

For Immediate Release

Company Name: Shinsei Bank, Limited
Name of representative: Masamoto Yashiro
Chairman and CEO
(Code: 8303 TSE First Section)

Shinsei Bank Announces Acquisition of Majority Interest in APLUS

Tokyo (Friday, September 3 , 2004) -- Shinsei Bank, Limited ("Shinsei Bank") today announced that it reached an agreement with APLUS Co., Ltd. ("Aplus") to acquire a majority interest in Aplus. The transaction will be conducted through a Shinsei Bank subsidiary under a third party allotment of new shares.

1. Purpose of acquisition

Shinsei Bank' strategic plan is to actively expand its non-bank business and to generate superior returns and profitability in each of its three key business lines; institutional banking, retail banking and non-bank business. Shinsei Bank has recently taken steps to expand non-bank business line, offering corporate loans for small and medium-sized enterprises, real estate-secured loans including housing loans, and consumer installment credit business through Shinsei Bank subsidiaries.

Aplus, a major consumer credit company in Japan, possesses a solid nation-wide business network, including an excellent branch system and experienced, knowledgeable personnel. Aplus provides a number of consumer financing products including tie-up credit cards and offers a single application system in installment credits and loan cards to attract more customers.

Adding Aplus as its subsidiary will allow Shinsei to offer installment credits, credit cards and consumer loans to its broadened customer base. A stronger non-bank business line will enhance Shinsei Bank's profitability by providing new opportunities for growth, and improve overall business stability by diversification.

2. Profile of Aplus

Please refer to the Attachment

3. Details of acquisition

(1) Third party allotment of new shares

- Allocation : a subsidiary of Shinsei Bank
- Type and total number of shares to be issued : common share, 129,614,767 shares
- Issue price : 270 yen per share
- Total yen amount : 34,995,987,090 yen
- Amount to be included in paid-in capital : 17,497,993,545 yen
- Basis for pricing : Issue price was determined taking into account of the latest price and the historical average price

- Subscription date : September 28, 2004
- The subsidiary's ownership before/after acquisition
 - Total number of shares before the acquisition : nil
 - Number of newly acquired shares : 129,614,767 shares
 - Total number of shares after the acquisition : 129,614,767 shares (66.99% ownership)

(2) Assignment of treasury stock held by Aplus

- Assignee : a subsidiary of Shinsei Bank
- Type and total number of shares to be assigned : common share, 38,864 shares
- Assignment value : 10,493,280 yen
- Subscription date : September 28, 2004

(3) Shinsei Bank's total number and percentage of voting rights

- Before the acquisition : 2,379 (1.87%)
- Number of newly acquired voting rights : 259,307
- After the acquisition : 261,686 (67.74%)

(Reference)

Number and percentage of shares

to be owned by Shinsei Bank : 1,189,500 shares (0.61% ownership)

Number and percentage of shares

to be owned by Shinsei Bank's subsidiary : 129,653,631 shares (67.01% ownership)

(4) Assignment of preferred shares

Shinsei Bank will purchase preferred shares of 30 billion yen (face value) issued by Aplus held by UFJ Bank Limited.

(5) Capital enhancement

Upon completion of the acquisition, Shinsei Bank will increase Aplus' capital to a sufficient level, following the amendment of Aplus' article of incorporation which must be approved through a resolution at an extraordinary shareholders' meeting.

4. Influence on Shinsei Bank's earnings forecast

Shinsei Bank does not expect to have a material change in forecasted net income given the goodwill amortization. The Bank expects that consolidated operating income will increase by adding Aplus as a subsidiary. The Bank plans to revise the forecast following the completion of the transaction.

(Reference)

Projections for Fiscal Year 2004 Results (disclosed on May 28, 2004)

Consolidated

	Operating income	Net operating income	Net income
Full year	190 billion yen	62 billion yen	66 billion yen

Non-consolidated

	Operating income	Net operating income	Net income
Full year	180 billion yen	60 billion yen	66 billion yen

Profile of Aplus

Company name	APLUS Co., Ltd.
President	Junji Sugiyama
Address	1-17-26 Minami-Semba, Chuo-ku, Osaka
Establishment	October 6, 1956

Data as of March 31, 2004

Paid-in capital	31.15 billion yen		
Number of shares issued	Common shares: 63,859,251 shares Class A preferred shares: 5,000,000 shares Class B preferred shares: 10,000,000 shares Class C preferred share: 15,000,000 shares		
Total shareholders' equity (consolidated)	50.75 billion yen		
Total assets (consolidated)	1,841.94 billion yen		
Operating income (consolidated)	107.09 billion yen		
Net operating income (consolidated)	3.9 billion yen		
Major shareholders (ownership percentage)	Common shares: Sanshin (6.39%), UFJ Business Finance Corp. (6.11%), UFJ Bank Ltd. (5.14%), Toyo Property Co., Ltd. (4.19%), UFJ Trust Bank Ltd. (3.5%) Preferred shares: UFF Bank Ltd. (100%)		
Fiscal year ended	March		
Number of employees	1,893		
Number of offices	64 in Japan		
Major business	Shopping credit business: shopping credit, automobile credit, collection guarantee Credit card business: credit card, tie-up credit card Consumer finance business: card cashing, loan card "Spirits" Settlement business: auto net service, collection at convenience stores, lease collection Finance business: leasing, loans for business owners, loans for individuals		
Major operational results and financials (non-consolidated)	Fiscal year ended 31 March, 2003	Fiscal year ended 31 March, 2004	
	Operating income	103.63 billion yen	106.60 billion yen
	Operating profits	2.1 billion yen	3.0 billion yen
	Net operating income	2.1 billion yen	3.0 billion yen
	Net income	0.4 billion yen	0.7 billion yen
	Total assets	1,866.49 billion yen	1,838.35 billion yen
	Total shareholders' equity	45.46 billion yen	49.52 billion yen
	Dividend per share	nil	nil