



Earnings Release

Fiscal Year ended February, 2007
(March, 2006 - February, 2007)

April 13, 2007

OMC Card, Inc.

Results Overview

P/L (Consolidated)

Unit: billions of Yen

	Feb, 2007	Change vs. Feb, 2006 (amount)	Change vs. Feb, 2006 (base:100%)
Transaction volume	1,670.1	39.3	102.4%
Operating revenues	155.4	9.4	106.4%
Operating expenses	122.6	11.5	110.4%
(excl. provision for credit losses, provision for loss on interest repayments)	82.9	4.2	105.3%)
Operating income	32.7	▲2.1	93.8%
Ordinary income	33.3	▲2.3	93.6%
Net income	13.9	▲4.4	75.9%

Transaction volume(Consolidated)

Unit: billions of Yen

	Feb, 2007	% of total	Change vs. Feb, 2006 (amount)	Change vs. Feb, 2006 (base:100%)
Credit card contracts	940.3	56.3%	+55.2	106.2%
Acquiring service	124.4	7.4%	+15.7	114.4%
Cash advances	490.4	29.4%	+21.6	104.6%
Loan agency	41.9	2.5%	▲43.9	48.8%
Insurance	14.4	0.9%	+1.2	109.2%
Other	58.7	3.5%	▲10.5	84.8%
TOTAL	1,670.1	100.0%	+39.3	102.4%

Operating revenues (Consolidated)

Unit: billions of Yen

	Feb, 2007		% of total	Change vs. Feb, 2006 (amount)	Change vs. Feb, 2006 (base:100%)
Credit card contracts	26.2 (26.5) ※		16.8%	+1.5 (+1.2)	105.9% (104.6%) ※
Cash advances	113.4 (116.0) ※		73.0%	+8.5 (+8.8)	108.1% (108.2%) ※
Loan agency	0.5		0.3%	▲0.5	48.6%
Insurance	2.0		1.3%	+0.1	107.0%
Other	13.2		8.5%	▲0.1	98.9%
Financial transactions	0.1		0.0%	▲0.0	73.6%
TOTAL	155.4		100.0%	+9.4	106.4%

※ () = amounts before securitization

Operating expenses (Consolidated)

Unit: billions of Yen

	Feb, 2007	Change vs. Feb, 2006 (amount)	Change vs. Feb, 2006 (base:100%)
Selling expenses	27.1	+3.3	114.1%
Salaries and fringe benefits	17.2	+1.2	107.7%
General and administrative expenses	25.7	+0.7	102.8%
Equipment expenses	2.3	▲0.5	82.5%
Provision for credit losses	35.8	+4.8	115.4%
Provision for loss on interest repayments	3.9	+2.6	-
Financial expenses	10.6	▲0.6	94.6%
TOTAL	122.6	+11.5	110.4%
(excl. provision for credit losses, provision for loss on interest repayments)	82.9	+4.2	105.3%)

Extraordinary income & losses (Consolidated)

Unit: billions of Yen

Feb, 2007

Extraordinary income

0.1

Gains on sales of investment securities

(0.1)

Extraordinary losses

17.0

Provision for loss on interest repayments

(11.0)

Provision for credit losses

(1.7)

Losses on sales of fixed assets

(0.9)

One-time payment on change of retirement system

(0.6)

Main operating indicators

Unit: in thousand

	Feb, 2007	Change vs. Feb, 2006 (amount)	Change vs. Feb, 2006 (base:100%)
<Credit Card>			
Applications	1,821	142	108.5%
Issuances	1,523	79	105.5%
Cardholders	8,751	732	109.1%
<Loan Card>			
Applications	131	21	119.1%
Issuances	57	13	129.5%
Cardholders	126	33	135.5%
Card user rate	63.7%	-1.7%	-

Interest-bearing debt (Consolidated)

Unit: billions of Yen

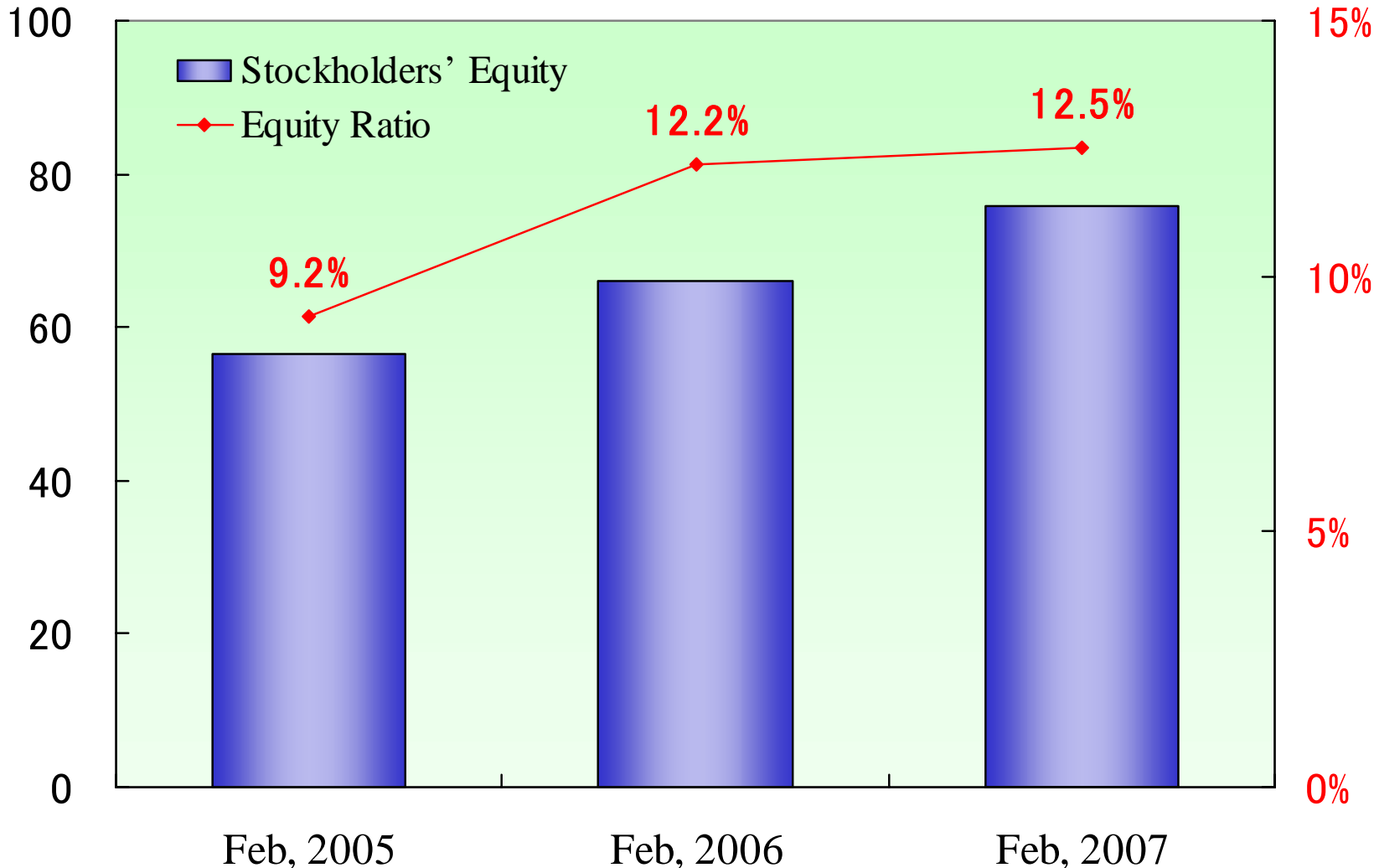
	Feb, 2006	% of total	Feb, 2007	% of total	Change (amount)
Long-term debt	347.2	85.0%	339.7	80.3%	▲7.5
Short-term borrowings	61.1	15.0%	83.5	19.7%	+22.4
TOTAL	408.3	100.0%	423.2	100.0%	+14.9

Main financial indicators (incl. Securitization)

	Feb, 2006	Feb, 2007	Change vs. Feb, 2006
Direct financing ratio	25.4%	22.7%	▲2.7%
Fixed-interest debt ratio	60.8%	49.1%	▲11.7%
Long-term debt ratio	88.8%	83.5%	▲5.3%

Financial position

Unit: billions of Yen



Review of Business Strategy

Working to develop 18% business model

◆ Pushing ahead with reforms as first step in structural change

Permeation of ideas and business strategies through the whole company

Firming up plans for 18% business model

Reforming organizational & implementation structures

- Development of 18% business model
- Bolstering implementation capabilities through CS quality improvements

- Improving cost efficiency
- Creating synergies by concentrating operational resources
- Unifying compliance systems

Hiving off processing function into separate company

Absorbed through mergers



アルファ OMC | Alpha OMC
OMC
カードスタッフ | OMC Card Staff



CS quality enhancement initiatives

CS management platform

**No. 1 in industry
(OMC share: 20%)**

Specialist knowledge

Advanced specialist qualification

- Credit counselor (advanced credit manager) 143 holders

Business knowledge

- **Asset administrator:** 896 holders (72% of total)
- **Creditor:** 955 holders (77% of total)
- **Lending industry transaction manager qualification:** 923 holders (75% of total)

Basic knowledge

- **Personal data handling manager qualification:** 1,212 holders (98% of total)

AGENDA

- ◆ Increase business volumes
- ◆ Strategies to activate cardholders
- ◆ Strengthen risk management
- ◆ Develop BPO business

Increase business volumes

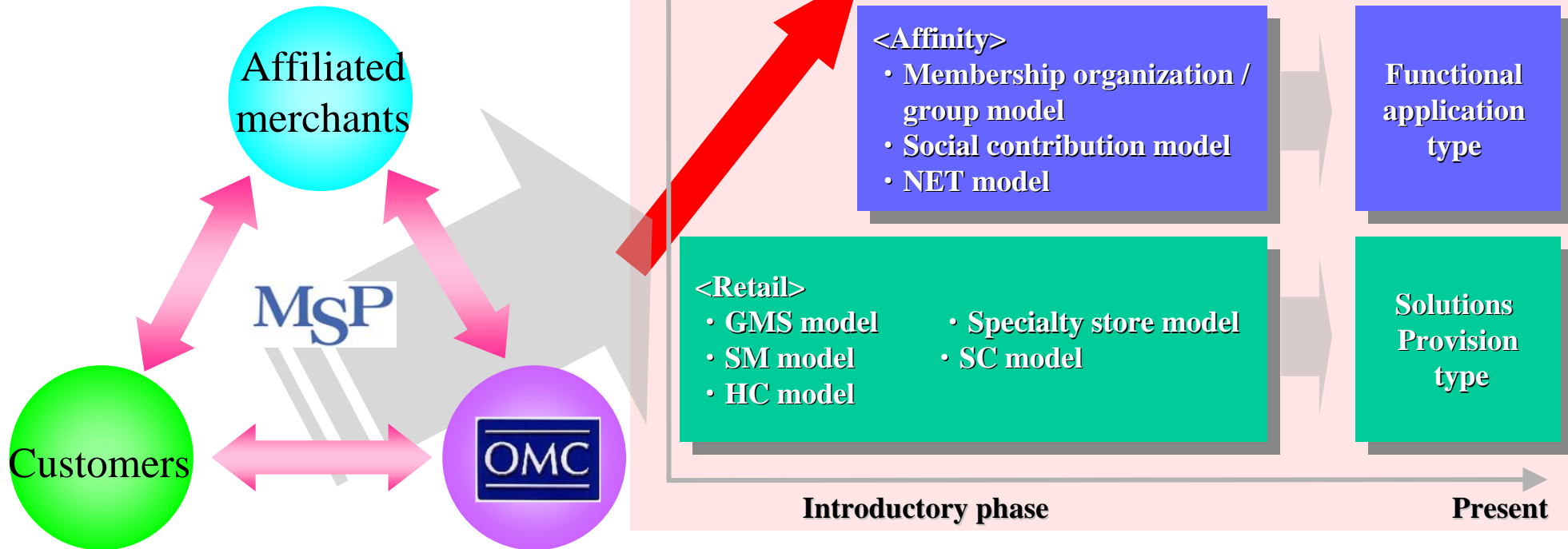
Expanding co-branded cards through MSP model

◆ Expanding market as MSP model evolves

Development targeting creation of customer value

Target markets

Used our strengths to expand target market to affinity cards



Win-Win-Win achieved through CRM alliances

◆ Working to use MSP model to expand co-branded cards

提携カードの話
を
しませんか。

Let's talk about co-branded cards.

◆ Apr, 06: MSP model seminar

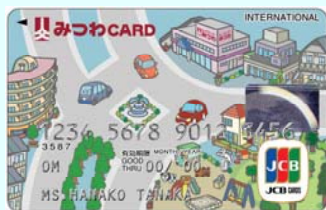


◆ Jun, 06: Exhibited at CRM expo



◆Regional strategy

From Nov, 06
“MITSUWA Card”



From Feb, 07
“BPS Card”



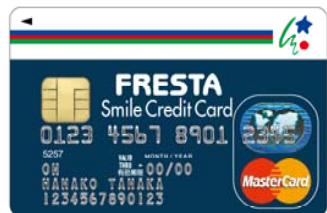
From Apr, 07
“Rera Member’s Card”



From Jul, 06
“egao Card”



From Oct, 06
“FRESTA Smile Credit Card”



From Jul, 06
“MARUHON COWBOY Card”



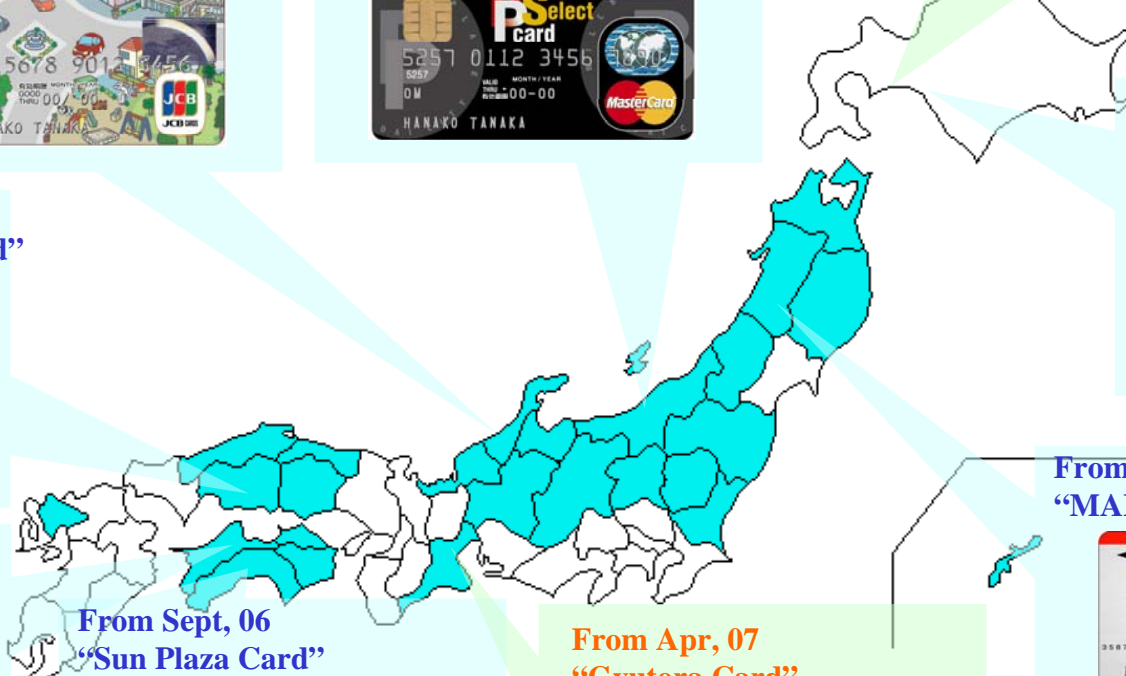
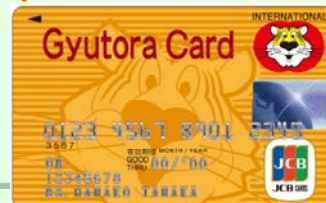
From May, 06
“JOW-PLA Card”



From Sept, 06
“Sun Plaza Card”



From Apr, 07
“Gyutora Card”

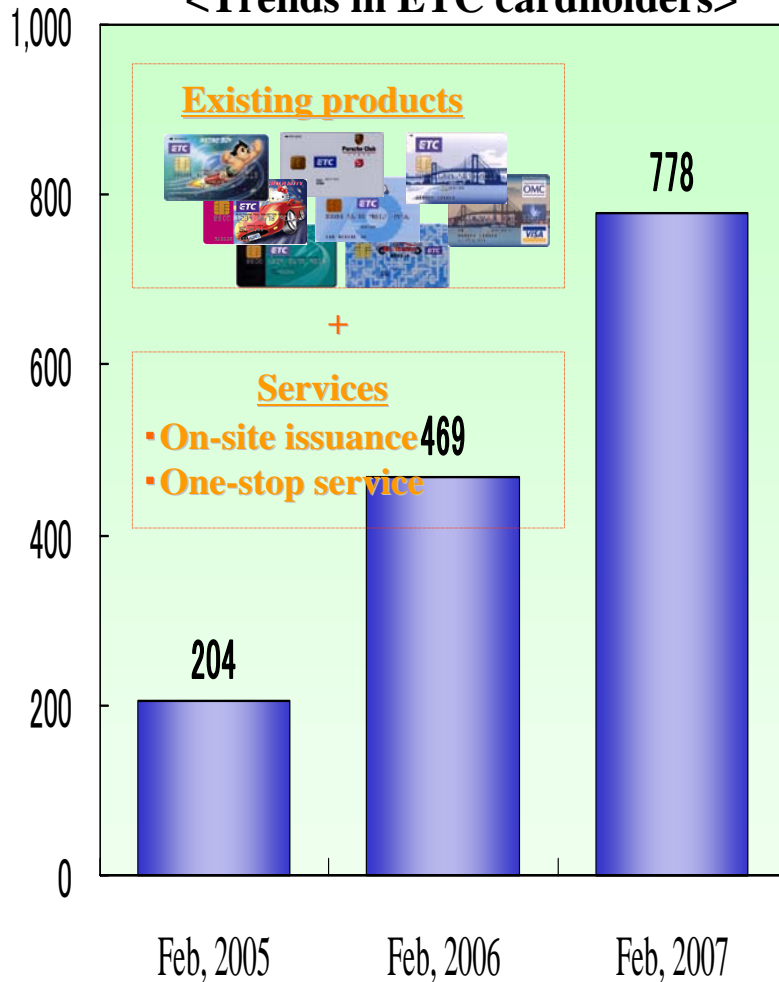


Regions withdrawn from by Daiei

◆ Following “SHUTOKO Card”, issued “Quadra Pass”

Unit: in thousand

<Trends in ETC cardholders>



【Quadra Pass】



14 Dec, 2006: 4-company joint press conference



◆ Main new co-branded cards issued in fiscal 2007

【Osaka Mesena Card】

First Prefecture-level social contribution card in Japan

Contributing **0.3%** of card shopping transaction volumes



<Modern Art>



<Bunraku puppet theatre>



<Orchestra>



19 Mar, 2007
conference with Prefectural Governor Fusae Ohta



大阪府文化振興基金

Osaka Prefecture Cultural Promotion Fund

- Structure allows anybody easily to get involved in contributing to society
- Spreading Osaka culture to the whole country

【Keio Univ. OMC Card】

Supports scholarship funds



<Student Card>



<General Card>



<Gold Card>

Target customers

- Students
- Staff
- Alumni

- Target market expanded to include staff and alumni
- Card meets the needs of Keio alumni

◆Expansion in solicitations via the internet

**50,000 solicitations
in first 2 months**

【Jiyu!da! Card】

<Profitability>

c. 5% of shopping revolving credit balances

<Functions>

Minimum payment

+

Functions enhanced this term

- Real-time remittances and withdrawals
- Points usability
- Interest rate flexibility

<New card types>



「Lily Franky edition」



「Xbox 360™ edition」

Becoming a new flagship card

【eBank Card OMC】



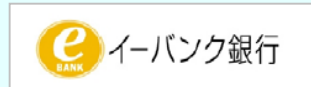
- Integrated credit function
- OMC Card services included
- Has social contribution function



- Expansion in new customers
- Expanded usage
- Improved cardholder services



“eBank”



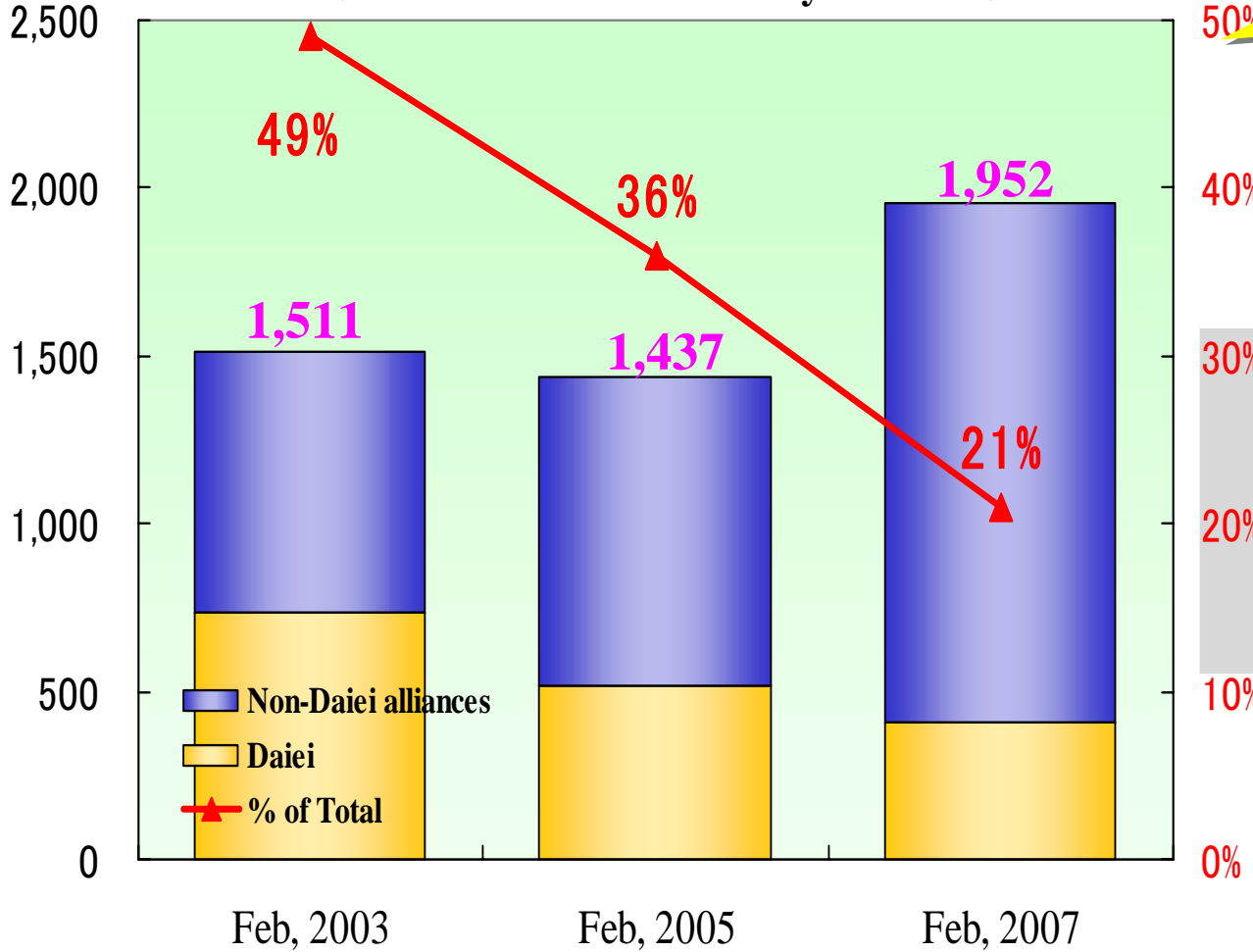
- Developing new customers
- Offering capabilities

- Expansion in new accounts
- Expansion in card business revenues
- Entry into credit business

◆ Trend in numbers of solicitations

Unit: in thousand

<Number of solicitations by channel >



**1.95 million solicitations,
an all-time record**

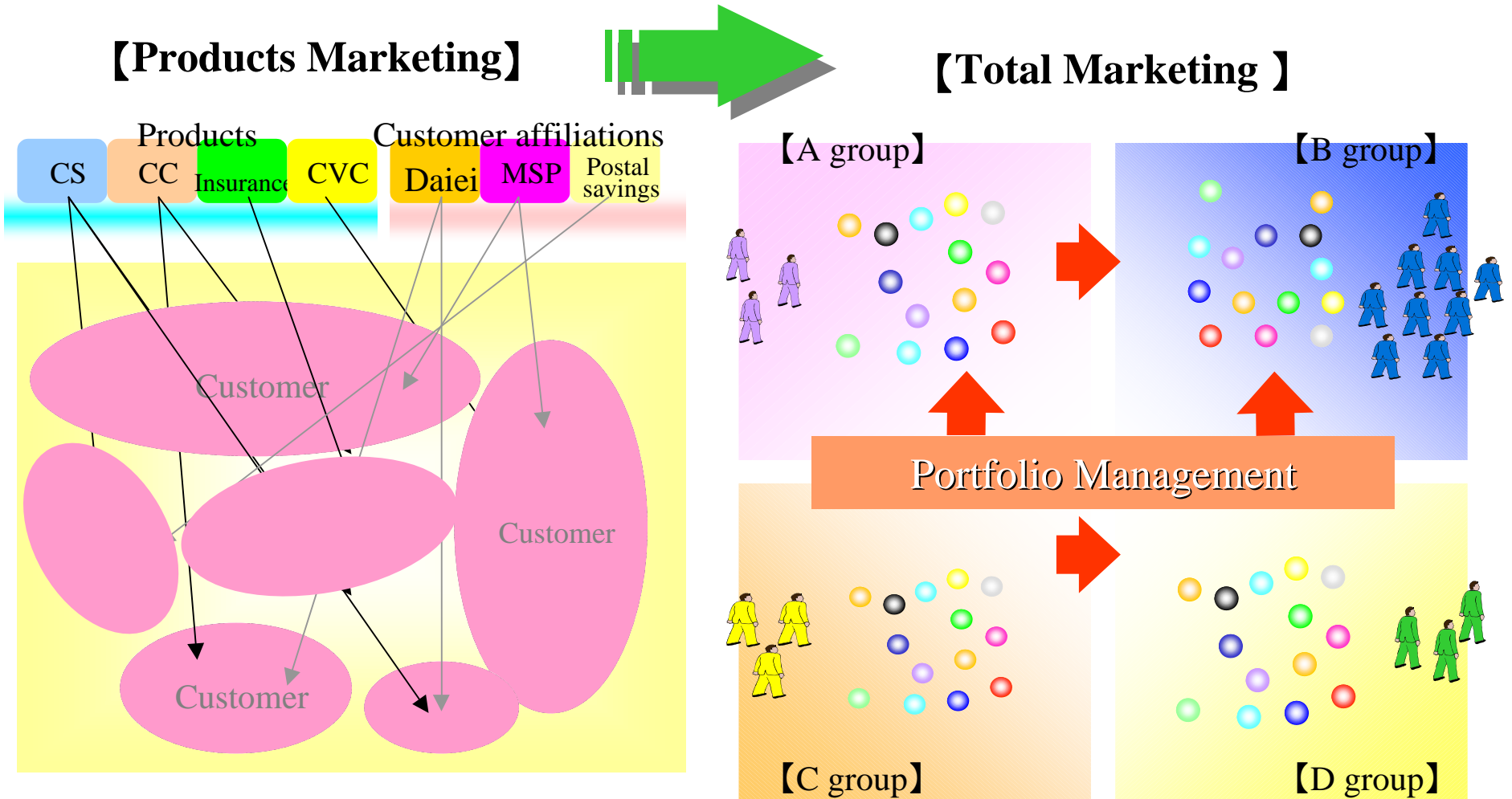
Proportion of
non-Daiei alliances

Feb 2003 Feb 2007
51% ⇒ 79% (+18%)

Strategies to encourage card usage

Aiming to produce a new approach to card-holders

◆ Strategic systematization of customer management methods

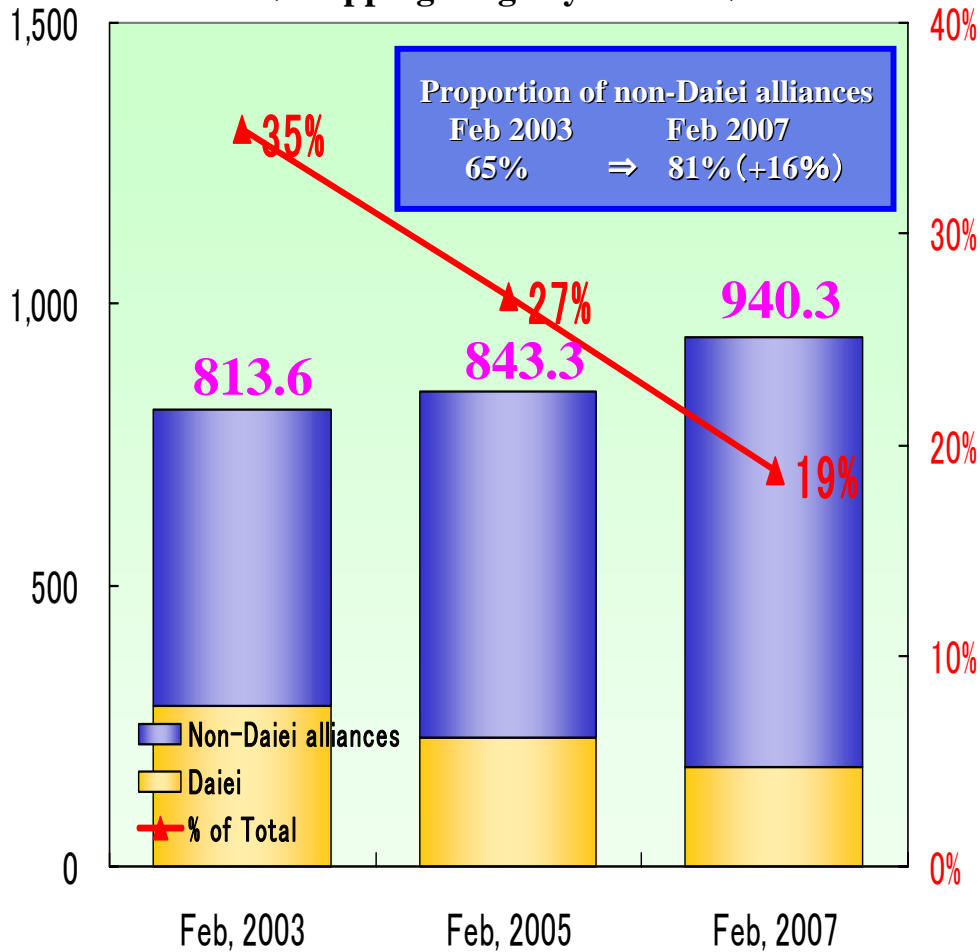


Building model which maximizes cardholder value

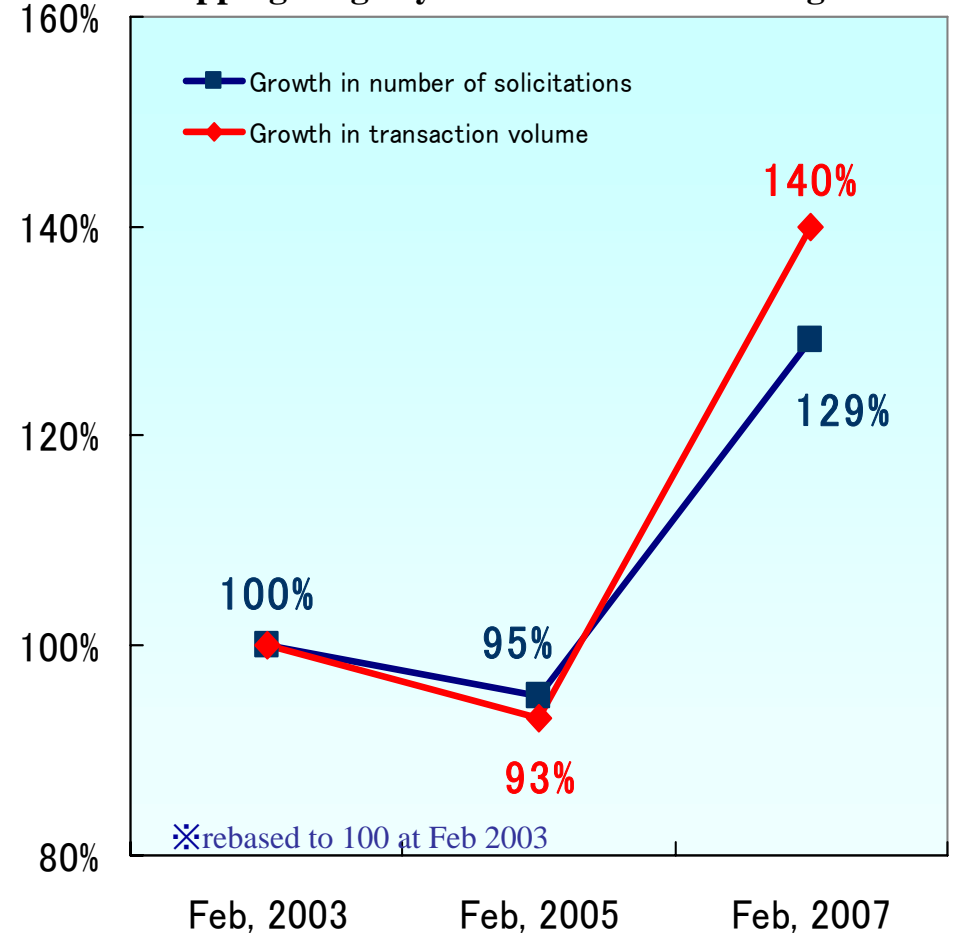
◆ Shopping usage

Unit: billions of Yen

<Shopping usage by channel >



<Shopping usage by new cardholders during term >



◆ Contribution to shopping transaction volumes from overhaul of Waku-waku points

< Cardholder benefits >

Easier to understand

- Unified point values, which previously varied by product

Easier to accumulate

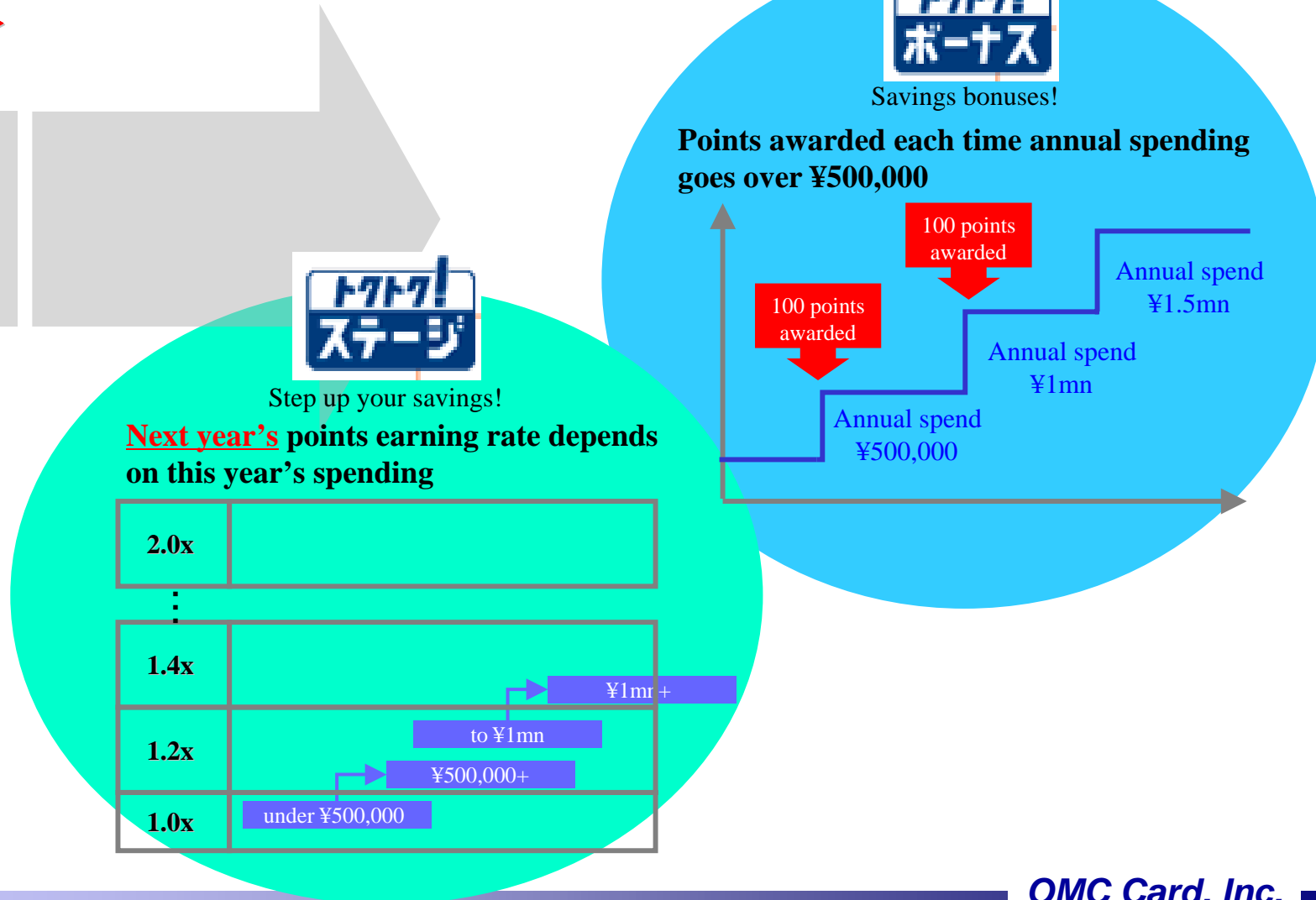
- Validity extended from 1 to 2 years

More attractive

- Reviewed product features

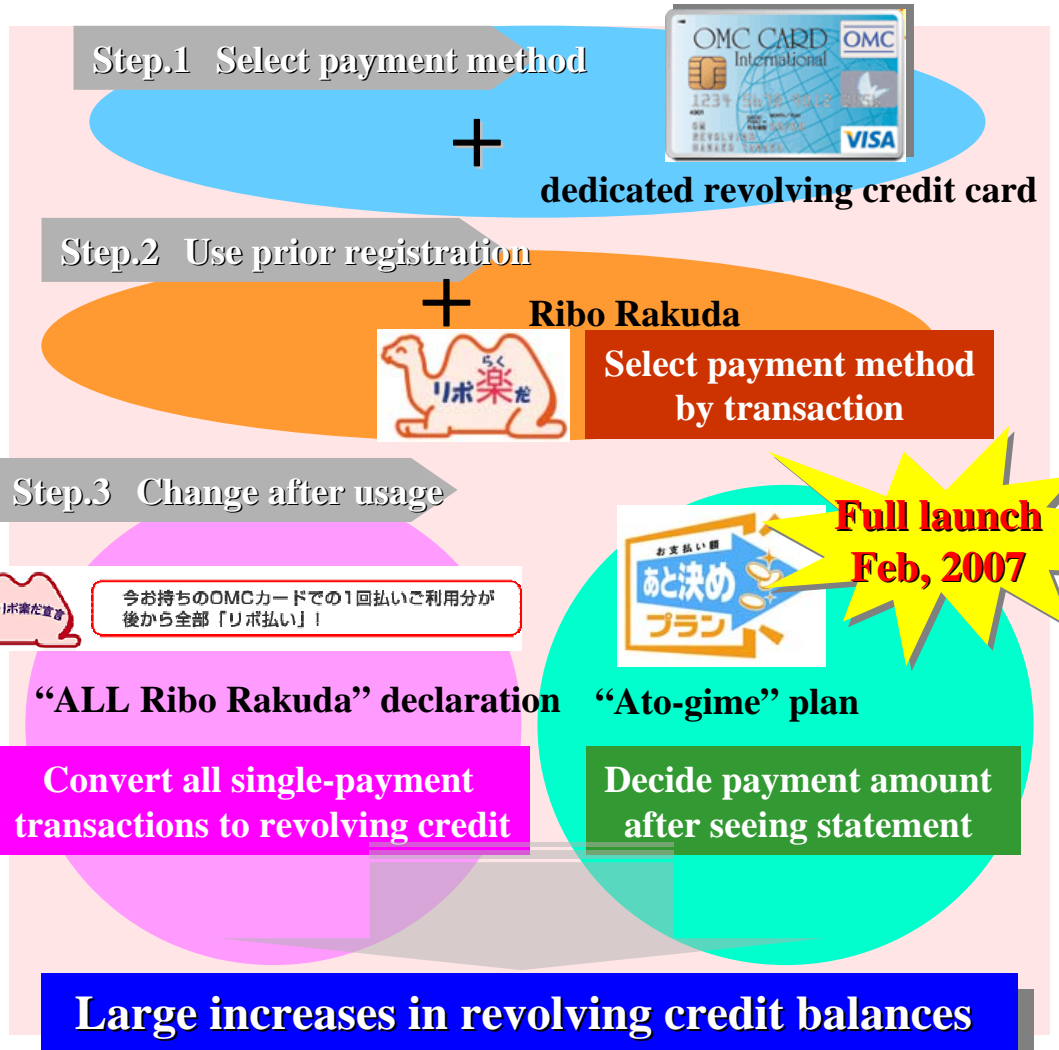
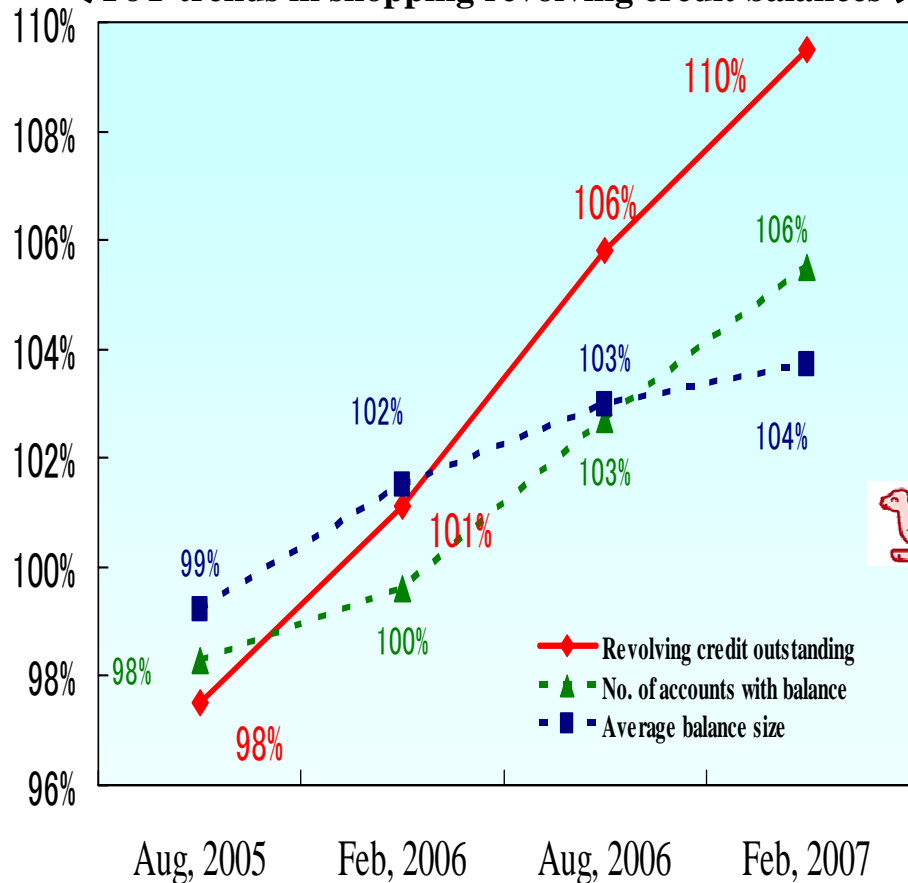


Waku-waku points



◆ Improved service driving expansion in shopping revolving credit balances

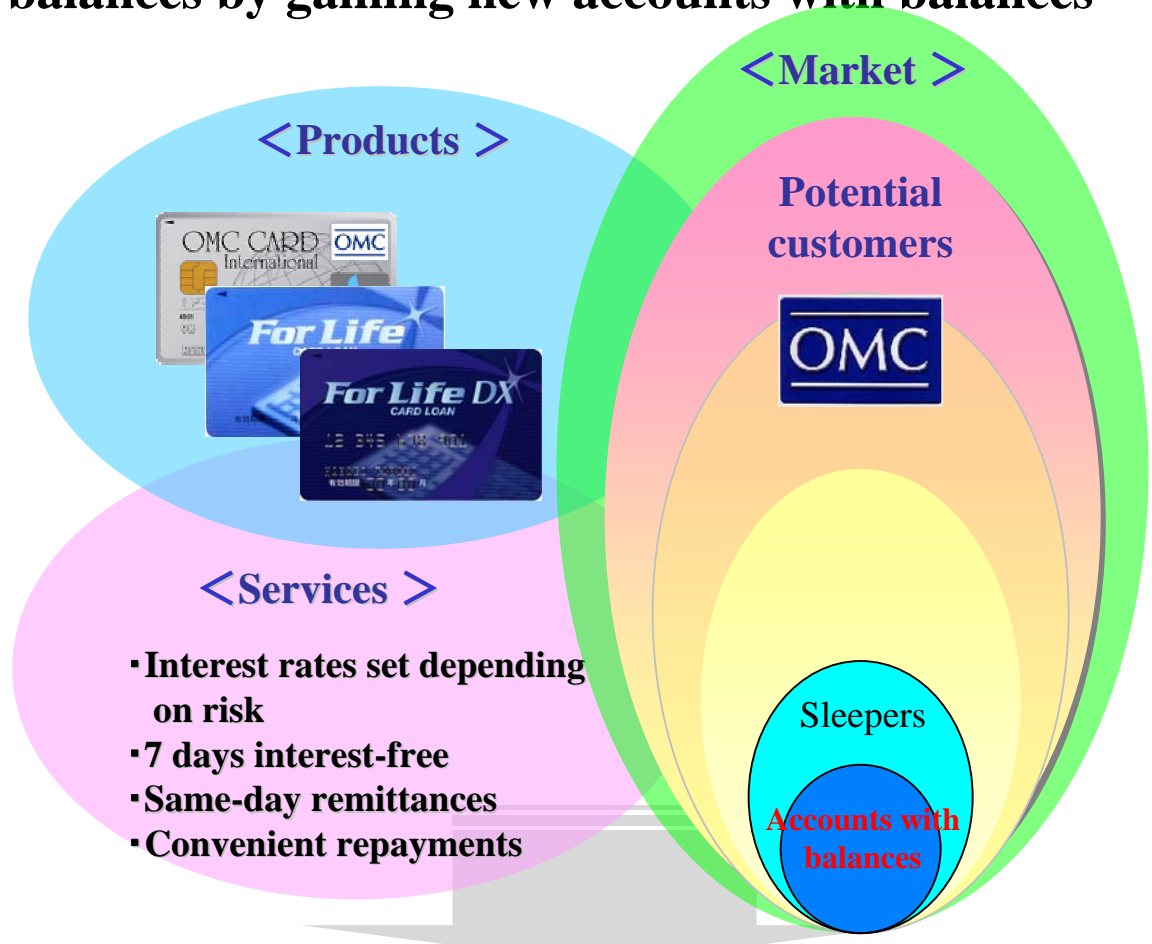
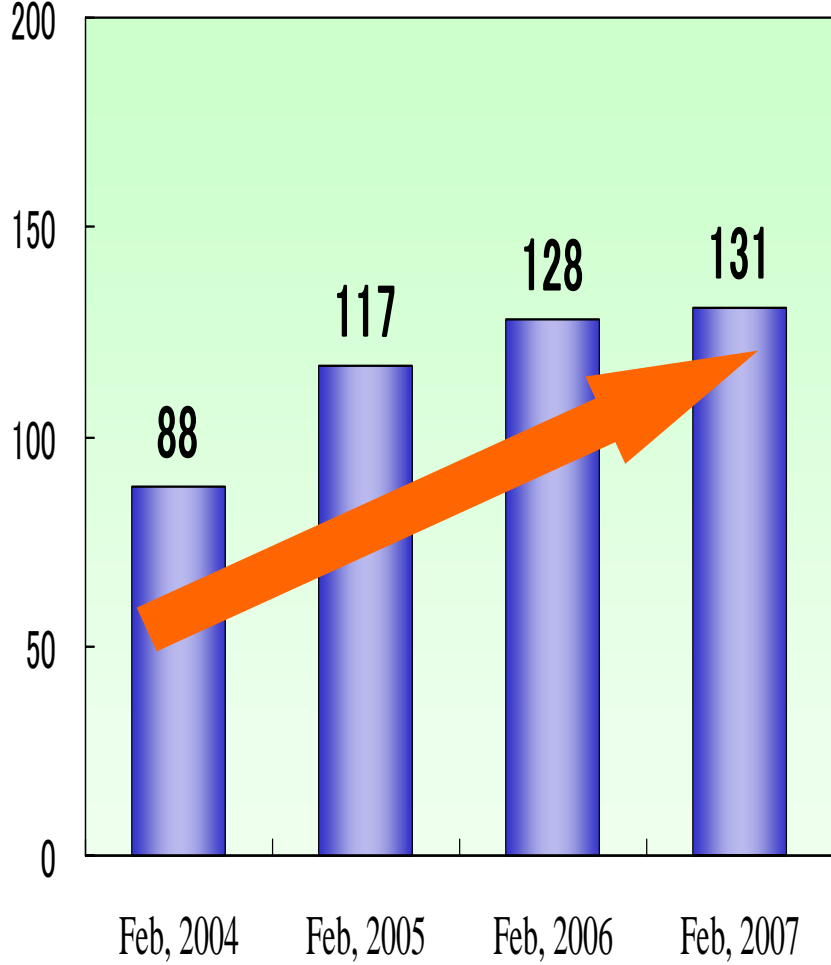
< YoY trends in shopping revolving credit balances >



◆ Expanding high-quality cash loan balances by gaining new accounts with balances

Unit: in thousand

<Trend in new accounts with balances >

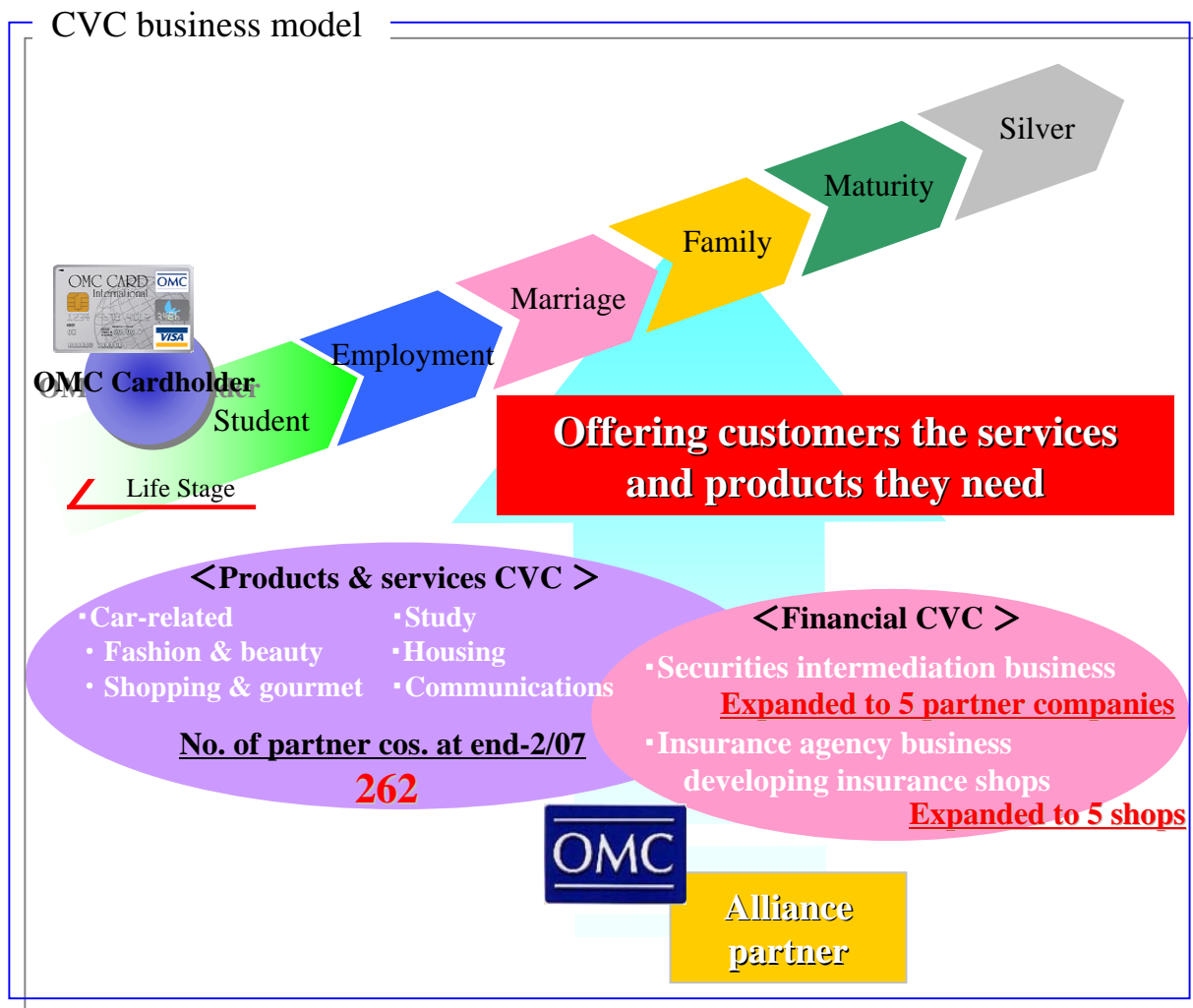


Continuously enhancing model for gaining new accounts with balances

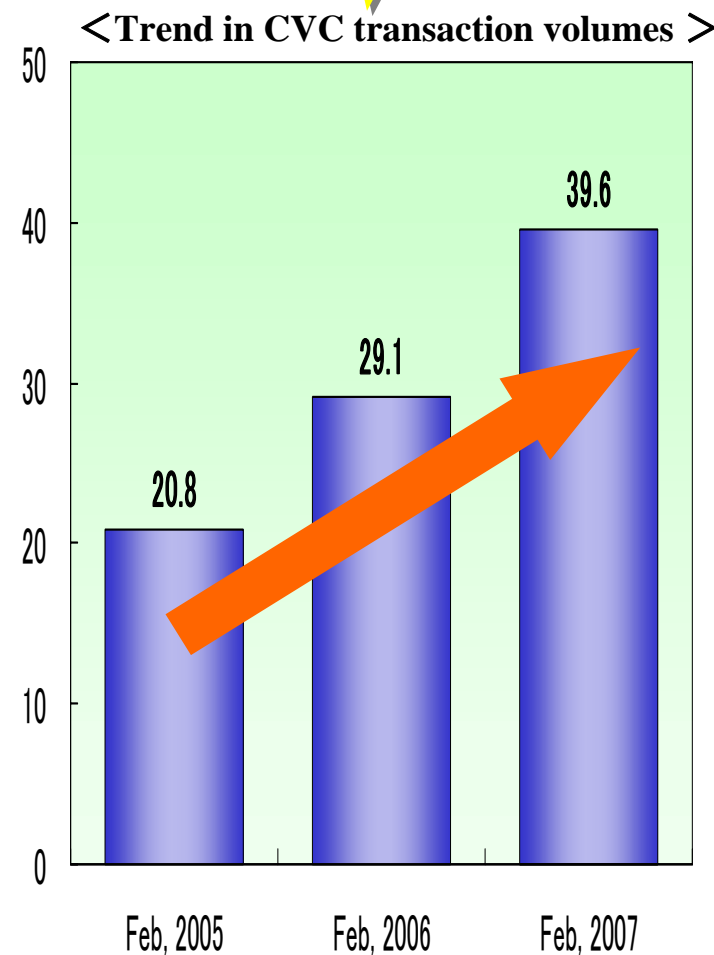
CVC business

◆ Aiming to be a partner to our customers over their whole lives

Contributing to CS transaction balances



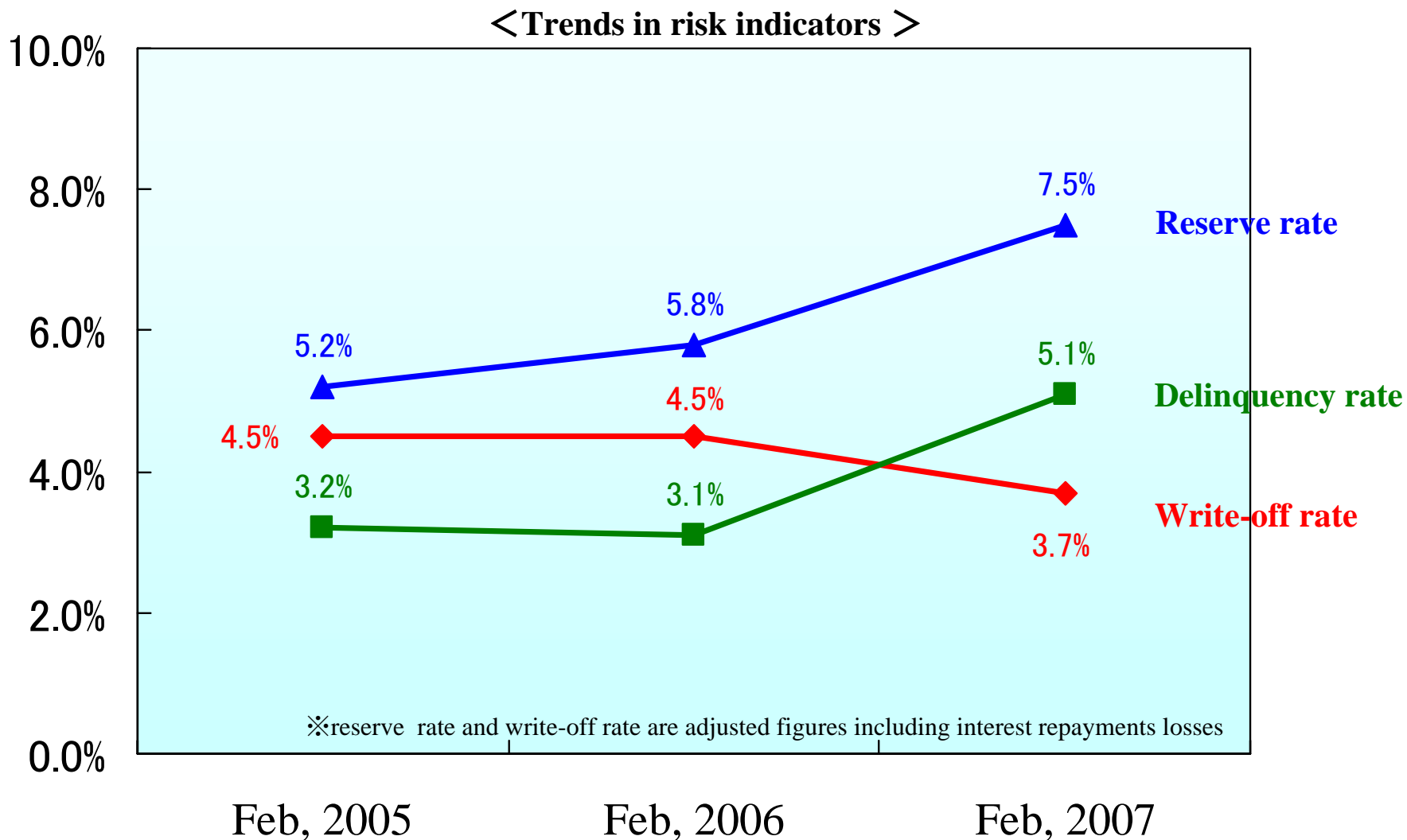
Unit: billions of Yen



Strengthen risk management

Credit Situation

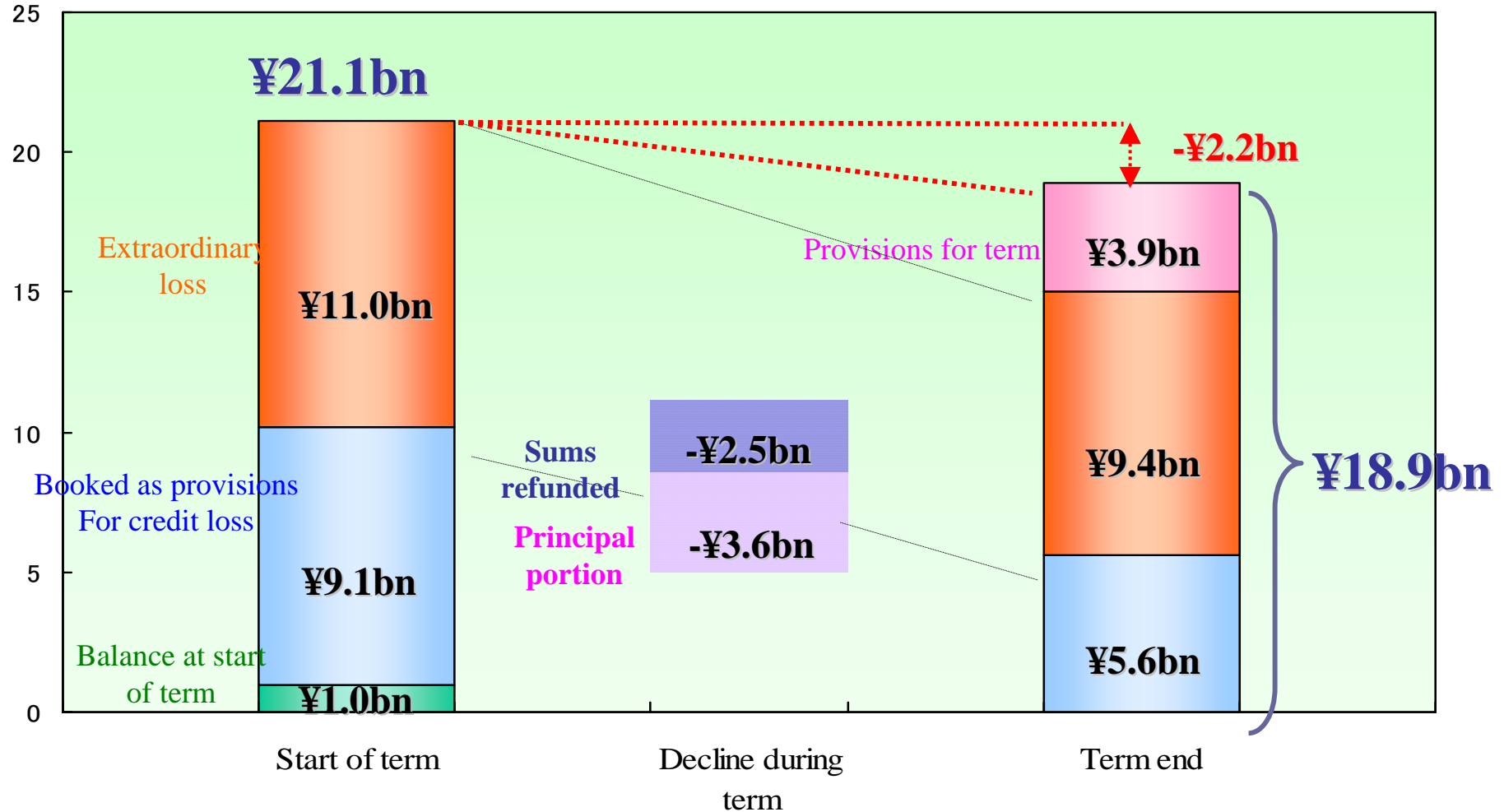
◆ Maintaining conservative provisioning to reflect changes in industry environment



Approach to provision for loss on interest repayments

◆ Have made appropriate provisions based on guidelines from Japan Institute of Certified Public Accountants

Unit: billions of Yen



Third-party card processing business

Launched processing company PROCENT

◆ Healthy expansion also seen in new out-sourced business

Mar, 2007

UCS outsources on-site processing business to OMC



Overview of PROCENT Inc

- Start of trading 1 April 2007
- President & Representative Director Yuji Yamasaki
- Capital ¥150 million
- Ownership breakdown OMC 80%, Marui 20%
- Offices Tokyo (Kikukawa & Nakano), Fukuoka
- Business functions In-sourcing of card processing business

Lower costs

Qualitative improvements in management

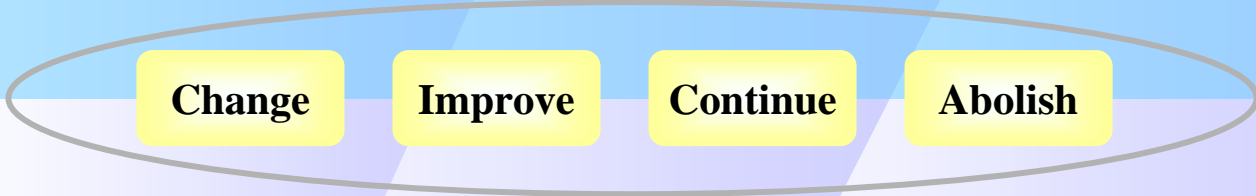
◆ Aiming to improve cost efficiencies through micro-management



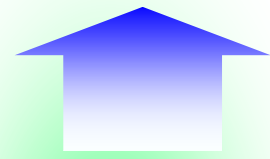
Thorough cost control at individual transaction level



- | <Solicitations> | <Credit checks & issuance> | <Usage promotion> | <Billing> | <Credit management> | <Recovery> |
|---|---|--|---|--|--|
| <ul style="list-style-type: none"> • Methods • Pamphlets • Offices • Man-hours invested | <ul style="list-style-type: none"> • Methods • Data references • Credit limits • Business cooperation | <ul style="list-style-type: none"> • Campaigns • Free giveaways • Verification of effectiveness • Sharing of results | <ul style="list-style-type: none"> • Pamphlets • Issue of statements • Enveloping procedures • Business cooperation | <ul style="list-style-type: none"> • Data references • Credit limits • Man-hours invested • Business cooperation | <ul style="list-style-type: none"> • Methods • Man-hours invested • Updating of manuals |



Enhanced outsourcing proposal



- **Increased micro-management**
- **Low-cost operations**

Building lean management structure

Middle Term Plan

Management policies

~ A Copernican Revolution ~

Promoting 18% interest rate business model focused on customers

- 1. Expand business volumes**
- 2. Improve efficiency by improving quality and cutting costs**
- 3. Maintain growth potential through risk control**

Basic Strategies

◆ Aim to establish medium-term growth path by using our unique strategies and strengths

- Revision of industry laws
- Interest refund demands
- Acceleration in alliances and combinations

Marketing strategies

- Channel strategies
- Customer strategies
- Product & service strategies

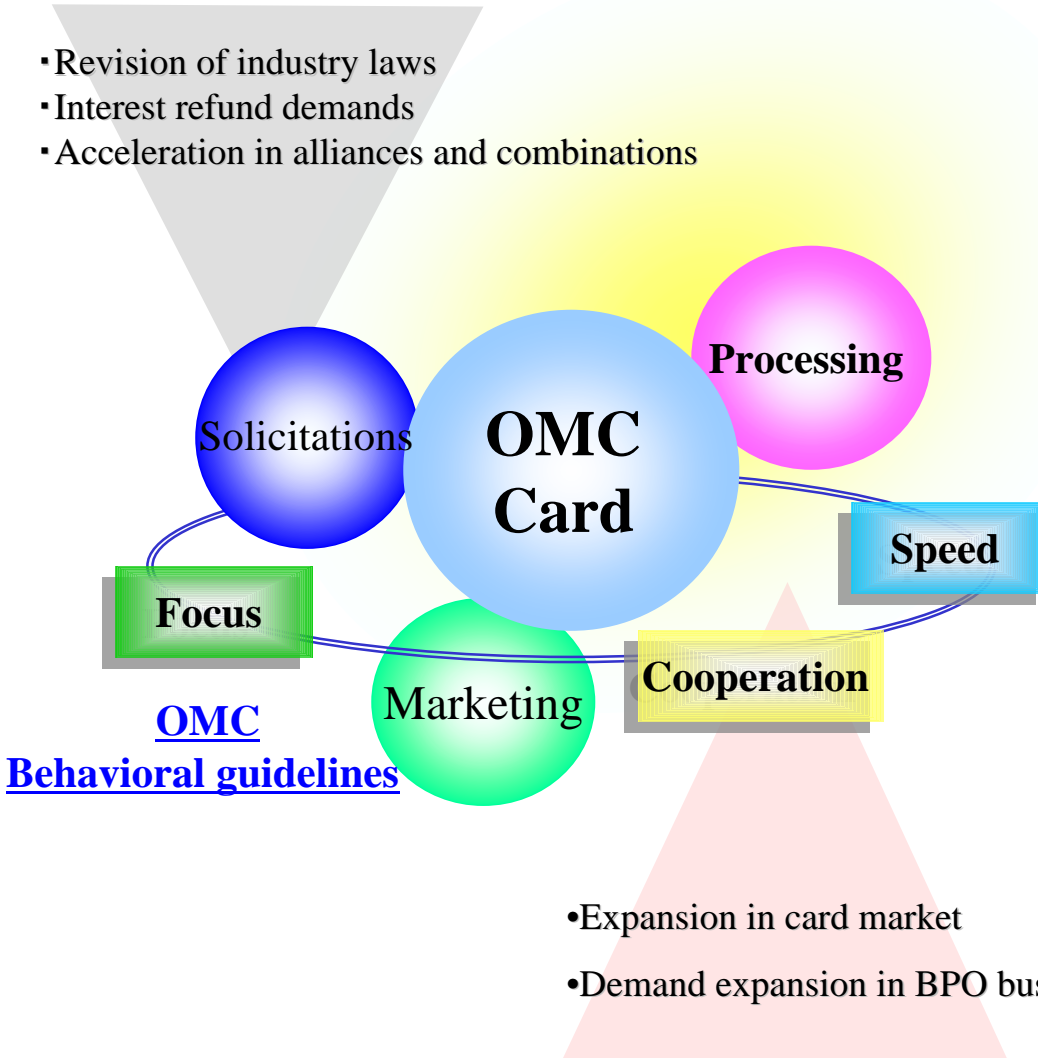
Cost structure strategies

- Business platform cost reforms
- Improved cost efficiency
- Increasingly detailed risk management

Operational quality strategies

- Create an energetic corporate culture
- Improve brand recognition rates
- CS management

- Expansion in card market
- Demand expansion in BPO business

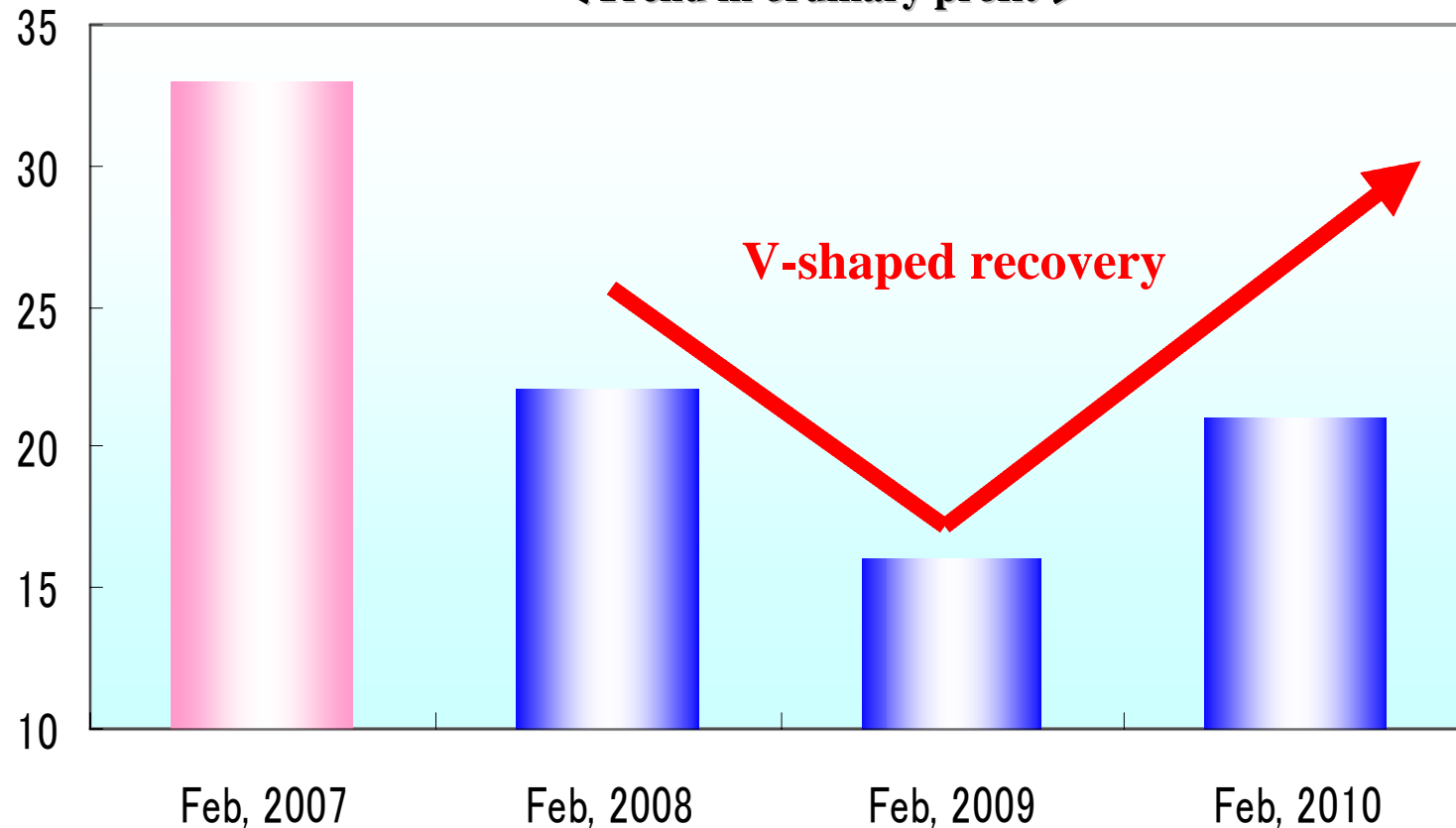


Shifting to 18% business model



Unit: billions of Yen

<Trend in ordinary profit >



Cardholders, PL

【Cardholders】

Unit: in thousand

	Feb, 2008			Feb, 2009			Feb, 2010		
	Estimate	Change vs. Feb, 2007 (amount)	Change vs. Feb, 2007 (base:100%)	Estimate	Change vs. Feb, 2008 (amount)	Change vs. Feb, 2008 (base:100%)	Estimate	Change vs. Feb, 2009 (amount)	Change vs. Feb, 2009 (base:100%)
New Applications	2,300	348	118%	1,800	-500	78%	1,600	-200	89%
Cardholders	9,700	823	109%	10,300	600	106%	10,700	400	104%

【PL】

Unit: billions of Yen

	Feb, 2008			Feb, 2009			Feb, 2010		
	Estimate	Change vs. Feb, 2007 (amount)	Change vs. Feb, 2007 (base:100%)	Estimate	Change vs. Feb, 2008 (amount)	Change vs. Feb, 2008 (base:100%)	Estimate	Change vs. Feb, 2009 (amount)	Change vs. Feb, 2009 (base:100%)
Transaction volume	1,772.0	101.9	106%	1,996.9	224.9	113%	2,163.4	166.5	108%
Operating revenues	154.0	-1.4	99%	141.0	-13.0	92%	139.7	-1.3	99%
Ordinary income	22.0	-11.3	66%	16.0	-6.0	73%	21.0	5.0	131%
Net income	13.0	-0.9	93%	9.5	-3.5	73%	12.5	3.0	132%

BS, Financial Indicators

【BS】

Unit: billions of Yen

	Feb, 2008			Feb, 2009			Feb, 2010		
	Estimate	Change vs. Feb, 2007 (amount)	Change vs. Feb, 2007 (base:100%)	Estimate	Change vs. Feb, 2008 (amount)	Change vs. Feb, 2008 (base:100%)	Estimate	Change vs. Feb, 2009 (amount)	Change vs. Feb, 2009 (base:100%)
Total Assets	644.2	39.1	106%	780.2	136.0	121%	867.2	87.0	111%
Current Assets	613.0	40.0	107%	749.4	136.4	122%	831.6	82.2	111%
Fixed Assets	31.2	-0.9	97%	30.8	-0.4	99%	35.6	4.8	116%
Total Liabilities	559.6	30.3	106%	688.2	128.6	123%	762.8	74.6	111%
Current Liabilities	153.8	-9.6	94%	280.9	127.1	183%	318.6	37.7	113%
Fixed Liabilities	405.8	39.9	111%	407.3	1.5	100%	444.2	36.9	109%
Total Net Asset Value	84.6	8.8	112%	92.0	7.4	109%	104.4	12.4	113%

【Financial Indicators】

	Feb, 2008			Feb, 2009			Feb, 2010		
	Estimate	Change vs. Feb, 2007 (amount)	Change vs. Feb, 2007 (base:100%)	Estimate	Change vs. Feb, 2008 (amount)	Change vs. Feb, 2008 (base:100%)	Estimate	Change vs. Feb, 2009 (amount)	Change vs. Feb, 2009 (base:100%)
Equity Ratio	13.1%	0.6%	105%	11.8%	-1.3%	90%	12.0%	0.2%	102%
Return on Assets	2.1%	-0.3%	86%	1.3%	-0.7%	64%	1.5%	0.2%	114%
Return on Equity	16.2%	-3.4%	82%	10.8%	-5.5%	66%	12.7%	2.0%	118%