

## AIFUL Corporation

Press Release

August 24, 2009

### AIFUL Announces Transfer of Subsidiaries (Share Transfer) and Affiliated Company Loans

KYOTO — At a meeting of the board of directors held on August 24, 2009, AIFUL Corporation resolved to transfer all shares in the company's wholly owned and consolidated subsidiaries Wide Corporation, TRYTO Corporation, TCM. Co. Ltd., and Passkey Co., Ltd. (hereafter, "transferred companies"), as well as its loans to the transferred companies (hereafter, "loans to the transferred companies") to NEOLINE CAPITAL Co., Ltd., as outlined below (hereafter, "the transfer").

#### 1. Rationale

In November 2007, the transferred companies moved some of their operating loans over to AIFUL subsidiary Life Co., Ltd., and ceased all lending in December the same year. After discontinuing the loan business, the transferred companies subsequently pressed ahead with collecting their remaining receivables.

At present, the business environment for the loan business has become even more difficult and many lenders are withdrawing from the market. Factors behind this trend include the undermining of the business base caused by the continuing high level of demands for interest repayments and the deterioration in the fund procurement environment, as well as the severe contraction in market size as a result of more rigorous credit screening ahead of the full enforcement of Japan's Money-Lending Business Control and Regulation Law. In this environment, AIFUL is pushing forward with exhaustive cost structure reforms while also implementing a review of duplicated operations from the perspective of selection and concentration as the company concentrates on streamlining its business through group restructuring with a view to the period following the full enforcement of the Money Lending Business Control and Regulation Law. As part of these efforts, it has resolved to transfer all shares in the transferred companies as well as loans to the transferred companies to Neoline Capital.

#### 2. Outline of subsidiaries to be sold (As of June 30, 2009)

Trade Name	Wide	TRYTO	TCM	Passkey
Representative	Kazuyoshi Wakamatsu, President and Representative Director	Kazuyoshi Wakamatsu, President and Representative Director	Kazuyoshi Wakamatsu, President and Representative Director	Kazuyoshi Wakamatsu, President and Representative Director
Location	381-1, Takasago-cho, Gojo-Agaru, Karasuma-Dori, Shimogyo-ku, Kyoto	381-1, Takasago-cho, Gojo-Agaru, Karasuma-Dori, Shimogyo-ku, Kyoto	1-17-10, Nakagosho Nagano City, Nagano	7-2-19 Nijuyonken-Sanjo, Nishi-ku, Sapporo City, Hokkaido
Date of establishment	May 1984	April 1982	July 1977	November 1990
Principal business	Collections of consumer loans under management (Consumer loan business was terminated in March 2008)	Collections of consumer loans under management (Consumer loan business was terminated in March 2009)	Collections of consumer loans under management (Consumer loan business was terminated in March 2009)	Collections of consumer loans under management (Consumer loan business was terminated in March 2008)

Fiscal term	March	March	March	March
Number of employees	119	97	18	13
Paid-in capital	2,555million yen	10 million yen	50 million yen	300 million yen
Total shares issued and outstanding	32,135 Shares	852,000 Shares	180,000 Shares	6,000 Shares
Principal shareholders (% of ownership)	AIFUL Corporation : 100%	AIFUL Corporation : 100%	AIFUL Corporation : 100%	AIFUL Corporation : 100%

Note: Number of employees includes temporary employees and seconded employees.

Performance in recent 3 fiscal years ( Millions of Yen )

Trade name	Wide			TRYTO		
	2007/3	2008/3	2009/3	2007/3	2008/3	2009/3
Operating revenue	22,664	14,087	6,486	15,000	9,467	4,677
Operating income (loss)	(18,393)	6,286	783	(15,561)	281	819
Ordinary income (loss)	(18,366)	6,330	817	(15,537)	305	892
Net income (loss)	(35,040)	6,275	1,607	(24,465)	449	1,640
Net assets	(20,282)	(14,006)	(12,398)	(15,130)	(14,681)	(13,040)
Total assets	57,076	26,990	16,181	36,435	18,983	12,500

Trade name	TCM			Passkey		
	2007/3	2008/3	2009/3	2007/3	2008/3	2009/3
Operating revenue	2,233	1,519	843	1,593	962	434
Operating income (loss)	(4,465)	373	327	(2,272)	(45)	69
Ordinary income (loss)	(4,466)	372	332	(2,270)	(43)	71
Net income (loss)	(5,889)	352	332	(2,840)	(74)	125
Net assets	(5,958)	(5,605)	(5,272)	(3,273)	(3,347)	(3,222)
Total assets	5,237	3,173	2,245	4,273	1,856	1,026

**3. Company Receiving Transfer of Shares and Loans to Transferred Companies**

Trade name	NEOLINE CAPITAL Co., Ltd.
Representative	Nobuiku Chiba
Location	13F, ARK YAGI HILLS, Roppongi 1-8-7, Minato-ku, Tokyo
Principal business	Loan financing for individuals, Credit guarantee, Credit collection and Other
Common stock	60 million yen
Date of establishment	November 22, 1969
Principal shareholders (% of ownership)	NEOLINE CAPITAL Co., Ltd. : 100%
Relationship to AIFUL	No capital, personnel or business relationship

#### 4. Number of shares sold, sale price, change in shares held before and after sale

	Wide	TRYTO	TCM	Passkey
Shareholdings before the sale	32,135 Shares	852,000 Shares	180,000 Shares	6,000 Shares
Number of shares sold	32,135 Shares	852,000 Shares	180,000 Shares	6,000 Shares
Shareholdings after the sale	0 Shares	0 Shares	0 Shares	0 Shares
Sale price	1 yen	1 yen	1 yen	1 yen

#### 5. Transfer of Loans to Transferred Companies

In conjunction with the transfer of the transferred companies, AIFUL will transfer approximately 48.2 billion yen in its loans to the transferred companies to Neoline Capital for approximately 10.3 billion yen. (Value of loans being transferred and transfer price estimated at current time.)

#### 6. Schedule of sale

Board of Directors resolution	August 24, 2009
Contract signing for sale of stock	August 24, 2009
Sale of stock	September 30, 2009 (Planned)

#### 7. Impact on Business Results

The final impact of the transfer on the company's profit and loss is uncertain at present. However, as AIFUL has already recorded a 33.9 billion yen reserve for bad loans relating to affiliated company loans to the transferred companies, a transfer loss of approximately 4.0 billion yen is expected to arise on both the consolidated and non-consolidated basis. In the event that revisions to forecasts for the half-year and full-year business results for the year ending March 2010 are required in view of the transfer, AIFUL will report such revisions promptly.

Moreover, AIFUL roughly estimates that it will be able to reduce personnel expenses by about 1.3 billion yen annually on the consolidated basis as a result of the transfer. Neoline Capital, which is receiving the transfer, has made a commitment to maintain the employment of all the employees at the transferred companies after the transfer. This means that AIFUL has made a radical reform of its cost structure while securing the jobs of the employees at the transferred companies, achieving a reorganization of group companies as well as business rationalization through greater personnel efficiency.

#### AIFUL Corporation

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