

March 17, 2010

To whom it may concern

Company name: Credit Saison  
Representative: Hiroshi Rinno, President  
(Tokyo Stock Exchange First Section, Code: 8253)

Contact for further information:  
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## **Basic Agreement Concerning Comprehensive Business Alliance**

Credit Saison Co., Ltd. and Seven & i Financial Group are pleased to announce that they have agreed to carry out specific studies concerning the establishment of a comprehensive business alliance relating to the credit card business, and that their respective Boards of Directors passed resolutions to that effect at Board meetings held on March 17, 2010.

### **1. Reason for Business Alliance**

Already a major force in the distribution sector credit card industry, Credit Saison has worked to become a leading-edge service company by developing financial services based on a customer-first policy. However, we anticipate changes in the environment for the credit card industry, and are taking steps for expansion and growth by adapting to market needs in both the issuer and processing segments.

Since its establishment, Credit Saison has worked closely with Sogo & Seibu Co., Ltd., which in June 2006 became a wholly owned subsidiary of Seven & i Holdings Co., Ltd. This relationship has been the foundation for our growth down to the present day. We have also steadily expanded our range of affinity cards with that company.

Department store operators are now under pressure to change the way they run their businesses. We are determined to maintain and enhance the attractiveness of our services to cardholders in this environment, and for that reason we have been negotiating with Seven & i Holdings concerning the establishment of an alliance under which we would shift our focus toward a role in the realization of that company's concept of a "New, Comprehensive Lifestyle Industry."

The Seven & i Group recognizes our achievements in developing our card business under the alliance with Sogo & Seibu. It has high expectations for the future development of a card business based on an equal partnership between our two companies.

We will therefore enter into a comprehensive business alliance with the Seven & i Financial Group. We will contribute processing and marketing knowledge developed through our long involvement in the credit card business, while the Seven & i Group will provide access to its customer base and customer interfaces as Japan's leading distribution sector organization. By combining these resources, we aim to ensure that both companies can look forward to growth opportunities in the future by raising satisfaction for the existing

cardholder base, and by eventually launching a credit card company with a customer base of 10 million cardholders.

## **2. Details of Business Alliance**

### **(1) Establishment of a joint venture based on the existing alliance between Credit Saison and Sogo & Seibu**

The card business, which is currently operated with Credit Saison as the issuer, will be restructured into a wholly owned subsidiary of Credit Saison (to be established in August 2010) through an absorption-type split to be implemented on April 1, 2011. At the same time, 51% of shares will be transferred to the Seven & i Financial Group. The two companies will thereafter work through this joint venture to strengthen their services and develop the card business. For the foreseeable future, the Representative Director and President of the joint venture will be assigned by Credit Saison.

Detailed information about the joint venture, including its name and income forecasts, has not been finalized. We will issue an announcement as soon as these matters have been decided, before a formal agreement is signed in August 2010.

### **(2) Development of Seven & i Holdings' Card Business by Joint Venture**

In a move tentatively scheduled for March 2013, the joint venture will integrate its card business with that of IY Card Service Co., Ltd., a subsidiary of the Seven & i Financial Group. As the joint venture begins to develop its activities as the card company for the Seven & i Group, other changes will also be considered, including the introduction of a points system for the Seven & i Group.

### **(3) Other Aspects of the Business Alliance**

Credit Saison and the Seven & i Group will also consider other areas in which they can achieve mutual benefits through cooperation. For example, Credit Saison could cooperate with the Seven & i Group by encouraging its cardholders to become customers of this group, and the two companies could also collaborate on Internet-based initiatives, share customer bases and cooperate on the development of financial products. In addition, Credit Saison could help the Seven & i Group to develop its card business as part of expansion into other Asian markets outside Japan.

#### (4) Profile of the joint venture

(1)	Name	Not yet determined
(2)	Address	Not yet determined
(3)	Representatives	Representative Directors are nominated by Credit Saison Co., Ltd. and Seven & i Financial Group. (Planned)
(4)	Business activities	Credit Card Issuer Business and related business
(5)	Capital	¥100 million (Planned)
(6)	Establishment date	August, 2010 (Planned) (Business activity is to be started from April 1 <sup>st</sup> , 2011)
(7)	Fiscal Year	End of March (Planned)
(8)	Ownership ratios	Credit Saison Co., Ltd. (49%) Seven & i Financial Group (51%) (Planned on April 1 <sup>st</sup> , 2011)

#### 3. Profile of Other Partner

(1)	Name	Seven & i Financial Group	
(2)	Address	8-8 Nibancho, Chiyoda-ku, Tokyo	
(3)	Name and title of representative	Tadahiko Ujiie, Representative Director and President	
(4)	Business activities	Management and control of business operations of companies involved in finance-related activities	
(5)	Capital	¥10 million	
(6)	Establishment date	January 11, 2008	
(7)	Major shareholders, ownership ratios	Seven & i Holdings Co., Ltd. (100%)	
(8)	Relationships between listed companies and this company	Capital relationship	There is no significant capital relationship between Credit Saison and this company. However, Sogo & Seibu Co., Ltd., which is a member of this company's group, owns 4,100,000 Credit Saison shares. Also, Credit Saison owns 6,850,000 shares in Seven & i Holdings Co., Ltd., which is this company's parent company, and 1,857 shares in The Loft Co., Ltd., which is a member of the company's group. There is no other significant capital relationship between parties with an interest in Credit Saison or its associated companies and parties with an interest in this company or its associated companies.
		Personnel relationship	There is no significant personnel relationship between Credit Saison and this company. There is no significant personnel relationship between parties with an interest in Credit Saison or its associated companies and parties with an interest in this company or its associated companies.

		Business transactions	There are no significant business transactions between Credit Saison and this company. However, there have been transactions with Sogo & Seibu Co., Ltd. and The Loft Co., Ltd., which are members of this company's group, concerning the issuance of affinity cards. There are no other significant business transactions between parties with an interest in Credit Saison or its associated companies and parties with an interest in this company or its associated companies.
		Status of interested parties	This company is not an interested party in Credit Saison. No party with an interest in this company or its associated companies is an interested party in Credit Saison.

#### 4. Forecasts

There will be no impact on financial results for the years ending March 2010 and March 2011. The implications for financial results in the year ending March 2012 will be disclosed as soon as they have been ascertained.

Reference: Key business indicators for the card business covered by the alliance

Cards	Cardholders	Card Shopping Transactions
Millennium Card Saison, Club On Card Saison	3.03 million (end of August 2009)	¥682 billion (year ended March 2009)
All cards issued by Credit Saison	27.96 million (end of September 2009)	¥3,891 billion (year ended March 2009)