

AIFUL Acquires TCM. Co. Ltd. Stock, Making TCM a Wholly-owned Subsidiary

KYOTO, February 21, 2005 — AIFUL Corporation (President: Yoshitaka Fukuda) today acquired shares in TCM. Co. Ltd. (Administrators: Fujiaki Mimura and Taichi Kawakita) in exchange for a 10 million yen capital increase in accordance with the rehabilitation plan established in the bankruptcy proceedings for TCM. Accordingly, TCM has become a wholly-owned subsidiary of AIFUL.

1. Reasons for stock acquisition

Banks and other industries as well as foreign capital companies are entering the retail financial services field (including credit cards and consumer credit), heightening competition as it extends beyond the traditional industry format. AIFUL's strategy to come out a winner in this severe competition involves diversifying its products and services to meet customers' needs, diversifying customer acquisition channels to attract a wider range of customers, pursuing partnerships and M&As, and endeavoring to become a comprehensive retail financial services company.

As part of these efforts, AIFUL has decided to acquire shares in the consumer finance company TCM and make the company its wholly-owned subsidiary. AIFUL aims to further expand TCM's revenue and marketing foundations by capitalizing on TCM's valuable management base and its own business expertise, management strategies and capacity to raise capital. This move is a part of AIFUL's strategy to become the top company in the retail finance industry.

2. Overview of subsidiary (TCM) to be transferred

- (1) Company name: TCM. Co. Ltd.
- (2) Representatives: Fujiaki Mimura, legal administrator
Taichi Kitakawa, business administrator
- (3) Location of headquarters: 1-17-10 Nakagosho, Nagano-shi, Nagano-ken
- (4) Date of establishment: July 7, 1977
- (5) Business field: Consumer finance
- (6) Fiscal year-end: June
- (7) Number of employees: 70 (as of August 31, 2004)
- (8) Earnings in most recent fiscal year (Unit: million yen)

	Fiscal year ending June 2001	Fiscal year ending June 2002	Fiscal year ending June 2003
Operating revenue	4,194	4,187	4,132
Operating income	788	294	208
Ordinary income	590	53	133
Net income	(729)	19	7

* The most recent earnings figures released are those for the fiscal year ending June 2003, as TCM filed for bankruptcy proceedings on March 17, 2004.

3. Company acquiring stock

(1) Company name: AIFUL Corporation

(2) Representative: Yoshitaka Fukuda, President

(3) Location of headquarters: 381-1 Takasago-cho, Gojo-Agaru, Karasuma-Dori, Shimogyo-ku, Kyoto

(4) Business field: Consumer finance

4. Number of shares acquired, acquisition price and status of shareholdings around time of acquisition

(1) Number of shares before transfer: 0 (percentage owned: 0%)

(2) Number of shares acquired: 20,000 shares (acquisition price: 10 million yen)

(3) Number of shares after acquisition: 20,000 shares (percentage owned: 100%)

(4) Acquisition date: February 21, 2005

* The 1,128,000 outstanding shares before TCM's rehabilitation plan was approved were all amortized without compensation on February 21, 2005.

AIFUL Corporation

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Karasuma-Dori, Shimogyo-ku, Kyoto

President: Yoshitaka Fukuda

Stock code: 8515

Exchanges: TSE 1st Section; OSE 1st Section

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