

Notice on Revision of Consolidated Statement of Cash Flows for Fiscal Year 2004

Tokyo (Thursday, June 16, 2005) --- Shinsei Bank, Limited ("Shinsei Bank") today gives notice of a minor revision to the consolidated statement of cash flows for fiscal year 2004 ending March 31, 2005, as included in the press release titled *Shinsei Bank Announces Fiscal 2004 Financial Results* on May 24, 2005.

The revision is as follows:

Consolidated Statement of Cash Flows for FY2004

	After revision *1	Before revision *2
Net cash provided by (used in) operating activities	232,048 million yen	213,048 million yen
Net cash provided by (used in) financing activities	73,793 million yen	92,793 million yen

*1 After revision: Please see attachment 1

*2 Before revision: Please see attachment 2 (previously announced on May 24, 2005)

(Reference)

Other updates related with the financial results for FY2004 are as follows.

1. The consolidated capital adequacy ratio, as reported on flash basis on May 24, 2005, has been revised as follows.

as of March 31, 2005	After revision	Before revision
Capital Adequacy Ratio	11.78%	11.77%
Tier I Ratio *	7.00%	7.00%
Tier I Capital *	463.0 billion yen	463.0 billion yen
Tier II Capital *	338.6 billion yen	338.6 billion yen
Risk Assets	6,610.9 billion yen	6,612.8 billion yen

* unchanged.

2. 2.9 billion yen amortization relating to fair value adjustments for APLUS' assets and liabilities has been reclassified, from the press release titled *Shinsei Bank Announces Fiscal 2004 Financial Results* dated May 24, 2005, from total intangibles amortization to respective revenue and expense categories under management accounting basis. There is no impact on the reported net income and the cash basis net income. However, total revenue and ordinary business profit declined by 2.9 billion yen and, correspondingly, total intangibles amortization decreased by the same amount. After the adjustments, total revenue and ordinary business profit were 178 billion yen and 81.9 billion yen, respectively.

Consolidated Statements of Cash Flows

(Millions of yen)

	Mar. 31,2005	Mar. 31,2004	Change
I. Cash flows from operating activities:			
Income before income taxes and minority interests	¥65,597	¥68,907	(¥3,310)
Depreciation	3,706	3,353	353
Amortization of consolidation goodwill	4,918	5	4,913
Amortization of identified intangible assets	3,919	-	3,919
Equity in gains of affiliates	(1,762)	(506)	(1,256)
Net change in reserve for credit losses	(28,083)	(40,105)	12,022
Net change in reserve for bonuses payable	319	(468)	787
Net change in reserve for retirement benefits	576	(5,310)	5,886
Net change in reserve for loss on disposition of premises and equipment	153	(450)	603
Net change in provision of reserve for loss on sale of bonds	(1,918)	670	(2,588)
Interest income	(101,396)	(89,192)	(12,204)
Interest expenses	34,497	32,009	2,488
Gain on securities sold	(11,752)	(18,478)	6,726
Gain on monetary assets held in trust	(2,431)	(2,196)	(235)
*2 Net exchange gain	(4,850)	24,452	(29,302)
Net change on sale of premises and equipment	517	583	(66)
Net change in trading assets	466,594	(273,920)	740,514
Net change in trading liabilities	(23,130)	(25,265)	2,135
Net change in loans and bills discounted	(506,571)	451,744	(958,315)
Net change in deposits	816,785	24,029	792,756
Net change in negotiable certificates of deposit	(98,461)	141,034	(239,495)
Net change in debentures (other than subordinated debentures)	(115,388)	(526,344)	410,956
Net change in borrowed money (other than subordinated debt)	*1 56,030	35,528	*1 20,502
Net change in corporate bonds (other than subordinated bonds)	9,357	4,869	4,488
Net change in deposits	136,664	(53,846)	190,510
Net change in call loans	(70,000)	536	(70,536)
Net change in other monetary claims purchased	(72,774)	(26,492)	(46,282)
Net change in collateral related to securities borrowing transactions	14,377	(16,155)	30,532
Net change in payables under repurchase agreements	(445,634)	280,675	(726,309)
Net change in call money	91,735	112,559	(20,824)
Net change in commercial paper	(3,786)	-	(3,786)
Net change in collateral related to securities lending transactions	(29,275)	(368,069)	338,794
Net change in foreign exchange assets	939	783	156
Net change in foreign exchange liabilities	16	(8)	24
Net decrease in net trust account	24,422	7,005	17,417
Interest received	122,569	100,640	21,929
Interest paid	(33,534)	(35,599)	2,065
Net change in trading securities	24,381	(11,848)	36,229
Net change in monetary assets held in trust	12,454	(66,907)	79,361
Others, net	*1,3 (106,335)	(70,381)	*1,3 (35,954)
Subtotal	*1 233,446	(342,159)	*1 575,605
Income taxes paid	(1,397)	(1,272)	(125)
Net cash provided by (used in) operating activities	*1 232,048	(343,431)	*1 575,479
II. Cash flows from investing activities:			
Purchases of securities	(4,378,272)	(2,409,543)	(1,968,729)
Proceeds from sale of securities	634,712	701,198	(66,486)
Proceeds from redemption of securities	3,589,334	2,135,689	1,453,645
Investment in monetary assets held in trust	(92,867)	(7,484)	(85,383)
Proceeds from disposition of monetary assets held in trust	17,475	3,883	13,592
Purchases of premises and equipment	(7,301)	(5,766)	(1,535)
Proceeds from sale of premises and equipment	595	-	595
Acquisition of new subsidiaries and affiliates	(75,875)	(22)	(75,853)
Proceeds from acquisition of new subsidiaries and affiliates	10,020	-	10,020
Additional investment for subsidiaries and affiliates	-	(5,799)	5,799
Proceeds from sales of subsidiaries	-	22	(22)
Others, net	1,380	-	1,380
Net cash (used in) provided by investing activities	(300,798)	412,178	(712,976)
III. Cash flows from financing activities:			
Repayment of subordinated debt	*1 (19,000)	(38,000)	*1 19,000
Proceeds from subordinated bonds	50,000	-	50,000
Payment for redemption of subordinated bonds	(2,570)	-	(2,570)
Payment for redemption of subordinated debentures	-	(2,226)	2,226
Proceeds from minority interests in subsidiaries	52,500	-	52,500
Dividends paid	(7,133)	(10,333)	3,200
Purchase of treasury stock	(3)	(1)	(2)
Net cash provided by (used in) financing activities	*1 73,793	(50,560)	*1 124,353
.Effect of exchange rate changes on cash and cash equivalents	3	-	3
. Net change in cash and cash equivalents	5,047	18,186	(13,139)
. Cash and cash equivalents at beginning of year	157,178	138,991	18,187
. Cash and cash equivalents at end of year	¥162,226	¥157,178	¥5,048

Note:

*1 Change of amounts

*2 Change of account title

*3 The amount of net change in reserve under special law is included in others, net in cash flows from operating activities after revision.

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Net change in reserve under special law	1	-	1
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Interest expenses	34,497	32,009	2,488
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