



JCB Deploys Axalto's DDA-Enabled Smart Cards

Collaboration Offers Customer World-class Secure Transaction Management

Tokyo, August 18, 2005 - Since July 2005, JCB Co., Ltd and Axalto (Euronext: NL0000400653 - AXL) collaborate to offer Axalto's Dynamic Data Authentication (DDA)-enabled smart cards to JCB customers in Japan. In the banking sector, microprocessor cards based on the EMV (Europay-MasterCard-Visa) international standard are replacing magnetic stripe cards at a fast pace. These intelligent cards, with their ability to manage a variety of applications and new advanced security features, are familiar to cardholders and offer an ideal enhanced option against fraud.

With the launch of Axalto's Shinflex-J DDA-enabled product, JCB – a major international credit card brand and the largest card issuer/acquirer in Japan, is now able to offer its customers the most advanced and secured platform available today, for access to a whole host of e-payment applications.

"One of the main issues today for financial services institutions is the ability to offer increased services while maintaining customer security and privacy. With Shinflex-J DDA-enabled cards, JCB is leading the industry to offer customers international standard security and convenience," said Kazuhiro Matsumoto, Executive Vice President & General Manager, Advanced Technologies Department, JCB Co., Ltd. "Axalto offers JCB true partnership, a track record of success globally and a robust end-to-end solution suite, which we believe will contribute greatly to the success of this deployment."

"We are pleased to be working with industry frontrunner JCB. Through this close cooperation, Axalto has developed the desired appropriate technology in a timely manner, helping JCB to future-proof their market investments," said Philippe Vrignaud, Vice President, North Asia, Axalto. "Our EMV DDA native product represents the best that technology has to offer, combining new services deployment flexibility with software and hardware security features to ensure that JCB and their customers continue to enjoy world class banking card products that are secure, reliable and able to handle a large variety of easy-to-use applications."

Note to Editors:

With its partnership with JCB, Axalto's DDA native OS product is well positioned to reshape the business of credit card with the most technologically advanced level of security for the finance industry. DDA is seen as a defacto standard for next generation security in the smart card world and comes on the back of demands for solving security issues and managing

fraud, especially for off-line transactions. DDA ensures that data is changed for every transaction, thereby minimizing fraud and lowering the cost of fraud management for the issuing bank. At the same time, the DDA feature also offers card users a peace of mind as security risk is lower and thus promotes increased usage. With the adoption of Axalto's DDA-enabled native OS product, JCB is well under way to set the pace for security in credit cards as well as finance industry. In addition to the lower cost of fraud management, the DDA product is a sound investment for the future, as it paves the way towards EMV migration – a revolution that is fast becoming the de-facto standard for all issuing banks in the near future.

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About JCB

JCB is an international credit card brand and the largest card issuer and acquirer in Japan. JCB launched its card business in Japan in 1961 and began expanding overseas in 1981. Its merchant network includes 12.4 million merchants and spans 190 countries and territories. JCB cards are now issued in 19 countries and territories, with 55.14 million cardmembers. As part of its international growth strategy, JCB has formed alliances with more than 350 leading banks and financial institutions globally to increase merchant coverage and cardmember base. JCB's corporate philosophy of "Service from the heart", a commitment to responsive and high-quality service, continues to guide it as it creates the future together with its customers, merchants and partners. For further information, please visit the JCB Co. Ltd. home page at: www.jcb-global.com/english or www.jcbcorporate.com/english.

About Axalto

Axalto (Euronext: NL0000400653 AXL) is the world's leading provider of microprocessor cards (Gartner 2005, Frost & Sullivan 2004) - the key to digital networks - and a major supplier of point-of-sale terminals. Its 4500 employees come from over 60 nationalities and serve customers in more than 100 countries, with worldwide sales exceeding 3 billion smart cards to date. The company has 25 years' experience in smart card innovation and leads its industry in security technology and open systems.

Axalto continuously creates new generations of products for use in a variety of applications in the telecommunications, finance, retail, transport, entertainment, healthcare, personal identification, information technology and public sector markets. Microprocessor cards provide convenience, security and privacy to public and private services operators, their customers and end users.

For more info, please visit www.axalto.com

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