

For Immediate Release

SHINSEI BANK, LIMITED

1-8, Uchisaiwaicho 2-Chome, Chiyoda-ku, Tokyo 100-8501 Japan
TEL: 03-5511-5111Company Name: Shinsei Bank, Limited
Name of Representative: Thierry Porté
President and CEO
(Code: 8303, TSE First Section)

Shinsei Bank Announces Financial Results for Fiscal Year 2006

Consolidated Net Loss of 60.9 Billion Yen Reflects Legislative and Market Changes in the Japanese Consumer Finance Industry

Consolidated Net Income of 72.0 Billion Yen Forecast for Fiscal Year 2007

Tokyo (May 9, 2007) --- Shinsei Bank, Limited ("Shinsei Bank") today announced a reported net loss of 60.9 billion yen on a consolidated basis for the fiscal year ended March 31, 2007. This result is largely in line with the financial forecast announced by the Bank on April 3, 2007.

Shinsei Bank's Fiscal Year 2006 financial results have been substantially impacted by provisions and charges related to Shinsei Bank's consumer finance business¹ as a direct result of the significant legislative and market changes affecting that industry. These provisions and write-offs are largely non-recurrent in nature and should allow the Bank to return to profitable growth from fiscal year 2007 onwards.

"Fiscal Year 2006 has been a challenging year for Shinsei Bank, as we saw significant changes in the legislative and market environment. We have proactively addressed these changes, and believe our swift and decisive action will place us in a favorable position to take advantage of future opportunities and restore our business to profitable growth," said Thierry Porté, President and Chief Executive Officer of Shinsei Bank.

Highlights of Fiscal Year 2006 Consolidated Financial Results²

(All figures compared to Fiscal Year 2005)

Revenues declined 2.0% to 268.3 billion yen, largely due to the impact of Shinsei Bank's share of consumer finance affiliate Shinki Co., Ltd.'s ("Shinki") net loss for the year, amounting to 14.6 billion yen.

General and administrative expenses increased 10.3% to 149.9 billion yen due mainly to increased product and customer support required for business expansion in all three business pillars.

Net credit costs increased 72.0% to 51.9 billion yen mainly due to higher credit provisions in Shinsei Bank's consumer finance subsidiary APLUS Co., Ltd. ("APLUS") relating primarily to delays in collections, stricter credit reserving policy and provisions for reimbursement of excess interest payments.

Shinsei Bank's financial results for fiscal year 2006 were impacted by **impairment of goodwill and intangible assets** associated with the acquisition of APLUS and restructuring costs related to the transformation of APLUS' business activities. In fiscal year 2006, Shinsei Bank recorded impairment of goodwill and intangibles assets of 95.1 billion yen.

In Fiscal 2006, Shinsei Bank also recorded costs related to potential **losses from the reimbursement of excess interest payments** of 9.9 billion yen³, and recognized 6.4 billion yen for a voluntary retirement program and other **restructuring costs** at APLUS.

As a result, **net loss for fiscal year 2006** amounted to 60.9 billion yen, compared with net income of 76.0 billion in the previous fiscal year.

¹ Shinsei Bank's consumer finance business encompasses its 68.9% owned subsidiary APLUS Co., Ltd., which in turn owns 97.3% of Zen-Nichi Shinpan Co. Ltd., and its 36.4% stake in equity-method affiliate Shinki Co., Ltd.

² Management Accounting Basis

³ The remaining 1.6 billion yen of losses from reimbursement of excess interest payments are included in net credit costs.

Cash basis consolidated net income, which was not impacted by the impairment of goodwill and intangible assets, totaled 35.3 billion yen for the fiscal year ended March 31, 2007 as compared to 101.9 billion yen for the prior year.

On a **non-consolidated basis** Shinsei Bank posted a net loss of 41.9 billion yen due to the significant charges arising from the impairment and valuation allowances relating to investments in APLUS and Shinki. As a result, the Bank did not meet the net income target for fiscal year 2006 stipulated in its Revitalization Plan.

Total loans and bills discounted balance increased 25.9% to 5,146.3 billion yen at March 31, 2007 as compared to 4,087.5 billion yen at March 31, 2006.

Total deposits, including negotiable certificates of deposit, increased 1,349.1 billion yen, or 33.1%, to 5,420.9 billion yen at March 31, 2007, compared with March 31, 2006.

At March 31, 2007, Shinsei Bank's **Tier 1 and Total Capital adequacy ratios**, Basel II basis, were 8.1% and 13.1%, respectively.

The Bank's **non-performing loans ("NPLs")** under the Financial Revitalization Law as of March 31, 2007 were 27.9 billion yen, a decline of 14.6 billion yen as compared to the end of the previous fiscal year. NPLs represented 0.5% of total claims outstanding at March 31, 2007 on a non-consolidated basis.

Institutional Banking business earned revenue of 117.3 billion yen, an increase of 0.5 billion yen over the previous fiscal year. Real estate finance, corporate lending and credit trading, both in Japan and overseas, performed strongly but capital markets and securitization business faced a more challenging year due to weaker customer flows and volatility in the markets which negatively impacted the growth initiatives for the business. Ordinary business profit after net credit recoveries totaled 77.8 billion yen, a 4.1 billion yen decline over the previous fiscal year.

Consumer and Commercial Finance business generated total revenue of 112.2 billion yen, 7.5 billion yen lower than the previous fiscal year mainly due to the net loss associated with Shinsei Bank's affiliate, Shinki, which was partly offset by higher revenues in APLUS and the Commercial Finance businesses. Ordinary business loss after net credit costs totaled 9.8 billion yen, compared to a 24.6 billion yen ordinary business profit after net credit costs in fiscal 2005, partly due to significant credit provisions related to APLUS.

Retail Banking business generated revenue of 36.1 billion yen, 6.2 billion yen lower than in fiscal year 2005. Although savings and time deposits as well as mutual fund products continued to grow steadily, weaker demand for structured deposits adversely impacted revenue growth. Ordinary business loss after net credit costs for the fiscal year was 1.6 billion yen as compared to ordinary business profit after net credit costs of 7.2 billion yen the previous fiscal year.

Fiscal Year 2007 Forecast

We consider the impairment of goodwill and intangible assets in fiscal year 2006 to be non-recurrent in nature and not to affect Shinsei Bank's business operations or future prospects. Shinsei Bank forecasts consolidated net income of 72.0 billion yen for fiscal year 2007, as compared to a consolidated net loss of 60.9 billion yen in fiscal year 2006.

REVIEW OF FISCAL YEAR 2006

Financial Review

Income Statement:

For the fiscal year ended March 31, 2007, Shinsei Bank reported total revenue of 268.3 billion yen, a decline of 5.3 billion yen as compared to the previous fiscal year.

The primary factor contributing to the decline in total revenue was Shinsei Bank's equity in the non-consolidated net loss of its equity-method affiliate, Shinki, amounting to 14.6 billion yen, net of consolidation adjustments, which is included in total revenue. Shinki's non-consolidated net loss was due primarily to provisions for potential losses from the reimbursement of excess interest payments and related loan losses. In addition, during fiscal year 2006 revenues from structured deposits in Retail Banking and capital markets activities in Institutional Banking were lower than in the preceding year.

General and administrative expenses for fiscal year 2006 were 149.9 billion yen, an increase of 14.0 billion yen, or 10.3%, as compared to the previous fiscal year. The increase was due mainly to increased product and customer support required for business expansion in each of the three pillars of the Bank's business as well as to the addition of 4.8 billion yen in expenses related to the newly-acquired consumer finance company, Zen-Nichi Shinpan.

Net credit costs were 51.9 billion yen for the fiscal year ended March 31, 2007, as compared to 30.1 billion yen for the previous fiscal year. The increase in net credit costs was attributable to higher, largely non-recurring, credit provisions in APLUS. It recorded 49.1 billion yen in total credit costs, an increase of 18.6 billion yen from a year ago, relating primarily to delays in collections, stricter credit reserving policy necessitated by the change in the Money Lending Business Law and provisions for reimbursement of excess interest payments with respect to interest charged in the so-called "grey zone".

Taxes and other charges for the fiscal year ended March 31, 2007 amounted to 106.6 billion yen. Shinsei Bank's financial results for fiscal year 2006 were impacted by an impairment of goodwill and intangible assets associated with the acquisition of APLUS and restructuring costs incurred related to transformation of APLUS' business activities. A fair value of equity was determined for APLUS using the discounted cash flow methodology based on a 10 year cash flow projection, a terminal value based on a perpetual growth rate of 2.0% and a discount rate of 9.5%. The fair value of equity calculation resulted in a total goodwill and intangible assets impairment of 95.1 billion yen. In addition, the Bank incurred 'grey zone' related costs of 9.9 billion yen related to APLUS (including its subsidiary Zen-Nichi Shinpan), as well as 6.4 billion in charges related to a voluntary retirement program and other restructuring initiatives. Taxes and other charges also included minority interests in subsidiaries of 16.6 billion yen partly offset by net tax benefits of 21.3 billion yen which include 16.2 billion relating to the reversal of deferred tax liabilities associated with the impairment of intangible assets.

As a result, net loss for fiscal year 2006 amounted to 60.9 billion yen, compared with net income of 76.0 billion in the previous fiscal year.

Non-Consolidated Basis Net Loss:

Shinsei Bank also announced a non-consolidated basis net loss of 41.9 billion yen for the fiscal year ended March 31, 2007. The impairment of and valuation allowances for investments in APLUS and Shinki adversely impacted Shinsei Bank's non-consolidated financial results. As a result, the Bank did not meet the net income target for fiscal year 2006 stipulated in its Revitalization Plan.

Impairment of Investments and Valuation Allowances (Impacts Non-Consolidated Financials):

A fair value of Shinsei Bank's investment in APLUS was assessed which resulted in a preferred shares investment impairment of 98.0 billion yen. Additionally, a valuation allowance for APLUS and Shinki common shares was assessed at 9.2 billion yen and 6.6 billion yen, respectively.

Balance Sheet:

Total loans and bills discounted balance increased 25.9% to 5,146.3 billion yen at March 31, 2007 as compared to 4,087.5 billion yen at March 31, 2006. During the fiscal year, Shinsei achieved loan growth across all three business pillars. Corporate loans increased 4.7% to 2,985.5 billion yen, non-recourse real estate finance loans increased 66.8% to 769.5 billion yen, loans to retail customers, including lending to high net worth individuals, grew 29.5% to 639.5 billion yen and loans to consumer and

commercial finance customers increased 13.8% to 424.9 billion yen.

Total deposits, including negotiable certificates of deposit, increased 1,349.1 billion yen, or 33.1%, to 5,420.9 billion yen at March 31, 2007, compared with March 31, 2006. Retail deposits, including deposits from high net worth individuals, grew 470.3 billion yen, or 15.2%, during fiscal year 2006 as compared to the same period a year ago and exceeded 3.5 trillion yen at March 31, 2007. As a result, retail funding represented 64.6% of total customer deposits and debentures at March 31, 2007.

Capital Ratios:

As of March 31, 2007, Shinsei Bank's Tier 1 and Total Capital adequacy ratios, Basel II basis, were 8.1% and 13.1%, respectively.

Non-Performing Loans:

Shinsei Bank's NPLs under the Financial Revitalization Law as of March 31, 2007 were 27.9 billion, a decline of 14.6 billion yen as compared to the same period last year. NPLs were 0.5% of total claims outstanding at March 31, 2007 on a non-consolidated basis.

Dividends:

As approved by the Board of Directors on May 9, 2007, Shinsei Bank will pay a dividend to its common shareholders of 1.00 yen per share, as compared to 1.48 yen per share a year ago.

Business Line Results:

Shinsei Bank continues to expand its businesses and broaden its customer base through its three business pillars: Institutional Banking, Consumer and Commercial Finance and Retail Banking. During the year, the Bank saw growing interaction between the various businesses within each of the pillars, leading to a significant increase in synergies in terms of business enhancing cross-sales and referrals, joint business ventures and cost-saving opportunities.

Institutional Banking

In Institutional Banking, the product specialists and relationship managers worked closely together to increase the number of products per customer. Corporate lending increased as former customers returned and provided the Bank opportunities to offer them new solutions. Relationships with regional banks, with whom the business works as partners, continued to strengthen. The Institutional Banking business continues to forge long-standing relationships with its real estate customers. The Japanese public sector has been showing strong potential as the Bank offers them various innovative solutions.

During fiscal year 2006, the Institutional Banking business earned revenue of 117.3 billion yen, an increase of 0.5 billion yen compared to the previous year. The business made strong progress in real estate finance and corporate loan portfolio growth as well as in both the domestic and international credit trading business. We also continue to see considerable growth opportunities through focused sales efforts of capital markets products to our institutional client base — through both Shinsei Bank and Shinsei Securities — and this continues to be a central strategy for the Institutional Banking business. However, uneven markets and some regulatory tightening limited customer flows. The securitization business experienced oversupply in the market while volatility in the equity and fixed income markets challenged the rest of the capital markets business. General and administrative expenses for the period increased 3.8 billion yen to 43.4 billion yen, reflecting our continued investment in expanding our capital markets product and sales capability. Net credit recoveries for the period of 4.0 billion yen were partly attributable to an improvement in the credit ratings of several debtors. As a result, ordinary business profit after net credit recoveries totaled 77.8 billion yen, a 4.1 billion yen decline over last fiscal year.

Consumer and Commercial Finance

The Consumer and Commercial Finance business provides consumer finance, commercial finance and specialty property finance for both consumers and small businesses. This business has been built up through the acquisition of a number of subsidiaries which now form an integral part of the Shinsei Bank Group with a dedicated team providing operational and managerial direction to each subsidiary to leverage core competencies and intra-bank synergies.

The legislative and market changes during the year had a significant impact on the financial performance of the Bank's Consumer Finance subsidiary, APLUS, and 36.4% owned affiliate, Shinki. Overall financial performance of Commercial Finance businesses remains strong. Showa Leasing

continues to deepen its relationships with Small and Medium-sized Enterprise customers by offering them additional products from other areas of the Bank.

The Consumer and Commercial Finance business generated total revenue of 112.2 billion yen in the fiscal year 2006. This amount is 7.5 billion yen lower than a year ago mainly due to net loss of 14.6 billion associated with Shinsei Bank's affiliate, Shinki. This loss was partly offset by higher revenues in APLUS and Commercial Finance businesses. General and administrative expenses increased 7.7 billion yen to 68.1 billion yen, partly due to 4.8 billion yen in expenses relating to Zen-Nichi Shinpan, a newly-acquired subsidiary of APLUS.

Net credit costs during the fiscal year 2006 increased 19.2 billion yen to 53.8 billion yen due to higher credit provisions in APLUS amounting to 49.1 billion yen relating primarily to delays in collections and stricter credit reserving policy necessitated by the change in the Money Lending Business Law and provisions for reimbursement of excess interest payments.

Retail Banking

In Retail Banking, the business continues to expand its product range and enhance consultation services for retail customers while working closely with Institutional Banking to better serve the needs of its customers, including high net worth individuals. Furthermore, the Retail Bank and APLUS are working together to offer new products and services such as the new Shinsei Credit Card launched in March 2007. The retail customer base continues to grow at a significant rate, reaching over 1.9 million accounts at the end of March 2007, an increase of over 276,000 since March 2006. The Bank continued to launch new products such as the *Power Step-up Yokin*, an extendable yen time deposit, and the Emerging Currency Bond Fund, a publicly-offered domestic investment trust that invests in emerging market fixed-income securities and investment products through Shinsei Bank's partnership with UTI Asset Management Company Pvt., Ltd. ("UTI"). New branches have been opened in Omotesando and Nihombashi and the Bank has also expanded its ATM network.

During the period under review, although savings and time deposits as well as mutual fund products continued to grow steadily, weaker demand for structured deposits following the Bank of Japan's change in interest rate policy adversely impacted revenue growth. In fiscal year 2006, the Retail Banking business generated revenue of 36.1 billion yen, 6.2 billion yen lower than the previous fiscal year. The increase in general and administrative expenses of 2.9 billion yen to 37.7 billion yen relates to the full impact of retail banking facilities established in the prior fiscal year, increased investments in new technology systems and customer driven transaction activities. Ordinary business loss after net credit costs for the period was 1.6 billion yen as compared to ordinary business profit after net credit costs of 7.2 billion yen in the previous fiscal year.

In August 2006, Shinsei Bank was once again ranked No. 1 in a customer satisfaction survey by the Nihon Keizai Shimbun and in June 2006, the Bank was recognized as "Best Retail Bank in Japan" by The Asian Banker for the second consecutive year and awarded the "Excellence in Internet Award" for the Asia-Pacific region by the same publication.

ALM / Corporate / Other

ALM, Corporate and Other primarily includes results of corporate treasury activities, inter-company adjustments, and corporate level expenses. In fiscal year 2006 ordinary business profit after net credit costs was nil.

Fiscal Year 2006 Business Highlights

Business Expansion

■ In April 2006, Shinsei Bank reached an agreement to form a 50/50 joint venture with Macquarie Bank to focus exclusively on advisory services relating to the acquisition and management of assets with long-term stable cash flows in infrastructure and related sectors in Japan. This initiative aims to take advantage of Shinsei Bank's and Macquarie Bank's complementary strengths and the ongoing public-to-private sector shift in Japan.

■ On July 21, 2006, Shinsei Bank made a 39.7 billion yen (NT\$ 11.3 billion) investment, representing a 35.4% fully-diluted ownership interest in Jih Sun Financial Holding ("Jih Sun"), a financial group that offers a full array of banking and brokerage products and services in Taiwan. Jih Sun's future growth and development can benefit by leveraging Shinsei Bank's knowledge and experience in risk

management, credit trading, information technology and corporate and retail banking.

■ On November 14, 2006, Shinsei Bank concluded an important partnership with UTI for the management and distribution of off-shore funds invested in Indian securities. UTI is the oldest and largest mutual fund company in India with 375 billion Indian Rupees (approximately one trillion yen) in assets under management and a 12% market share in India's fast-growing mutual fund industry.

■ On March 26, 2007, Shinsei Bank started an alliance service for "Shinsei VISA Card", a credit card available in 32 colours, through its website in association with APLUS. Shinsei Bank continues to develop products and services which offer value and convenience to its customers.

Commencement of Resolution of Public Funds

■ On July 31, 2006, 300 million Series 3 Class B preferred shares issued by Shinsei Bank were converted into 200,033,338 common shares by The Resolution and Collection Corporation ("RCC").

■ On August 17, 2006, the RCC sold the converted common shares through ToSTNeT-2 (for transactions at closing price) of the Tokyo Stock Exchange, and Shinsei Bank purchased 175,466,000 of such shares for a total of 132.1 billion yen and has held them as treasury stock.

■ On November 16, 2006, Shinsei Bank cancelled 85 million common shares held as treasury stock, which reduced its share count by 4.2% on a fully diluted basis.

Financial Forecast for Fiscal Year 2007

The impairment of goodwill and intangible assets, which is a direct result of legislative and market changes and we consider non-recurrent in nature, does not affect Shinsei Bank's business operations or future prospects.

Shinsei Bank forecasts consolidated net income of 72.0 billion yen for fiscal year 2007, as compared to consolidated net loss of 60.9 billion yen in fiscal year 2006. The Bank expects revenue growth in each of its three business pillars and plans to closely monitor its general and administrative expenses.

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 and a network of 29 Shinsei Bank branches in Japan (as of March 31, 2007). 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>.

For further information, please contact:
Shinji Hasumi
Corporate Communications Division
Shinsei Bank, Limited (www.shinseibank.com)
Tel: (+81)-3-5511-5013/Fax: (+81)-3-5511-5505

Financial Highlights - Consolidated

Results of Operations

(billions of yen)

(Full year comparison)	Fiscal year ended	Fiscal year ended	Change
	Mar. 31, 2007 (FY2006)	Mar. 31, 2006 (FY2005)	%
Net interest income	95.4	82.2	16.0%
Net fees and commissions	46.4	45.5	2.1%
Net trading income	17.8	27.5	(35.3)%
Net other business income	108.5	118.3	(8.3)%
Non-interest income	172.8	191.4	(9.7)%
Total revenue ⁽¹⁾	268.3	273.7	(2.0)%
General and administrative expenses ⁽²⁾	149.9	135.9	10.3%
Ordinary business profit (jishitsu gyomu jun-eki) ⁽¹⁾	118.3	137.7	(14.1)%
Net credit costs	51.9 ⁽⁴⁾	30.1	72.0%
Amortization of goodwill and intangible assets	20.8	29.4	(29.4)%
Taxes and others	(106.6) ⁽⁵⁾	(2.0)	n.m. ⁽⁸⁾
Net income (loss)	(60.9)	76.0	(180.1)%
Cash basis net income ⁽³⁾	35.3	101.9	(65.4)%

(billions of yen)

(Three months comparison)	Three months ended	Three months ended	Change	Three months ended	Change
	Mar. 31, 2007 (4Q-FY2006) a	Mar. 31, 2006 (4Q-FY2005) b	a - b (%)	Dec. 31, 2006 (3Q-FY2006) c	a - c (%)
Net interest income	21.3	21.7	(1.9)%	22.3	(4.4)%
Fees and commissions	10.9	9.3	17.5%	13.2	(17.7)%
Net trading income	3.1	6.3	(50.9)%	3.3	(7.4)%
Other business income	17.1	32.7	(47.6)%	38.1	(55.2)%
Non-interest income	31.2	48.4	(35.5)%	54.8	(43.1)%
Total revenue ⁽¹⁾	52.6	70.2	(25.1)%	77.2	(31.9)%
General and administrative expenses ⁽²⁾	37.4	34.5	8.5%	36.7	1.9%
Ordinary business profit (jishitsu gyomu jun-eki) ⁽¹⁾	15.1	35.6	(57.6)%	40.4	(62.7)%
Net credit costs	32.2 ⁽⁶⁾	7.3	339.7%	14.4	123.7%
Amortization of goodwill and intangible assets	5.3	8.4	(37.1)%	4.9	8.6%
Taxes and others	(85.6) ⁽⁷⁾	(3.4)	n.m. ⁽⁸⁾	(12.8)	n.m. ⁽⁸⁾
Net income (loss)	(108.1)	16.4	n.m. ⁽⁸⁾	8.2	n.m. ⁽⁸⁾
Cash basis net income (loss) ⁽³⁾	(24.8)	23.9	(203.6)%	12.4	(298.9)%

(1) Represents results based on management accounting basis

(2) In our consolidated financial statements, amortization of goodwill and intangible assets is recorded in general and administrative expenses from fiscal year commenced on April 1, 2006.

(3) Excludes impairment of goodwill and intangible assets related to APLUS, net of tax benefits and amortization of goodwill and intangible assets, net of tax benefit, related to the acquisition of consumer and commercial finance companies.

(4) Includes grey zone related costs of 1.6 billion yen for FY2006.

(5) Includes, among other things, impairment of goodwill and intangible assets related to APLUS, net of tax benefits of 78.8 billion yen and grey zone related costs of 9.9 billion yen for FY2006.

(6) Includes grey zone related costs of 0.2 billion yen for three months ended March 31, 2007.

(7) Includes, among other things, impairment of goodwill and intangible assets related to APLUS, net of tax benefits of 78.8 billion yen and grey zone related costs of 0.0 billion yen for three months ended March 31, 2007.

(8) n.m. is not meaningful.

Selected Balance Sheet Data

(billions of yen)

	As of	As of	Change		As of	Change	
	Mar. 31, 2007	Sep. 30, 2006	Amount	%	Mar. 31, 2006	Amount	%
Securities	1,854.6	1,771.7	82.9	4.7%	1,494.4	360.2	24.1%
Loans and bills discounted	5,146.3	4,781.4	364.9	7.6%	4,087.5	1,058.8	25.9%
Leased assets and installment receivables ⁽⁹⁾	777.2	835.4	(58.2)	(7.0)%	825.0	(47.8)	(5.8)%
Intangible assets ⁽¹⁰⁾	19.8	63.8	(44.0)	(69.0)%	68.1	(48.3)	(70.9)%
Goodwill, net	158.0	219.4	(61.4)	(28.0)%	226.6	(68.6)	(30.3)%
Customers' liabilities for acceptances and guarantees	754.4	789.4	(35.0)	(4.4)%	813.4	(59.0)	(7.3)%
Total assets	10,837.6	10,433.6	404.0	3.9%	9,405.0	1,432.6	15.2%
Deposits (including Negotiable Certificates of Deposit)	5,420.9	4,945.7	475.2	9.6%	4,071.7	1,349.1	33.1%
Debentures and corporate bonds	1,103.7	1,059.5	44.2	4.2%	1,316.9	(213.2)	(16.2)%
Borrowed money	1,122.6	1,213.9	(91.3)	(7.5)%	1,205.7	(83.1)	(6.9)%
Acceptances and guarantees	754.4	789.4	(35.0)	(4.4)%	813.4	(59.0)	(7.3)%
Total liabilities	9,904.4	9,422.9	481.5	5.1%	8,287.8	1,616.6	19.5%
Minority interests in subsidiaries	/	/	/	/	261.8	/	/
Total net assets ⁽¹¹⁾	933.2	1,010.7	(77.5)	(7.7)%	855.3	77.9	9.1%

(9) Lease assets are included in premises and equipment or other assets and installment receivables are a part of other assets in the consolidated balance sheets.

(10) Identified intangible assets recorded through APLUS and Showa Leasing acquisitions.

(11) 289.6 billions of yen and 264.6 billions of yen of minority interest in subsidiaries are included in total net assets as of the end of March 2007 and September 2006, respectively.

Capital Adequacy Ratio

(%, billions of yen)

	As of	As of	As of
	Mar. 31, 2007 ⁽¹²⁾	Mar. 31, 2006	Sep. 30, 2006
Capital adequacy ratio	13.13% ⁽¹³⁾	15.53%	13.47%
Tier I ratio	8.11% ⁽¹⁴⁾	10.27%	8.31%
Tier I capital ⁽¹⁵⁾	620.8	738.1	646.8
Tier II capital	522.0	419.5	475.6
Risk assets	7,652.0	7,180.4	7,782.7

(12) Basel II (F-IRB) basis

(13) Basel I basis capital adequacy ratio is 13.73%

(14) Basel I basis Tier I ratio is 7.65%

(15) Risk capital as of Mar. 31, 2007 is approximately 457.0 billion yen

References

as of the end of

	Mar. 2007	Mar. 2006
Exchange rate (¥/\$)	117.78	117.47
Nikkei average	17,287.65	17,059.66

Per Share Data

(yen)

	Fiscal year ended		Six months ended
	Mar. 31, 2007	Mar. 31, 2006	Sep. 30, 2006
	(FY2006)	(FY2005)	(1H-FY2006)
Common shareholders' equity ⁽¹⁾	308.60	380.20	383.20
Fully diluted shareholders' equity ⁽¹⁾	355.09	421.62	411.58
Basic net income (loss)	(45.92)	53.16	27.19
Diluted net income	Note ⁽⁴⁾	37.75	19.54

Note:

For calculation of per share data

		Fiscal Year ended		Six months ended
		Mar. 31, 2007	Mar. 31, 2006	Sep. 30, 2006
		(FY2006)	(FY2005)	(1H-FY2006)
(shareholders' equity)	Number of common shares ⁽²⁾	1,377,145,285	1,358,520,547	1,377,120,053
	Fully diluted number of shares ⁽²⁾	1,811,061,968	2,028,676,851	1,812,055,674
(net income)	Number of common shares ⁽³⁾	1,380,628,230	1,358,521,302	1,384,101,577
	Fully diluted number of shares ⁽³⁾	1,917,803,242	2,015,832,613	1,988,114,409

(1) Calculated by deducting stock acquisition rights, minority interests in subsidiaries, preferred shares and dividends related to preferred shares from the total net assets on the consolidated balance sheets as of March 31, 2007.

(2) Outstanding shares at the end of the respective periods

(3) Weighted average number of outstanding shares during the respective periods

(4) Reference information: Diluted net income as of March 31, 2007 is (31.79) yen per share

Cash Basis Per Share Data

(yen)

	Fiscal Year ended		Six months ended
	Mar. 31, 2007	Mar. 31, 2006	Sep. 30, 2006
	(FY2006)	(FY2005)	(1H-FY2006)
Basic net income	23.82	72.16	33.55
Diluted net income	18.41	50.55	23.96

Performance Ratios

(%)

	Fiscal Year ended		Six months ended
	Mar. 31, 2007	Mar. 31, 2006	Sep. 30, 2006
	(FY2006)	(FY2005)	(1H-FY2006)
Return on assets	(0.6)%	0.8%	0.8%
Return on equity (fully diluted)	(8.1)%	9.3%	9.7%
Cash basis return on assets	0.4%	1.2%	1.0%
Cash basis return on equity (fully diluted)	4.7%	12.4%	11.9%
Expense to revenue (overhead) ratio ⁽⁵⁾	55.9%	49.7%	54.7%

(5) Management accounting basis

Supplemental Financial Data and Reconciliation to Japanese GAAP Measures⁽⁶⁾

For the fiscal year 2006 ended March 31, 2007

(billions of yen, except per share data and percentages)

Amortization of goodwill and intangible assets

Amortization of intangible assets	8.2
Associated deferred tax liability	(3.3)
Amortization of goodwill	12.5
Impairment of intangible assets	40.0
Associated deferred tax liability	(16.2)
Impairment of goodwill	55.0
Total amortization and impairment of goodwill and intangible assets, net of tax benefit	96.2

Reconciliation of net income to cash basis net income

Net income	(60.9)
Amortization and impairment of goodwill and intangible assets, net of tax benefit	96.2
Cash basis net income	35.3

Reconciliation of basic net income per share to cash basis basic net income per share

Basic net income per share	(45.92)
Effect of amortization and impairment of goodwill and intangible assets, net of tax benefit	69.74
Cash basis basic net income per share	23.82

Reconciliation of fully diluted net income per share to cash basis fully diluted net income per share

Fully diluted net income per share	(31.79)
Effect of amortization and impairment of goodwill and intangible assets, net of tax benefit	50.21
Cash basis fully diluted net income per share	18.41

Reconciliation of return on assets to cash basis return on assets

Return on assets	(0.6)
Effect of amortization and impairment of goodwill and intangible assets, net of tax benefit	1.0
Cash basis return on assets	0.4

Reconciliation of return on equity to cash basis return on equity

Return on equity (fully diluted)	(8.1)
Effect of amortization and impairment of goodwill and intangible assets, net of tax benefit	12.8
Cash basis return on equity (fully diluted)	4.7

Reconciliation of return on equity to return on tangible equity

Return on equity (fully diluted)	(8.1)
Effect of goodwill and intangible assets ⁽⁷⁾	14.9
Return on tangible equity (fully diluted)	6.7

(6) Reflects adjustments of goodwill and intangible assets associated with the acquisition of consumer and commercial finance companies.

(7) Net income excludes amortization and impairment of goodwill and intangible assets, net of tax benefit. Average shareholders' equity excludes goodwill and intangible assets, net of associated deferred tax liability.

Interest-Earning Assets and Interest-Bearing Liabilities (Consolidated)
(billions of yen, except percentages)

	Fiscal year ended Mar. 31, 2007 (FY2006)			Six months ended Sep. 30, 2006 (1H-FY2006)			Fiscal year ended Mar. 31, 2006 (FY2005)		
	Average balance	Interest	Yield/rate (%)	Average balance	Interest	Yield/rate (%)	Average balance	Interest	Yield/rate (%)
Interest-earning assets ⁽¹⁾ :									
Loans and bills discounted	4,613.4	126.8	2.75	4,304.8	59.2	2.74	3,730.7	104.4	2.80
Lease and installment receivables ⁽¹⁾	831.3	51.1	6.15	838.0	25.5	6.09	793.7	46.0	5.80
Securities	1,750.5	32.3	1.85	1,605.9	16.8	2.09	1,721.4	16.8	0.98
Other interest-earning assets ⁽²⁾	721.4	13.6	n.m. ⁽⁴⁾	672.7	6.8	n.m. ⁽⁴⁾	503.7	3.7	n.m. ⁽⁴⁾
Total interest-earning assets ⁽¹⁾	7,916.8	223.9	2.83	7,421.6	108.5	2.92	6,749.7	171.0	2.53
Interest-bearing liabilities:									
Deposits and negotiable certificates of deposit	4,834.0	34.3	0.71	4,472.7	13.6	0.61	3,776.8	16.9	0.45
Debentures	795.6	3.0	0.38	871.0	1.5	0.36	1,152.9	4.7	0.41
Subordinated debt	399.5	9.8	2.47	360.9	3.5	1.99	259.7	5.5	2.13
Borrowed money and corporate bonds	1,118.1	11.8	1.06	1,127.2	5.3	0.94	999.3	12.2	1.22
Other interest-bearing liabilities ⁽²⁾	674.4	18.2	n.m. ⁽⁴⁾	387.5	7.0	n.m. ⁽⁴⁾	229.5	3.3	n.m. ⁽⁴⁾
Total interest-bearing liabilities	7,821.8	77.3	0.99	7,219.6	31.2	0.86	6,418.4	42.7	0.67
Non interest-bearing sources of funds:									
Non interest-bearing (assets) liabilities, net	(655.9)	-	-	(598.7)	-	-	(489.6)	-	-
Shareholders' equity ⁽³⁾	750.9	-	-	800.7	-	-	821.0	-	-
Total interest-bearing liabilities and non interest-bearing sources of funds	7,916.8	-	-	7,421.6	-	-	6,749.7	-	-
Net interest margin ⁽¹⁾	-	-	1.84	-	-	2.05	-	-	1.87
Impact of non interest-bearing sources	-	-	0.01	-	-	0.02	-	-	0.03
Net revenue/yield on interest-earning assets ⁽¹⁾	-	146.6	1.85	-	77.3	2.08	-	128.3	1.90

Note:

Reconciliation of total revenue on interest-earning assets to total interest income.

Total revenue on interest-earning assets	7,916.8	223.9	2.83	7,421.6	108.5	2.92	6,749.7	171.0	2.53
Less: Income on lease and installment receivables	831.3	51.1	6.15	838.0	25.5	6.09	793.7	46.0	5.80
Total interest income	7,085.5	172.8	2.44	6,583.5	82.9	2.51	5,955.9	125.0	2.10
Total interest expense	-	77.3	-	-	31.2	-	-	42.7	-
Net interest income	-	95.4	-	-	51.7	-	-	82.2	-

(1) Includes leased assets and installment receivables and related yields.

(2) Other interest-earning assets and other interest-bearing liabilities include interest swaps and funding swaps.

(3) Represents a simple average of the balance at the end of the current period and the balance at the end of the previous period.

(4) n.m. is not meaningful.

Interest-Earning Assets and Interest-Bearing Liabilities (Non-consolidated)
(billions of yen, except percentages)

	Fiscal year ended Mar. 31, 2007 (FY2006)			Six months ended Sep. 30, 2006 (1H-FY2006)			Fiscal year ended Mar. 31, 2006 (FY2005)		
	Average balance	Interest	Yield/rate (%)	Average balance	Interest	Yield/rate (%)	Average balance	Interest	Yield/rate (%)
Interest-earning assets:									
Cash and due from banks	123.5	3.6	2.96	92.2	1.2	2.77	86.3	2.0	2.33
Call loans	70.8	0.2	0.29	87.1	0.1	0.23	100.9	0.0	0.02
Receivables under resale agreements	-	-	-	-	-	-	-	-	-
Collateral related to securities borrowing transactions	127.4	0.4	0.37	149.7	0.2	0.27	10.2	0.0	0.29
Securities	2,023.1	40.4	1.99	1,900.3	20.7	2.17	1,997.4	21.0	1.05
Loans and bills discounted	4,443.4	75.3	1.69	4,124.7	31.7	1.53	3,612.3	57.8	1.60
Other interest-earning assets	67.7	1.7	2.51	58.4	0.6	2.31	65.4	0.9	1.40
Interest rate and fund swaps	-	7.1	-	-	4.5	-	-	0.6	-
Total interest-earning assets	6,856.2	129.0	1.88	6,412.6	59.2	1.84	5,872.8	82.6	1.40
Interest-bearing liabilities:									
Deposits	4,561.5	33.2	0.72	4,278.0	13.4	0.62	3,746.5	16.9	0.45
Negotiable certificates of deposit	332.0	1.1	0.35	256.0	0.2	0.21	199.7	0.0	0.03
Debentures	797.0	3.0	0.37	872.9	1.5	0.35	1,158.6	4.7	0.40
Call money	403.5	5.6	1.40	157.1	1.0	1.27	127.3	0.0	0.07
Payable under repurchase agreements	-	-	-	-	-	-	0.6	0.0	0.00
Collateral related to securities lending transactions	84.0	0.2	0.29	70.1	0.0	0.20	4.9	0.0	0.55
Borrowed money	283.4	2.1	0.75	279.6	0.9	0.67	308.4	5.8	1.88
Corporate bonds	487.3	20.7	4.26	450.1	9.2	4.08	105.3	1.7	1.64
Other interest-bearing liabilities	0.3	11.2	n.m. ⁽⁴⁾	0.3	5.6	n.m. ⁽⁴⁾	0.3	3.0	n.m. ⁽⁴⁾
Interest rate and fund swaps	-	-	-	-	-	-	-	-	-
Total interest-bearing liabilities	6,949.3	77.5	1.11	6,364.5	32.1	1.00	5,652.1	32.3	0.57
Net interest income/yield on interest-earning assets	6,856.2	51.5	0.75	6,412.6	27.1	0.84	5,872.8	50.2	0.85

Business Line Ordinary Business Profit (Loss) after Net Credit Costs (Recoveries)^{(1) (2)}
(billions of yen)
For the Fiscal Year 2006 ended March 31, 2007

	Institutional Banking	Consumer and Commercial Finance ^(*)	Retail Banking	ALM/Corporate/Other ⁽³⁾	Total
Total revenue	117.3	112.2	36.1	2.6	268.3
General and administrative expenses	43.4	68.1	37.7	0.6	149.9
Ordinary business profit (loss)	73.8	44.0	(1.5)	2.0	118.3
Net credit costs (recoveries)	(4.0)	53.8	0.1	1.9	51.9
Ordinary business profit (loss) after net credit costs (recoveries)	77.8	(9.8)	(1.6)	0.0	66.4

(*) breakdown of Consumer and Commercial Finance

	APLUS	Showa Leasing	Other Subsidiaries ⁽⁴⁾	Consumer and Commercial Finance
Total revenue	93.2	25.0	(6.0)	112.2
General and administrative expenses	52.2	10.9	5.0	68.1
Ordinary business profit (loss)	41.0	14.1	(11.1)	44.0
Net credit costs	49.1	3.0	1.7	53.8
Ordinary business profit (loss) after net credit costs	(8.1)	11.1	(12.8)	(9.8)

For the Fiscal Year 2005 ended March 31, 2006

	Institutional Banking	Consumer and Commercial Finance ^(*)	Retail Banking	ALM/Corporate/Other ⁽³⁾	Total
Total revenue	116.7	119.7	42.4	(5.2)	273.7
General and administrative expenses	39.6	60.4	34.8	1.0	135.9
Ordinary business profit (loss)	77.0	59.3	7.6	(6.2)	137.7
Net credit costs (recoveries)	(4.9)	34.6	0.4	0.0	30.1
Ordinary business profit (loss) after net credit costs (recoveries)	82.0	24.6	7.2	(6.3)	107.5

(*) breakdown of Consumer and Commercial Finance

	APLUS	Showa Leasing	Other Subsidiaries ⁽⁴⁾	Consumer and Commercial Finance
Total revenue	85.1	22.8	11.7	119.7
General and administrative expenses	43.0	10.5	6.8	60.4
Ordinary business profit	42.0	12.2	4.9	59.3
Net credit costs	30.4	3.1	1.0	34.6
Ordinary business profit after net credit costs	11.6	9.1	3.8	24.6

(1) Certain prior period amounts have been reclassified to conform to current period presentation.

(2) Represents results based on management accounting basis.

(3) ALM/Corporate/Other largely includes results of corporate treasury activities, income from proprietary investments, corporate level expenses and credit costs.

(4) Includes net profit (loss) of Shinki, an affiliate, and other Consumer and Commercial Finance companies.

Earnings Forecast for Fiscal Year 2007

(Consolidated)

	<i>(billions of yen)</i>	
	<i>Fiscal year ending</i>	<i>Fiscal year ended</i>
	Mar. 2008	Mar. 2007
	(FY2007)	(FY2006)
	Forecast	Actual
Net income (loss)	72.0	(60.9)

Earnings Forecast for Fiscal Year 2007

 (Non-consolidated)⁽⁶⁾

	<i>(billions of yen)</i>	
	<i>Fiscal year ending</i>	<i>Fiscal year ended</i>
	Mar. 2008	Mar. 2007
	(FY2007)	(FY2006)
	Forecast	Actual
Net business profit	66.0	54.9
Net income (loss)	70.0	(41.9)
Dividends (in yen)		
Common stock	Note ⁽⁷⁾	2.66 yen
Class A preferred share	13.00 yen	13.00 yen
Class B preferred share ⁽⁸⁾	-	4.84 yen

(6) Revitalization plan basis

(7) FY2007 forecast of dividend level for common stocks is under discussion and will be announced when finalized.

(8) Class B preferred shares are mandatorily convertible to common stocks on August 1, 2007.

Above forecasts are based on current assumptions of future events and trends, which may be incorrect. Actual results may differ materially from those in the statements as a results of various factors.

Consolidated Statements of Operations

(millions of yen)

	Fiscal year ended	Fiscal year ended	Change	
	Mar. 31, 2007 (FY2006)	Mar. 31, 2006 (FY2005)	a-b	%
	a	b		
Interest on loans and bills discounted	126,815	104,438	22,377	21.4%
Interest and dividends on securities	32,309	16,879	15,430	91.4%
Other interest income	13,693	3,711	9,982	269.0%
Interest income	172,818	125,029	47,789	38.2%
Fees and commissions income	70,858	68,263	2,595	3.8%
Trading profits	18,128	27,665	(9,537)	(34.5)%
Other business income	271,274	268,611	2,663	1.0%
Other ordinary income	26,935	39,487	(12,552)	(31.8)%
Ordinary income	560,016	529,057	30,959	5.9%
Interest on deposits	33,164	16,872	16,292	96.6%
Interest on debentures	3,006	4,709	(1,703)	(36.2)%
Interest on borrowings	11,312	14,598	(3,286)	(22.5)%
Other interest expenses	29,838	6,549	23,289	355.6%
Interest expenses	77,322	42,729	34,593	81.0%
Fees and commissions expenses	24,409	22,767	1,642	7.2%
Trading losses	319	152	167	109.9%
Other business expenses	183,117	186,283	(3,166)	(1.7)%
General and administrative expenses	150,233	136,596	13,637	10.0%
Amortization of goodwill	12,507	/	/	/
Amortization of intangible assets	8,293	/	/	/
Total general and administrative expenses	171,034	136,596	34,438	25.2%
Provision of reserve for loan losses	48,427	25,962	22,465	86.5%
Amortization of consolidation goodwill	/	20,397	/	/
Amortization of identified intangible assets	/	9,047	/	/
All other	32,213	13,649	18,564	136.0%
Other ordinary expenses	80,641	69,057	11,584	16.8%
Ordinary expenses	536,843	457,586	79,257	17.3%
Net ordinary income	23,172	71,471	(48,299)	(67.6)%
Special gains	15,278	3,703	11,575	312.6%
Special losses	104,159	1,463	102,696	7019.5%
Income/(loss) before income taxes and minority interests	(65,708)	73,711	(139,419)	(189.1)%
Income taxes (current)	3,249	3,733	(484)	(13.0)%
Income taxes (deferred)	(24,615)	(11,414)	(13,201)	115.7%
Minority interests in net income of subsidiaries	16,643	5,293	11,350	214.4%
Net income/(loss)	(60,984)	76,099	(137,083)	(180.1)%

(billions of yen)

(Ref.) Ordinary business profit (<i>jisshitsu gyomu jun-eki</i>) ⁽¹⁾	118.3	137.7	(19.4)	(14.1)%
	yen / US\$	@117.78	@117.47	

(1) Management accounting basis

Consolidated Balance Sheets

-- Assets

(millions of yen)

	As of	As of	Change	
	Mar. 31, 2007	Mar. 31, 2006	a-b	%
	a	b		
<<Assets>>				
Cash and due from banks	448,554	488,601	(40,047)	(8.2)%
Call loans	43,100	50,000	(6,900)	(13.8)%
Collateral related to securities borrowing transactions	11,050	33,107	(22,057)	(66.6)%
Other monetary claims purchased	366,505	273,937	92,568	33.8%
Trading assets	303,389	193,581	109,808	56.7%
Monetary assets held in trust	502,332	456,167	46,165	10.1%
Securities	1,854,682	1,494,489	360,193	24.1%
Loans and bills discounted	5,146,306	4,087,561	1,058,745	25.9%
Foreign exchanges	15,047	12,140	2,907	23.9%
Other assets	870,375	974,398	(104,023)	(10.7)%
Premises and equipment	/	415,522	/	/
Tangible fixed assets	382,460	/	/	/
Intangible fixed assets	244,155	/	/	/
<i>(Goodwill, net)</i>	158,066	/	/	/
Deferred issuance expenses for debentures	103	177	(74)	(41.8)%
Deferred tax assets	42,474	30,022	12,452	41.5%
Consolidation goodwill, net	/	226,692	/	/
Customers' liabilities for acceptances and guarantees	754,420	813,480	(59,060)	(7.3)%
Reserve for credit losses	(147,275)	(144,868)	(2,407)	1.7%
Total assets	10,837,683	9,405,013	1,432,670	15.2%
	yen / US\$	@117.78	@117.47	

Consolidated Balance Sheets

-- Liabilities, minority interests in subsidiaries and net assets

(millions of yen)

	As of	As of	Change	
	Mar. 31, 2007 a	Mar. 31, 2006 b	a-b	%
<<Liabilities>>				
Deposits	4,940,730	3,914,385	1,026,345	26.2%
Negotiable certificates of deposit	480,199	157,373	322,826	205.1%
Debentures	703,298	1,018,909	(315,611)	(31.0)%
Call money	692,792	30,000	662,792	2209.3%
Collateral related to securities lending transactions	8,333	-	8,333	n.m.
Commercial paper	171,300	133,200	38,100	28.6%
Trading liabilities	99,255	149,990	(50,735)	(33.8)%
Borrowed money	1,122,688	1,205,765	(83,077)	(6.9)%
Foreign exchanges	118	39	79	202.6%
Corporate bonds	400,485	298,002	102,483	34.4%
Other liabilities	498,358	535,753	(37,395)	(7.0)%
Accrued employees bonuses	13,134	13,886	(752)	(5.4)%
Reserve for bonuses to directors	359	13	346	2661.5%
Reserve for retirement benefits	3,521	3,309	212	6.4%
Reserve for loss on interest repayments	10,353	-	10,353	n.m.
Reserve under special law	3	2	1	50.0%
Deferred tax liabilities	5,075	13,718	(8,643)	(63.0)%
Acceptances and guarantees	754,420	813,480	(59,060)	(7.3)%
Total liabilities	9,904,430	8,287,832	1,616,598	19.5%
<<Minority interests in subsidiaries>>				
Minority interests in subsidiaries	/	261,845	/	/
<<Net assets>>				
Shareholders' equity		<<Shareholders' equity>>		
Capital stock	451,296	451,296	-	-
Capital surplus	18,558	18,558	-	-
Retained earnings	245,499	379,502	(134,003)	(35.3)%
Treasury stock, at cost	(72,560)	(12)	(72,548)	604566.7%
Total shareholders' equity	642,794	/	/	/
Net unrealized gain / loss and translation adjustments				
Net unrealized gain on securities available-for-sale, net of taxes	5,091	2,208	2,883	130.6%
Net deferred loss on hedge, net of taxes	(7,744)	/	/	/
Foreign currency translation adjustments	2,952	3,781	(829)	(21.9)%
Total net unrealized gain / loss and translation adjustments	299	/	/	/
Stock acquisition rights	517	/	/	/
Minority interests in subsidiaries	289,642	/	/	/
Total net assets	933,253	855,335	/	/
Total liabilities and net assets	10,837,683	9,405,013	1,432,670	15.2%

yen / US\$

@117.78

@117.47

*1: Certain account titles of the balance sheets as of Mar.31,2006 (b) are realigned in line with the balance sheet as of Mar.31,2007 (a).

*2: "Total liabilities and net assets " balances as of Mar.31,2006 (b) include "Minority interests in subsidiaries".

Consolidated Statement of Changes in Net Assets

For the fiscal year ended March 31, 2007

(millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at beginning of period	451,296	18,558	379,502	(12)	849,345
Changes in amounts during the period					
Dividends from surplus (note)	-	-	(3,947)	-	(3,947)
Dividends from surplus	-	-	(3,496)	-	(3,496)
Net loss	-	-	(60,984)	-	(60,984)
Acquisition of treasury stock	-	-	-	(136,672)	(136,672)
Disposal of treasury stock	-	-	(15)	160	145
Retirement of treasury stock	-	-	(63,963)	63,963	-
Increase by exclusion of affiliates	-	-	65	-	65
Decrease by exclusion of affiliates	-	-	(1,661)	-	(1,661)
Net change of items other than shareholders' equity	-	-	-	-	-
Total changes during the period	-	-	(134,002)	(72,548)	(206,550)
Balance at end of period	451,296	18,558	245,499	(72,560)	642,794

	Net unrealized gain/loss and translation adjustments				Stock acquisition rights	Minority interests in subsidiaries	Total net assets
	Net unrealized gain on securities available-for-sale, net of taxes	Net deferred loss on hedge, net of taxes	Foreign currency translation adjustments	Total net unrealized gain/loss and translation adjustments			
Balance at beginning of period	2,208	-	3,781	5,990	-	261,845	1,117,180
Changes in amounts during the period							
Dividends from surplus (note)	-	-	-	-	-	-	(3,947)
Dividends from surplus	-	-	-	-	-	-	(3,496)
Net loss	-	-	-	-	-	-	(60,984)
Acquisition of treasury stock	-	-	-	-	-	-	(136,672)
Disposal of treasury stock	-	-	-	-	-	-	145
Retirement of treasury stock	-	-	-	-	-	-	0
Increase by exclusion of affiliates	-	-	-	-	-	-	65
Decrease by exclusion of affiliates	-	-	-	-	-	-	(1,661)
Net change of items other than shareholders' equity	2,882	(7,744)	(829)	(5,690)	517	27,797	22,623
Total changes during the period	2,882	(7,744)	(829)	(5,690)	517	27,797	(183,927)
Balance at end of period	5,091	(7,744)	2,952	299	517	289,642	933,253

(note) This item is resulted from appropriation of profit of previous fiscal year.

Consolidated Statements of Cash Flows

(millions of yen)

	Fiscal year ended Mar.31, 2007	Fiscal year ended Mar.31, 2006	Change
I. Cash flows from operating activities:			
(Loss) Income before income taxes and minority interests	(65,708)	73,711	(139,419)
Depreciation (other than leased assets)	11,805	4,198	7,607
Depreciation of leased assets	131,762	138,104	(6,342)
Amortization of consolidation goodwill	/	20,397	/
Amortization of goodwill	12,507	/	/
Amortization of intangible assets	8,293	9,047	(754)
Impairment losses on goodwill	55,085	-	55,085
Impairment losses on intangible assets	40,061	-	40,061
Other impairment losses	544	-	544
Equity in net loss (income) of affiliates	12,779	(4,114)	16,893
Net change in reserve for credit losses	2,406	(4,940)	7,346
Net change in accrued employees bonuses	(764)	3,483	(4,247)
Net change in reserve for retirement benefits	211	(654)	865
Net change in reserve for loss on disposition of premises and equipment	/	(153)	/
Net change in reserve for loss on interest repayments	10,353	-	10,353
Net change in reserve under special law	1	-	1
Interest income	(172,818)	(125,029)	(47,789)
Interest expenses	77,322	42,729	34,593
Gain on securities sold	(19,563)	(5,788)	(13,775)
Gain on monetary assets held in trust	(9,019)	(6,648)	(2,371)
Net exchange loss (gain)	3,811	(779)	4,590
Net loss on sale of premises and equipment	/	203	/
Net gain on sale of fixed assets	(1,439)	/	/
Net gain on sale of leased assets	(6,056)	(1,761)	(4,295)
Net change in trading assets	(109,808)	(25,079)	(84,729)
Net change in trading liabilities	(50,735)	80,889	(131,624)
Net change in loans and bills discounted	(1,058,658)	(698,761)	(359,897)
Net change in deposits	1,026,345	834,179	192,166
Net change in negotiable certificates of deposit	322,826	(215,234)	538,060
Net change in debentures	(315,610)	(223,723)	(91,887)
Net change in borrowed money (other than subordinated debt)	(47,062)	76,499	(123,561)
Net change in corporate bonds (other than subordinated bonds)	7,141	18,001	(10,860)
Net change in deposits (other than non-interest-bearing deposits)	(28,630)	(28,707)	77
Net change in call loans	6,900	20,000	(13,100)
Net change in other monetary claims purchased	(88,459)	48,179	(136,638)
Net change in collateral related to securities borrowing transactions	22,057	(29,363)	51,420
Net change in call money	662,792	(174,295)	837,087
Net change in commercial paper	38,100	119,900	(81,800)
Net change in collateral related to securities lending transactions	8,333	-	8,333
Net change in foreign exchange assets	(2,907)	(3,589)	682
Net change in foreign exchange liabilities	79	18	61
Net change in net trust account	(25,265)	936	(26,201)
Interest received	166,959	142,198	24,761
Interest paid	(78,506)	(41,464)	(37,042)
Net change in trading securities	46,072	(114,114)	160,186
Net change in monetary assets held in trust	(61,663)	(59,176)	(2,487)
Net change in leased assets	(121,645)	(125,396)	3,751
Others, net	12,304	(22,844)	35,148
Subtotal	422,532	(278,941)	701,473
Income taxes paid	(5,684)	(2,056)	(3,628)
Net cash provided by (used in) operating activities	416,847	(280,998)	697,845
II. Cash flows from investing activities:			
Purchase of securities	(2,539,598)	(3,380,505)	840,907
Proceeds from sale of securities	220,364	688,041	(467,677)
Proceeds from maturity of securities	1,911,506	2,825,196	(913,690)
Investment in monetary assets held in trust	(16,130)	(38,803)	22,673
Proceeds from disposition of monetary assets held in trust	40,566	20,685	19,881
Purchase of premises and equipment (other than leased assets)	/	(6,488)	/
Purchase of tangible fixed assets (other than leased assets)	(3,734)	/	/
Proceeds from sale of premises and equipment (other than leased assets)	/	2,136	/
Proceeds from sale of tangible fixed assets (other than leased assets)	6,616	/	/
Payment for acquisition of new subsidiaries	-	(10,239)	10,239
Proceeds from sale of subsidiary's stocks	3,077	32,616	(29,539)
Others, net	(17,832)	3,103	(20,935)
Net cash (used in) provided by investing activities	(395,165)	135,741	(530,906)
III. Cash flows from financing activities:			
Proceeds from issuance of subordinated debt	62,000	46,000	16,000
Repayment of subordinated debt	(98,000)	(77,000)	(21,000)
Proceeds from issuance of subordinated corporate bonds	92,161	199,870	(107,709)
Payment for redemption of subordinated bonds	(10,945)	(11,166)	221
Proceeds from minority shareholders of subsidiaries	20,253	174,958	(154,705)
Payment for capital refundment to minority shareholders of subsidiaries	(1,227)	-	(1,227)
Dividends paid	(7,443)	(7,635)	192
Dividends paid to minority shareholders of subsidiaries	(11,175)	(1,310)	(9,865)
Purchase of treasury stock	(136,672)	(1)	(136,671)
Proceeds from sale of treasury stock	145	-	145
Net cash (used in) provided by financing activities	(90,903)	323,713	(414,616)
IV. Foreign currency translation adjustments on cash and cash equivalents	1	31	(30)
V. Net change in cash and cash equivalents	(69,220)	178,487	(247,707)
VI. Cash and cash equivalents at beginning of year	340,713	162,226	178,487
VII. Cash and cash equivalents at end of year	271,493	340,713	(69,220)

Reference Material

(The tables below represent translations of the original disclosure in the Japanese language.)

1. Non-Consolidated Financial Results [and Projections]

(billions of yen)

	For the fiscal year ended Mar. 31, 2007 (FY2006)	For the fiscal year ended Mar. 31, 2006 (FY2005)	Change	For the fiscal year ended Mar. 31, 2008 (FY2007) Forecast
Gross business profit (<i>gyomu sorieki</i>) ⁽¹⁾	132.5	142.4	(9.8)	/
Net interest income	59.7	53.1	6.6	/
Net fees and commissions ⁽¹⁾	45.8	50.9	(5.1)	/
Net trading income	14.9	20.2	(5.3)	/
Net other business income	12.0	18.0	(6.0)	/
General & administrative expenses	77.6	73.2	4.3	/
Net business profit (<i>jisshitsu gyomu jun-eki</i>) ⁽¹⁾	54.9	69.1	(14.2)	66.0
Net income (loss)	(41.9)	74.8	(116.8)	70.0
Credit recoveries	0.1	4.9	4.7	/
Reversal of reserve for credit losses	2.0	5.4	3.4	/

(1) Includes income from monetary assets held in trust of 30.7 billion yen for the fiscal year ended Mar. 31, 2007 and 39.5 billion yen for the fiscal year ended Mar. 31, 2006.

2. Non-performing Loans

Claims Classified Under the Financial Revitalization Law (Non-Consolidated)

(billions of yen, %)

	As of Mar. 31, 2007 a	As of Mar. 31, 2006 b	Change a-b	As of Sep. 30, 2006 c	Change a-c
Claims against bankrupt and quasi-bankrupt obligors	0.9	0.7	0.2	0.3	0.6
Doubtful claims	10.8	20.7	(10.0)	8.3	2.4
Substandard claims	16.2	21.1	(4.9)	17.3	(1.1)
Total non-performing loans (A)	27.9	42.5	(14.6)	26.0	1.9
Total claims (B)	5,294.6	4,129.0	1,165.6	4,806.5	488.1
% of total claims outstanding (A) / (B)	0.53%	1.03%	(0.50)%	0.01	(0.01)%
(ref.) At or below "need caution" level	120.7	119.3	1.4	99.8	20.9

3. Coverage Ratios for Non-Performing Claims Disclosed Under the Financial Revitalization Law (Non-Consolidated)

(millions of yen, %)

	Amount of claims	Amount of coverage		Coverage ratio
		Reserve for loan losses	Collateral and guarantees	
Claims against bankrupt and quasi-bankrupt obligors	932	-	932	100.0
Doubtful claims	10,765	8,062	989	84.1
Substandard claims	16,216	6,542	5,617	75.0
Total	27,914	14,604	7,540	79.3

4. Risk Monitored Loans

(Consolidated)

(millions of yen)

	Mar. 31, 2007		Sep. 30, 2006	Mar. 31, 2006	
		Change from Sep. 30, 2006			Change from Mar. 31, 2006
Loans to bankrupt obligors	1,748	(329)	(141)	2,077	1,889
Non-accrual delinquent loans	21,849	2,448	(14,498)	19,401	36,347
Loans past due for 3 months or more	4,792	667	1,667	4,125	3,125
Restructured loans	36,422	(1,819)	(6,410)	38,241	42,832
Total risk monitored loans	64,813	967	(19,382)	63,846	84,195
Loans and bills discounted	5,146,306	364,887	1,058,745	4,781,419	4,087,561

(% to total loans)

Loans to bankrupt obligors	0.0%	0.0%	0.0%	0.0%	0.0%
Non-accrual delinquent loans	0.4%	0.0%	(0.5)%	0.4%	0.9%
Loans past due for 3 months or more	0.1%	0.0%	0.0%	0.1%	0.1%
Restructured loans	0.7%	(0.1)%	(0.3)%	0.8%	1.0%
Total risk monitored loans	1.3%	0.0%	(0.8)%	1.3%	2.1%

(Non-Consolidated)

(millions of yen)

	Mar. 31, 2007		Sep. 30, 2006	Mar. 31, 2006	
		Change from Sep. 30, 2006			Change from Mar. 31, 2006
Loans to bankrupt obligors	654	422	68	232	586
Non-accrual delinquent loans	10,614	2,497	(9,829)	8,117	20,443
Loans past due for 3 months or more	21	(32)	(3)	53	24
Restructured loans	16,194	(1,041)	(4,875)	17,235	21,069
Total risk monitored loans	27,485	1,847	(14,638)	25,638	42,123
Loans and bills discounted	5,075,281	391,517	1,114,035	4,683,764	3,961,246

(% to total loans)

Loans to bankrupt obligors	0.0%	0.0%	0.0%	0.0%	0.0%
Non-accrual delinquent loans	0.2%	0.0%	(0.3)%	0.2%	0.5%
Loans past due for 3 months or more	0.0%	0.0%	0.0%	0.0%	0.0%
Restructured loans	0.3%	(0.1)%	(0.2)%	0.4%	0.5%
Total risk monitored loans	0.5%	0.0%	(0.6)%	0.5%	1.1%

5. Reserve for Credit Losses

(Consolidated)

(millions of yen)

	Mar. 31, 2007		Sep. 30, 2006	Mar. 31, 2006	
		Change from Sep. 30, 2006			Change from Mar. 31, 2006
Reserve for credit losses	147,275	13,455	2,407	133,820	144,868
General	101,268	10,321	12,225	90,947	89,043
Specific	45,997	3,131	(9,822)	42,866	55,819
Restructuring countries	9	3	4	6	5

(Non-Consolidated)

(millions of yen)

	Mar. 31, 2007		Sep. 30, 2006	Mar. 31, 2006	
		Change from Sep. 30, 2006			Change from Mar. 31, 2006
Reserve for credit losses	106,977	8,485	(4,444)	98,492	111,421
General	65,434	4,364	5,214	61,070	60,220
Specific	41,533	4,119	(9,663)	37,414	51,196
Restructuring countries	9	3	4	6	5

6. Reserve Ratio to Risk Monitored Loans

(Consolidated)

	Mar. 31, 2007		Sep. 30, 2006	Mar. 31, 2006
		Change from Sep. 30, 2006		
% on risk monitored loans	227.2%	17.6%	209.6%	172.1%

(Non-Consolidated)

	Mar. 31, 2007		Sep. 30, 2006	Mar. 31, 2006
		Change from Sep. 30, 2006		
% on risk monitored loans	389.2%	5.0%	384.2%	264.5%

7. Unrealized Gains on Available-for Sale Securities

(Consolidated)

As of March 31, 2007

(millions of yen)

	Unrealized gains		
		Gains	Losses
Equities	1,006	2,372	1,366
Bonds	(3,370)	413	3,783
Other	10,566	11,372	806
Total	8,202	1,459	5,956

As of March 31, 2006

(millions of yen)

	Unrealized gains		
		Gains	Losses
Equities	5,564	5,678	114
Bonds	(4,693)	66	4,760
Other	2,675	3,390	715
Total	3,546	9,136	5,590

(Non-consolidated)

As of March 31, 2007

(millions of yen)

	Unrealized gains		
		Gains	Losses
Equities	(260)	573	834
Bonds	(3,366)	413	3,779
Other	10,529	11,329	799
Total	6,902	12,316	5,413

As of March 31, 2006

(millions of yen)

	Unrealized gains		
		Gains	Losses
Equities	1,569	1,580	11
Bonds	(4,714)	31	4,746
Other	2,685	3,390	705
Total	(460)	5,002	5,462

8. Balance of Housing Loans (Non-Consolidated)

(millions of yen)

	Mar. 31, 2007		Sep. 30, 2006	Mar. 31, 2006
		Change from Sep. 30, 2006		
Balance of housing loans	562,225	64,990	107,664	497,235

9. Balance of Deposits (Non-Consolidated)

(millions of yen)

	Mar. 31, 2007		Sep. 30, 2006	Mar. 31, 2006
		Change from Sep. 30, 2006		
Balance of deposits (including NCDs)	5,471,462	457,377	1,313,270	5,014,085
Balance of deposits from individuals	3,545,887	181,934	464,196	3,363,953

10. Subsidiaries and Affiliates

	Mar. 31, 2007	Mar. 31, 2006
Consolidated subsidiaries	95	82
Affiliates accounted for using the equity method	27	13

11. Expense for Retirement Benefit (Consolidated)

(millions of yen)

	Mar. 31, 2007
Expense for retirement benefit	5,281

12. Derivative Transactions Based on Hedge Accounting

(Consolidated)

(billions of yen)

	As of March 31, 2007			
	Within 1 year	Over 1 year and within 5 years	Over 5 years	Total
Interest rate swap				
Receive fixed and pay floating	81.4	368.4	276.1	726.0
Receive floating and pay fixed	20.4	244.9	104.4	369.8
Receive floating and pay floating	0.5	-	-	0.5
Total notional principal amount	102.3	613.4	380.6	1,096.4
Currency swap				
Total notional principal amount	152.7	461.3	266.1	880.3

(Non-Consolidated)

(billions of yen)

	As of March 31, 2007			
	Within 1 year	Over 1 year and within 5 years	Over 5 years	Total
Interest rate swap				
Receive fixed and pay floating	81.4	368.4	276.1	726.0
Receive floating and pay fixed	20.4	244.9	104.4	369.8
Receive floating and pay floating	0.5	-	-	0.5
Total notional principal amount	102.3	613.4	380.6	1,096.4
Currency swap				
Total notional principal amount	152.7	461.3	266.1	880.3

13. Problem Claims

A. Losses on Disposals

(Consolidated) (billions of yen)

	Net provision of general reserve for loan losses	Disposal of problem claims (Banking account)	Disposal of problem claims (Trust account)	Total credit costs
FY2006	33.5	18.3	-	51.9
1H-FY2006	24.7	(19.5)	-	5.2
FY2005	30.0	0.1	-	30.1

(Non-Consolidated) (billions of yen)

	Net provision of general reserve for loan losses	Disposal of problem claims (Banking account)	Disposal of problem claims (Trust account)	Total credit costs
FY2006	5.2	(5.4)	-	(0.1)
1H-FY2006	0.8	(12.8)	-	(11.9)
FY2005	4.1	(9.0)	-	(4.9)

B. Outstanding of Non-Performing Loans

(billions of yen)

	Self assessment				
	Bankruptcy and virtually bankrupt obligors (a)	Possibly bankrupt obligors (b)	Below possibly bankrupt obligors (a)+(b)	Need caution obligors (c)	Total (a)+(b)+(c)
Mar. 31, 2007	0.9	10.7	11.6	109	120.7
Sep. 30, 2006	0.3	8.3	8.6	91.1	99.8
Mar. 31, 2006	0.7	20.7	21.4	97.9	119.3

	Claims under the Financial Revitalization Law	
	Substandard claims (d)	Total (a)+(b)+(d)
Mar. 31, 2007	21.1	42.5
Sep. 30, 2006	17.3	26.0
Mar. 31, 2006	21.1	42.5

C. Reserve Ratio by Obligor

	As of Mar. 31, 2007	As of Sep. 30, 2006	As of Mar. 31, 2006
(i) Legally or virtually bankrupt obligors (out of unsecured portion of claims)	100.00%	100.00%	100.00%
(ii) Possibly bankrupt obligors (out of unsecured portion of claims)	82.35%	73.14%	89.91%
(iii) Substandard obligors (out of unsecured portion of claims)	57.13%	58.42%	51.32%
(iv) Caution obligors (except for substandard obligors) (out of unsecured portion of claims)	43.68%	31.00%	29.99%
(out of total claims)	15.63%	14.31%	9.43%
(v) Normal obligors (out of total claims)	0.34%	0.32%	0.40%

D. Reserve by Discounted Cash Flow Method

Since fiscal year 2002, we have established reserves for loan losses using the DCF method to more than 90% of claims, by balance, against substandard obligors and possibly bankrupt obligors.

14. Holding Stocks

A. Stocks

(Non-Consolidated)

(billions of yen)

	Book value		Other comprehensive income	Tier I
		Subsidiary stocks		
Mar. 31, 2007	273.6	253.7	(0.2)	622.3
Sep. 30, 2006	341.2	331.9	0.2	920.7
Mar. 31, 2006	352.7	337.6	1.5	1,019.6

B. Impairment of stocks

(Non-Consolidated)

(billions of yen)

	Equity related PL (Net of 3 accounts)	
		Impairment ⁽¹⁾
FY2006	5.5	0.8
1H-FY2006	5.6	0.8
FY2005	(4.8)	6.9

- (1) Special gains include gain by sale of common stocks of affiliated companies of 11.5 billion yen. Special losses include impairment of subsidiary stocks of 99.3 billion yen and valuation allowance for investments of 15.9 billion yen

15. Bonds

(Non-Consolidated)

(billions of yen)

	Bond related realized PL	Other comprehensive income ⁽²⁾
Mar. 31, 2007	5.1	(3.3)
Sep. 30, 2006	2.0	(3.0)
Mar. 31, 2006	3.4	(4.7)

- (2) Other comprehensive income is the appraisal other comprehensive income of bonds among other securities

16. For loan

A. Loan for SME

(billions of yen)

	Outstanding balance ⁽³⁾	Revitalization plan (Substance basis change from previous year <except for foreign currency loan>)
Mar. 31, 2007	2,892.3	
Sep. 30, 2006	2,587.6	
Mar. 31, 2006	2,102.8	FY2005: Plan was +1.0 billion yen, results was +58.5 billion yen

- (3) It is different from outstanding balance of substance basis of revitalization plan

B. Syndicated loan

(billions of yen)

	Outstanding balance
Mar. 31, 2007	140.4
Sep. 30, 2006	68.0
Mar. 31, 2006	46.0

B. Non-recourse loan

for real estate

(billions of yen)

	Outstanding balance
Mar. 31, 2007	769.5
Sep. 30, 2006	461.4
Mar. 31, 2006	575.6

17. Sales performance and commission of investment trust and insurance

(billions of yen)

	Handling commission of investment trust		Sales of flow	Handling commission of insurance		Sales of flow
		From flow			From flow	
FY2006	72	37	226.5	23	22	43.1
FY2005	57	31	197.8	25	25	52.6
FY2004	40	17	146.5	25	24	54.8

18. Dividends original capital for public funds

(billions of yen)

Divided bank name	Shinsei Bank, Limited
Inappropriate retained earnings on March 31, 2007	260.8 (Except for retained earnings)
Net unrealized gain on securities available for sale, net taxes on March 31, 2008	4.1
Dividends necessary in full year fro preferred share injected by public funds	2.4

19. Results and forecast of pay out ratio (common share⁽¹⁾)

(Non-Consolidated)

(yen)

	Dividend per share	Pay out ratio
FY2006	Forecast is under discussion	
FY2005	2.66	-
FY2004	2.96	5.6%

(1) After the public funds are repaid, the Bank would like to improve the targeted pay-out ratio to close to global standard levels of 20% to 30%.

Non-Consolidated Statements of Operations

(millions of yen)

	Fiscal year ended	Fiscal year ended	Change	
	Mar. 31, 2007 (FY2006) a	Mar. 31, 2006 (FY2005) b	a-b	%
Interest on loans and bills discounted	75,357	57,895	17,462	30.2%
Interest and dividends on securities	40,427	21,036	19,391	92.2%
Other interest income	13,262	3,689	9,573	259.5%
Interest income	129,046	82,620	46,426	56.2%
Fees and commissions income	28,198	22,065	6,133	27.8%
Trading profits	15,339	20,740	(5,401)	(26.0)%
Other business income	18,661	23,523	(4,862)	(20.7)%
Other ordinary income	40,787	48,334	(7,547)	(15.6)%
Ordinary income	232,034	197,284	34,750	17.6%
Interest on deposits	33,276	16,932	16,344	96.5%
Interest on debentures	3,009	4,720	(1,711)	(36.3)%
Other interest expenses	41,247	10,746	30,501	283.8%
Interest expenses	77,534	32,398	45,136	139.3%
Fees and commissions expenses	13,164	10,659	2,505	23.5%
Trading losses	436	463	(27)	(5.8)%
Other business expenses	6,561	5,415	1,146	21.2%
General and administrative expenses	77,865	73,860	4,005	5.4%
Other ordinary expenses	9,325	13,990	(4,665)	(33.3)%
Ordinary expenses	184,888	136,787	48,101	35.2%
Net ordinary income	47,146	60,497	(13,351)	(22.1)%
Special gains	14,385	6,261	8,124	129.8%
Special losses	116,546	119	116,427	97837.8%
Income/(loss) before income taxes	(55,015)	66,639	(121,654)	(182.6)%
Income taxes (current)	(2,779)	(5,991)	3,212	(53.6)%
Income taxes (deferred)	(10,276)	(2,260)	(8,016)	354.7%
Net income/(loss)	(41,960)	74,890	(116,850)	(156.0)%

yen / US\$

@117.78

@117.47

Non-Consolidated Balance Sheets

-- Assets

(millions of yen)

	As of	As of	Change	
	Mar. 31, 2007	Mar. 31, 2006	a-b	%
	a	b		
<<Assets>>				
Cash and due from banks	190,003	315,282	(125,279)	(39.7)%
Call loans	43,100	50,000	(6,900)	(13.8)%
Collateral related to securities borrowing transactions	11,050	33,107	(22,057)	(66.6)%
Other monetary claims purchased	69,856	40,233	29,623	73.6%
Trading assets	284,137	173,315	110,822	63.9%
Monetary assets held in trust	687,346	556,448	130,898	23.5%
Securities	2,062,064	1,809,798	252,266	13.9%
Valuation allowance for investments	(15,908)	-	(15,908)	n.m.
Loans and bills discounted	5,075,281	3,961,246	1,114,035	28.1%
Foreign exchanges	15,047	12,140	2,907	23.9%
Other assets	325,654	282,669	42,985	15.2%
Premises and equipment	/	26,701	/	/
Tangible fixed assets	20,768	/	/	/
Intangible fixed assets	13,475	/	/	/
Deferred issuance expenses for debentures	103	177	(74)	(41.8)%
Deferred tax assets	35,559	27,965	7,594	27.2%
Customers' liabilities for acceptances and guarantees	18,357	30,985	(12,628)	(40.8)%
Reserve for credit losses	(106,977)	(111,421)	4,444	(4.0)%
Total assets	8,728,921	7,208,651	1,520,270	21.1%

yen / US\$

@117.78

@117.47

Non-Consolidated Balance Sheets

-- Liabilities and net assets

(millions of yen)

	As of	As of	Change	
	Mar. 31, 2007 a	Mar. 31, 2006 b	a-b	%
<<Liabilities>>				
Deposits	4,991,263	4,000,819	990,444	24.8%
Negotiable certificates of deposit	480,199	157,373	322,826	205.1%
Debentures	703,908	1,021,419	(317,511)	(31.1)%
Call money	692,792	30,000	662,792	2209.3%
Collateral related to securities lending transactions	8,333	-	8,333	n.m.
Trading liabilities	87,361	129,059	(41,698)	(32.3)%
Borrowed money	276,760	314,789	(38,029)	(12.1)%
Foreign exchanges	397	325	72	22.2%
Corporate bonds	562,457	447,024	115,433	25.8%
Other liabilities	237,614	213,567	24,047	11.3%
Accrued employees bonuses	9,850	10,040	(190)	(1.9)%
Reserve for retirement benefits	756	200	556	278.0%
Acceptances and guarantees	18,357	30,985	(12,628)	(40.8)%
Total liabilities	8,070,054	6,355,605	1,714,449	27.0%
<<Net assets>>		<<Stockholders' equity>>		
Shareholders' equity				
Capital stock	451,296	451,296	-	-
Capital surplus	18,558	18,558	-	-
Additional paid-in capital	18,558	18,558	-	-
Retained earnings	267,144	380,526	(113,382)	(29.8)%
Appropriated for legal reserve	9,266	7,777	1,489	19.1%
Other retained earnings	257,878	372,749	(114,871)	(30.8)%
Earned surplus brought forward	257,878	372,749	(114,871)	(30.8)%
Treasury stock, at cost	(72,555)	(6)	(72,549)	1209150.0%
Total shareholders' equity	664,444	/	/	/
Net unrealized gain / loss and translation adjustments				
Net unrealized gain on securities available-for-sale, net of taxes	4,181	2,670	1,511	56.6%
Net deferred loss on hedge, net of taxes	(10,275)	/	/	/
Total net unrealized gain / loss and translation adjustments	(6,094)	/	/	/
Stock acquisition rights	517	/	/	/
Total net assets	658,866	853,046	(194,180)	(22.8)%
Total liabilities and net assets	8,728,921	7,208,651	1,520,270	21.1%
	yen / US\$	@117.78	@117.47	

* Certain account titles of the balance sheets as of Mar.31,2006 (b) are realigned in line with the balance sheet as of Mar.31,2007 (a).

Non-consolidated Statement of Changes in Net Assets

For the fiscal year ended March 31, 2007

(millions of yen)

	Shareholders' equity							
	Capital stock	Capital surplus		Retained earnings			Treasury stock, at cost	Total of shareholders' equity
		Additional paid-in capital	Total capital surplus	Appropriated for legal reserve	Other retained earnings Earned surplus brought forward	Total retained earnings		
Balance at beginning of period	451,296	18,558	18,558	7,777	372,749	380,526	(6)	850,375
Changes in amounts during the period								
Dividends from surplus (note)				790	(4,737)	(3,947)		(3,947)
Dividends from surplus				699	(4,195)	(3,496)		(3,496)
Net loss					(41,960)	(41,960)		(41,960)
Acquisition of treasury stock							(136,673)	(136,673)
Disposal of treasury stock					(15)	(15)	160	145
Retirement of treasury stock					(63,963)	(63,963)	63,963	-
Net change of items other than shareholders' equity								
Total changes during the period	-	-	-	1,489	(114,871)	(113,382)	(72,549)	(185,931)
Balance at end of period	451,296	18,558	18,558	9,266	257,878	267,144	(72,555)	664,444

(millions of yen)

	Net unrealized gain/loss and translation adjustments			Stock acquisition rights	Total net assets
	Net unrealized gain/loss on securities available-for-sale, net of taxes	Net deferred gain/loss on hedge, net of taxes	Total net unrealized gain/loss and translation adjustments		
Balance at beginning of period	2,670	-	2,670	-	853,046
Changes in amounts during the period					
Dividends from surplus (note)					(3,947)
Dividends from surplus					(3,496)
Net loss					(41,960)
Acquisition of treasury stock					(136,673)
Disposal of treasury stock					145
Retirement of treasury stock					-
Net change of items other than shareholders' equity	1,510	(10,275)	(8,765)	517	(8,247)
Total changes during the period	1,510	(10,275)	(8,765)	517	(194,179)
Balance at end of period	4,181	(10,275)	(6,094)	517	658,866

(note) This item is resulted from appropriation of profit of previous fiscal year.

[All figures presented in the following tables are based on APLUS' disclosed financials and before consolidation to Shinsei's financials.]

(Reference) APLUS Key Data

(billions of yen)

(Reference)

Summary of Income Statement	for the fiscal year ended		for the six months ended		
	Mar. 31, 2007		Sep. 30, 2006	Mar. 31, 2006	Sep. 31, 2005
Operating Revenue	111.4		57.3	51.7	49.5
Credit card shopping (Sogo)	8.9		4.2	3.4	3.0
Installment shopping credit (Kohin)	20.5		10.2	6.8	6.7
Credit guarantee	26.4		13.8	14.6	15.4
Loan	44.9		23.9	21.3	19.8
Consumer loan	44.6		23.7	21.1	19.6
Cashing by credit card	20.3		10.5	10.3	10.0
Loan card	20.9		11.5	9.5	8.4
Other consumer loan	3.4		1.6	1.2	1.1
Other loan	0.2		0.1	0.1	0.1
Financial income	2.3		1.0	1.0	0.9
Others	8.2		4.0	4.4	3.5
Operating Expenses	126.3		53.9	43.5	43.2
SG&A	120.6		51.3	41.3	40.5
Net provision of allowance for bad debts	47.8		17.5	13.0	13.7
Others	72.8		33.7	28.2	26.8
Financial expenses	5.6		2.5	2.2	2.6
Operating Income	(14.9)		3.4	8.1	6.3
Ordinary Income	(14.9)		3.5	8.1	6.4
Net Extraordinary Profit (Loss)	(8.7)		(1.4)	(1.3)	(0.3)
Net Income (Loss) before Tax	(23.7)		2.1	6.8	6.1
Net Income (Loss)	(29.3)		0.5	8.3	8.0

(billions of yen)

Summary of Financials and Other Major Business Information (Consolidated)	as of the end of		as of the end of		
	Mar. 2007		Sep. 2006	Mar. 2006	Sep. 2005
Total Assets	1,550.7		1,608.2	1,593.1	1,542.9
Total Liabilities	1,491.2		1,534.2	1,516.1	1,469.4
Total Net Assets	59.5		74.0	76.9	73.4
Total Account Receivables	1,224.4		1,329.1	1,315.0	1,358.3
Total installment receivables	530.1		604.7	568.7	541.6
Credit card shopping (Sogo)	42.1		39.4	36.9	28.5
Installment shopping credit (Kohin)	233.8		296.8	253.8	243.6
Loan	253.9		268.2	277.7	266.7
Consumer loan	241.8		253.3	234.0	222.8
Cashing by credit card	63.8		70.0	66.3	64.5
Loan card	123.1		133.7	131.9	104.0
Other consumer loan	54.8		49.5	35.7	54.3
Other loan	12.1		14.9	43.6	43.8
Others	0.1		0.1	0.1	2.7
Credit guarantee receivables	694.2		724.3	746.3	816.7
Number of Merchants (thousands)	832		897	648	634
Total Available Cardholders (thousands) (non-consolidated)	7,612		7,359	6,841	6,263
Number of New Card Issuance (thousands) (non-consolidated)	1,624		905	891	887
Loan Receivables Outstanding by Interest Rate Zone (non-consolidated) *	191.1		204.3	/	/
~ 15.0%	0.9		0.9	/	/
~ 18.0%	30.6		32.9	/	/
~ 20.0%	15.2		15.2	/	/
~ 25.0%	50.6		52.7	/	/
~ 29.2%	93.5		102.4	/	/
Cashing by credit card	71.2		75.7	/	/
Loan card	119.9		128.5	/	/
Credit Outstanding Per Account (thousand yen)	367		371	/	/
Cashing by credit card	233		242	/	/
Loan card	555		541	/	/

* This is a total of cashing by credit card / loan card outstanding (161.1 billion yen as of the end of Mar. 2007 and 177.2 billion yen as of the end of Sep. 2006, non-consolidated basis) based on managed assets basis, which include securitized receivables and uncollectible estimated amounts, etc.

■ Grey zone related:

In the fiscal year ended Mar 31, 2007, APLUS recorded costs of 11.5 billion yen for future possible losses on reimbursements of excess interest payments.

As of the end of Mar. 2007, reserve for losses on interest repayments stood at 10.3 billion yen.

[Latest figures are based on Shinki' disclosed financials announced on May 9, 2007]

(Reference) Shinki Key Data

(billions of yen)

(Reference)

Summary of Income Statement (non-consolidated)	for the fiscal year ended		for the six months ended	
	Mar. 31, 2007	Mar. 31, 2006	Sep. 30, 2006	Sep. 30, 2005
Operating Income	44.4	50.5	23.0	25.5
Interest income	23.7	27.9	12.5	13.6
Interest on subordinated investor certificate	19.4	21.1	9.8	11.0
Others	1.3	1.3	0.6	0.7
Operating Expenses	66.1	43.7	22.2	20.6
Financial expenses	1.7	1.9	0.8	1.0
Other operating expenses	64.5	41.7	21.4	19.5
Allowance for bad debts and write offs	46.9	20.0	12.3	8.9
Others	17.5	21.7	9.0	10.6
Operating Profit	(21.7)	6.7	0.7	4.8
Ordinary Profit	(21.6)	6.8	0.8	4.9
Net Extraordinary Profit (Loss)	(13.7)	0.2	(13.3)	0.2
Net Income (Loss) before Tax	(35.2)	7.0	(12.4)	5.1
Net Income (Loss)	(39.9)	4.1	(15.4)	2.9

Summary of Financials and Other Major Business Information (non-consolidated)	as of the end of		as of the end of	
	Mar. 2007	Mar. 2006	Sep. 2006	Sep. 2005
Total Assets	151.9	189.7	171.9	195.5
Total Liabilities	124.9	121.1	120.1	128.0
Total Net Assets	27.0	68.5	51.8	67.4
Loan Receivables Outstanding ⁽¹⁾	176.4	199.4	187.5	211.9
Consumer loans	125.8	136.8	130.0	144.8
Unsecured loans	125.0	136.3	129.6	144.2
Secured loans	0.7	0.4	0.4	0.5
Business loans	50.6	62.6	57.5	67.0
Loans on deeds	0.3	0.6	0.4	0.9
Noloan business	50.1	61.8	56.9	65.7
Secured loans	0.0	0.1	0.0	0.3
Number of Branch Offices	544	610	572	568
Weighted Average Rate of Loan Interest Rate (%)	27.11	26.60	27.18	27.23
Consumer loans	27.50	26.91	27.59	27.60
Unsecured loans	27.58	26.97	27.65	27.67
Secured loans	13.96	11.15	11.07	11.61
Business loans	26.14	25.93	26.24	26.42
Loans on deeds	21.66	21.26	21.29	22.21
Noloan business	26.19	26.02	26.30	26.57
Secured loans	11.32	9.68	11.54	9.19
Weighted Average Rate of Funding Rate (%)				
During the fiscal year	1.66	1.82	1.64	1.96
As of the end of the fiscal year	1.69	1.63	1.68	1.80

(1) Balance of loans include ones off-balanced through securitization program

■ Grey zone related:

For the fiscal year ended Mar. 2007, Shinki (non-consolidated basis) recorded costs of 37.9 billion yen for future possible losses on reimbursements of excess interest payments. (26.5 billion yen was recorded in operating expenses and 11.4 billion yen was recorded in extraordinary losses.) As of the end of Mar. 2007, the reserve amount stood at 36.3 billion yen.