

For Immediate Release

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

### **Shinsei Bank Announces APLUS' Revision of Financial Forecast for the Fiscal Year 2006**

Tokyo (Wednesday, November 15, 2006) --- Please be informed that APLUS Co., Ltd. ("APLUS"), a subsidiary of Shinsei Bank, today announced its revision of financial forecast for the fiscal year 2006 ending March 31, 2007, as attached.

The attachment is the English translation of the material originally prepared in the Japanese language by APLUS.

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*Shinsei Bank is a Japanese financial institution providing a full range of financial products and services to both institutional and retail customers based on a three pillar business model comprising Institutional Banking, Consumer and Commercial Finance and Retail Banking. The Bank has total assets of US\$ 88 billion on a consolidated basis and a network of 29 Shinsei Bank branches in Japan (as of September 2006). Shinsei Bank demands uncompromising levels of integrity and transparency in all its activities to earn the trust of customers, staff and shareholders. The Bank is committed to delivering long-term profit growth and increasing value for all its stakeholders.*

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

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## APLUS Revises Fiscal Year 2006 Financial Forecast

APLUS Co., Ltd (“APLUS”) has revised its financial forecast for the fiscal year 2006, which was originally disclosed when financial results for fiscal year 2005 were made public on May 22, 2006.

### 1. Fiscal Year 2006 Financial Forecast (Apr. 1, 2006 - Mar. 31, 2007)

(1) APLUS (Non-consolidated) (unit: millions of yen)

	Operating revenue	Ordinary income	Net income
Previously announced forecast (A)	110,000	17,500	18,000
Current revised forecast (B)	103,000	5,000	1,500
Change (B - A)	(7,000)	(12,500)	(16,500)
Change (%)	(6.4)%	(71.4)%	(91.7)%
Reference: Term ended Mar. 2006	51,328	7,632	8,028
Reference: Term ended Sep. 2005	49,311	6,191	7,513

(2) APLUS (Consolidated) (unit: millions of yen)

	Operating revenue	Ordinary income	Net income
Previously announced forecast (A)	120,000	18,500	19,000
Current revised forecast (B)	114,000	5,000	1,500
Change (B - A)	(6,000)	(13,500)	(17,500)
Change (%)	(5.0)%	(73.0)%	(92.1)%
Reference: Term ended Mar. 2006	51,712	8,186	8,301
Reference: Term ended Sep. 2005	49,562	6,474	8,039

### 2. Reasons for the revision (non-consolidated and consolidated basis)

APLUS lowered its operating revenue forecast because of (1) adoption of a conservative view on the performance of core businesses considering the challenging environment currently affecting the consumer finance industry, (2) a slowdown in loan transaction volume as grey-zone interest rate issue discussions escalate, and (3) revision of securitization related revenue forecast.

APLUS expects its ordinary income to be lower because of lower operating revenue, increased credit costs, mainly resulting from a rise in delinquent receivables arising from delays in collections, additional reserves for a specific bankruptcy, and higher card issuance costs.

In addition to the above, net income has been revised downward due to additional provisions for future possible losses on reimbursements of excess interest payments and loan losses in response to the guidelines issued by the Japan Institute of Certified Public Accountants, one-off rationalization expenses and the reversal of deferred tax assets based on a more conservative future outlook.

Since the forecasts stated in this document are based on assumptions as of the announcement date, final results may vary due to various uncertain factors.