

For Immediate Release

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

Notice on Completion of Issuance of Preferred Shares by Aplus, Consolidated Subsidiary of Shinsei Bank

Tokyo (Monday, February 28, 2005) --- Please be informed that Aplus Co., Ltd. ("Aplus"), a publicly traded consolidated subsidiary of Shinsei Bank, Limited ("Shinsei Bank"), today announced completion of issuance of preferred shares by a third-party allotment specified in the prior press release, entitled *Notice on Capital Enhancement and Reduction of Aplus, Consolidated Subsidiary of Shinsei Bank, and Underwritten of Aplus Preferred Shares*, released on January 24, 2005.

Aplus' extraordinary shareholders meeting held on February 24, 2005, passed a resolution on issuance of two types of preferred shares by the third-party allotment. Today, on February 28, 2005, the third-party allotment was completed and Aplus' total capital increased by 241 billion yen (capital: 120.5 billion yen, capital surplus: 120.5 billion yen). Aplus expects to clean up its deficit by capital reduction scheduled on March 26, 2005.

In its press release announced today, Aplus aims to expand and stabilize its revenue base as a core company of Shinsei Group's non-bank business strategy.

1. Outline of Capital Enhancement

(in billion of yen, thousands of shares)

	Class D preferred shares		Class E preferred shares		Total	
Number of shares offered	49,000		71,500		120,500	
Total amount of issues	98		143		241	
Companies to which the shares are allocated						
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
YMS 6 Co., Ltd.	27,000	54	71,000	142	98,000	196
The Sumitomo Trust & Banking Co., Ltd.	10,000	20	-	-	10,000	20
Daido Life Insurance Company	5,000	10	500	1	5,500	11
Sumitomo Mitsui Banking Corporation	2,500	5	-	-	2,500	5
Axa Group Life Insurance Company Limited	1,750	3.5	-	-	1,750	3.5
The Gibraltar Life Insurance Co., Ltd.	1,750	3.5	-	-	1,750	3.5
The Prudential Life Insurance Company Ltd.	750	1.5	-	-	750	1.5
Yamato Life Insurance Co.	250	0.5	-	-	250	0.5

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

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

(Unit: billion yen)	September 30, 2004	Capital Enhancement (Planned on Feb. 26, 2005)	After Capital Enhancement (Planned on Feb. 26, 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)	Covering deficit 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
HTM Securities	0.7		0.7		0.7
Treasury Stock	(0)		-		-
Total Capital	(181.6)	241.0	59.4	0.0	59.4

Shinsei Bank is a Japanese banking institution founded on global standards of governance and management. With over \$60 billion in assets and 29 branches throughout Japan (non-consolidated, as of December 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 along with our 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>.