



AIFUL Corporation

Press Release

March 29, 2013

AIFUL to Transfer Subsidiary

TOKYO, March 29, 2013 — AIFUL Corporation announced today that it has reached an agreement with Sumitomo Mitsui Trust Bank, Limited (SMTB) to progressively dissolve, subject to procedures by the relevant authorities, the two company's joint venture relating to BUSINEXT CORPORATION, which was jointly established by both companies based on the joint venture agreement concluded between the two on November 27, 2000 ("the JV").

In conjunction with this, AIFUL also announced that its Board of Directors resolved today to transfer all the shares which AIFUL holds in BUSINEXT CORPORATION to New Frontier Partners Co., Ltd. (NFP), which is a wholly-owned subsidiary of AIFUL.

1. Background and Rationale for the Transfer

BUSINEXT was established by AIFUL and SMTB (then Sumitomo Trust & Banking Co., Ltd.) in January 2001. It has gained the support of a diverse range of customers by leveraging AIFUL's credit expertise and SMTB's brand image and funding capabilities to provide loans to a large number of customers in the business finance, or small business loan, sector at interest rates within the range of Japan's Interest Rate Restriction Act. As a result, BUSINEXT's balance of operating loans stood at ¥57.3 billion as of December 31, 2012.

However, there have subsequently been significant changes in the operating environment for business and consumer finance, beginning with the revised Money Lending Business Act in 2006. Current conditions in the business and consumer finance market are different those which had been previously anticipated.

For example, the former compartmentalization of the market based on interest rate bands has disappeared due to the lowering of the maximum interest rate in accordance with the revised Money Lending Business Act. Loan companies that are joint ventures between major banks and consumer finance majors have also seen significant changes in the format of joint ventures between banks and non-banks, including major reviews of both the forms and strategies for joint ventures.

Based on these changes in the operating environment, AIFUL and SMTB have held repeated discussions on the future business strategy for BUSINEXT, considering various perspectives. As a result, the two companies have agreed and are now resolved to progressively dissolve the JV.

In conjunction with this, AIFUL and SMTB will transfer all the shares that they hold in BUSINEXT to NFP, which is a consolidated subsidiary of AIFUL. This will have no effect on the business relationship between AIFUL and SMTB, and both companies have confirmed that there will be no changes.

2. Method of the Transfer

BUSINEXT will become a wholly-owned subsidiary of NFP, which is a wholly-owned subsidiary of AIFUL (BUSINEXT will become a second generation subsidiary of AIFUL).

3. Profiles of the Companies Involved in the Transfer of Shares

	Subsidiary being transferred	Destination of transfer
1. Company name	BUSINEXT CORPORATION	New Frontier Partners Co., Ltd.
2. Address	2-31-19 Shiba, Minato-ku, Tokyo	2-31-19 Shiba, Minato-ku, Tokyo
3. Representative's position/name	President :Seiji Mizuochi	President :Taku Sameshima
4. Principal business	Business loans	Venture capital business
5. Capital	¥9 billion	¥10 million
6. Date of establishment	January 18, 2001	December 12, 1985
7. Fiscal year-end	March 31	March 31
8. Principal shareholders (% of ownership)	AIFUL 60% SMTB 40%	AIFUL 100%
9. Recent financial summary	Year ended March 2012 (Millions of Yen)	Year ended March 2012 (Millions of Yen)
Net assets	14,634	(2,660)
Total assets	56,636	1,305
Operating income (loss)	7,433	(147)
Ordinary income (loss)	1,118	1
Net income (loss)	1,096	(1)

4. Number of Shares to be Transferred and AIFUL's Shareholdings before and after the Transfer

- (1) Number of shares held before the transfer: 260,000 shares
(60,000 Ordinary shares 200,000 Preference shares)
- (2) Number of shares to be transferred: 260,000 shares
(60,000 Ordinary shares 200,000 Preference shares)
- (3) Number of shares held after the transfer: 0 shares

5. Schedule (planned)

March 29, 2013	Resolution by Board of Directors' meetings at each company to transfer shares
March 29, 2013	Conclusion of share transfer agreement by each company
April 3, 2013 (planned)	Extraordinary General Meeting of Shareholders (BUSINEXT)
April 3, 2013 (planned)	Date of share transfer
April 3, 2013 (planned)	Date of dissolution of joint venture

6. Post-Transfer Status

As a result of the transfer of shares, BUSINEXT will become a second generation subsidiary of AIFUL. In addition, BUSINEXT will remain a consolidated subsidiary of AIFUL, and there will be no changes to AIFUL's scope of consolidation.

7. Effect on AIFUL's Business Results

AIFUL has not disclosed business results forecasts for the fiscal year ending March 2013 because it is currently difficult to calculate reasonable forecasts of results due to factors that include the extreme lack of clarity of developments in claims for interest repayments and the large number of other uncertain factors. Moreover, as this transfer of shares consists of a transfer of shares from AIFUL to a wholly-owned subsidiary, it is considered that the effect on the consolidated business results will be immaterial. AIFUL will promptly disclose its business results forecasts, including the effect of this transfer of shares, at the point in the future when such disclosure is possible.