

For Immediate Release

Shinsei Bank, Limited
(Code: 8303, TSE First Section)

Notice on Capital Enhancement and Reduction of Aplus, Consolidated Subsidiary of Shinsei Bank, and Underwritten of Aplus Preferred Shares

Tokyo (Monday, January 24, 2005) --- Please be informed that Aplus Co., Ltd. ("Aplus"), a publicly traded consolidated subsidiary of Shinsei Bank, Limited ("Shinsei Bank"), today announced that its Board of Directors today agreed to submit a resolution of 241 billion yen of third-party allotment of preferred shares and capital reduction to its extraordinary shareholders meeting scheduled on February 24, 2005. (See the attached for details.)

Shinsei Bank also announced that YMS 6 Co., Ltd., a consolidated subsidiary of Shinsei Bank, would underwrite Aplus' preferred shares (class D and E).

Shares to be underwritten:

Class D: 27,000 thousand preferred shares: Face value of 54 billion yen
Class E: 71,000 thousand preferred shares: Face value of 142 billion yen

Shinsei Bank is a Japanese banking institution founded on global standards of governance and management. With over \$58 billion in assets and 29 branches throughout Japan (non-consolidated, as of September 2004), 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>.

January 24, 2005

For immediate release

Company Name:	Aplus Co., Ltd.
Representative:	Director & President Junji Sugiyama
Code No.:	8589 (OSE / First Section)
Head Office:	1-9, Minami-Senba 4-chome, Chuo-ku, Osaka City
Listing Stock Exchange:	Osaka Stock Exchange / First Section
Inquiry to:	Shuji Kagotani, Executive Officer TEL (06)-6245-7952 (direct)

Notice on Issuance of New Shares by Third-Party Allotment and Capital Reduction

Aplus Co., Ltd. (“Aplus” or “the company”) today announced that at the board of directors’ meeting held today, the board of directors of the company made a resolution on the submission of the issuance of new shares by a third-party allotment and capital reduction to an extraordinary general meeting of shareholders to be held on February 24, 2005, as mentioned below.

I. Issuance of New Shares by Third-Party Allotment

Two types of preferred shares are to be issued for the new shares. The issuance of these preferred shares is premised on the resolution and approval concerning a change in the Articles of Incorporation and the said issuance at the extraordinary general meeting of shareholders to be held on February 24, 2005.

1-(1) Summary of New Share Issuance

- (a) Type/ name of shares to be issued: Aplus Class D preferred shares
(hereinafter referred to as “Class D Preferred Shares”)
- (b) Number of shares issued: 49,000,000 shares
- (c) Issuing price: 2,000 yen per share
- (d) Total amount of issuance: 98,000,000,000 yen
- (e) Amount appropriated to capital: 49,000,000,000 yen
- (f) Subscription date: February 28, 2005
- (g) Closing date / effective date: February 28, 2005
- (h) Companies to which the shares are allocated and the number of shares are as follows:

Company	Number of shares
YMS 6 Co., Ltd.	27,000,000
The Sumitomo Trust & Banking Co., Ltd.	10,000,000
Daido Life Insurance Company	5,000,000
Sumitomo Mitsui Banking Corporation	2,500,000
Axa Group Life Insurance Company Limited	1,750,000
The Gibraltar Life Insurance Co., Ltd.	1,750,000
The Prudential Life Insurance Company Ltd.	750,000
Yamato Life Insurance Co.	250,000

1-(2) Summary of New Share Issuance

- (a) Type/ name of shares to be issued: Aplus Class E preferred shares
(hereinafter referred to as “Class E Preferred Shares”)
- (b) Number of shares issued: 71,500,000 shares
- (c) Issuing price: 2,000 yen per share
- (d) Total amount of issuance: 143,000,000,000 yen
- (e) Amount appropriated to capital: 71,500,000,000 yen
- (f) Subscription date: February 28, 2005

This is the English translation of the material originally prepared in Japanese.

5. Profile of the companies to which the new shares are to be allocated, the number of such shares and so forth
 (* The status of equity holdings in the company as the end of September 2004)

Name	YMS 6 Co., Ltd.	The Sumitomo Trust & Banking Co., Ltd.
Principal office	1-18-6, Shinbashi, Minato-ku, Tokyo	4-5-33, Kitahama, Chuo-ku, Osaka-shi
Number of shares	Class D Preferred Shares: 27,000,000 shares Class E Preferred Shares: 71,000,000 shares	Class D Preferred Shares: 10,000,000 shares
Amount	Class D Preferred Shares: 54 billion yen Class E Preferred Shares: 142 billion yen	20 billion yen
Relationship with the company	(Investment) Holding 129,653,631 common shares of the company Holding 5,000,000 shares of Class A Preferred Shares Holding 10,000,000 shares of Class B Preferred Shares Holding 15,000,000 shares of Class C Preferred Shares (Transactions) None (Personnel relations) None	(Investment) The company holds 185,000 common shares of Sumitomo Trust & Banking Co., Ltd. (Transactions) Lending to the company (Personnel relations) None

Name	Daido Life Insurance Company	Sumitomo Mitsui Banking Corporation	Axa Group Life Insurance Company Limited
Principal office	2-7-4, Nihonbashi, Chuo-ku, Tokyo	1-1-2, Yurakuchō, Chiyoda-ku, Tokyo	1-2-19, Higashi, Shibuya-ku, Tokyo
Number of shares	Class D Preferred Shares: 5,000,000 shares Class E Preferred Shares: 500,000 shares	Class D Preferred Shares: 2,500,000 shares	Class D Preferred Shares: 1,750,000 shares
Amount	Class D Preferred Shares: 10 billion yen Class E Preferred Shares: 1 billion yen	5 billion yen	3.5 billion yen
Relationship with the company	(Investments) Holding 1,328,500 common shares of the company (Transactions) Lending to the company (Personnel relations) None	(Investments) Holding 1,141,331 common shares of the company (Transactions) Lending to the company (Personnel relations) None	(Investments) None (Transactions) Affiliated loan transaction (Personnel relations) None

Name	The Gibraltar Life Insurance Co., Ltd.	The Prudential Life Insurance Company Ltd.	Yamato Life Insurance Co.
Principal office	2-13-10, Nagata-cho, Chiyoda-ku, Tokyo	2-13-10, Nagata-cho, Chiyoda-ku, Tokyo	1-1-7, Uchisaiwai-cho, Chiyoda-ku, Tokyo
Number of shares	Class D Preferred Shares: 1,750,000 shares	Class D Preferred Shares: 750,000 shares	Class D Preferred Shares: 250,000 shares
Amount	3.5 billion yen	1.5 billion yen	0.5 billion yen
Relationship with the company	(Investments) None (Transactions) Affiliated loan transaction (Personnel relations) None	(Investments, transactions, personnel relations) None	(Investments, transactions, personnel relations) None

II. Capital Reduction

1. Content

Reduction of capital and capital reserves (to be submitted to the extraordinary general meeting of shareholders to be held on February 24, 2005)

2. Purpose

The company has made a total business/capital tie-up with Shinsei Bank, Limited (announced on September 3, 2004) and implemented measures such as the “sale and split of non-core businesses,” “application of accounting standards and policies in conformity to those of Shinsei Bank” and so forth. As a result of the measures taken based on the above, the company had an unappropriated deficit of 263.4 billion yen by posting a large amount of net loss in the interim term of the fiscal year ending March 2005. Present capital reduction is expected to be used to compensate for the unappropriated deficit in the said interim term.

3. Summary

(1) Capital Reduction

(a) Amount of Capital to be Reduced

Capital is expected to be reduced by 154,148,314,008 yen from 169,148,314,008 yen to 15,000,000,000 yen.

(b) Method of Capital Reduction

Instead of changing the total number of shares outstanding, the amount of capital is expected to be reduced (formal capital reduction).

(2) Reduction of Capital Reserves

Pursuant to the provisions of Paragraph 2 of Article 289 of the Commercial Code, capital reserves of 149,247,993,545 yen which were accumulated in excess of the equivalent of one-fourth of capital (15,000,000,000 yen) are to be fully reduced. 109,306,258,969 yen of this amount is to be appropriated to cover the deficit and the difference of 39,941,734,576 yen is to be appropriated to other capital surplus.

* This capital reduction is premised on an increase in capital and capital reserves to be effected by capital increases by the third-party allotment implemented by the issuance of the aforementioned “Class D Preferred Shares” and “Class E Preferred Shares.”

4. Scheduled Capital Reduction (planned)

(1) Resolution date at the general meeting of shareholders: February 24, 2005

(2) Creditors' exception notification date: February 25, 2005

(3) Effective date: March 26, 2005

5. Capital Increase and Capital Reduction Flow (on a non-consolidated basis)

* The flow chart is prepared based at the end of September 2004.

(Unit: billion yen)	September 30, 2004	Capital Enhancement (Planned on Feb. 28, 2005)	After Capital Enhancement (Planned on Feb. 28, 2005)	Capital Reduction (Planned on March 26, 2005)	After Capital Reduction (Planned on March 26, 2005)
Capital	48.6	120.5	169.1	(154.1)	15.0
Capital surplus	32.5	120.5	153.0	(109.3)	43.7
Capital reserve	32.4	120.5	153.0	(149.2)	3.8
Other	0.0	0.0	0.0	39.9	39.9
Retained earnings	(263.4)		(263.4)	263.4	0.0
Retained earnings	0.0		0.0	0.0	0.0
Interim Net Loss	(263.4)		(263.4)	263.4	0.0
MTM Securities	0.7		0.7		0.7
Treasury Stock	(0)		-		-
Total Capital	(181.6)	241.0	59.4	0.0	59.4