

March 29, 2004

**AIFUL Corporation Announces Acquisition of Shares in
Kokusai Capital to Create New Subsidiary**

KYOTO — On March 29, 2004, AIFUL Corporation concluded a final agreement on acquiring shares in Kokusai Capital Co., Ltd., (President: Toshihito Hayano, Head office: Chuo-ku, Tokyo), a venture capital business, and turning the company into a subsidiary.

1. Method of Share Acquisition

AIFUL will turn Kokusai Capital into a full subsidiary through the purchase of 57,000 shares of common stock (100% voting rights) in Kokusai Capital from Mitsubishi Securities Co., Ltd., (President: Koichi Kane), the direct parent company, in a negotiated transaction.

2. Objectives

AIFUL established Businext Co., Ltd., a joint venture with The Sumitomo Trust & Banking Co., Ltd., in 2000, and purchased City's Co., Ltd., in 2002 as part of its strategy to become a comprehensive retail finance company. Further, AIFUL has been extending business loans to medium- and high-risk small and medium sized enterprises (SMEs) and new companies.

In addition to this, turning Kokusai Capital, which has accumulated expertise in the venture capital business for many years, into a subsidiary will enable AIFUL to acquire expertise on providing business funds through new forms of investment. Moreover, the involvement of the AIFUL Group in providing funds to SMEs and new companies in terms of both loans and investment will allow synergies in areas such as the development of client companies (marketing), business environment and market research, credit and screening, and liability guarantee.

3. Outline of Company to be Transferred (Kokusai Capital)

Company name	Kokusai Capital Co., Ltd.
Business	Venture capital and non-banking business
Year of establishment	December 1985
Address of head office	1-7-2 Kayabacho, Nihonbashi, Chuo-ku, Tokyo

Representative	Toshihito Hayano
Capital	3.1 billion yen
Settlement	March
Number of employees	23 (as of December 31, 2003)

Trend in Business Performance over Recent Fiscal Years
(Unit: Million yen)

	Year ended March 2001	Year ended March 2002	Year ended March 2003
Operating revenue	2,530	1,989	1,300
Operating income	930	(1,079)	(971)
Ordinary income	863	(1,100)	(968)
Net income	(1,792)	(695)	(4,239)

4. Future Schedule

March 29, 2004: Conclusion of agreement for transfer

March 31, 2004: Transfer date (scheduled)

AIFUL Corporation

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

President: Yoshitaka Fukuda

Stock code: 8515

Exchanges: TSE 1st Section; OSE 1st
Section

Fiscal year: Ending March 31

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