

For Immediate Release

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

Shinsei Bank Enters into Subscription Agreement for New Shares with Showa Leasing

Tokyo (Monday, February 28, 2005) --- Shinsei Bank, Limited ("Shinsei Bank") today announced that it has entered into an agreement on the subscription for new shares ("Subscription Agreement") with Showa Leasing Co., Ltd. ("Showa Leasing").

1. Background

Shinsei Bank concluded a sponsorship agreement with Showa Leasing to acquire a majority interest of Showa Leasing in January 2005. The Subscription Agreement defines the conditions of a third-party allotment based on the sponsorship agreement. Shinsei Bank Group intends to bring Showa Leasing into its consolidated group by holding approximately 95% of the equity of Showa Leasing through the subscription for new shares as described below and purchase of outstanding shares.

2. Outline of the Subscription Agreement

- Party to subscribe for shares: Shinsei Bank
- Type of shares: common shares
- Number of new shares: 233,000,000 shares
- Issue price: 300 yen per share
- Total amount of issue: 69.9 billion yen
- Date of payment: March 23, 2005

3. Effect on Future Performance Prospects

Because the implementation of the subscription is scheduled on March 23, 2005, assets and liabilities of Showa Leasing will be reported on Shinsei Bank's balance sheet from the end of March 2005. Shinsei Bank, therefore, does not expect that there will be any effect upon its net income projections for fiscal year 2004.

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>.

Profile of Showa Leasing Co., Ltd.

Company name	Showa Leasing Co., Ltd.	
President	Representative Director and President: Masami Matsushita	
Address	12 Yotsuya 3-chome, Shinjuku-ku, Tokyo	
Established	April 2, 1969	
Paid-in Capital	7.199 billion yen	
Number of shares issued	Common shares: 30,000,000 shares	
Total shareholders' equity	17.752 billion yen (as of March 2004)	
Total assets	613.091 billion yen (as of March 2004)	
Operating income	172.46 billion yen (as of March 2004)	
Net operating income	5.986 billion yen (as of March 2004)	
Major shareholders	Showa Leasing Co., Ltd. employee stock ownership (8.59%), Resona Bank, Limited. (5.0%), ITOCHU Corporation (4.79%), Aozora Bank, Ltd. (4.79%), The Bank of Tokyo-Mitsubishi, Ltd. (3.89%), Resona Kessai Service Co., Ltd. (3.52%) (as of March 2004)	
Fiscal year ended	March	
Number of employees	407 (as of March 2004)	
Number of offices	19 in major cities in Japan	
Major businesses	<ul style="list-style-type: none"> • Leasing business • Installment sales business • Other financial business 	
Major operational results	Fiscal year ended March 2003	Fiscal year ended March 2004
Operating income	266.8 billion yen	172.4 billion yen
Operating profits	9.3 billion yen	7.0 billion yen
Net operating income	10.5 billion yen	5.9 billion yen
Net income	2.0 billion yen	2.0 billion yen
Total assets	662.2 billion yen	613.0 billion yen
Total shareholders' equity	13.4 billion yen	17.7 billion yen
Dividend per share	-	2 yen