

September 10, 2010

To Whom it May Concern:

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Notice Concerning Comprehensive Business Partnership, Corporate Split and Other Matters

At their meeting on September 10, 2010, the Board of Directors resolved to enter into a comprehensive business partnership with Seven & i Financial Group Co., Ltd. (“Seven & i Financial Group”) concerning Credit Saison’s existing affinity card business (the “card business”) with Sogo & Seibu Co., Ltd. (“Sogo & Seibu”). The Directors are pleased to announce that Credit Saison, Seven & i Financial Group and Sogo & Seibu have signed a comprehensive business partnership agreement, as outlined below, with the aim of ensuring the future growth of the card business.

1. Purpose of Business Partnership

As an advanced service company, Credit Saison is committed to the development of services to meet the needs of consumers and its corporate customers, especially in the credit card business. By combining our strengths, including our extensive processing experience and marketing knowledge, with the wide-ranging customer base and customer contact points of the Seven & i Financial Group, which is one of Japan’s biggest distribution groups, we aim to create a new financial service company that will be among the most sophisticated in the industry.

Credit Saison and Seven & i Financial Group will establish a new joint venture. This company will provide a range of integrated services centering on credit cards, including e-money and a common points service, in collaboration with IY Card Service Co., Ltd., a subsidiary of Seven & i Financial Group. The new company will play a key role in the marketing activities of the Seven & i Financial Group while working to build a cardholder base in excess of 10 million and turnover of more than ¥2 trillion.

Credit Saison decided to enter into the agreement after considering the many benefits that will result from the new business, including the ability to offer existing holders of Sogo & Seibu affinity cards access to all of the attractive services provided by the Seven & i Financial Group. In addition, the merger with IY Card Service Co., Ltd., which has been tentatively scheduled for March 2013, will dramatically expand the scale of the business compared with its present level, and allow Credit Saison to develop a strategy for growth over the medium- to long-term future, including increased processing revenues and other income from the joint venture company.

Credit Saison will continue to adapt to changes in the business environment through innovative initiatives, including large-scale business partnership and the development of new Internet-based businesses. Our aim is to be Number 1 in our industry.

2. Details of the Comprehensive Business Partnership

(1) Restructuring of Card Business as Joint Venture Company

This card business, for which Credit Saison is currently the issuing company, will be transferred to a wholly owned subsidiary (the “preparatory company”), the establishment of which has been tentatively scheduled for September 17, 2010, through an absorption-type company split. The tentative date for the business transfer (“absorption-type transfer”) is April 1, 2011. Immediately after the absorption-type transfer takes effect, 51% of shares in the preparatory company will be assigned to Seven & i Financial Group, converting the preparatory company into a joint venture between Credit Saison and Seven & i Financial Group (the “joint venture”).

Thereafter, Credit Saison and Seven & i Financial Group will promote the card business through the joint venture by enhancing the usability of the cards in Sogo & Seibu stores, and by introducing service enhancements, including the group-wide extension of points services and the development of an interchangeable e-money system.

(An outline description of the absorption-type transfer is provided in the appendix.)

(2) Development of Card Business of Seven & i Group through the Joint Venture

The joint venture will initiate detailed studies on various matters, including the integration of its card business with IY Card Service Co., Ltd. (to be renamed as Seven Card Service Co., Ltd. on October 1, 2010), which has been tentatively scheduled for March 2013, and the introduction of a common points system for the Seven & i Financial Group.

(3) Partnership

Credit Saison and Seven & i Group will continue to look at areas in which mutual benefits can be achieved. These include the signing of direct affiliated merchant agreements between Credit Saison and companies in the Seven & i Group; cooperation on the introduction of cardholding customers (such as through the use of the Eikyu Fumetsu points system); collaborative marketing of insurance products, Internet-based collaboration and customer sharing through Eikyu Fumetsu.com, and support for the expansion of the Seven & i Group into Asia through the card business.

(4) Outline of Preparatory Company

(1)	Name	Seven CS Card Service Co., Ltd.
(2)	Address	Chiyoda-ku, Tokyo
(3)	Name and title of representative	Toshiharu Yamamoto (Credit Saison), Representative Director and President
(4)	Business activities	Credit card issuance and related activities
(5)	Capital	¥100 million (to be confirmed)
(6)	Establishment date	September 17, 2010 (to be confirmed)
(7)	Settlement date	February (to be confirmed)
(8)	Share ownership	Credit Saison (100%)

(5) Outline of Joint venture Company

(1)	Name	Seven CS Card Service Co., Ltd.
(2)	Address	Chiyoda-ku, Tokyo
(3)	Name and title of representative	Toshiharu Yamamoto (Credit Saison), Representative Director and President * One additional representative director to be nominated by Seven & i Financial Group (to be confirmed)
(4)	Business activities	Credit card issuance and related activities
(5)	Capital	¥100 million (to be confirmed)
(6)	Establishment date	April 1, 2011 (to be confirmed)
(7)	Settlement date	February (to be confirmed)
(8)	Net assets	Approx. ¥22,000 million
(9)	Total assets	Approx. ¥170,000 million
(10)	Share ownership	Credit Saison: 49% Seven & i Financial Group: 51% (as of April 1, 2011)

3. Timetable for the Comprehensive Business Partnership

September 10, 2010	Resolution of Board of Directors, signing of comprehensive business partnership agreement, signing of joint venture agreement and share assignment agreement
September 17, 2010	Establishment of preparatory company as wholly owned subsidiary of Credit Saison (date to be confirmed)
Early December, 2010	Signing of absorption-type company split agreement (date to be confirmed)
April 1, 2011	Implementation of absorption-type company split and share transfer (date to be confirmed), commencement of business by joint venture company

4. Profile of Other Partner ①

(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.

Profile of Other Partner ②

(1)	Name	Sogo & Seibu Co., Ltd.	
(2)	Address	Nibancho Center Bld. 5-25 Nibancho, Chiyoda-ku, Tokyo	
(3)	Name and title of representative	Kunio Yamashita, Representative Director and President	
(4)	Business activities	Department Store	
(5)	Capital	¥10 billion	
(6)	Establishment date	1830	
(7)	Major shareholders, ownership ratios	Seven & i Holdings Co., Ltd. (100%)	
(8)	Relationships between listed companies and this company	Capital relationship	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 have been transactions with this company. and The Loft Co., Ltd., which are members of this company's group, concerning the issuance of affinity cards and affiliated store contracts.. 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.

5. Forecasts

There is no significant impact on financial results for the years ending March 2011.

The impact on financial results for the years ending March 2012 will be small since we record about 7.billion yen of profit from sales of stock as extraordinary profit as well as income taxes of about 5 billion yen due to increase of tax burden by non-eligible corporate split as of April 1, 2011..

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

Cards	Cardholders	Card Shopping Transactions
Millennium Card Saison, Club On Card Saison	3.07 million (end of March 2010)	¥668.6 billion (year ended March 2010)
All cards issued by Credit Saison	28.29 million (end of March 2010)	¥3,844.6 billion (year ended March 2010)

Appendix

Absorption-Type Company Split

1. Summary

(1) Timetable

Signing of absorption-type company split agreement Early December, 2010 (tentative)

Effective date April 1, 2011 (tentative)

(2) Type of Split

The splitting company will be Credit Saison, and the succeeding company for the absorption-type company split will be a preparatory company to be established as a wholly owned subsidiary of Credit Saison.

Because the absorption-type company split is classified as a simplified absorption-type company split under the provisions of Article 784, Paragraph 3 of the Companies Act, it is planned to implement the split without the approval of the absorption-type company split agreement by a general meeting of shareholders.

(3) Rights and Obligations Taken Over by Succeeding Company

The succeeding company will take over the following assets, liabilities, rights, obligations and contractual status items from Credit Saison in relation to the card business.

Current assets pertaining exclusively to the card business on the day before the effective date

- ① Installment receivables (These are defined as installment receivables relating to shopping revolving credit and card cash advances.) Proviso: Cardholder claims that are deemed to be unrecoverable on the day before the effective date will not be included.
- ② Allowance for doubtful accounts
- ③ Prepaid rents
- ④ Prepaid expenses
- ⑤ Accounts receivables

Fixed assets pertaining exclusively to the card business on the day before the effective date

- ① Equipment in buildings
- ② Tools, equipment and fixtures
(Proviso: Items in ① and ② will be limited to fittings used for counter operations.)

Current liabilities pertaining exclusively to the card business on the day before the effective date

- ① Deferred installment income
No liabilities arising out of unlawful actions or regulatory infringements on or before the day before the effective date (including interest over-payment refund obligations relating to cash advances, etc.) will be subject to succession.
- ② Accrued expenses

(4) Other Detailed Information about the Absorption-Type Company Split

Other detailed information about the absorption-type company split will be disclosed when the absorption-type company split agreement is signed (tentatively scheduled for early December, 2010).

2. The Position of Credit Saison after the Absorption-Type Company Split

There will be no change in the trading name, business activities, head office location, representatives, capital or settlement date of Credit Saison.