

October 1, 2002

## **AIFUL Makes City's a Subsidiary**

KYOTO — AIFUL Corporation acquired all shares of City Green Co., Ltd., the holding company of the business finance company City's Co., Ltd., through a share exchange on October 1, 2002, making it a wholly owned subsidiary.

This acquisition made City's, which has a network of 37 branches in Kanto and westward, a subsidiary of AIFUL. City's will continue operating as a member of the AIFUL Group.

City's executive staff was named at extraordinary general meetings of shareholders held today at both City Green and City's. City Green and City's will transfer their headquarters on October 15, 2002. Details are provided below.

### *1. Objectives of making City Green a wholly owned subsidiary through a share exchange*

AIFUL aspires to become a total financial services company in the retail segment and is currently working to diversify its product portfolio and channels for customer acquisition by expanding beyond traditional consumer finance to target the entire consumer credit market.

As part of this overall effort, AIFUL is making City Green a wholly owned subsidiary through a share exchange in order to make City's a subsidiary. City's is an outstanding business finance company with solid management that has built up a sound revenue base.

This acquisition will help AIFUL improve its earnings structure by more than doubling the group's balance of business loans outstanding as well as expand its operating base in the business loan segment by drawing on City's expertise and human resources.

### *2. City's executive staff*

President	Kazuyoshi Wakamatsu	(From AIFUL; also president at City Green)
Senior Managing Director	Masato Kimura	(From AIFUL; also a director at City Green)
Senior Managing Director	Noriyuki Koseki	(From AIFUL; also a director at City Green)
Managing Director	Chikara Tashiro	(Currently a managing director at City's)
Director	Hiroshi Nishimori	(Currently a director at City's)
Director	Hiroshi Abe	(Also a director at both AIFUL and City Green)
Auditor	Koji Imada	(Also a director at AIFUL)
Auditor	Yoshimasa Nishimura	(Also a director at AIFUL and auditor at City Green)
Auditor	Shintaro Hashima	(Also a director at AIFUL)

### 3. Transfer of City's and City Green headquarters

Both City's and City Green will transfer their headquarters to AIFUL's headquarters building with the aim of increasing group-wide synergies by accelerating decision-making processes for the AIFUL Group.

Transfer date: October 15, 2002

Headquarters address following transfer:

4th Floor, 381-1 Takasagocho, Gojo Noboru, Karasumadori, Shimogyo-ku, Kyoto

City's main telephone number: 075-353-0210

Note: As City's holding company, there are no telephone listings for City Green.

### 4. City's store network

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)

### 5. AIFUL's and City's business results for the previous three fiscal years (reference)

(Unit: ¥1 million, ¥)

Fiscal year	AIFUL (parent)			City's (subsidiary)		
	FY3/00	FY3/01	FY3/02	FY9/99	FY9/00	FY9/01
Loans outstanding	1,001,080	1,159,734	1,313,690	36,581	35,054	32,513
Operating revenue	238,532	270,827	307,272	10,055	9,626	8,938
Operating income	87,437	103,319	110,442	3,765	3,355	3,067
Ordinary income	85,009	103,372	107,515	3,829	3,404	3,137
Net income	44,104	48,512	38,349	1,900	1,705	1,703
Net income per share	786.13	572.38	426.54	623.27	559.28	558.65
Annual dividend per share	60.00	50.00	50.00	60.00	60.00	60.00
Shareholder's equity per share	4,507.83	3,565.21	4,513.89	4,013.41	4,486.47	4,958.21
ROE	19.3%	17.5%	10.6%	15.52%	12.46%	11.26%

#### AIFUL Corporation

Headquarters: 381-1 Takasagocho, Gojo Noboru,  
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