

OMC Card, Inc.
Sumitomo Mitsui Financial Group, Inc.
Sumitomo Mitsui Banking Corporation
Sumitomo Mitsui Card Co., Ltd.

OMC Card and Sumitomo Mitsui Financial Group to Form Strategic Alliance in Credit Card Business

TOKYO, July 27, 2007 – OMC Card, Inc. (OMC, President and COO: Shinji Ebata), Sumitomo Mitsui Financial Group, Inc. (SMFG, President: Teisuke Kitayama), Sumitomo Mitsui Banking Corporation (SMBC, President: Masayuki Oku), and Sumitomo Mitsui Card, Co., Ltd. (SMCC, President: Koichi Tsukihara), in conjunction with SMBC's acquisition of OMC stock, today reached an understanding toward forming a broad strategic alliance on credit card business, including establishment of "Strategy Development Committee" among top management and initiation of discussions.

1. Purpose of Understanding

In recent years, the credit card industry has steadily expanded its market size, leveraging transition in the client's life style and diversification of settlement techniques, and is expected to continue to grow. At the same time, with the business environment surrounding the industry dramatically changed – accelerated consolidation aiming at increased managerial efficiencies and competencies, increased system-related investments due to development in technologies and services such as e-money, and sophisticated clients' needs, and a revision of the Money-lending Business Restriction Law and a review of the Installment Sales Law – the industry has reached a major turning point.

Based on such understanding of the environment, OMC and the three SMFG group companies (SMFG, SMBC, and SMCC) agreed to position OMC as the core strategic entity in the group's consumer financing business, and to inaugurate discussions for strategic alliance with close collaboration of management resources and operating base of OMC, SMCC and other SMFG group companies, for establishing the number-one credit card entity in Japan.

OMC, with its origin in retail business, has realized the best-in-class usage ratio by acquiring people-oriented know-how in increasing cardholders, marketing and business models. SMFG group companies – SMBC with an extensive client base, and SMCC with a vast member store network and IT development capabilities – will organically combine their strengths with those of OMC and strive to enhance each entity value and the comprehensive strength as a group. Also, with intent to establish the number-one credit card entity in Japan, we will move ahead on our mid- and long-term business strategies including drastic business reorganization and consolidation, outside the conventional limit of existing frameworks.

2. Summary Description of Understanding

(1) Establishment of Strategy Development Committee

With intent to consummate the plan to establish the number one credit card entity in Japan, OMC and the three SMFG group companies will establish a "Strategy Development Committee" among our top managements, and will further discuss a mid- and long-term credit card strategy, including brand strategy, card issuing, member-store acquiring, consolidation and strengthening of processing, and reorganization of group related businesses.

(2) Establishment of Committee for Individual Alliance Promotion

Along with the Strategy Development Committee, a “Committee for Individual Alliance Promotion” will be established to discuss items where short-term synergies are expected, such as sharing of marketing channels, products and services, cooperation in office and system operations, etc., and will work on an early realization of fruits of the alliance.

(3) Exchanges of Personnel

In order to smoothly implement the purpose of the Understanding and enhance effectiveness of Individual Alliance and other interactions, OMC and the three SMFG group companies plan to actively second personnel as operating officers and employees.

(4) Maintenance of Cooperative Relationship with Daiei

OMC and Daiei will maintain their cooperative relationship, along with the main purport of the “Memorandum of Understanding regarding Credit Card Transactions”, concluded in May 2007. Also, in discussing upon this Strategic Alliance, OMC and SMFG group companies will make efforts to collaborate with existing partners, and encourage broad involvement of other group companies of SMFG than mentioned above.