

AIFUL Corporation
Press Release

May 16, 2006

AIFUL Announces Revisions to Articles of Incorporation

KYOTO — AIFUL Corporation has announced that it will submit the following partial amendments to its Articles of Incorporation for discussion at the ordinary general meeting of shareholders to be held on June 27, 2006.

1. Main reasons for the partial amendment and main areas of change

AIFUL will submit amendments to the Articles of Incorporation for discussion in response to the enforcement of Japan's new Company Law (Law No. 86 of 2005), the Company Law Enforcement Regulations (Ministry of Justice Ordinance No. 12 of 2006) and the Corporate Accounting Regulations (Ministry of Justice Ordinance No. 13 of 2006) on May 1, 2006.

- (1) The Company will add objectives to provide for its future business development.
- (2) The Company will increase the number of authorized shares in order to enable it to execute flexible capital policies.
- (3) The Company will add a new Article 10 in its proposed amendments to restrict the rights relating to odd-lot shares to within reasonable limits.
- (4) The Company will add a new Article 15 in the proposed amendments to enable it to carry out even fuller disclosure of information relating to the general meeting of shareholders.
- (5) The Company will make the necessary modifications to Article 14 of the current Articles of Incorporation because it may limit the number of proxies who are able to attend the general meeting of shareholders.
- (6) The Company will establish a new Article 25 in the proposed amendments to allow the resolutions of the board of directors to be approved either in writing or electronically, to enable the board of directors to operate flexibly.
- (7) The Company will establish a new paragraph 2, Article 28 and a new paragraph 2, Article 37 in the proposed amendments to allow it to conclude limited liability agreements with outside directors and outside auditors.
- (8) The Company will establish a new "Chapter 6: Independent Auditors" to clarify its relationship with the independent auditors, and it will add Article 39 in the proposed amendments to allow it to conclude limited liability agreements with the independent auditors.
- (9) The Company will establish a new Article 41 in the proposed amendments, allowing it to implement the distribution of surplus flexibly based on the resolution of the board of directors.
- (10) Apart from the above, the Company will make the necessary overall modifications, including addition, deletion, amendment and transfer of provisions required of a joint

stock company based on the new Company Law.

2. Details of amendments

The details of the amendments are as in the attachment.

3. Schedule

The amendments to the Articles of Incorporation are planned to be submitted for discussion at the 29th ordinary general meeting of shareholders to be held on June 27, 2006.

Attachment

(Amended sections are underlined)

Current Articles of Incorporation	Proposed amendments to Articles of Incorporation
<p>Chapter 1 General Provisions</p> <p>Article 1 Omitted</p> <p>(Objectives) Article 2 The object of the Company shall be to engage in the following businesses. 1. Finance business, broking of consumer loans, and agency business for loans administration; 2. – 10. Omitted 11. Computer systems, and management and operation of computer buildings; 12. – 14. Omitted 15. Sale, maintenance and lease of card system equipment and information processing card system equipment; 16. – 30. Omitted 31. Planning, development, sale and lease of computers and hardware and software for data delivery using computer communications networks, information processing and servicing; 32. – 54. Omitted 55. Planning, production, sale and lease of film, music and publications; 56. – 64. Omitted</p> <p>Newly added</p> <p><u>65. – 74.</u> Omitted</p>	<p>Chapter 1 General Provisions</p> <p>Article 1 No amendment</p> <p>(Objectives) Article 2 The object of the Company shall be to engage in the following businesses. 1. Finance business, broking of consumer loans, and agency business for loans administration; 2. – 10. No amendment 11. Computer systems, and management and operation of computer buildings; 12. – 14. No amendment 15. Sale, maintenance and lease of card system equipment and information processing card system equipment; 16. – 30. No amendment 31. Planning, development, sale and lease of computers and hardware and software for data delivery using computer communications networks, information processing and servicing; 32. – 54. Omitted 55. Planning, production, sale and lease of film, music and publications; 56. – 64. No amendment</p> <p><u>65. Performance of commissioned surveys and research relating to finance, economics, politics, society and industry, etc.</u> <u>66. – 75.</u> No amendment</p>

<p><u>75. All operations incidental to any of the foregoing items.</u></p> <p>Article 3 – Article 4 Omitted</p> <p>Chapter 2 Shares</p> <p><u>(Acquisition of treasury shares)</u> <u>Article 5</u> <u>Under the provision of Article 211-3, Paragraph 1, Item 2 of the Commercial Code, the Company may acquire treasury shares based on the resolution of the board of directors.</u></p> <p><u>(Total number of shares to be issued and retirement of shares)</u> <u>Article 6</u> <u>The total number of shares to be issued by the Company shall be 373,500,000 shares; provided, however, that in the case of the retirement of shares, the number of retired shares shall be subtracted from the number of shares issued.</u></p> <p>Newly added</p> <p><u>(Number of shares constituting one unit and non-issuance of share certificates for odd-lot shares)</u> <u>Article 7</u> <u>The number of shares constituting one unit of shares of the Company shall be fifty (50).</u> 2 The Company shall not issue share certificates <u>relating to shares which do not constitute one unit.</u></p> <p><u>(Transfer agent)</u></p>	<p><u>76. All operations incidental to any of the foregoing items.</u></p> <p>Article 3 – Article 4 No amendment</p> <p>Chapter 2 Shares</p> <p>Deleted</p> <p><u>(Total number of shares that can be issued)</u> <u>Article 5</u> <u>The total number of the Company’s shares that can be issued shall be 568,140,000 shares.</u></p> <p><u>(Issuance of share certificates)</u> <u>Article 6</u> <u>The Company shall issue share certificates relating to its shares.</u></p> <p><u>(Number of shares constituting a unit and non-issuance of share certificates for — odd-lot unit shares)</u> <u>Article 7</u> <u>The number of shares constituting a unit of shares of the Company shall be fifty (50).</u> 2 <u>Notwithstanding the provisions of the preceding Article, the Company shall not issue share certificates for odd-lot shares; provided, however, that this shall not apply to provisions of the Share Handling Regulations.</u></p> <p><u>(Shareholders’ registrar)</u></p>
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Article 8

The Company shall have a transfer agent with respect to its shares.

2 The transfer agent and its place of handling business shall be selected by a resolution of the board of directors.

3 The Company's shareholders' register, the beneficial shareholders' register, and the register of lost share certificates shall be maintained at the place of handling business of the transfer agent. The registration of transfer of title to shares, the receipt of beneficial shareholder notices, the handling of requests for purchase and additional purchase of odd-lot shares, and other business relating to shares shall be handled by the transfer agent and not by the Company.

(Date of record)

Article 9)

The Company shall deem the shareholders of the Company who are entered or recorded as such in the shareholders' register as of the closing of accounts each year (includes beneficial shareholders who are entered or recorded in the beneficial shareholders' register, hereinafter the same) as shareholders entitled to exercise their rights at the ordinary general meeting of shareholders for that financial period.

2 In addition to the preceding paragraph, when necessary and upon prior public notice, the Company may specify an extraordinary date of record.

(Share handling regulations)

Article 10

The type of share certificates that the Company issues, the transfer of title to shares, the receipt of beneficial shareholder notices, the handling of requests for purchase or additional purchase of odd-lot shares, and other business and charges relating to shares shall be according to the

Article 8

The Company shall have a shareholders' registrar.

2 The shareholders' registrar and its place of handling business shall be specified by a resolution of the board of directors.

3 Preparation and maintenance of the Company's shareholders' register (including beneficial shareholders' register, hereinafter the same), the original register of new stock acquisition rights, and the register of lost share certificates, and other business relating to the shareholders' register, the original register of new stock acquisition rights, and the register of lost share certificates shall be delegated to the share registrar and shall not be handled by the Company.

Deleted

(Share handling regulation)

Article 9

Except as provided for by laws and ordinances and in these Articles of Incorporation, the handling and charges relating to the Company's shares shall be according to the Share Handling Regulations established by the board of directors.

<p>Share Handling Regulations to be established by the board of directors. <u>2 Shareholders who own odd-lot shares may request the Company to sell the number of shares to them which will result in one unit together with the number of the odd-lot shares already owned.</u></p>	<p>Deleted</p>
<p>Newly added</p>	<p><u>(Rights pertaining to odd-lot shares)</u> <u>Article 10</u> <u>Any shareholder of the Company (including any beneficial owner of shares of the Company, the same applies hereinafter) shall not exercise any right pertaining to odd-lot shares he/she owns, except the following rights;</u> <u>(1) Rights granted by the items listed in paragraph 2, Article 189 of the Company Law.</u> <u>(2) Right to make a request pursuant to paragraph 1, Article 166 of the Company Law.</u> <u>(3) Right to be allotted offered shares or offered stock acquisition rights in proportion to the number of shares owned by a shareholder.</u> <u>(4) Right to make a request pursuant to the following Article.</u></p>
<p>Newly added</p>	<p><u>(Request for purchasing odd-lot shares)</u> <u>Article 11</u> <u>Any shareholder of the Company who owns odd-lot shares may request the Company to sell the number of shares which will become a full unit of shares together with the odd-lot shares owned by the shareholder as specified in the Share Handling Regulations.</u></p>
<p>Chapter 3 General Meeting of Shareholders</p> <p>Article <u>11</u> Omitted</p>	<p>Chapter 3 General Meeting of Shareholders</p> <p>Article <u>12</u> No amendment</p>
<p>Newly added</p>	<p><u>(Record date of a general meeting of</u></p>

<p>(Convener and chairmanship) Article <u>12</u> Omitted</p> <p>Newly added</p> <p>(Resolutions) Article <u>13</u> Resolutions of a general meeting of shareholders shall, unless otherwise provided by laws or ordinances or the Articles of Incorporation, be adopted by a majority of the votes of the shareholders present thereat.</p> <p>2 Any resolution under <u>paragraph 1, Article 343 of the Commercial Code</u> shall be adopted at such meeting at which shareholders holding not less than one-third (1/3) of the voting rights owned by <u>all shareholders</u> of the Company shall be present, by a majority of not less than two thirds (2/3) of the voting rights of the shareholders so present.</p>	<p><u>shareholders)</u> <u>Article 13</u> <u>The record date for voting rights at the Company's ordinary general meeting of shareholders shall be March 31 of each year.</u></p> <p>(Right of convocation and chairmanship) Article <u>14</u> No amendment</p> <p>(Disclosure of reference materials for a general meeting of shareholders on the Internet and deemed provision) <u>Article 15</u> <u>When convening a general meeting of shareholders, the Company may deem its disclosure of information to shareholders by providing necessary information relating to general meeting of shareholders reference materials, business reports, financial statements, and consolidated financial statements on the Internet in compliance with requirements stipulated by the Ministry of Justice Ordinance as lawful provision of such information to its shareholders.</u></p> <p>(Resolutions) Article <u>16</u> Resolutions of a general meeting of shareholders shall, unless otherwise provided by laws or ordinances or <u>these</u> Articles of Incorporation, be adopted by a majority of the votes of the shareholders who are present thereat <u>and entitled to exercise their voting rights.</u></p> <p>2 Any resolution under <u>paragraph 2, Article 309 of the Company Law</u> shall be adopted at such meeting at which shareholders holding not less than one-third (1/3) of the voting rights owned by all the shareholders of the Company <u>who are entitled to exercise their voting rights</u> shall be present by a majority of not less than two-thirds (2/3) of the voting rights of the</p>
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<p>(Exercise of proxy voting rights) Article <u>14</u> A shareholder may exercise voting rights as the proxy of another shareholder with voting rights in the Company. In this case, the shareholder or the proxy must submit a document that certifies the right of proxy to the Company.</p> <p><u>(Minutes)</u> Article <u>15</u> <u>An outline and the outcome of the proceedings of a general meeting of shareholders shall be entered in the minutes, and the chairman and directors present shall affix their names and seals thereto.</u></p> <p>Chapter 4 Directors and the Board of Directors</p> <p>(Number of directors) Article <u>16</u> <u>The Company shall have no more than twenty (20) directors.</u></p> <p>(Appointment) Article <u>17</u> Omitted 2 The resolution for the appointment of a director shall <u>require</u> the presence of shareholders holding not less than one-third (1/3) of the voting rights of the total number of voting rights held by <u>all the shareholders</u> of the Company and shall require a majority of such voting rights. 3 Omitted</p> <p>(Term of appointment) Article <u>18</u> The term of appointment for directors shall be up to the close of the ordinary general meeting of shareholders concerning <u>the last</u></p>	<p>shareholders so present.</p> <p>(Exercise of proxy voting rights) Article <u>17</u> A shareholder may exercise voting rights as the proxy of <u>one</u> other shareholder with voting rights in the Company. In this case, the shareholder or the proxy must submit a document that certifies the right of proxy to the Company.</p> <p>Deleted</p> <p>Chapter 4 Director and the board of directors</p> <p>(Number of directors) Article <u>18</u> <u>The number of directors of the Company shall be no more than twenty (20).</u></p> <p>(Appointment) Article <u>19</u> No amendment 2 The resolution for the appointment of a director shall <u>be carried out</u> in the presence of shareholders holding not less than one-third (1/3) of the voting rights of the total number of voting rights held by all the shareholders of the Company <u>who are entitled to exercise their voting rights</u> with a majority of such voting rights. 3 No amendment</p> <p>(Term of appointment) Article <u>20</u> The term of appointment for directors shall be up to the close of the ordinary general meeting of shareholders concerning <u>the</u></p>
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<p><u>business year within one year after their appointment to office.</u></p> <p><u>2 The term of office of a director appointed to fill a vacancy or due to an increase in the number of directors shall be the remaining term of appointment of the serving directors.</u></p> <p>Newly added</p> <p>(Representative directors and directors with specific duties) Article <u>19</u> <u>A number of directors to represent the Company shall be specified by resolution of the board of directors.</u></p> <p>2 One chairman, one president, and a number of vice-presidents, senior managing directors and managing directors may be <u>designated</u> by resolution of the board of directors.</p> <p>(Board of directors)</p> <p>Article <u>20</u> The board of directors shall be convened by the president, who shall be its chairman. In the event of an accident involving the president, the other directors shall take his place in a predetermined order of priority.</p> <p><u>2 A notice for convening a meeting of the board of directors shall be dispatched to each director and corporate auditor three (3) days prior to the date of the meeting; provided, however, that such period of notice may be shortened in case of urgency.</u></p> <p><u>3 The operation of the board of directors and other relevant matters shall be as</u></p>	<p><u>most recent fiscal year ending within one year after their appointment to office.</u></p> <p>Deleted</p> <p>(Establishment of board of directors) Article <u>21</u> <u>The Company shall have a board of directors.</u></p> <p>(Representative directors and directors with specific duties) Article <u>22</u> <u>The board of directors shall appoint a number of representative directors from among the directors.</u></p> <p>2 One chairman, one president, and a number of vice-presidents, senior managing directors and managing directors may be <u>appointed</u> by resolution of the board of directors.</p> <p>(Persons with right to convene board of directors and chairman) Article <u>23</u> <u>Except where otherwise stipulated by laws and ordinances, the president shall convene the board of directors and be its chairman. When the president is absent or in the event of an accident involving the president, the other directors shall take his place in an order of priority that is determined in advance by the board of directors.</u></p> <p>Deleted</p> <p>Deleted</p>
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<p>Article 22 <u>Under the provision of paragraph 12, Article 266 of the Commercial Code, the Company may release the liabilities of directors (including former directors) for the acts prescribed in item 5, paragraph 1 of the same Article by resolution of the board of directors to the extent permitted by laws and ordinances.</u></p> <p>Newly added</p> <p>Chapter 5 Corporate Auditors and Board of Auditors</p> <p>Newly added</p> <p>(Number of corporate auditors) Article <u>23</u> <u>The Company shall have no more than four (4) corporate auditors.</u></p> <p>(Appointment) Article <u>24</u> Omitted 2 The resolution for the appointment of a corporate auditor shall require the presence of shareholders holding not less than one-third (1/3) of the voting rights of the total number of voting rights held by <u>all the shareholders</u> of the Company and shall require a majority of such voting rights.</p> <p>(Term of appointment)</p>	<p>Article 28 <u>The Company may release the liabilities for damages of directors (including former directors) due to negligence of their duties to the extent permitted by laws or ordinances by resolution of the board of directors pursuant to the provision of paragraph 1, Article 426 of the Company Law.</u></p> <p>2 The Company may conclude with outside directors an agreement that will limit their liabilities for damages due to negligence of their duties pursuant to the provision of paragraph 1, Article 427 of the Company Law. However, the maximum amount of damages under the agreement shall be the amount specified by laws and ordinances.</p> <p>Chapter 5 Corporate Auditors and Board of Auditors</p> <p><u>(Establishment of board of auditors)</u> Article <u>29</u> <u>The Company shall have corporate auditors and a board of auditors.</u></p> <p>(Number of corporate auditors) Article 30 <u>The number of corporate auditors of the Company shall be no more than four (4).</u></p> <p>(Appointment) Article 31 No amendment 2 The resolution for the appointment of a corporate auditor shall be carried out in the presence of shareholders holding not less than one-third (1/3) of the voting rights of the total number of voting rights held by <u>all the shareholders of the Company who are entitled to exercise their voting rights</u> with a majority of such voting rights.</p> <p>(Term of appointment)</p>
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<p>Article <u>25</u> The term of appointment for corporate auditors shall be up to the close of the ordinary general meeting of shareholders concerning <u>the last business year within four years</u> after their appointment to office.</p> <p>2 Omitted</p> <p>(Standing auditors) Article <u>26</u> <u>The corporate auditors shall specify a number of standing auditors elected from among themselves.</u></p> <p>(Board of auditors) Article <u>27</u> Omitted 2 <u>The operation of the board of auditors and other relevant matters shall be according to the Board of Auditors' Regulations to be established by the board of auditors.</u></p> <p>Newly added</p> <p>(Remuneration) Article <u>28</u> Remuneration and <u>retirement allowance</u> for corporate auditors shall be determined by resolution of a general meeting of shareholders.</p> <p>(Limitation of liabilities of corporate auditors) Article <u>29</u> <u>Under the provision of paragraph 1, Article 280 of the Commercial Code, the Company</u></p>	<p>Article <u>32</u> The term of appointment for corporate auditors shall be up to the close of the ordinary general meeting of shareholders concerning <u>the most recent fiscal year ending within four years</u> after their appointment to office.</p> <p>2 No amendment</p> <p>(Standing auditors) Article <u>33</u> <u>The board of auditors shall appoint a number of standing auditors from among the corporate auditors.</u></p> <p>(Board of auditors) Article <u>34</u> No amendment 2 <u>When all of the corporate auditors are in agreement, a meeting of the board of auditors may be convened without following the procedure for convocation.</u></p> <p>(Board of Auditors' Regulations) Article <u>35</u> <u>Other than laws, ordinances and these Articles of Incorporation, matters pertaining to the board of auditors shall be according to the Board of Auditors' Regulations to be established by the board of auditors.</u></p> <p>(Remuneration, etc.) Article <u>36</u> Remuneration, <u>etc.</u>, for corporate auditors shall be determined by resolution of the general meeting of shareholders.</p> <p>(Limitation of liabilities of corporate auditors) Article <u>37</u> <u>The Company may release the liabilities for damages of corporate auditors (including</u></p>
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<p>may release <u>the liabilities of corporate auditors (including former corporate auditors) by resolution of the board of directors to the extent permitted by laws and ordinances.</u></p>	<p><u>former corporate auditors) due to negligence of their duties to the extent permitted by laws or ordinances by resolution of the board of directors pursuant to the provision of paragraph 1, Article 426 of the Company Law.</u></p>
<p>Newly added</p>	<p><u>2 The Company may conclude with outside corporate auditors an agreement that will limit their liabilities for damages due to negligence of their duties pursuant to the provision of paragraph 1, Article 427 of the Company Law. However, the maximum amount of damages under the agreement shall be the amount specified by laws and ordinances.</u></p>
<p>Newly added</p>	<p><u>Chapter 6 Independent Auditors</u></p> <p><u>(Appointment of independent auditors) Article 38 The Company shall appoint independent auditors.</u></p> <p><u>(Agreement on limitation of liabilities of independent auditors) Article 39 The Company may conclude with independent auditors an agreement that will limit their liabilities for damages due to negligence of their duties pursuant to the provision of paragraph 1, Article 427 of the Company Law. However, the maximum amount of damages under the agreement shall be the amount specified by laws and ordinances.</u></p>
<p><u>Chapter 6 Accounts</u></p> <p><u>(Business year) Article 30 The business year of the Company shall be from April 1 of each year to March 31 of the following year, and accounts shall be closed on the final day of each business</u></p>	<p><u>Chapter 7 Accounts</u></p> <p><u>(Fiscal year) Article 40 The fiscal year of the Company shall be from April 1 of each year to March 31 of the following year.</u></p>

<u>interim distributions</u> which remain unreceived after the lapse of three (3) full years from the date when the payment was commenced.	obligation to pay such distributions which remain unreceived after the lapse of three (3) full years from the date when the payment commenced.
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