

January 30, 2006

AIFUL Announces Launch of Specialized Internet Loan Companies

KYOTO — AIFUL Corporation has announced the establishment of two companies that will specialize in providing consumer loans via the Internet. The two companies, Id Credit Corporation and Net One Club Corporation, are scheduled to commence operations on February 14, 2006. AIFUL's objectives in establishing the two companies are to expand its customer acquisition channels by employing multiple brands and to cater to the diverse needs of customers using IT technology.

1. Background to the Establishment of the New Companies

Competition for customer acquisition via the Internet is accelerating in today's consumer finance industry as can be seen in the aggressive entry into the industry by IT companies. Customers acquired through the Internet now account for 14% of new loan agreements at AIFUL, making it an effective channel for customer acquisition.

Thus, in order to effectively acquire customers online, AIFUL made the decision to establish specialized Internet loan companies that would provide unsecured loans to the middle- to high-risk Internet customer segments. Not having any branches, the two companies will achieve low-cost operations with a small number of staff by utilizing AIFUL's existing platforms.

2. Outline of the New Companies

Name	Id Credit Corporation	Net One Club Corporation
Representative	President: Hiroshi Abe (Director of AIFUL)	President: Hiroshi Abe (Director of AIFUL)
Head office	Toho Hibiya Building, 1-2-2 Yuraku-cho, Chiyoda-ku, Tokyo	Toho Hibiya Building, 1-2-2 Yuraku-cho, Chiyoda-ku, Tokyo
Established	September 30, 2005	September 30, 2005
Capital	2.5 billion yen	1 billion yen
Share ownership	AIFUL Co., Ltd. (100% stake)	AIFUL Co., Ltd. (100% stake)
Number of employees	Initially about 30	Initially about 30
Commencement of operations	February 14, 2006 (scheduled)	February 14, 2006 (scheduled)

3. Development of Business at the New Companies

* Brand

As they will be entering the consumer finance market, for which competition over customer acquisition is known to be intense, the companies have each been given a brand image designed to be “memorable” and “familiar” to customers.

id Credit Corporation: ICHiLOW
Net One Club Corporation: Net One Club

* Sales channels

Applications and processing will be conducted via the Internet, cellular phone and telephone, together with immediate screening.

* Homepage addresses

id Credit Corporation: <http://ichilow.jp>
Net One Club Corporation: <http://netoneclub.jp>

* Loan interest rates and lending limit

id Credit Corporation: Real annual rate: 7.7% - 17.9% Limit: 3 million yen
Net One Club Corporation: Real annual rate: 17.9% - 29.2% Limit: 3 million yen

* Provision of loans and repayment

Provision of loans and repayment will initially have to be made using AIFUL, LIFE, Wide, TryTo, or Credit Saison cash dispensers and ATMs. However, the two companies are planning extensive ATM tie-ups that will include banks and retail operators. Customers may receive loans also by bank transfer and post office payments.

* Business goals

The business goals of the two companies are to achieve a low-cost operation that will assure greater convenience for customers and higher operational efficiency by speeding up loan assessment and responses, in order to build a business model that generates profits within a short period of time.

* Impact on financial results

The impact on AIFUL’s consolidated financial results for the year ending March 2006 will be minimal.

* Reference

Brand logos for the new companies

Id Credit Corporation

Net One Club Corporation

AIFUL Corporation

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