

For Immediate Release

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

**Shinsei Bank Announces a Plan of Capital Enhancement on APLUS and
APLUS' Revision of Projections for the First Half of Fiscal Year 2004 Results**

Tokyo (Friday, November 5, 2004) – Shinsei Bank, Limited (“Shinsei Bank”) today announced a plan of capital enhancement on APLUS Co., Ltd (“Aplus”), a subsidiary of Shinsei Bank, to increase Aplus’ capital to a sufficient level, as proposed at the time of the acquisition of Aplus on September 3, 2004. (see the attached for details)

Shinsei Bank also hereby announced that Aplus revised its previously^(*) announced projected results for the first half of fiscal year 2004 ended September 30, 2004 as attached.

(*) on September 27, 2004.

Shinsei Bank is a Japanese banking institution founded on global standards of governance and management. With over \$61 billion in assets and 29 branches throughout Japan, Shinsei provides a broad range of value-added financial solutions to institutional and individual customers under the banner of “Better Banking.” Our PowerFlex account, free ATM network and internet banking service, and customer friendly financial centers have redefined the Japanese retail banking experience. Shinsei is committed to long-term growth and profitability by expanding its customer-focused business model.

*News and other information about Shinsei Bank are available at
<http://www.shinseibank.com/english/index.html>.*

To whom it may concern

Company name: Aplus Co., Ltd.
 Representative: Junji Sugiyama, President
 Code: 8589 (OSE First Section)
 Principal office: 1-9 Minami-senba 4-chome, Chuo-ku,
 Osaka City
 Listed on: First Section of Osaka Securities
 Exchange
 Enquiries to: Shuji Kagotani, Executive Officer
 Tel.: Osaka (06)-6245-7952 (direct
 line)

Notification of Capital Enhancement Plan and Revisions to Projections of Interim Results for the Term Ending March 2005

Aplus Co., Ltd. (“Aplus”) has been planning to further strengthen its financial fundamentals through additional capital enhancement based on a comprehensive business and capital alliance with Shinsei Bank, Limited (“Shinsei Bank”) announced on September 3, 2004. In this context, Aplus hereby notifies the timing, size and other details of the scheduled capital enhancement, which have recently been determined. Further, Board of Directors meeting held today made a decision to adopt the same accounting standards for posting profits as those adopted by Shinsei Bank given our position as a consolidated subsidiary of Shinsei Bank. Accordingly, Aplus hereby notifies the following revisions to the projected interim results for fiscal year 2004 (that is, results for the six months from April 1, 2004 to September 30, 2004) announced on September 27, 2004.

I. Capital Enhancement

1. Objectives

- (1) Under a comprehensive business and capital alliance with Shinsei Bank, Aplus will endeavor to improve its competitiveness in five core business areas built on shopping credit businesses. Aplus will work to expand and stabilize the revenue basis of the entire Shinsei Group as a core company in the Group’s non-bank business strategies.
- (2) To improve competitiveness in the five core business areas including shopping credit, credit card and consumer finance businesses, Aplus will attempt to considerably strengthen its financial fundamentals through capital enhancement and promptly establish its presence as a non-bank finance company that delivers comprehensive retail financial services.

2. Background

- (1) A third-party allotment of new shares worth 35 billion yen to a subsidiary of Shinsei Bank (Effective on September 29, 2004)
- (2) Acquisition of all Aplus preferred shares (face value: 30 billion yen), held by UFJ Bank Limited, by a subsidiary of Shinsei Bank (September 28, 2004)

[Reference] Changes in capital and the total number of outstanding shares issued after the capital enhancement (as of September 29, 2004)

(In million yen; shares)	Capital	Capital reserves	Outstanding shares issued	Of which,	
				common shares	preferred shares
Before capital enhancement	31,150	15,000	93,859,251	63,859,251	30,000,000
After capital enhancement	48,648	32,497	223,474,018	193,474,018	30,000,000

3. Outline of scheduled capital enhancement

【Issuance Details (Plan)】

- | | |
|----------------------------------|--|
| (1) Issue method: | Third-party allotment |
| (2) Type of shares to be issued: | Preferred shares |
| (3) Total yen amount: | Approximately 241 billion yen |
| (4) Shares underwritten by: | Subsidiaries of Shinsei Bank and Other |
| (5) Timing: | January 2005 |

Aplus will notify the class, issue volume, capitalization amount and other details of preferred shares once they are formally decided. This capital enhancement will be subject to a resolution and approval respecting changes to the articles of incorporation and other matters at the extraordinary shareholders' meeting of Aplus to be held in January 2005.

II. Revisions to Projections of FY2004 Interim Results (Six months from April 1, 2004 to September 30, 2004)

1. Non-consolidated results

(in millions of yen, %)

	Operating revenue	Ordinary profit	Net Profit
Projection announced previously (A)	50,000	4,000	(36,000)
Revised projection (B)	48,500	1,500	(264,700)
Increase (decrease) (B) - (A)	(1,500)	(2,500)	(228,700)
Ratio of increase (decrease)	(3.0%)	(62.5%)	—
Reference: Results for six months to September 30, 2003	53,056	1,599	280

2. Consolidated results

(in millions of yen, %)

	Operating revenue	Ordinary profit	Net Profit
Projection announced previously (A)	50,000	4,100	(36,000)
Revised projection (B)	48,700	1,800	(264,800)
Increase (decrease) (B) - (A)	(1,300)	(2,300)	(228,800)
Ratio of increase (decrease)	(2.6%)	(56.0%)	—
Reference: Results for six months to September 30, 2003	53,198	1,958	606

3. Reasons for revisions

(1) Non-consolidated results

After becoming a consolidated subsidiary of Shinsei Bank, Aplus decided to adopt the same accounting standards for revenues as those adopted by Shinsei Bank and review our accounting policies regarding loan loss reserves. Furthermore, we were also to review our policy on assets holding.

With respect to the accounting standards of revenues from “credit card business,” “individual item credit business” and “credit guarantee business”, Aplus had adopted a method whereby in most cases all revenues were posted at once when shopping credit contracts and guarantee contracts are made, excluding portions such as interests for the period that has not yet passed. From now on, however, Aplus adopts a method whereby revenues are posted upon the arrival of the due date. As a result, the portions of revenues from “credit card business,” “individual item credit business” and “credit guarantee business” for which the due date has not arrived as of the end of March 2004 are now posted in the deferred installment sales profit account. As a result, an extraordinary loss of 69.7 billion yen is posted as “deferred installment sales profit”.

As for the review of the accounting policy for loan loss reserves, Aplus decided to review obligor classifications and reserve ratios based on Shinsei Bank’s provisioning rules. Consequently, we have posted an extraordinary loss of 81.7 billion yen as “provision of loan loss reserves.”

Further, we have reviewed our assets holding policy and reclassified some of fixed assets into current assets. This has led to the posting of an extraordinary loss of 11.3 billion yen as “loss from revaluation on fixed assets.”

Our projections of interim business results have been revised due to a reduction in operating revenue, the posting of additional extraordinary losses of 165 billion yen and other matters caused by changes effected as above.

For the six months ended September 2004, Aplus expects to post extraordinary gains of 94 billion yen in total and extraordinary losses of 325.2 billion yen in total as part of measures taken following the formation of a comprehensive alliance with Shinsei Bank.

The difference between the movement of net losses and additional extraordinary losses incurred is due to the record of deferred income tax.

(2) Consolidated results

Consolidated results have been revised due to the revisions of non-consolidated results.

Aplus will notify our projections of business results for the year ending March 2005 at the time of the announcement of interim business results scheduled on November 26, 2004.

4. Changes of Aplus’ capital

Due to the above measures, a deficit of 263.5 billion yen will be posted for the six months ended September 2004 (net loss of 264.7 billion yen less 1.2 billion yen of profit brought forward from the previous term) and Aplus’ shareholders’ equity is expected to be negative temporarily. This situation will be resolved by the end of January 2005 after the issue of new shares through a third-party allotment as mentioned earlier. Subsequently, Aplus’ financial fundamentals are expected to improve significantly.

End

[Reference] Aplus (non-consolidated) Capital movement (Estimation)

	March, 2004	Estimated Loss	End of September 2004 (Estimation)	Capital Enhancement (Plan)	January, 2005 (Estimation)
(Unit: 100 million yen)					
Capital	311		486	1,205	1,691
Capital Surplus	150		325	1,205	1,530
Capital reserve	150		325	1,205	1,530
Retained Earnings	12		(2,635)		(2,635)
Profit Carry forward	12		12		12
Interim Net Loss (ended Sep. 2004)	-	(2,647)	(2,647)		(2,647)
MTM Securities	21		7		7
Treasury Stock	(0)		-		-
Total Capital	495	(2,647)	(1,816)	2,410	594