

For Immediate Release

Shinsei Bank, Limited  
(Code: 8303 TSE First Section)  
APLUS Co., Ltd.  
(Code: 8549 OSE First Section)

## **Restructuring of APLUS Balance Sheet and Capital Enhancement**

Tokyo (Friday, November 5, 2004) – As stated at the time of the acquisition of APLUS Co., Ltd. (“Aplus”), Shinsei Bank, Limited (“Shinsei Bank”) and Aplus are working together to restructure the Aplus balance sheet in order to create a platform for new growth of Aplus' business. Shinsei is working with Aplus and its advisors to formulate a capital enhancement plan for Aplus. The plan will include the issuance of new preferred shares of Aplus of approximately 241 billion yen. Shinsei intends to purchase approximately 143 billion yen of the issuance, with the balance sold to third party investors.

Aplus announced today that, as a result of applying various accounting adjustments consistent with Shinsei's financial reporting policies and standards, Aplus would increase its loss for the first half of its fiscal year ended on September 30, 2004 by 165 billion yen. This loss is in addition to a previously reported loss of 160.2 billion yen that was mainly caused by certain disposition transactions undertaken prior to Shinsei's acquisition of Aplus on September 29, 2004.

Collectively, the application of Shinsei's accounting to Aplus and these dispositions, together with operating losses of Aplus during the six month period ended September 30, 2004, will result in a net capital deficit estimated at 181.6 billion yen on Aplus' balance sheet as of September 30, 2004. However, the capital enhancement plan mentioned above will solve this temporary capital deficit.

As a result of Shinsei's investment in Aplus, Shinsei currently holds approximately 67% of the outstanding common shares of Aplus and all of the outstanding of convertible preferred shares of Aplus.

Shinsei's President and CEO, Masamoto Yashiro stated "We are in the process of implementing a plan to restructure Aplus' balance sheet and capital which will create a platform for growth in the non-bank finance sector. Working closely with the management of Aplus, Shinsei expects to build Aplus into a leading consumer finance franchise in Japan."

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