

EMEA News

Joint Venture for Credit Card Business in Dubai -JCB, ORIX and Majid Al Futtaim Group-

JCB, ORIX Corporation (ORIX), and Majid Al Futtaim Group have signed an agreement on a joint venture for a credit card business in the Middle East and North Africa (MENA), on January 26, 2007. Headquartered in Dubai, the United Arab Emirates (UAE), the joint venture is planning to start issuing JCB cards and also developing JCB license partners for JCB card issuing and merchant acquiring businesses this year.

Hiroya Nobuhara, President and CEO of JCB said at the press conference held in Tokyo, "This is a big step for JCB in expanding its operations in the MENA region. For the first time since JCB launched its international operations in 1981, it is taking the step of establishing a joint venture with very prominent partners. I am thrilled that the number of JCB license partners and cardmembers will be soon significantly increasing in a market to which JCB has been paying particular attention."

JCB, as a global payment brand and a leading credit card issuer and acquirer in Japan, has been actively building its presence in the Middle East since 1987. To enhance its acceptance network in the UAE, JCB signed acquiring agreements with major partners such as Mashreq Bank in 1996, National Bank of Dubai in 1997, and Network International in December 2006.

Representing ORIX, an integrated financial service provider, Yasuhiko Fujiki, President and COO added, "ORIX and JCB have had a comprehensive business tie-up since 2005. This is a significant milestone for us as the new company in the UAE is going to be our first joint venture outside Japan under this partnership."

Fujiki commented that he anticipates the joint business with JCB in the UAE will generate good synergies for both of their business in the MENA region.

Ahmed Bin Brek, CEO of Majid Al Futtaim Ventures LLC said, "This



(from left) Yasuhiko Fujiki, President and COO of ORIX Corporation, Ahmed Bin Brek, CEO of Majid Al Futtaim Ventures LLC, and Hiroya Nobuhara, President and CEO of JCB (Job titles are those at the time reported)

initiative marks a new direction for Majid Al Futtaim Group and extends its customer offering. We are proud to have as our partners two of Japan's finest financial institutions and their involvement signals our determination to offer a premium service to users of the Group's malls and other customers throughout the MENA region."

Majid Al Futtaim Group owns the franchise license for the French hypermarket chain Carrefour in the MENA region, along with a variety of shopping, entertainment and leisure facilities.

The joint venture will start issuing JCB cards this year, first targeting Majid Al Futtaim Group customers in the UAE, and will soon expand to other countries in the region. It will also be conducting marketing activities to develop partnerships with financial institutions for JCB card issuing and merchant acquiring businesses.



Mall of the emirates in Dubai, Majid Al Futtaim Group's biggest mall in the region.



Sharjah City Centre is one of Majid Al Futtaim Group's community malls which encompasses an area of 35,000 square meters and features over 100 brands.



The interior of Deira City Center, in Dubai, the first mall for Majid Al Futtaim.

Network International to Start JCB Merchant Acquiring in UAE

Network International (NI), a card solution provider in the United Arab Emirates (UAE), will open its merchant network to JCB card members this year. "The arrangement with NI will bring a significant increase in JCB card members' convenience in the UAE," said Kenji Seto, Senior Deputy President of JCB International. "Currently, the Middle East is one of the markets JCB considers most important in terms of card acceptance. Especially the UAE is the center of attention of many JCB cardmembers from a tourism perspective. According to the Department of Tourism and Commerce Marketing, about 60,000 Japanese travelers visited Dubai. This is almost 30% up compared to the same period the previous year." NI is one of the largest credit card and payment service providers in the Gulf and Middle East region, possessing 10,000 merchants in the UAE. NI has merchant network base of hotels, restaurants, and other entertainment facilities patronized by visitors to the region, including the

world's tallest all suite hotel, Burj Al Arab, which is recognized as a landmark tower in this region by travelers from around the world. At present, NI covers 40% of the country's total credit card merchants. As

a result of this alliance, JCB cardmembers' convenience will significantly increase in the UAE from this year.



(from left) Kenji Seto, Senior Deputy President of JCB International, and Abdulla Qassem, Chairman of Network International
(Job titles are those at the time reported)

Europay Austria to Start Acquiring for JCB in Austria and CEE countries



(from left) Shizuo Mizuguchi, Deputy President of JCB International, and Ewald Judt, Managing Director of Europay Austria
(Job titles are those at the time reported)

Europay Austria (EPA), a major payment solution provider in Austria, entered into the Licensee Agreement in November 2006 and to start acquiring business from the 1st October 2007. JCB granted the license to EPA of the acquiring merchants in the Central and Eastern European countries, in addition to Austria where EPA has the 96,000 merchant bases. This alliance would be a big step for JCB to significantly expand the merchant network in those countries, and as well would be a great opportunity for EPA to become a multi-branded acquirer. With this mutual benefited and strategic alliance, JCB is expecting to meet the growing demand arising from its cardmembers.

Wirecard Bank Starts Acquiring for JCB in Germany

Wirecard Bank AG (WDB) started JCB merchant acquiring business in Germany from January 2007, beginning with one of the biggest hotel booking search sites. WDB is a leading e-commerce acquiring bank focusing on online retail and travel merchants by providing innovative payment, risk and banking services, and also has a potential to gain share in the area of the face-to-face environment. JCB expects to grow its merchant network in Germany by cooperating with WDB. In addition to acquiring business, JCB granted

wirecard bank

a license to WDB for JCB card issuing. JCB is excited to strengthen the alliance with WDB and to seek for the further opportunity to issue JCB cards in Germany, profiting from their extensive knowledge and experience in the development of innovative products and services for their corporate and individual customers.

AirPlus to Start Acquiring for JCB in Germany



(from left) Lutz Logemann, Managing Director of Lufthansa AirPlus GmbH, and Kunio Yoshizawa, President and COO of JCB International
(Job titles are those at the time reported.)

In May 2007, Lufthansa AirPlus Servicekarten GmbH (AirPlus) agreed with JCB to start JCB merchant acquiring business under the brand "Acceptance" in Germany. Acceptance has a strong presence and a solid merchant network especially in the travel and entertainment area, where JCB strategically focuses for the cardmembers who frequently travel around the world.

JCB granted the acquiring license for Austria, Switzerland and Hungary in addition to Germany, with the high expectation of increasing the merchant base to satisfy its cardmember demand as well as the sales from those merchants. AirPlus is the largest corporate card issuer in Germany and one of Europe's leading providers of travel management solutions, famous for the excellence of its products and services.

Job titles are those at the time reported.

Discover Aloha Hawaii Project for Second Year

Thanks to the overwhelming response of JCB cardmembers visiting Hawaii, JCB has extended the JCB Discover Aloha Hawaii Project for another year. The new project started in April 2007, and will run through March 31, 2008. JCB will take full advantage of its marketing expertise to increase awareness of Hawaii as a fascinating travel destination through its wide range of customer channels. With the support of Hawaii Tourism Japan (HTJ), the second consecutive JCB Discover Aloha Hawaii Project continues the sales promotion effort first launched in 2006, designed to boost the Hawaii tourist industry.

The first year of JCB Discover Aloha Hawaii Project had a favorable response by JCB cardmembers visiting Hawaii. While the number of



Waikiki Trolley gives a free ride to JCB cardmembers

visitors from Japan to Hawaii dropped by 10% (April 2006 - January 2007) due to a number of factors including a reduction in airline seats from Japan to Hawaii and limited hotel availability as some hotels conducted major renovations, JCB card

sales on Hawaii had an increase of 6% from the previous year. In addition to this contribution to Hawaii tourist economy by encouraging spending by Japanese who visited the Islands, JCB made a charitable contribution from JCB card sales during the campaign period to an environmental protection organization in Hawaii to help protect the beautiful natural resources of the Islands.



Campaign banner

According to HTJ, Hawaii greets more than 7 million visitors each year from around the world. 1.37 million of those visitors come from Japan, spending over USD 2 billion in this resort. In recent years, more Japanese have been coming to Hawaii for weddings, honeymoons, and outdoor sports in addition to vacationing and sightseeing. JCB Discover Aloha Hawaii Project is being actively promoted by a wide range of alliance partners through their customer channels. With the addition of new participating and cooperating partners for the second year, the alliance now numbers 14 major firms and organizations. With this support, JCB expects even more success in the Discover Aloha Campaign this year.

Specific promotional offers for the 2007 project

- Lucky draw
Discover Aloha Campaign give visitors using the JCB card in Hawaii chances to win a grand prize of a free return trip to the islands of Hawaii and many other attractive prizes provided by alliance partners.
- Waikiki Trolley Free Ride
During the JCB Discover Aloha Campaign period, JCB cardmembers and their family members (up to 4 people per card) can ride the Pink Line Waikiki Trolley running between Waikiki and Ala Moana Center for free when showing the JCB card, in cooperation with the E Noa Corporation

True Guam Campaign Part 3

The True Guam Campaign Part 3 was introduced to run from April 1, 2007 through September 30, 2007. JCB is pleased to run this campaign for the third time, due to the popularity of the previous campaign, supported by three companies from Japan, merchants from Guam, and Guam Visitors Bureau (GVB).



The Shopping Bus enjoyed by many visitors

This campaign is expected to have the following effects: Increase in the number of tourists in Guam, build good relationships with merchants in Guam, and contribute to the local economy with

JCB sales. In True Guam Campaign Part2, average of 2100 customers participated each month, 31.3% raise compared to the True Guam Campaign Part1, in which average of 1600 customers participated each month. The average sales per volume per members rose from 80 thousand JPY to 84 thousand JPY, compared to the True Guam Campaign Part1. True Guam Campaign Part 3 is expected to have even more positive effects to the region. It is also decided that the True Guam Campaign Part 4 will take place from October 2007 through March 2008.



Specific promotional offers for the 2007 project

- Lucky draw
Customers who use JCB card anywhere in Guam get one drawing chance every \$200 they spend. The number of prize is more than 13 thousand, including a free travel to Guam from Japan, Nintendo DS Lite, and DFS gift certificate.
- Free JCB beach balls
JCB beach balls is distributed to the cardmembers at support merchants, by showing their JCB cards.

The 10th JCB World Conference in HONOLULU

The 10th JCB World Conference was held on November 13-15, 2006, at the Sheraton Waikiki Hotel in Honolulu, Hawaii, gathering about 500 representatives of 195 JCB partners from 36 countries and territories.

Under the theme of “Working Together to Shape the Future of Payments”, it was a very good opportunity for JCB and its partners from around the world to strengthen ties and encourage cooperation with each other, as well as to learn from each other.

JCB showcased new products and services, including J/Speedy™, a contactless payment tool to be launched in Taiwan this year, QUICPay™, a contactless payment scheme widely used in Japan, and palm scan authentication that was used for small value payments inside

the Sheraton Waikiki Hotel during the conference. UBWALL®, Fujitsu's interactive information display with RFID, was available for conference seating guidance, conference scheduling, and information on shops and restaurants around the hotel.

JCB also unveiled the new JCB Emblem for the first time at the conference. The new emblem symbolizes the shift that JCB has taken from a conventional credit card company to a payment solution and operations services provider (see page 11).

The 10th JCB World Conference closed with a magnificent farewell party at Luau Garden. After a farewell dance presented by Miss Hawaii USA, JCB and the participants promised under spectacular fireworks to meet again at the 11th JCB World Conference.



Presentation of Hiroya Nobuhara, President and CEO of JCB
(Job titles are those at the time reported)



Demonstration of J/Speedy



Demonstration of UBWALL

History of the JCB World Conference

The JCB World Conference is hosted by JCB to share its international brand strategy and direction with JCB and JCB International partners who are supporting JCB brand business. Starting from 1988, the conference has been held in various cities such as Tokyo, Vienna, Bangkok, Rome, Toronto, Madrid, and Kyoto.

It is an honor for JCB to invite people such as the guest speakers listed below. Number of executives view this event as an great opportunity for mutual understanding with JCB and other companies in the card business.

Year	Place	Guest Speaker	Plenary Session	Other presentations	
		Welcome Remarks	Plenary Session	Other presentations	
1	1988	Tokyo	-	Nilson Report	-
2	1990	Hawaii	Chairman, Bank of Hawaii	Nilson Report	Intourist
3	1992	Vienna	Mayor, City of Vienna	Central Bank of Austria	AT&T
4	1994	Bangkok	Governor, City of Bangkok Ambassador of Japan to Thailand	Ministry of Finance, Thailand	Bank of China
5	1996	Rome	Mayor, City of Rome	Central Bank of Italy	Chinatrust Commercial Bank Microsoft
6	1998	Toronto	Canadian Tourism Commission Ambassador of Japan to Canada	Central Bank of Canada	First Data Corporation Hertz
7	2000	Madrid	Minister of Tourism, City of Madrid Ambassador of Japan to Spain	Banco Bilbao	CEO, RCBC
8	2002	Bali	This Conference was cancelled		
9	2004	Kyoto	Mayor, City of Kyoto	Economic Planning Agency Bank of China NTT Docomo	Ministry of Economy of Japan

JCB Strategy

Mr. Hiroya Nobuhara

President & CEO, JCB Co., Ltd., Chairman & CEO, JCB International Co., Ltd.



Hiroya Nobuhara, President and CEO of JCB gives speech at the conference
(Job titles are those at the time reported)

Japanese Market and JCB's Achievements

In the past several years, credit card payment has been spreading to new markets in Japan: everyday shopping, payment to the government, electronic toll collection, online shopping, and other ways for consumers to use their credit cards. However, of all the consumer expenditure in Japan, which is 285 trillion yen, 256 trillion yen (about 90%) is spent by cash. If we breakdown this 256 trillion yen cash market, JCB estimates that about 132 trillion yen is spent at merchants that do not accept credit cards, and 124 trillion yen at credit card merchants. Considering these facts, JCB saw the following as the way to enlarge the credit card market in Japan.

1. Expand the market where credit card is accepted.
2. Increase credit card share of payments.

JCB sees those areas a key for its growth, and has been making great achievements.

Enlarge the Market

To expand the market where credit card is accepted, JCB decided to step into the “small-value market” and “payment to government market”.

“Small-value market”

With a definition of small-value as payments of 3000 yen or less, the market is estimated at about 60 trillion yen. However, there are issues: consumers do not want to be bothered with signing a receipt, and merchants want quicker processing at the point of sales. Up to the present, credit card payment has not been able to break into this market in any significant way. In response to those issues, in order to open up the small-value market, JCB rolled out the QUICPay contactless payment scheme in 2005. QUICPay payment can be made by card or mobile phone, linked to the cardmember's existing credit card account. In order to promote this contactless payment scheme, JCB called on the credit card industry, establishing the Mobile Payment Promotion Association, or MOPPA, in October of 2005 in conjunction with 77 major Japanese corporations.

“Payments to government market”

Market size of the “payments to government market” is over 30 trillion yen. Although there is a high consumer demand according to a JCB survey, credit card payment has not made progress in this market

due to two factors: regulations have not permitted credit card payment and economic conditions and systems different from the general merchant are required.

In order to open this market, JCB proposed credit card payment under the system of allowing the private sector to submit proposals for special deregulation, a part of ongoing government reform, and last year JCB formed the Ministry of Internal Affairs and Communication Study Group, and the Working Group for Payment to Government by Credit Card in conjunction with 60 JCB franchisees, to survey and educate government agencies. As a result of these efforts, there are prospects of an amendment at an extraordinary Diet session, with the outlook that card payment will become possible over the next several years for water charges, national pension payments, automobile taxes, and other payments.

Credit Card Share

“Diversifying demands of Japanese market”

As the Japanese population ages and society matures, there is increasing diversification among all Japanese consumers. More and more Japanese consumers want products that match their lifestyles, and there is increasing demand for products to match individual preferences.

JCB is meeting that demands the following three ways.

First, JCB provides products that match consumer lifestyles. JCB segments the customers by life cycles, demographics and other attributes, and by spending patterns to provide products matching a diverse array of consumer demand. JCB Linda is a card product targeted to single working women in their 20s and 30s, who have high disposable income and are motivated to spend. The keyword for this customer segment is “beauty”, and JCB and a collaboration of major businesses, the first in the industry, provide products and services to cardmembers. As a result of matching this group's needs, JCB Linda now has 550,000 cardmembers, and card activity rates are 6 points higher than the overall average.

Next, JCB is providing products suiting diverse interests and tastes. As mentioned earlier, more and more consumers are demanding products tailored to their own individual preferences, and JCB has a wide lineup of products across a range of categories in cooperation with major partners in many different industries, to meet those demands. For example, JCB has alliances with major airlines around the world. As a result, JCB is successful in attracting customers who want to earn miles, with activity ratios and average ticket sizes higher than non-mileage cards.

Thirdly, JCB has been providing information tailored to the individual customer to meet diversified demands. Since October 2005, JCB has been providing on-demand, customized cardmember publications for insertion with monthly card statements that are matched to each individual customer's attributes and preferences.



Specifically, we publish individualized greetings, examples of available gifts depending on how many points that customer has, and campaign promotions that fit that customer's particular preferences. JCB's one-to-one Unclip informational magazine has 10 variations depending on customer demographics and other attributes, 6000 variations depending on spending patterns, 135 variations depending on where the cardmember reside. In total there are 8 million possible different customized editions. As a result, the response rate for campaigns improved by 600%, and sales have increased by 5%.

As stated earlier, the credit card share of Japan's consumer market is still only 10%. JCB is working together with the Japanese card industry, hoping to see this market grow 170% to 50 trillion yen, for a 16% share of the total consumer spending market.

Global Market and JCB's Achievements

JCB has three strategies for the global market.

1. Expansion of issuing business in Asia
2. Increase the acceptance network in the USA and Europe
3. Enhance information security

The credit card market is still developing in Asia, and still has sufficient room to grow in the future. JCB, as an international brand based in Asia, expects to achieve a cardmember base of over 5 million this year, and aspires to even further expansion of the cardmember base outside of Japan in the future.

On the other hand, in the US and Europe, the major point for JCB is how to improve JCB card acceptance. With the goal of dramatic improvement in JCB acceptance, JCB signed an agreement with Discover Financial Services, the major American credit card issuer and acquirer, for reciprocal acceptance in the US and Japan, in August, 2006. Specifically, the number of merchant locations accepting the JCB card in North America will grow from the current 900,000 to 4 million.

At the same time: there is the growing necessity, based on increasing demand from global society, for high-level security of personal information. In order to ensure a more secure global payment environment, JCB joined with four other international payment brands in

establishing the PCI Security Standards Council in September, 2006. PCI are common security standards designed as an initiative of the international card brands, which standardize specifications for all brands. Also, JCB has been working with other brands in implementing AIS (Account Information Security), a certification program determining whether standards for customers' information security are being met. In the future, JCB will roll-out security programs around the world for stronger personal information security.

Direction to be achieved by JCB

JCB has developed as a credit card company, but in the future, JCB hopes to take the following three roles in the field of payments:

1. As a credit card company
2. As a payment scheme provider
3. As a processor

For example, JCB will be providing issuing operations services for e-money with an adult ID smart card, to be used for cigarette vending machines starting in 2008 in Japan. JCB is also developing next-generation back-end systems to improve the operational infrastructure that supports the business of its partners, in order to create a more convenient payment environment. This is a once in 20 years, large-scale system renewal for JCB. The acquiring system is scheduled to go live in 2007, and the issuing system in 2008.

In the future, payments will have more impact than now on the daily lives of individual. As an international brand, JCB is committed to create an environment where partners are not bound by the rules of the past, but can change swiftly with changes in the market. JCB is different from the other brands. JCB is the only international brand with roots in Japan, and has always led the industry in listening to the voice of the customer. Above all, JCB promises that it will continue to work even harder to create joyful opportunities for customers.

JCB is changing, looking to the future of payments. However, the commitment to making the lives of consumers more convenient and more secure through payments by providing advanced support and high-quality services will never change.



JCB International Strategy

Mr. Kunio Yoshizawa
President & COO, JCB International Co., Ltd.



Kunio Yoshizawa, President and COO of JCB International, gives a speech at the conference

(Job titles are those at the time reported)

JCB's Progress in the Past Two Years

Despite the fact that JCB continued to face difficult challenges, the numbers show that JCB's business is continuing to grow in the past two years.

Sales Volume Outside Japan

Sales volume outside Japan increased by 31% over the last two years. There are three factors which contributed to the growth in sales: recovery in the Japanese economy, growth in the international travelers from Asian countries, and expansion of JCB merchant network.

Number of Merchant Outside Japan

The number of JCB merchants has grown by 2 million locations outside Japan, to the current total of 8 million in 190 countries and territories. There are three major reasons for this merchant network growth: effective JCB acquiring activities complemented the needs of JCB brand cardmembers, establishment of major new partners in Spain, Netherlands, and Russia, and new card issuing programs resulted in additional merchants in Asia.

Number of Cardmembers Outside Japan

Over the past two years, JCB has been supported by a total of 69 business partners including 7 new partners. New issuing programs have started in China, Bahrain, and Bulgaria, resulting in a total of 20 countries, including Japan. The number of cards issued outside Japan has been increasing and is now close to 5 million.

Global Infrastructure and New Technologies

JCB has been eagerly working to build the international brand infrastructure and to put new technology into new products.

EMV Co and PCI SSC

JCB started the EMV-compliant application called "J/Smart™" in 1999, and has been issuing smart cards since then. The JCB EMV migration in both issuing and acquiring has expanded to 24 countries, and more than half of all JCB brand cards are now EMV smart cards. In Japan, JCB has migrated over 80% of its cards. In 2004, JCB became a one-third shareholder in EMV Co with Visa and MasterCard. While there are continuing challenges, JCB is committed to investing in EMV Co efforts to reduce the burden on business partners through standardized card and terminal specifications.

In addition to EMV Co another major activity is PCI. JCB established the PCI Security Standards Council with four other international card brands in 2006.

J/Speedy

JCB is one of the principal members of the Mobile Payment Promotion Association (MOPPA), which is promoting the use of the QUICPay contactless payment solution in Japan. QUICPay is based on the FeliCa® chip that is widely used in Japan. On the other hand, JCB has developed a different type of global contactless payment solution called "J/Speedy" that uses an ISO compliant protocol. J/Speedy will be released in Taiwan this year.

Internet Authentication Product

JCB has developed a one-time password generator integrated into a card to protect cardmembers from phishing without a separate card reader. This also uses PIN to keep card information secret.

Closing Remarks

JCB consider globalization as one of the five critical marketing aspects for commercial success in the 21st century, along with customer value, alliances, communication and technology. JCB values relationships with partners worldwide and has confidence that we will be discussing even more business opportunities with our partners for many years to come. JCB hopes to "Work together to shape the future of payments" with partners all over the globe.

※FeliCa is a registered trademark of Sony Corporation.



China Everbright Bank Offers JCB Card in Cooperation with Trends Group in China



At the press conference held in Beijing

China Everbright Bank, one of the major commercial banks in China, started to issue JCB branded CEB - Trends COSMOPOLITAN Card. and CEB-Trends Esquire Card. The issuing process started February 12, 2007, in cooperation with Trends Group, a major fashion magazine publisher in China.

This alliance with CEB is JCB's third card issuing alliance in the region.

The cards are separately designed for men and women: the CEB - Trends COSMOPOLITAN Card for women and the CEB - Trends Esquire Card for men. These cards offer cardmembers the international acceptance of the JCB global payment brand, credit card services provided by CEB, and other unique and attractive services provided by

Trends Group targeting fashion and trend-conscious young Chinese consumers.

Kunio Yoshizawa, President and COO at JCB International, said, "We believe that combining the potential customers at China Everbright Bank and the fashion and trend-conscious young Chinese consumers at Trends Group together with strong media support as well as unique value-added services, will make this card a leading fashion card in China."



"JCB-CEB Trends COSMOPOLITAN Card" and "JCB-CEB Trends Esquire Card"

JCB "CMB Hello Kitty Fan's Credit Card" Issued in China

China Merchants Bank (CMB), one of the major commercial banks in China, began offering international branded JCB CMB Hello Kitty Fan's Credit Card on March 1, 2007, with designs featuring 'Hello Kitty' and 'Dear Daniel' licensed by Sanrio (Shanghai) Int'l Trade Co., Ltd. The agreement with CMB, the largest credit card issuer with more than 10 million cards in China, is JCB's fourth card issuing alliance in the region.

Based on years of successful experience with Hello Kitty design JCB cards in other Asian regions, JCB brought the proposal to CMB for issuing value added cards with the character, which is popular across a



"JCB-CMB Hello Kitty Fan's Credit Card"

wide segment of Chinese consumers. CMB Hello Kitty Fan's Credit Card offered by CMB will accelerate further expansion of JCB as a global credit card brand in the Chinese payment market.

The CMB Hello Kitty Fan's Credit Card is available in two designs: one appealing to more traditional Chinese tastes, and one featuring a more European look. In addition to the attractive design targeting Hello Kitty fans, there is a great selection of services for a diverse range of cardmembers.

Kunio Yoshizawa, President and COO at JCB International, said, "We have been actively focusing on forming alliances to expand JCB card issuing in China, and are pleased and honored to be launching business with China Merchants Bank, holder of the largest share of the credit card numbers issued in China in this vast potential market. We anticipate the launch of JCB CMB Hello Kitty Fan's Credit Card will significantly increase the awareness of JCB brand in Chinese consumers."

JCB "Japan Airlines SPDB Co-Branded Credit Card" Issued in China

Shanghai Pudong Development Bank (SPDB) started issuing JCB branded Japan Airlines SPDB Co-Branded Credit Card on March 6, 2007. This marks JCB's fifth license agreement for issuing JCB branded cards in China.

SPDB is one of the leading banks in the Chinese credit card market. In partnership with Japan Airlines (JAL), Japan's leading air transportation service provider, and JCB, SPDB is issuing the card to meet the rising demand in China for a mileage credit card as economic exchange with Japan continues to increase. The primary target market for the Japan Airlines SPDB Co-Branded Credit Card is an internationally active

businessman residing in China, traveling frequently to Japan. Card use earns JAL Mileage Bank miles that can be exchanged for flights on JAL Group and other JMB partner airlines.

In addition to earning JAL Mileage Bank miles this attractive card offers a wide range of insurance as well as global services by SPDB and JCB.



"JCB-Japan Airlines SPDB Co-branded Credit Card"

A New Co-Branded Card : The BOC-Dazhong JCB Card Launched in China

JCB has launched a new co-branded card in China issued by Bank of China (BOC) in cooperation with Dazhong Electronics: the BOC-Dazhong Co-branded Card. This marks the first household appliance co-branded card for JCB with a Chinese partner bank. They started to recruit card applicants in Beijing in December 2006, and three months later expanded recruitment to other areas in China.

JCB is excited to launch a co-branded card with Dazhong Electronics, one of the largest retail household appliance chains with 3.5 million registered customers, and to deliver useful services to Chinese consumers. The new BOC-Dazhong Co-Branded Card is an international JCB branded dual-currency credit card offering great benefits to cardholders. The benefits include a lucky draw offered regularly by Dazhong Electronics, and an RMB150 coupon as a bonus.

Toshifumi Ooka, Chief Representative of Beijing, China office at JCB

International said, "In addition to the great benefits and services, the JCB branded BOC-Dazhong Co-branded Card holders can be served in more than 13 million JCB merchant locations in 190 countries and territories worldwide. This card is a gift from us to the Chinese consumer, together with the most well known Chinese household appliance retail chain and one of the largest banks in China."



(from left) Hong Song, General Manager of Dazhong Electronics Co., Ltd., Toshifumi Ooka, Chief Representative of Beijing, Chris Holdworth, Bank Card Center Deputy CEO of Bank of China Ltd.

JCB launches "Korea Sparkling Campaign" with the support of Korea Tourism Organization

JCB launched the Korea Sparkling Campaign, under the support of Korea Tourism Organization, and in cooperation with alliance partners from Korea and Japan working together to attract travelers to Korea. The campaign will run from August 1, 2007 to March 31, 2008. JCB is taking full advantage of its marketing expertise to raise awareness of Korea as an attractive destination through a wide range of customer channels. Sales promotion includes a campaign with prizes of round-trip airline ticket to Korea, and a campaign offering over 20,000 prizes and 5% off at the Korea Tourism Organization Duty Free Shop, to make Korea an even more tempting place to visit.



Specific promotional offers for Korea Sparkling Campaign

- Lucky Draw by Korea Tourism Organization
Round-trip airline ticket to Korea (8 winners × 2 persons) and other prizes will be given to 600 winners. Travelers can enter the campaign by answering a questionnaire at the Korea Tourism Organization website during the campaign period.
Korea Tourism Organization HP: <http://www.tour2korea.com/>
- Lucky Draw by JCB
Bring JCB card receipts to the lucky draw location and get one chance to win for every 200,000 won spent.
Prizes include a trip to Korea by Korean Air (10 winners) and other attractive prizes given to 21,309 people in total.
- Special Discounts at Duty Free Shop
Get 5% off at the Korea Tourism Organization Duty Free Shop by purchasing with JCB card.
*discount applies to purchases over USD20 only
*some merchandises are excluded
*cannot be used with other offers

JCB Gets Ready to Roll Out an International EMV-based Contactless Solution in the Global Market

JCB has agreed to share Visa Asia Pacific's contactless terminal specification for the acceptance of JCB's contactless cards, J/Speedy, at merchant locations outside of Japan. With this arrangement, merchants can use the same terminal to accept contactless payments for both brands. The agreement will significantly increase the network of acceptance points for JCB and Visa contactless cards.

Tac Watanabe, Senior Vice President of Global Infrastructure & Technologies at JCB said that this is an important phase for JCB in rolling out an international EMV-based contactless solution for cardholders and merchants. "The agreement will provide new opportunities for the two payment systems to expand contactless merchant acceptance further and to increase the number of outlets where cardholders can use their contactless cards. We strongly believe that this arrangement will also lead to more cost-effective and easier implementation of contactless payments for our issuers and acquirers."

Taiwan will be the first market in Asia to start accepting both brands at

the same point-of-sale terminals. Customers will benefit as this agreement accelerates speed to market and greater merchant acceptance of faster and more convenient contactless payment products.

As a result of this agreement, merchants accepting JCB and Visa contactless cards will be able to minimize their investment in terminals. Vendors will be able to lower their production costs, speed up time to market and thus accelerate the pace at which the industry can implement interoperable contactless payment programs. Ultimately, consumers and merchants will benefit from faster and more convenient payment.



J/Speedy

MBF Cards Starts JCB Merchant Acquiring in Malaysia

MBF Cards (M'sia) Sdn Bhd (MBF Cards), Malaysia's largest non-bank backed credit card company, began to expand JCB card acceptance in Malaysia by opening its merchant network to JCB on January 2007, targeting to sign-on approximately 10,000 JCB merchants within the first 12 months. This will be derived from its existing 26,000 merchants and new merchant acquisitions, further cementing the card issuers' reputation as one with the largest network and merchants. With this arrangement, JCB merchants in Malaysia will be doubled in a few years, significantly increasing the level of convenience for JCB cardmembers.

JCB anticipates the sharp increase in transactions that JCB cardmembers generate in this region. In order to establish another solid cardmember base in Asia, JCB continues to develop issuing network, as

well as acceptance network in Malaysia.



(from left) Huan Woon Han, President, MBF Cards (M'sia) Sdn Bhd. Kunio Yoshizawa, President and COO, JCB International
(Job titles are those at the time reported)

BAY Starts Acquiring for JCB in Thailand

Bank of Ayudhya (BAY) in cooperation with JCB International started JCB merchant acquiring and cash advance for JCB card on March 27, 2007. In addition, the BAY merchant network started to accept JCB cards.

BAY, consolidated with GE Capital in 2006, is one of the fastest growing banks in the Thailand credit card industry, with 12,000 merchants in its network. BAY merchants include Novotel Hotel Group, and restaurant chains including Japanese restaurants.

JCB continues to view Thailand as an important market and is excited by the start of JCB merchant acquiring business and cash advance service by BAY.



(from left) Preeprame Seriwongse, First Executive Vice President, Bank of Ayudhya Public Company Limited. Tsuyoshi Notani, Managing Director of JCB International (Thailand)

Seven Bank ATMs Provide Cash Services to JCB International Cardmembers

Starting from July 11, 2007, JCB cardmembers with cards issued outside of Japan became able to use their cards for cash advance services at more than 12,000 Seven Bank ATMs throughout Japan. Seven Bank operates a nationwide network of ATMs open around the clock, primarily located at the world's best-known convenience store, 7-Eleven. The screen, audio messages, and receipts of all Seven Bank ATMs are available in English, Chinese, Korean, and Portuguese, providing both tourists and business travelers with even greater convenience. With the addition of Seven Bank ATMs, JCB cards issued outside of Japan can now be used at more than 44,000 ATMs in the countryside as well as in major cities across the country.

The number of travelers to Japan has been growing in recent years, due in part to the Japanese government's Visit Japan Campaign. In 2005, more than 6.8 million inbound tourists and business travelers came to Japan, and the demand for ATMs available for those foreign visitors



has also been growing fast.

"JCB has always provided the careful service that Japan is famous for, such as special benefits at selected merchants and our exclusive service desks", Tamio Takakura, JCB's president and chief executive officer, said. "Thanks to the arrangement with Seven Bank offering a convenient ATM



Tamio Takakura, President & CEO of JCB

network nationwide, JCB will be able to offer even better service to the increasing number of travelers carrying JCB cards to Japan. Also I would like to mention that JCB will serve as gateway switch between Seven Bank and China UnionPay through this arrangement. As a result, China UnionPay's more than 1.7 billion cardmembers can enjoy access to cash at Seven Bank ATMs when they visit Japan. It is our sincere hope that JCB will play a role as a bridge between China and Japan, by promoting even closer relations between these two mega-companies, major providers of retail financial services in their respective markets."

JCB New Brand Emblem and Slogan



Good times start here.

JCB has renewed the brand image JCB Emblem in its first update in 39 years, and announced the New brand slogan at the same time. The new JCB Emblem is a symbol of JCB's new branding strategy to improve brand value and provide a better understanding of JCB as a global payment brand. The new slogan conveys a sense of expectation - good things happen when you use JCB card, and confidence - JCB card is the right choice. The new brand image and slogan have started to appear at selected JCB acceptance merchant locations worldwide from June 2007, and JCB branded cards will start carrying the new JCB

Emblem in April 2008.

The familiar JCB Emblem for the last 39 years had 3 S-shaped patterns, which stood for 'SIGN', 'SMART', and 'SAFETY'. The newly designed logo keeps the blue, red, and green colors, but redefines the 'S' shapes as 'SUPPORT', 'STRENGTH', and 'SHARING' to reflect JCB brand personality. The new JCB brand Emblem, logo, and slogan expresses 'TRUST' and 'EXPECTATION' which JCB delivers to the customers.

JCB Appoints New President & Chief Executive Officer

JCB Co., Ltd. (JCB) announced the appointment of Tamio Takakura as President and Chief Executive Officer (CEO) at its annual shareholders' meeting in Tokyo held on June 26. Mr. Takakura succeeds Hiroya Nobuhara who had served as JCB's President and CEO for the past 4 years. Prior to this appointment, Mr. Takakura had been JCB's Deputy President since 2002. Before joining JCB, his career included close to 10 years of international banking management positions at the former Sanwa Bank. Mr. Nobuhara retired having made substantial contributions to expand JCB's wide-ranging business as a payment solution provider.



Tamio Takakura, President & CEO of JCB

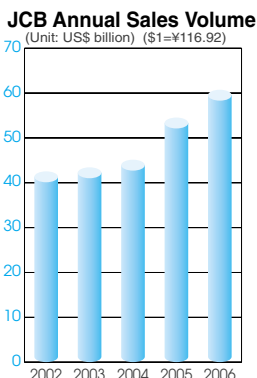
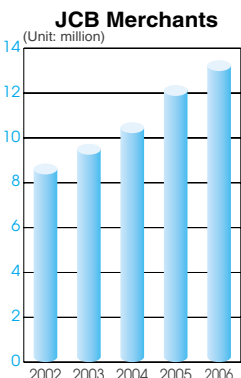
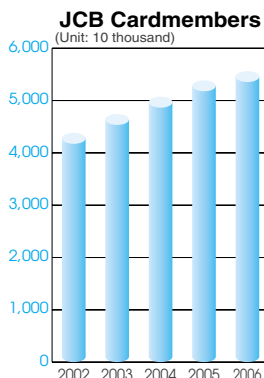
JCB International Co., Ltd. (JCBI), the wholly owned subsidiary of JCB for overseas business, also announced management changes at its annual shareholders' meeting in Tokyo held on June 27. Mr. Takakura succeeds Mr. Nobuhara as Chairman and Chief Executive Officer of JCBI. Kenji Seto, formerly Senior Deputy President was appointed as President and Chief Operating Officer (COO). Mr. Seto joined JCB in 2005 and JCBI in 2006, bringing 15 years of experience in the international banking industry at Sumitomo Mitsui Banking Corporation. Kunio Yoshizawa, who held the position of President and COO of JCBI for the past 4 years, retired after 13 years of dedication to the growth of JCB's presence in the overseas market.



Kenji Seto, President & COO of JCB International

JCB Key Statistics for FY2006

(as of March 2007)



JCB Cardmembers : 55.75 million *1
JCB Merchants : 13.50 million *1
JCB Annual Sales Volume : 60.9 billion USD *2

*1 The figures are as of March 31, 2007.
 *2 2006 Annual Sales Volume is from April 2006 to March 2007.
 JCB calculates its annual sales volume in Japanese yen.
 The figures in the graph are based on the average exchange rate for 2006, \$1 = ¥116.92

JCB International Offices and JCB Plazas Worldwide



JCB Plaza Worldwide

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New York / Los Angeles / Las Vegas(2) / San Francisco / Honolulu / Guam / Vancouver

Asia Pacific

Tokyo / Hong Kong / Beijing / Shanghai / Seoul / Taipei / Singapore / Bangkok / Ho Chi Minh City / Jakarta / Bali / Kuala Lumpur / Sydney / Gold Coast / Auckland

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