

This is an unauthorized summary translation
of Japanese press release, for the convenience
of non Japanese shareholders.

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July 8, 2005

Press Release

Notice of Takeover Bid for Shares of Gakken Credit

NIF Corporate Management Co., Ltd. (President Teruki Morohashi; Chuo-ku, Tokyo), a 100% subsidiary of NIF Ventures Co., Ltd., hereby announces the resolution at the Board of Directors held on July 8, 2005, on a purchase of the shares of Gakken Credit Co., Ltd. (President Taira Adachi; Shinagawa-ku, Tokyo; TSE II 8507) through takeover bid (TOB) performed by NIF Capital Partners B Co., Ltd., wholly owned by NIF-PAMA Japan Private Equity Parallel (A) L.P..

End

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Notice of Takeover Bid for Shares of Gakken Credit

NIF Corporate Management Co., Ltd. (hereinafter referred to as “NIF Corporate Management”), a 100% subsidiary of NIF Ventures Co., Ltd. (President Shinichi Yamamura; Chuo-ku, Tokyo; hereinafter referred to as “NIF Ventures”), hereby announces the resolution at the Board of Directors held on July 8, 2005, on a purchase of the shares of Gakken Credit Co., Ltd. (President Taira Adachi; Shingawa-ku, Tokyo; TSE II 8507; hereinafter referred to as “GC”) through takeover bid (TOB) performed by NIF Capital Partners B Co., Ltd., (hereinafter referred to as the “Bidder”) wholly owned by limited partners for NIF-PAMA Japan Private Equity Parallel (A) L.P. (hereinafter referred to as “Fund”).

The commencement of TOB is scheduled on Tuesday, July 12, 2005.

1. Purpose of TOB

The Bidder is a special purpose company, wholly owned by the Fund managed by NIF Corporate Management, a 100% subsidiary of NIF Ventures. The Bidder launches TOB, led by NIF Corporate Management, for a purpose of purchasing all the issued shares (excluding treasury stocks) of GC.

NIF Ventures is a venture capital firm that invests in highly potential but unlisted venture enterprises, both domestic and overseas. It has invested in more than 1,500 companies over 20 years since its foundation in 1983, having contributed to bringing more than 450 companies out in stock markets. In March 2004, NIF Ventures set up the Fund to help companies, particularly medium-sized enterprises with excellent management resources, restructure their businesses.

GC, a group company of Gakken Co., Ltd. (President Yoichiro Endo; Ota-ku, Tokyo; TSE I 9470; hereinafter referred to as “Gakken”), has been engaged in personal credit contract business. In light of the changes in consumer spending patterns as well as the enforcement of, among other acts, Consumer Contract Act and Revised Specified Commercial Transactions Law that may possibly somehow impact non-store distributors, GC’s mainstay business counterparties, GC recognizes it needs to make an imperative managerial decision to make a business shift to expand and diversify its business arenas.

The Bidder, NIF Corporate Management and NIF Ventures (hereinafter referred collectively to as “NIF”) and GC believe that GC can further expand its management basis by reinforcing

business affiliation and partnership with outside business entities. Furthermore, aiming to promote business strategy to achieve business growth and development and increase corporate value, NIF and GC reached the decision that it is the best the Bidder privatizes GC as its own 100% subsidiary and simplifies GC's shareholder structure that enables prompt decision-making, whilst GC makes most of NIF's long-standing public trust and network and receives wide-ranging support, from management of managerial structure to development of business strategy and financing policy.

GC's management team all have agreed to offer their GC shares in TOB. It should be noted that TOB constitutes part of management buyout (Note) by GC's management team; they will remain in the management position after the bid and work closely with NIF in managing GC's business. They will also make capital participation through a purchase of the Bidder's shares after the bid is completed. Details of the capital participation will be determined upon discussion after TOB. Gakken, a parent company of GC, also agree to offer their outstanding GC shares (approximately 65.9% of the total) in TOB. In addition, Gakken, in a bid to further develop GC's business, will maintain a healthy business relationship with GC and purchase the Bidder's shares after TOB to make capital participation. Details of the capital participation will be determined upon discussion after TOB. Furthermore, NIF and GC are discussing to find new partners who desire to make capital participation and business affiliation.

The purchasing price of Y372 in TOB was calculated by adding about a 19.1% premium to GC's 3-month average closing price at the Tokyo Stock Exchange ("TSE") (until July 8, 2005).

The Bidder does not limit a number of shares to be purchased in TOB for it seeks to purchase GC's all issued shares (excluding treasury stocks held by GC). If the result of TOB revealed a number of shares held by top few shareholders breaches delisting criteria, GC's shares may be removed from the TSE. Even if breach is not an issue, GC shares may go anyway delisted because the Bidder considers of alternative means, such as stock exchange or stock move under the Industrial Revitalization Law, for privatizing GC as its 100% subsidiary. Once stocks are delisted, GC shares cannot be traded on the TSE. Therefore, shareholders who refuse to offer their GC shares in the bid may face difficulty in selling off GC shares when GC shares are delisted. In addition, if the Bidder pays cash to shareholders in compensation of their GC shares during the course where the Bidder seeks to make GC the Bidder's wholly-owned subsidiary after TOB in accordance with provisions stipulated in the Commercial Code and Industrial Revitalization Law, the amount of compensatory cash payment per GC share is determined in connection with the market value and thus is not necessarily consistent with the purchasing price. This holds the same when shareholders claim their appraisal rights upon stock exchange or stock move.

Board of Directors of GC referred to a third-party institution for a valuation of the purchasing price the Bidder had presented. The Board determined the price is fair and appropriate and approved TOB on July 8, 2005.

(Note) Management buyout (MBO) is a method whereby the management team of a targeted company acquires its shares from its existing shareholders, usually with the assistance of financial backers.

2. Outline of TOB

(1) Profile of GC

Trade name: Gakken Credit Co., Ltd.
 Main business: Personal credit contract, loan, lease
 Established: June 2, 1980
 Head office: 2-25-5 Kami-Osaki, Shinagawa-ku, Tokyo
 President: Taira Adachi
 Capital: Y 859,505,000 (As of March 31, 2005)

Major shareholders and ratio of shareholding (As of March 31, 2005)

Shareholders	Ratio
Gakken Ltd.	65.91%
Gakken Credit Employee Stockholding Association	2.48%
Sumitomo Mitsui Banking Corporation	1.90%
Mizuho Bank, Ltd.	1.90%
Minoru Fukawa	1.21%
UFJ Bank Ltd.	0.95%
Bank of Tokyo-Mitsubishi, Ltd.	0.95%
Gakken Credit Ltd.	0.88%
Japan Securities Finance, Ltd.	0.70%
Hisayuki Tsutsumi	0.67%

Performance during 2003 - 2005

(Non-consolidated)

(Thousands of yen)

Title	March 2003	March 2004	March 2005
Operating income	9,071,911	9,449,558	8,542,634
Ordinary profits	1,921,495	1,648,191	1,789,636
Net income	1,104,519	904,383	999,004

The data above does not include changes in major management index and the other in the consolidated fiscal years as GC does not prepare consolidated financial statements.

Relationship with the Bidder

Not applicable.

(2) Type of share to purchase: Common stock

(3) Duration of TOB: 28 days from Tuesday, July 12, 2005 to Monday, August 8, 2005

(4) Purchasing price: Y372 per share

(5) Basis of calculating purchasing price:

The Purchasing price of Y372 per-share, presented by the Bidder, was calculated by adding

about a 19.1% premium to GC's 3-month average closing price at TSE (until July 8, 2005), taking into account GC's market price, financial situation and earnings condition.

- (6) Planned number of total shares to be purchased: 16,740,000 shares
Planned number of shares to be purchased: 16,740,000 shares

(Note) The Bidder will not purchase all shares offered in case they fall short of the planned number of shares to be purchased.

The Bidder will purchase all shares offered exceeding the planned number of shares to be purchased, possibly leading to a purchase of 25,097,103 shares (excluding treasury stock held by GC) at maximum.

- (7) Change in shareholding as a result of TOB

Shareholding before purchase: 0 share (Ratio of shareholding: 0.00%)

Shareholding after purchase: 16,740,000 shares (Ratio of shareholding: 66.12%)

(Note 1) Shareholding after purchase signifies the number of shares in the event that the planned 16,740,000 shares were purchased.

(Note 2) The Bidder will purchase all shares offered exceeding the planned number of shares to be purchased, leading to voting ratio of 100.00% at maximum.

(Note 3) The ratio of shareholding was calculated based on GC's issued 25,319,000 shares (as of March 31, 2005).

- (8) Cost of purchase: Approximately Y 6,227 million

(Note) The above-mentioned amount is the estimated cost of purchasing the planned number of 16,740,000 shares. The Bidder purchases 25,097,103 shares at maximum, amounting to Y9,336 million (estimate).

- (9) Public notification of start of TOB

Tuesday, July 12, 2005

(Note) Electronic notification will be announced on Nihon Keizai Shimbun newspaper on the same day.

Electronic notification URL: <http://info.edinet.go.jp/EdiHtml/main.htm>

- (10) Bidder agent

Daiwa Securities SMBC Co., Ltd.

Daiwa Securities Co., Ltd.

3. Agreement on TOB by GC or Its Management Team

The Board of Directors of GC has agreed on TOB.

The management team have agreed to offer all of their own shares in TOB.

GC's management team is to make capital participation through a purchase of the Bidder's shares after TOB is completed. Details of the capital participation will be determined upon discussion after TOB.

4. Future Outlook

In a bid to promote business strategy to achieve business growth and development and

increase corporate value, the Bidder will privatize GC as its own 100% subsidiary, simplifies GC's shareholder structure that enables prompt decision-making, uses NIF's established public trust and network and extends wide-ranging support, from management of managerial structure to development of business strategy and financing policy.

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