

Press Release

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September 25, 2003

Nikko Cordial Securities Inc.
Lawson, Inc.

Nikko Cordial Securities and Lawson to Consider Comprehensive Business Alliance

Nikko Cordial Securities Inc. (Head office: Chiyoda-ku, Tokyo; President and CEO: Junichi Arimura) and Lawson, Inc. (Headquarters: Suita-shi, Osaka; President and CEO: Takeshi Niinami) today announced a basic agreement to explore the possibility of a comprehensive business alliance involving mainly securities brokerage and ATM operations.

1. Purpose

The alliance is intended to enhance and fortify the operating bases of both companies. This will be achieved by offering greater access to financial markets to investors, as well as raising convenience for and expanding the number of customers. Under the proposed alliance, Nikko Cordial Securities and Lawson will, for example, leverage their complementary resources and know-how to build a securities brokerage business model using multimedia terminals and offer services through ATMs at each other's branches.

Nikko Cordial Securities has a nationwide network of 110 branches/sales offices and is engaged mainly in offering consulting services through sales offices. In October 2000, it started a call center and the same month launched "ez Trade", an online trading service, as part of efforts to promote a "multi-network" strategy.

Lawson has developed a network of 7,711 stores (as of August 31, 2003) spanning all of Japan's 47 prefectures, and through the creation of new products and services is striving to establish itself as "the 'hot' station in the neighborhood" to help enrich people's lives

The alliance would give rise to one of the largest securities networks in Japan and is also expected to attract more investors by presenting them with a wider range of channels through which to trade securities.

2. Details of the Alliance

The two companies will explore the possibility of conducting the following businesses.

(1) Securities Brokerage Business

Nikko Cordial Securities and Lawson will consider offering high-quality information and services provided by Nikko Cordial Group through *Loppi* multimedia terminals^{*1} installed in all of Lawson's 7,711 convenience stores nationwide (as of August 31, 2003).

1) Possible Services

Opening of accounts / Requests for application packs to open an account

Trading of securities / Shares, government bonds for individuals, etc.

Information service / Stock price inquiries, etc.

Account maintenance / Change of address, etc.

Note: Customer support for the services of Nikko Cordial Securities would be offered by that company's designated customer dialing service at its call center

2) Account Operation

A customer could open a designated account different to an existing account (possible to use an existing account)

Services provided at Lawson stores would only be accessible through *Loppi* terminals

Customers could also use the Nikko Call Center and Nikko "ez Trade" online trading service, in addition to *Loppi* terminals.

(2) ATM Business

Consideration will be given to installing ATMs at Nikko Cordial Securities' branches and broadening the services available to customers through the ATMs of both companies.

(3) Store Development Business

1) Examine the creation of joint stores

2) Introductions and brokerage services for customers of Nikko Cordial Securities

The two companies will explore the possibility of beneficially linking the needs of Nikko Cordial Securities' customers, who want to make effective use of real estate holdings, with Lawson's store development plans.

(4) Credit Card Business and Other Businesses

1) Tie-up with LAWSON PASS*²

2) Other businesses under separate agreements

The two companies will examine the possibility of engaging in business in various growth fields.

3. Schedule

Roll out of services through *Loppi* multimedia terminals: summer 2004 (planned)

Installation of ATMs: spring 2004 (planned)

The two companies plan to file a joint business model patent application for a securities brokerage business based on this basic agreement.

*1 *Loppi* terminals are multimedia terminals that operate 24 hours a day, year round, and have been installed in all of Lawson's 7,711 convenience stores nationwide (as of August 31, 2003). Users can purchase concert, travel and other tickets and apply for insurance, among the various services offered through *Loppi* terminals.

*2 LAWSON PASS is a members-only credit card that can be used to purchase goods at Lawson stores or get cash advances. The card features a proprietary shopping reward scheme.

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