

January 18, 2001

## **Establishment of BUSINEXT CORPORATION**

**(A joint venture for small business loan by AIFUL Corporation  
and The Sumitomo Trust & Banking Co., Ltd.)**

AIFUL Corporation (“AIFUL”; President: Yoshitaka Fukuda) and The Sumitomo Trust & Banking Co., Ltd. (“Sumitomo Trust”; President: Atsushi Takahashi) have determined the outline and scope of business for BUSINEXT CORPORATION (“BUSINEXT”), a joint venture which is to be engaged in small business loan lendings. The details are as shown below.

### **(Description of BUSINEXT)**

Company Name:	BUSINEXT CORPORATION	
Address:	Matsuoka Central Bldg. 4th Fl., 7-1, Nishi-Shinjuku 1-Chome, Shinjuku-ku, Tokyo, Japan	
Date of Establishment:	January 18, 2001	
Capital:	Three billion yen	
Shareholders:	AIFUL (1.8 billion yen, 60% shares) Sumitomo Trust (1.2 billion yen, 40% shares)	
Name of Officers:		
President:	Teruhiko Sugita	(Seconded from Sumitomo Trust)
Directors:	Hideki Sakiyama	(Seconded from AIFUL)
	Yoshiaki Wada	(Seconded from Sumitomo Trust)
	Hironobu Wada	(Seconded from AIFUL)
	Fuminari Suzuki	(General manager of Sumitomo Trust)
	Yuji Kataoka	(Director of AIFUL)
Auditors:	Fumiaki Kawano	(Seconded from Sumitomo Trust)
	Yoshimasa Nishimura	(Director of AIFUL)
	Rikiya Hattori	(General manager of Sumitomo Trust)
Number of Employees:	Approximately 20 permanent employees and 20 supporting staff at the start of operation.	
Locations:	1 in Tokyo, 1 in Osaka Tokyo Office : Address as mentioned above Osaka Office : OS bldg, 12Fl. 3-3, Komatsubara, Kita-ku, Osaka, Japan	
Start of Operation:	Scheduled in April 2001	

## **(Scope of business)**

### **New Brand**

The name of the joint venture “BUSINEXT” expresses its focus on supporting the next stage of business development for small business entities. This new brand will appeal to customers in terms of prescience and accessibility.

### **Business Projection**

- (1) Loan balance: Achieving 100 billion yen outstanding balance in the fifth year.
- (2) Profit and loss: Turning into black for the operation in the second year, clearing retained losses in the third year, and achieving net operating profit of five billion yen in the fifth year.

### **Business Target**

- (1) Target customers are small business entrepreneurs and entities such as SOHO (small office, home office). Their profile is described as entities with number of employees ranging from 20 to 30 and turn over being less than several hundred million yen. However, we will not limit our customers by scale of business.
- (2) We estimate that there are five to six million of such entities in the nation wide and that their funding needs amount to at least 15 trillion yen.

### **Financial Products**

BUSINEXT will provide its customers with highly accessible financial products, basically with no collateral or guarantee required (guarantees of corporate representatives will be required in case of corporate customers) under the concepts of “financial products with no complexity” and “facilitation of cashing / repayment”. Such products are card loans, small business loans, and franchised business loans. It will also provide guarantee facilities on project by project basis.

	<b>Card Loan</b>	<b>Small Business Loan</b>	<b>Franchised Business Loan</b>	<b>Guarantee Facility</b>
<b>Loan Limit</b>	Up to 2 million yen	1 million yen to 10 million yen	To be assessed individually	To be assessed individually
<b>Substantial Annual Interest Rate</b>	13 to 18%	8 to 15%	5 to 15%	
<b>Collateral /Guarantee</b>	Principally not required (*)	Principally not required (*)	Principally not required (*)	

### **Marketing Channel**

- (1) Loan applications will be received through telephone, facsimile, mails, internet, as well as “i-mode” (internet services on mobile phones), to be processed immediately.
- (2) It will initially run two branch offices, one in Tokyo, and the other in Osaka, both of which will offer over-the-counter service to customers. New branches will be expanded to major cities in Japan.

**Cashing / Repayment Channel**

- (1) Cashing channels include over-the-counter cashing, money transfer, and ATM services.
- (2) Repayment channels include over-the-counter repayment, money transfer, automatic withdrawal, and ATM services.
- (3) ATM services will be first available at ATM network of AIFUL. We plan to expand the availability of the services to other entities' ATM networks.

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