

For Immediate Release

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

Notice on Completion of Reduction in Capital and Capital Reserve by Aplus, Consolidated Subsidiary of Shinsei Bank

Tokyo (Monday, March 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 reduction in capital and capital reserve 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 241 billion yen of total capital enhancement by issuing preferred shares by the third-party allotment and capital reduction contingent on completion of the capital enhancement. On February 28, 2005, the third-party allotment or the capital enhancement was completed, and Aplus' total capital was increased. On March 26, 2005, reduction in Aplus' reduction in capital and capital reserve went into effect, and Aplus completed to clean up its deficit.

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 Reduction

- 154.1 billion yen out of 169.1 billion yen of capital after capital enhancement was reduced and used to cover interim net loss.
- In this capital reduction, book capital was reduced, and no change in total number of shares outstanding.
- Amount of capital after capital reduction became 15 billion yen.

2. Outline of Capital Reserve Reduction

- 149.2 billion yen out of 153 billion of capital reserve after capital enhancement was reduced.
- 109.3 billion yen in the reduced capital reserve was used to cover interim net loss and 39.9 billion yen was included in other capital reserve.

[Reference: Aplus' Capital Increase and Capital Reduction Flow]

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

(Unit: Billion yen)	September 30, 2004	Capital Enhancement (February 28, 2005)	After Capital Enhancement (February 26, 2005)	Capital Reduction (March 26, 2005)	After Capital Reduction (March 26, 2005)
Capital	48.6	120.5	169.1	(154.1)	15.0
Capital surplus	32.6	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	Covering deficit 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
HTM Securities	0.7		0.7		0.7
Treasury Stock	(0)		-		-
Total Capital	(161.6)	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>.