co., Ltd. (“Credit Saison”), at a board of directors meeting held today, decided on a merger with UC CARD Co., Ltd. The merger will take effect on January 1, 2006.

1. Background of the Merger

Credit Saison has agreed to form a strategic business alliance in the credit card business with Mizuho Financial Group, Inc., Mizuho Bank, Ltd. and UC CARD Co., Ltd. As part of this alliance, Credit Saison will merge with UC CARD Co., Ltd. (card issuance business)* after the separation of the member merchant and processing operations.

By handling both the SAISON CARD and UC Card brands and taking full advantage of their commercial and banking service functions, Credit Saison will be able to leverage economies of scale to conduct aggressive sales and rapid business development. By doing so, Credit Saison aims to become the industry’s largest card issuer with overwhelmingly supported by customers.

*UC CARD Co., Ltd. separated the UC Card issuance business and member merchant and processing operations (UC CARD Co., Ltd.; Head office: Chiyoda-ku, Tokyo; President and CEO: Mitsusuke Yamamoto) on October 1, 2005. This merger applies to the issuance business (“UC CARD Co., Ltd.”). The member merchant and processing company will continue to be a consolidated subsidiary of Mizuho Financial Group, Inc.

2. Summary of the Merger

(1) Merger Schedule

Board of directors meeting to approve merger agreement	November 9, 2005
Signing of merger agreement	November 9, 2005
Shareholders’ meeting (UC CARD Co., Ltd.) to approve merger agreement	November 25, 2005 (planned)
Merger date	January 1, 2006 (planned)

(2) Merger Method, etc.

1. Merger Method

UC CARD Co., Ltd. will be dissolved in an absorption merger with Credit Saison as the surviving company.

This merger is a simple merger under Article 408, Paragraph 1 of the Commercial Code, and does not require the approval of Credit Saison shareholders, as provided for in Article 12, Paragraph 7, Clause 1 of the Industrial Revitalization Special Measures Law and Article 413, Paragraph 3, Clause 1 of the Commercial Code.

2. Cash Distribution

In this merger, assuming the approval of the relevant authorities, Credit Saison will pay ¥8,900 per share of common stock of UC CARD Co., Ltd., in lieu of the issuance of new shares, as provided for in Article 12, Paragraph 9, Clause 1 of the Industrial Revitalization Special Measures Law.

3. Basis of Calculation of Cash Distribution

The two companies decided on the amount of the cash distribution after negotiations and discussions based on the merger ratio calculation by an impartial third-party institution, Tohmatsu & Co., Ltd., and Credit Saison's volume-weighted average stock price on a monthly basis for the past three months as of October 27, 2005.

3. Summary of Companies Involved in the Merger (As of March 31, 2005)

Corporate Name	Credit Saison Co., Ltd. (Surviving company)	UC CARD Co., Ltd. (Company to be dissolved)
Main Businesses	Credit card business	Credit card business
Incorporated	May 1, 1951	June 23, 1969
Head Office	3-1-1 Higashiikebukuro, Toshima-ku, Tokyo, Japan	2-3-2 Daiba, Minato-ku, Tokyo, Japan
Representative	Hiroshi Rinno, President and CEO	Mitsusuke Yamamoto, President and CEO
Paid-in Capital	¥69,526 million	¥3,823 million (As of October 1, 2005)
Common Stock Outstanding	176,618,825 shares	5,556,670 shares (As of October 1, 2005)
Total Shareholders' Equity	¥298,502 million	¥38,000 million (As of October 1, 2005)
Total Assets	¥1,290,066 million	¥ 253,474 million (As of October 1, 2005)
Fiscal Year End	March 31	March 31
Number of Employees	1,507	363 (As of November 1, 2005)
Major Customers	Member merchants and individuals	Corporations and individuals

Major Shareholders and Percentage of Ownership	The Master Trust Bank of Japan, Ltd. (trust account) 9.01% Japan Trustee Services Bank, Ltd. (trust account) 7.52% The Seibu Department Stores, Ltd. 6.57% State Street Bank and Trust Company 5.63% State Street Bank and Trust Company 505103 3.51%	Credit Saison Co., Ltd. 91.25% (As of November 1, 2005)
Main Banks	Mizuho Corporate Bank, Ltd. and others	Mizuho Bank, Ltd.
Number of Shareholders	6,951	58 (As of November 1, 2005)
Relationships of Companies Concerned	Equity relationship	Investment from Credit Saison into UC CARD Co., Ltd.
	Personnel relationship	Dispatch of executives and employees from Credit Saison to UC CARD Co., Ltd. Acceptance of executives by UC CARD Co., Ltd.
	Business relationship	Primarily advance loans through cash dispensers

Results for Three Most Recent Fiscal Years

(Unit: Million yen)

	Credit Saison Co., Ltd. (Surviving company)			UC CARD Co., Ltd. (Company to be dissolved)		
Fiscal years ended	March 31, 2003	March 31, 2004	March 31, 2005	March 31, 2003	March 31, 2004	March 31, 2005
Operating revenues	171,842	175,725	190,248	72,977	72,596	72,308
Ordinary income	44,250	45,051	46,985	3,842	4,046	6,246
Net income (loss)	(5,026)	24,396	25,798	801	3,185	3,764
Net income (loss) per share in yen	(30.34)	142.00	149.78	144.19	573.34	677.51
Dividends per share in yen	18.00	18.00	20.00	70.00	50.00	50.00
Shareholders' equity per share in yen	1,383.04	1,536.51	1,703.39	6,094.07	6,486.62	7,153.98

Note: Figures for UC CARD Co., Ltd. (the company to be dissolved) are before the separation of member merchant and processing operations in October 2005.

4. Situation after Merger

- (1) Corporate Name Credit Saison Co., Ltd.
- (2) Main Business Credit card business
- (3) Head Office 3-1-1 Higashiikebukuro, Toshima-ku, Tokyo, Japan
- (4) Representatives President and CEO Hiroshi Rinno
Executive Vice President Teruyuki Maekawa
Senior Managing Director Atsushige Takahashi
- (5) Paid-in Capital ¥69,526 million (no increase in capital due to merger)
- (6) Total Assets To be determined
- (7) Fiscal Year-End March 31
- (8) Performance Outlook after Merger

The scale of the UC Card issuance business that Credit Saison will inherit through this merger is

operating revenues of ¥43.0 billion and ordinary income of over ¥3.5 billion, after factoring in the one-time expense expected to occur in connection with integration with Credit Saison (hereinafter, “integration expense”). The performance forecast for the fiscal year ending March 31, 2006, after factoring in the contribution of results of the UC Card issuance business for the three months following the merger scheduled for January 1, 2006, and goodwill amortization expense, are shown in the charts below:

Revision of Nonconsolidated Performance Forecast for Year Ended March 31, 2006 Due to Merger

	Year ending March 31, 2006
Operating revenues	¥214,000 million (+¥11,000 million)
Ordinary income	¥50,000 million (¥0 million)
Net income	¥15,000 million (-¥14,000 million)
Cash dividends per share	¥22.00

Note: Figures in parentheses are the projected effects from the merger.

Revision of Consolidated Performance Forecast for Year Ended March 31, 2006 Due to Merger

	Year ending March 31, 2006
Operating revenues	¥263,000 million (+¥11,000 million)
Ordinary income	¥60,000 million (¥0 million)
Net income	¥20,000 million (-¥14,000 million)

Note: Figures in parentheses are the projected effects from the merger.

The contribution of the UC Card issuance business to Credit Saison’s results in the fiscal year ending March 31, 2007 is projected to be operating revenues and ordinary income of approximately ¥45.0 billion and ¥5.0 billion, respectively, after factoring in the integration expense that will occur in the fiscal year ending March 31, 2007. The planned nonconsolidated and consolidated performance forecasts for the year ending March 31, 2007 will be the total of the contribution of the UC Card issuance business to Credit Saison’s results, combined with the results of UC CARD Co., Ltd. and the pre-merger results of Credit Saison.

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