

January 24, 2002

AIFUL Corporation Transfers Fixed Assets to Subsidiary

KYOTO – AIFUL Corporation has announced a transfer of fixed assets, resolved at the meeting of the company's Board of Directors held on January 24, 2002. Details are given below. Accordingly, AIFUL has also revised the full-term earnings forecast it announced with its interim results on November 6, 2001.

1. Purpose and details of the transfer of fixed assets

AIFUL Corporation, in conjunction with group companies such as the consumer credit company LIFE Co., Ltd., the consumer loan companies Happy Credit Corporation and Shinwa Corporation, and the business loan company Businext Corporation, is aggressively pursuing a group strategy that aims to make AIFUL a comprehensive financial services company in the retail finance segment.

With this group strategy, AIFUL is working to improve financial performance through optimal allocation of resources to non-finance peripheral businesses. As part of this effort, AIFUL will transfer all of the rental and commercial property it owns to a wholly owned subsidiary, MARUTOH Co., Ltd. In addition to efforts to make the property management services of the AIFUL group more efficient, idle property will be reclassified as property held for sale and prices will be lowered to reflect current market values.

2. Details of asset transfer *1

(Unit: ¥ million)

	Number of properties	Book value	Transfer price	Difference	Method (planned)
Rental property	19	14,422	3,961	-10,461	Transfer to MARUTOH Co., Ltd.
Commercial property	22	26,126	5,083	-21,043	
Idle property	2	2,510	438 *2	- 2,071	Reappraisal *2
Total	43	43,059	9,482	-33,576	

*1 Amounts other than book values are estimates. Not including consumption tax, etc.

*2 Idle property will be reclassified as property held for sale and prices will be lowered to reflect current market values.

3. Profile of transferee (as of January 24, 2002)

Name	MARUTOH Co., Ltd.
Establishment	May 1981
Headquarters	381-1 Takasagocho, Karasumadori, Shimogyo-ku, Kyoto
Representative	Satoshi Kanazawa
Capital	¥70 million
Main business	Property management
Relations with AIFUL	Wholly owned subsidiary

4. Transfer schedule

January 24, 2002 Resolution by AIFUL's Board of Directors
Late February 2002 Transfer of property

5. Future outlook

The transfer of rental property is expected to result in a ¥22 million gain on the sale of fixed assets, and a ¥31,527 million loss on the sale of fixed assets.

In AIFUL's non-consolidated accounts, both gains and losses on the sale of fixed assets will be booked as extraordinary gains and losses at the end of the current fiscal year. In consolidated accounts, gains on the sale of fixed assets will be offset and eliminated, and losses on the sale of fixed assets will be booked as an extraordinary loss.

AIFUL will also book as an extraordinary loss the ¥2,071 million valuation loss from the reclassification of idle property as property held for sale.

6. Revision of earnings forecast for the fiscal year ending March 31, 2002

(1) Consolidated earnings forecast

(Units: ¥ million; %)

	Current revised forecast <A>	Previous public forecast (Nov. 6, 2001) 	Amount of change <A-B>	Percentage change (%) <(A-B)/B>	FY3/01 results <D>	Percentage change (%) <(A-D)/D>
Operating revenue	400,987	400,987	-	-	280,656	42.9%
Ordinary income	114,698	114,698	-	-	103,533	10.8%
Net income	39,243	56,597	-17,354	-30.7%	48,252	-18.7%

(2) Non-consolidated earnings forecast

(Units: ¥ million; %)

	Current revised forecast <A>	Previous public forecast (Nov. 6, 2001) 	Amount of change <A-B>	Percentage change (%) <(A-B)/B>	FY3/01 results <D>	Percentage change (%) <(A-D)/D>
Operating revenue	308,082	308,082	-	-	270,827	13.8%
Ordinary income	116,000	116,000	-	-	103,372	12.2%
Net income	43,686	61,052	-17,366	-28.4%	48,512	-9.9%

AIFUL Corporation

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Fiscal year: Ending March 31

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