

July 8, 2002

AIFUL Corporation Acquires City's Co., Ltd.

KYOTO — AIFUL Corporation announced today the conclusion of the final agreement for its acquisition of business finance company, City's Co., Ltd., on July 8, 2002. The company will become an AIFUL Group subsidiary.

1. Objectives of Acquisition

With the aim of expanding its business finance segment, AIFUL has reached an agreement with City's to acquire and convert that company into a subsidiary. City's is an outstanding company with solid management that has built up a sound revenue base. The schedule and method for the acquisition is to be discussed with City's.

AIFUL seeks to become a total financial services company in the retail finance segment and has been aggressively diversifying its product portfolio and its channels for customer acquisition, targeting the entire consumer credit market. The company's approach is not limited to traditional consumer finance markets. The company has also been actively marketing business loan products at Businext, a joint venture with Sumitomo Trust & Banking Co., Ltd. AIFUL expects that this latest acquisition will enhance the profitability of the AIFUL Group's business loan segment and further strengthen its sales and operating base.

2. Details of the Acquisition

- Loans outstanding covered by acquisition
Approximately 30 billion yen (As of September 30, 2001)

- Branches covered by acquisition
Kyushu region: 7 branches; Chugoku and Shikoku region: 8 branches; Kansai region: 8 branches; Tokai region: 3 branches, Kanto region: 11 branches (Total: 37 branches)

Note: The owner of City's will repurchase the company's main office building in Kumamoto as well as its real estate operation after this acquisition has been completed.

- Employees
AIFUL plans to continue the employment of approximately 400 employees from headquarters and sales branches.

3. Profile of City's Co., Ltd. (As of September 30, 2001)

Name	City's Co., Ltd.
Type of business	Business finance company
Establishment	October 1959
Headquarters	5-62 Joto-machi, Kumamoto city, Kumamoto
Representative	Shinichi Tanizaki, President
Capital	¥700 million
Fiscal year	Ending September 30
Number of branches	38
Number of employees	447
Loans outstanding	¥32,513 million

Business results in recent fiscal years (Unit: Million yen)

	Year ending Sept. 1999	Year ending Sept. 2000	Year ending Sept. 2001
Operating revenue	10,055	9,626	8,938
Operating income	3,765	3,355	3,067
Ordinary income	3,829	3,404	3,137
Net income	1,900	1,705	1,703

AIFUL Corporation

Headquarters: 381-1 Takasagocho, Gojo-Agaru,
Karasumadori, Shimogyo-ku, Kyoto

President: Yoshitaka Fukuda

Stock code: 8515

Exchanges: TSE 1st Section; OSE 1st Section

Fiscal year: Ending March 31

Inquiries: Kenichi Kayama, General Manager, Public
Relations Department

Telephone: (03) 3274-3560 (Public Relations)
(03) 3274-4561 (Investor Relations)

Fax: (03) 3274-4581

City's Co., Ltd.

Headquarters: Kumamoto city, Kumamoto

President: Shinichi Tanizaki