

For Immediate Release

Company Name: Shinsei Bank, Limited
 Name of Representative: Thierry Porté
 President and CEO
 (Code: 8303, TSE First Section)

Announcement of Mandatory Acquisition and Cancellation of Series 3 Class-B Preferred Shares and Change in Holdings of Shinsei Bank Shares by a Major Shareholder

Tokyo (Wednesday, August 1, 2007) --- Shinsei Bank, Limited ("Shinsei Bank") today announced that, pursuant to the provisions of Shinsei Bank Articles of Incorporation concerning the mandatory acquisition of Series 3 Class-B Preferred Shares issued by Shinsei Bank, owned entirely by the Resolution and Collection Corporation ("RCC"), the Bank today acquired all relevant preferred shares and issued the Bank's common shares in exchange for these preferred shares. Shinsei Bank subsequently cancelled all the relevant preferred shares immediately after it obtained these shares, pursuant to Article 178 of the Corporation Act.

"We are pleased to have the RCC as a major holder of Shinsei common shares as we continue to focus on delivering returns to all our shareholders. We have been working and will continue to work closely with the Government to ensure an orderly and stable resolution of public funds to the benefit of all our stakeholders" said Thierry Porté, President and Chief Executive Officer of Shinsei Bank.

1. Reason for the change in holdings of Shinsei Bank Shares

Regarding Series 3 Class-B Preferred Shares for which no request for acquisition had been made by July 31, 2007 (300,000,000 shares), Shinsei Bank acquired all of the shares pursuant to the provisions of Shinsei Bank Articles of Incorporation concerning the mandatory acquisition of the relevant preferred shares. The Bank issued its common shares in exchange for the relevant preferred shares based on the exchange price of 600 yen as previously announced by the Bank in its press release of July 9, 2007.

2. Details of the change

(1) Name of the Shareholder affected by the Change

(i) Name	The Resolution and Collection Corporation ("RCC")
(ii) Address	46-1, Honcho 2-chome, Nakano-ku, Tokyo
(iii) Representative	Yoshihiko Okuno
(iv) Major business	Servicing (debt collection)

(2) Number of Common Shares and Voting Rights and Ratios to total Common Shares and Voting Rights Before and After the Change

Name of the shareholder: The Resolution and Collection Corporation ("RCC")

	Number of voting rights (Number of common shares)	Ratio of the voting rights to total voting rights ^{1,2}
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	Number of voting rights (Number of common shares)	Ratio of the voting rights to total voting rights ^{1,2}
Before the change	-	-
After the change	200,000 (200,000,000 shares)	12.68%

(1) Number of non-voting shares deducted from total outstanding common shares: 96,555,944 shares

(2) Number of total outstanding common shares as of August 1, 2007: 1,673,570,944 shares

(3) Date of Change

August 1, 2007

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 strategic business model comprising Institutional Banking, Consumer and Commercial Finance and Retail Banking. The Bank has total assets of US\$ 92 billion on a consolidated basis (as of March 2007) and a network of 30 Shinsei Bank branches in Japan. 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 are available at <http://www.shinseibank.com/english/index.html>.