

For Immediate Release

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

## Establishment of a Subsidiary for Issuance of Preferred Securities

Tokyo (Monday, February 6, 2006) --- Shinsei Bank, Limited ("Shinsei Bank") today announced plans to establish a wholly owned subsidiary in the Cayman Islands named Shinsei Finance (Cayman) Limited which is expected to issue U.S. dollar-denominated step-up non-cumulative perpetual preferred securities (the "Preferred Securities") outside Japan.

The Preferred Securities, to be issued by Shinsei Finance (Cayman) Limited, are expected to qualify as Tier I capital of Shinsei Bank.

1. Issuer : Shinsei Finance (Cayman) Limited  
(a special purpose company to be newly established under the laws of the Cayman Islands which is wholly owned by Shinsei Bank)
2. Type of security : U.S. dollar-denominated step-up non-cumulative perpetual preferred securities  
(no right to convert into common stock of Shinsei Bank)
3. Issue amount : To be determined
4. Use of proceeds : To purchase perpetual subordinated bonds to be issued by Shinsei Bank
5. Ranking : The Preferred Securities are intended to rank, effectively *pari passu* with preferred shares directly issued by Shinsei Bank in a liquidation of Shinsei Bank
6. Method of offering : Offered inside the United States pursuant to an exemption from registration under Rule 144A under the U.S. Securities Act of 1933 and outside the United States (except in Japan) in reliance on Regulation S under the U.S. Securities Act of 1933

**Attention:** *This document is a press release regarding the above securities issuance and not for solicitation whether inside or outside Japan.*

*This document is not, and is not intended to be, an offer of securities for sale in the United States. The securities have not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. There will not be any public offering of the securities in the United States.*