

NON-CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

Shinsei Bank, Limited
For the fiscal years ended March 31, 2008 and 2007

	Millions of yen		Thousands of U.S. dollars (Note)
	2008	2007	2008
Common stock:			
Balance at beginning of year	¥ 291,853	¥ 180,853	\$ 2,926,439
Issuance of new shares of common stock	25,000	—	250,677
Conversion from preferred stock	159,443	111,000	1,598,748
Balance at end of year	476,296	291,853	4,775,864
Preferred stock:			
Balance at beginning of year	159,443	270,443	1,598,748
Conversion into common stock	(159,443)	(111,000)	(1,598,748)
Balance at end of year	—	159,443	—
Capital surplus:			
Balance at beginning of year	18,558	18,558	186,086
Issuance of new shares of common stock	25,000	—	250,677
Balance at end of year	43,558	18,558	436,763
Stock acquisition rights:			
Balance at beginning of year	517	—	5,188
Net change during the year	740	517	7,424
Balance at end of year	1,257	517	12,612
Retained earnings:			
Legal reserve:			
Balance at beginning of year	9,266	7,777	92,916
Transfer from unappropriated retained earnings	614	1,489	6,161
Balance at end of year	9,880	9,266	99,077
Unappropriated retained earnings:			
Balance at beginning of year	257,878	372,749	2,585,761
Appropriation:			
Transfer to legal reserve	(614)	(1,489)	(6,161)
Dividends paid	(3,072)	(7,443)	(30,803)
Net income (loss)	53,203	(41,960)	533,480
Disposal of treasury stock	—	(15)	—
Retirement of treasury stock	—	(63,963)	—
Balance at end of year	307,395	257,878	3,082,277
Unrealized gain (loss) on available-for-sale securities:			
Balance at beginning of year	4,181	2,670	41,927
Net change during the year	(39,206)	1,510	(393,123)
Balance at end of year	(35,024)	4,181	(351,196)
Deferred gain (loss) on derivatives under hedge accounting:			
Balance at beginning of year	(10,275)	—	(103,037)
Net change during the year	12,172	(10,275)	122,050
Balance at end of year	1,896	(10,275)	19,013
Treasury stock, at cost:			
Balance at beginning of year	(72,555)	(6)	(727,523)
Purchase of treasury stock	(1)	(136,673)	(19)
Disposal of treasury stock	—	160	—
Retirement of treasury stock	—	63,963	—
Balance at end of year	(72,557)	(72,555)	(727,542)
Total equity	¥ 732,703	¥ 658,866	\$ 7,346,868

Note: U.S. dollar amounts, presented solely for the readers' convenience, are translated at ¥99.73=U.S.\$1.00, the rate of exchange prevailing on the Tokyo Foreign Exchange Market on March 31, 2008.