

For Immediate Release

Shinsei Bank, Limited
Chairman, President and CEO Masamoto Yashiro
(Code: 8303 TSE First Section)

Notice on Conversion of Convertible Bonds of Shinki Co., Ltd.

Tokyo (Friday, October 8, 2004) --- Please be informed that as of today Shinsei Bank, Limited ("Shinsei Bank"), as part of our non-bank financial services expansion strategy, has decided to convert the first unsecured convertible bonds issued by Shinki Co., Ltd., (CEO: Naofumi Maeda, "Shinki", 8568 TSE First Section) into shares. Following is information regarding this conversion:

1. Purpose of Conversion

We have determined that the execution of the conversion right will solidify and clarify our position as a shareholder. As a result, the effectiveness of the alliance between Shinsei Bank and Shinki will be enhanced, and more earnings will be generated for both parties.

2. Number of Shares/Voting Rights Held by Shinsei Bank and the Ratio to All Shareholders

	Number Voting Rights Held by Shinsei Bank	Ratio of Shinsei Bank Voting Rights to All Shareholders*	Shareholder Rank
Before conversion <i>As of March 31, 2004</i>	22,300 (2,230,000 shares)	4.95%	4th
After conversion <i>As of October 8, 2004</i>	274,775 (27,477,524 shares)	39.11%	Top

*** Notes:**

Number shares excluded from total as non-voting shares:	33,300
Total number issued and outstanding shares after conversion (as of March 31, 2004):	45,030,000
Total number issued and outstanding shares after conversion (as of October 8, 2004):	70,277,524

3. Future Outlook

Shinsei Bank concluded a business alliance agreement with Shinki in March 2002. Based on this agreement, Shinsei Bank acquired additional shares in Shinki, becoming its fourth largest shareholder. At the same time, Shinsei Bank underwrote Shinki's entire 15.3 billion yen first issuance of unsecured convertible bonds in April 2002.

Pursuant to the business alliance agreement, both parties have been collaborating in fundraising and in loan portfolio credit administration, as well as in acquiring loan portfolios and Shinki's peers. Based on the understanding that both parties should continuously focus on this area of business, Shinsei Bank expects to increase the number of projects and transactions on which it collaborates with Shinki.

By strengthening its commitment to Shinki, it is Shinsei Bank's intention to help further enhance and add value to this publicly listed company.

4. Profile of Shinki Co., Ltd.

- (1) Name: Shinki Co., Ltd.
- (2) Head Office: 28F, Shinjuku L-Tower 6-1, Nishi-Shinjuku 1-chome, Shinjuku-ku, Tokyo
- (3) Representative: Representative Director & President Naofumi Maeda
- (4) Main business: Financing for individuals and medium- and small-size businesses

Shinsei Bank is a Japanese banking institution founded on global standards of governance and management. With over \$61 billion in assets and 29 branches throughout Japan, 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>.