

For Immediate Release

APLUS Co., Ltd.
(Code 8549)
Shinsei Bank, Limited
(Code 8303)

APLUS and Shinsei Bank to Form Comprehensive Alliance

Tokyo (Friday, September 3, 2004) – APLUS Co., Ltd. (“Aplus”) and Shinsei Bank, Limited (“Shinsei Bank”) today announced that the two firms have entered into a full business and capital alliance based on a comprehensive support agreement, which includes capital enhancement.

1. Objectives of the alliance

- 1) Aplus is currently implementing its fourth Medium-Term Business Plan, “Aplus Renewal Plan: New Challenges,” to be completed in FY2004. The plan is designed to enable Aplus to quickly respond to changes in the business environment and to meet the increasingly diversified and sophisticated needs of its customers. To increase competitiveness, so that the Company can realize its goal of becoming a “Retail Financial Services Developer,” Aplus will focus resources on its core business areas of Shopping Credit, Credit Card and Consumer Finance.
- 2) 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 by Shinsei Business Finance Co., Ltd., real estate-secured loans including housing loans by Shinsei Property Finance Co., Ltd., and consumer installment credit business by Shinsei Sales Finance Co., Ltd.
- 3) The alliance provides strategic benefits for both companies. Aplus will become a leading component of Shinsei Bank’s “non-bank business” enhancing the companies’ earnings potential. The transaction will significantly improve this business line through the addition of Aplus’s nation-wide network and experienced personnel. For Aplus, the divestiture of non-core assets and a capital increase will enable management to focus exclusively and aggressively on business development.

2. Details of the transaction

- 1) Shinsei Bank is to subscribe 35 billion yen through a third-party allotment of new shares (by the end of September).
- 2) Shinsei Bank is to receive all Aplus preferred shares currently held by UFJ Bank.
- 3) As a result of the above measures, Shinsei Bank will own more than two-thirds of outstanding Aplus common stock.
- 4) 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.

3. Future business plan

Concept: As the strategic core of Shinsei Bank's "non-bank business," Aplus aims to add further strength and stability to group's overall earnings capacity.

- 1) As the strategic core of Shinsei Bank's "non-bank business," Aplus will enhance the competitiveness of the Shopping Credit unit and generate top-line growth through synergies with Shinsei Bank Group's key businesses.
- 2) Optimize Aplus' financing capability by building the best possible portfolio of funds.
- 3) Achieve cost reduction with the introduction of a common platform, utilizing Shinsei Bank Groups' advanced information technology.

《For your information》

In conjunction with today's announcement the following press releases have also been made available.

Aplus

- 1) Notification of Corporate Divestiture of Loan Guarantee Business for Real Estate-Backed Loans
- 2) Financial Support of Loan Forgiveness
- 3) New Shares Issue by Third-party Allotment, Disposal of Treasury Stock and Change of Major Shareholders
- 4) Transfer of Fixed Assets
- 5) Revision of Projections for the First-Half of FY2005

Shinsei Bank

- 1) Shinsei Bank Announces Acquisition of Majority Interest in APLUS