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OFFICE OF INTERNATIONAL  
CORPORATE FINANCE

File No. 82-34775

January 26, 2006

Office of International Corporate Finance  
Division of Corporation Finance  
Securities and Exchange Commission  
Room 3094 – Stop 3-6  
450 Fifth Street, N.W.  
Washington, D.C. 20549  
U.S.A.



06010714

SUPPL

Re: Shinsei Bank, Limited – 12g3-2(b) exemption

Ladies and Gentlemen:

In connection with our exemption as a foreign private issuer pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934, we hereby furnish the Securities and Exchange Commission with the following information required by Rule 12g3-2(b):

A. English Language Documents

- (1) Press release dated January 18, 2005 (Attached hereto as Exhibit A-1)
- (2) Press release dated January 19, 2005 (Attached hereto as Exhibit A-2)
- (3) Press release dated January 25, 2005 (Attached hereto as Exhibit A-3)

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B. Japanese Language Documents

- (1) Press release dated January 18, 2005  
(English Translation attached hereto as Exhibit B-1, the same as A-1)
- (2) Press release dated January 19, 2005  
(English Translation attached hereto as Exhibit B-2, the same as A-2)
- (3) Press release dated January 25, 2005  
(English Translation attached hereto as Exhibit B-3, the same as A-3)

Very truly yours,

Shinsei Bank, Limited

By

Name: Kazumi Kojima

Title: General Manager  
Corporate Communications Division

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SHINSEI BANK, LIMITED

1-8, Uchisaiwaicho 2-Chome, Chiyoda-ku, Tokyo 100-8501 Japan  
TEL: 03-5511-5111

For Immediate Release

2006 FEB -6 P 3: 03

OFFICE OF INTERNATIONAL  
CORPORATE FINANCE

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

**“SHINSEI BANK DÉLONGHI CAFÉ” Opens in Omotesando Hills on February 11**

Tokyo (Wednesday, January 18, 2006) — On February 11, 2006, Shinsei Bank, Limited (“Shinsei Bank”) and De’ Longhi Japan Corp. (“De’ Longhi”) will open the “SHINSEI BANK DÉLONGHI CAFÉ” at the Grand Opening of Omotesando Hills, a multipurpose complex. A branch of Shinsei Bank and a cafe by De’ Longhi, the Italian home electric appliance manufacturer, will be located next to each other.

This new BankCafé offers a totally new banking experience in a comfortable and stylish atmosphere, not only by offering internet banking services but also by offering space to relax on a sofa in a café. Customers can do internet banking while enjoying a cup of authentic espresso. This will be the only bank branch in Omotesando Hills providing banking and ATM services.

(See appendix for service details.)

**Image**



**Outline of SHINSEI BANK DÉLONGHI CAFÉ**

|                                       |   |  |
|---------------------------------------|---|--|
| Name                                  | SHINSEI BANK DÉLONGHI CAFÉ  |  |
| Category                              | Bank Cafe & Showroom  |  |
| Address                               | B3 floor, Omotesando Hills Main Building, 4-12-10 Jingu-mae, Shibuya-ku, Tokyo 150-0001             |  |
|                                       | SHINSEI BANK  | DÉLONGHI CAFÉ  |
| Holidays                              | None, open all year   | None, open all year  |
| Business hours and Available services | 11:00-19:00 (Account opening, with staff)<br>11:00-24:00 (ATM, Internet banking, telephone banking) | 11:00-24:00 (Café. Last orders at 23:00)<br>[Alcoholic drinks will be served after 19:00]<br>11:00-24:00 (Display of products) |
| Inquiries from customers:             | Shinsei PowerCall 0120-456-860<br>[24 hours, 365 days]  | 03-5410-7788 (Direct to the store)   |
| Official name                         | Shinsei Bank Omotesando Hills Annex   | -  |

### **Shinsei Bank Services at “SHINSEI BANK DĒLONGHI CAFĒ”**

#### **1) Simple and timely account opening and immediate issuance of cash cards in 32 select colors**

You can easily open a PowerFlex account and have your cash card issued immediately (The immediate issuance of cards require certain customer ID documents, such as a driver's license.) You can choose your color from among 32 choices.

#### **2) Free ATMs**

You can use Shinsei Bank ATMs free of charge (deposits, withdrawals and balance inquiries).

Note: Cash cardholders of Postal Savings Accounts are charged a fee.

#### **3) Easy transactions through internet and telephone banking services**

“SHINSEI BANK DĒLONGHI CAFĒ” provides personal computers for internet banking and direct phones to the Call Center. Over a cup of coffee, Shinsei PowerFlex accountholders can carry out transactions, such as remittances, account information inquiries, yen and foreign currency deposits and investment trust transactions, and can make inquiries about various products and services via the Internet or by telephone. Furthermore, remittances via the Internet are free of charge up to five times a month (up to 30 times depending on account balances).

### **De' Longhi' Café Services at “SHINSEI BANK DĒLONGHI CAFĒ”**

This is an Italian bar/cafe with totally different features during the day and in the evening. During the daytime, it is an Italian bar where people can enjoy focaccia with a cup of espresso in a brightly lit atmosphere. At night, it is a social space for adults to enjoy chatting over espresso liqueur in an attractive space with soft lighting.

- 1) Authentic Italian espresso and cappuccino from a De'Longhi Espresso Machine.
- 2) After 7:00 p.m., espresso liqueurs and other alcoholic drinks are served.
- 3) Focaccia made from genuine Italian ingredients.
- 4) A showcase of new models of De' Longhi machines.
- 5) Sales of “De' Longhi Selezione,” the first food line produced by De' Longhi.

\*\*\*\*\*

*Shinsei Bank is a Japanese banking institution founded on global standards of governance and management. With over \$61 billion in assets and 30 Shinsei Financial Centers throughout Japan (non-consolidated, as of September 2005), Shinsei provides a broad range of value-added financial solutions to institutional and individual customers under the banner of “Better Banking.” Our PowerFlex account, free ATM network and internet banking service, and customer friendly financial centers have redefined the Japanese retail banking experience. Shinsei is committed to long-term growth and profitability by expanding its customer-focused business model.*



FOR IMMEDIATE RELEASE

Rakuten, Inc.  
 (Code: 4755, JASDAQ)  
 Shinsei Bank, Limited  
 (Code: 8303, TSE First Section)

**Rakuten and Shinsei Bank to Establish Joint Venture for Mortgage Loans**

Tokyo (Thursday, January 19, 2006) - Rakuten, Inc. ("Rakuten") and Shinsei Bank, Limited ("Shinsei Bank") today announced that they have reached an agreement to establish Rakuten Mortgage Co., Ltd. (tentative name, "Rakuten Mortgage"), a financial company specializing in mortgage loans provided over the internet.

Rakuten is aiming to enhance its product lineup through the introduction of a new product from the financial field, an area highly compatible with the internet, as a means to improve convenience and expand services. Shinsei Bank has decided to establish Rakuten Mortgage, an equally financed joint venture, as an avenue to expand its housing loan securitization business. Initially the new company will ally with the Government Housing Loan Corporation ("GHLC") and market as its mainstay product, the Flat 35, a long-term fixed rate mortgage. The venture aims to provide housing loans at the lowest interest rate levels in the industry by applying the customer base and internet business know-how of Rakuten with the skills in securitizing housing loans and strong ability to distribute securitization products of the Shinsei Bank Group.

Outline of Rakuten Mortgage

|                                     |  |
|-------------------------------------|--|
| Name                                | Rakuten Mortgage Co., Ltd. (tentative name)                                    |
| Establishment                       | Mid-February 2006  |
| Capital (including capital reserve) | 1 billion yen  |
| Capital contribution ratio          | Rakuten 50%, Shinsei Bank 50%  |
| Launch of business operation        | October 1, 2006 (tentative)  |
| Board of Directors                  | Three shall be nominated by Rakuten and two shall be nominated by Shinsei Bank |

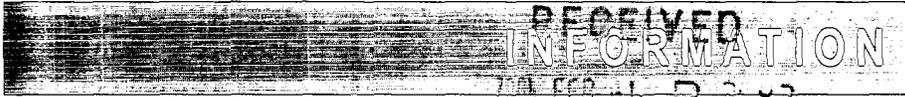
## Appendix

### About Rakuten

|                        |   |
|------------------------|---|
| Name                   | Rakuten, Inc.   |
| Representative Officer | Hiroshi Mikitani  |
| Address                | 10-1, Roppongi 6-chome, Minato-ku, Tokyo                    |
| Established            | February 1997   |
| Capital                | 54.122 billion yen (consolidated, as of September 30, 2005) |
| Number of employees    | 3,495 (consolidated, as of September 30, 2005)              |
| Business               | Internet services   |

### About Shinsei Bank

|  |   |
|--|---|
| Name                                       | Shinsei Bank, Limited                         |
| Representative Statutory Executive Officer | Thierry Porté                                 |
| Address                                    | 1-8, Uchisaiwaicho 2-chome, Chiyoda-ku, Tokyo |
| Established                                | December 1952                                 |
| Capital                                    | 451.2 billion yen (as of September 30, 2005)  |
| Number of employees                        | 2,052 (as of September 30, 2005)              |
| Business                                   | Banking                                       |


**SHINSEI BANK**
**SHINSEI BANK, LIMITED**

1-8, Uchisaiwaicho2-Chome, Chiyoda-ku, Tokyo 100-8501 Japan

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[www.shinseibank.com](http://www.shinseibank.com)

For Immediate Press Release

 OFFICE OF INTERNATIONAL  
CORPORATE FINANCE

Shinsei Bank, Limited

(Code: 8303, TSE First Section)

## Shinsei Bank Reports Financial Results for Nine Months ended December 31, 2005

Tokyo (Wednesday, January 25, 2006) – Shinsei Bank, Limited (“Shinsei Bank”) today reported its financial results for the nine months of fiscal year (FY) 2005 ended December 31, 2005.

“Solid growth in all three of our strategic business lines contributed to the excellent results achieved during the first nine months of FY2005 and has prompted us to revise our earnings’ forecast for this financial year” said Mr. Thierry Porté, President and CEO of Shinsei Bank, “I believe that the key to our success going forward lies in the growing recognition and appreciation by our customers of Shinsei’s unique business model based on delivering innovative solutions to meet our customers’ evolving needs.”

### Financial Highlights: First Nine Months of FY2005

*(All figures compared to first nine months of FY2004)*

- Total revenue grew 68% to 203.5 billion yen
- Ordinary business profit increased 90% to 102.0 billion
- Net income increased 12% to 59.6 billion yen
  - Cash basis net income increased 37% to 77.9 billion yen
- Diluted EPS for nine months reached 29.61 yen
  - Cash basis diluted EPS of 38.67 yen
- Return on equity (diluted) stood at 9.7%
  - Cash basis diluted ROE of 12.7%
- Expense to revenue ratio improved from 55.7% to 49.8%

### Financial Forecast: Full Year FY2005

- Consolidated net income: 75 billion yen (Previous forecast: 63 billion yen)
  - Cash basis net income: 98 billion yen (Previous forecast: 93 billion yen)

### 1. Financial Summary: First Nine Months of FY2005

Shinsei Bank reported consolidated revenue of 203.5 billion yen for the first nine months of fiscal 2005, an increase of 82.4 billion yen or 68.1% as compared to same period in fiscal year 2004. Both interest income and non-interest income growth contributed to this significant increase in revenue.

Revenue from fees and commissions, trading and other non-interest sources, including revenues from leased assets and installment receivables increased to 143.0 billion yen and now represents 70.3% of total revenues. This significant rise is partly driven by fees on installment shopping credit, credit cards, guarantees and other financing to APLUS customers, leasing income from Showa Leasing customers, income on capital markets and other structured products as well as sales of asset management products.

General and administrative expenses increased by 34.0 billion yen to 101.4 billion yen in the first nine months of fiscal 2005 largely due to the inclusion of APLUS and Showa Leasing. This expense increase was partly offset by continual expense rationalization and disciplined cost management across all businesses. As a result, Shinsei Bank's expense to revenue ratio improved to 49.8% from 55.7% compared to the same period last fiscal year.

Ordinary business profit of 102.0 billion yen during the first nine months of FY2005 was 48.4 billion yen or 90.2% higher than the same period last fiscal year. Ordinary business profit improved in all three business areas.

Net credit costs were 22.8 billion yen for the nine months ended December 31, 2005 compared with net credit recoveries of 7.2 billion yen during the same period last fiscal year. The increase in credit costs in this fiscal year was largely attributable to inclusion of APLUS and Showa Leasing's net credit costs. The net credit recoveries in the first nine months of last fiscal year were primarily due to a reduction in the historical default ratio resulting from improvement in overall credit quality which has led to a non-consolidated NPL ratio of just 1.1% as of December 31, 2005.

Consolidated net income for the period was 59.6 billion yen, up 12.2% as compared to the same period last fiscal year. The first nine months of this fiscal year included 18.2 billion yen of amortized acquired goodwill and intangible assets, net of tax benefit, related to the acquisition of APLUS and Showa Leasing. Diluted net income per share for the nine months ended December 31, 2005 was 29.61 yen.

Shinsei Bank also reports cash basis net income on a voluntary basis in order to provide greater transparency and understanding of its underlying performance. Cash basis net income is calculated by excluding amortization of acquired goodwill and intangible assets, net of tax benefit, from net income under Japanese GAAP. For the first nine months of fiscal 2005, consolidated cash basis net income was 77.9 billion yen, an increase of 37.1% as compared to the same period last fiscal year. Cash basis diluted net income per share for the nine-month period of fiscal year 2005 was 38.67 yen, an increase of 9.17 yen or 31.1%, as compared to the same period last fiscal year.

## **2. Business Line Results:**

Shinsei Bank's business model is based on three strategic pillars: Institutional Banking, Consumer and Commercial Finance ("CCF") and Retail Banking. The strength of these three business areas continues to generate strong revenue in line with Shinsei Bank's customer-focused, solution driven business model.

### **Institutional Banking**

The Institutional Banking business has positioned itself as a hybrid commercial and investment bank which provides innovative solutions to institutional customers through an integrated team of relationship managers and product specialists. The business generated revenue of 86.6 billion yen in the first nine months of this fiscal year – an increase of 12.8 billion yen or 17.4% compared to the same period the previous year. Non-recourse real estate finance and capital markets activities delivered particularly strong results. In the first nine months of this fiscal year, the total general and administrative expenses were 29.1 billion yen, 0.8 billion yen higher than the same period last fiscal year. Strong revenue growth coupled with modest expense growth in Institutional Banking resulted in an expense to revenue ratio improvement to 33.6% for the nine months ended December 31, 2005 compared with 38.4% for the same period a year ago.

### **Consumer and Commercial Finance**

The acquisition of APLUS and Showa Leasing in FY2004 have transformed the Consumer and Commercial Finance business into a major contributor to the Bank's overall revenue while adding new customers, experienced personnel, technical capabilities and leveraging Shinsei Bank's expertise and know-how. In the nine months ended December 31, 2005, CCF business contributed revenue of 89.1 billion yen, or 44% of total Shinsei Bank's revenue. Continuous expense rationalization coupled with revenue growth improved the expense to revenue ratio to 50.7% in the first nine months of this fiscal year from 69.1% during the same period a year ago. The business generated ordinary business profit of 43.9 billion yen, an increase of 37.6 billion yen from the same period last fiscal year primarily due to the contribution from APLUS and Showa Leasing.

### **Retail Banking**

The Retail Banking business continues to build on its successful "bricks and clicks" business model by focusing on understanding customers' needs, expanding its range of customer-acclaimed products and enhancing distribution channels to provide customers with greater value and convenience. During the first nine months of this fiscal year, total revenue was 32.6 billion yen, up 12.5% from the same period last fiscal year. The main sources of revenue were interest income from retail deposits and loans, option income from structured deposits, fees from asset management and variable annuity products and foreign exchange fees from the sale of foreign currency deposits. The ability to successfully sell an increasingly wide range of products is contributing to more balanced and recurrent revenue growth. In

the nine months ended December 31, 2005, following the successful launch of Shinsei Bank's "Color your life" campaign, Shinsei Bank added more than 342,000 new *PowerFlex* retail and high net worth customers, compared to 284,000 over the same period last fiscal year and the business now has over 1.6 million retail accounts.

Retail Banking had total expenses of 26.1 billion yen, an increase of 2.1 billion yen, during the nine-month period. The expense increase relates to expansion of distribution channels and the growth of customer driven transactions. During the period, revenue grew faster than expenses resulting in an expense to revenue ratio improvement from 82.4% to 79.9%. The business generated ordinary business profit of 6.5 billion yen for the nine months of fiscal 2005 compared to 5.1 billion yen during the same period in FY2004.

#### **ALM/Corporate/Other**

ALM, Corporate and Other primarily includes results of corporate treasury activities, income from proprietary investments, inter-company eliminations, and corporate level expenses. In the first nine months of this fiscal year ordinary business profit (loss) was (5.9) billion yen compared to (3.3) billion yen the same period in FY2004.

### **3. Balance Sheet:**

Loan and bills discounted balance grew 326.0 billion yen or 9.5% to 3,756.4 billion yen in the nine-month period ended December 31, 2005. Loans to retail customers, including lending to high net worth individuals, grew 51.5% or 158.6 billion yen to 466.7 billion yen. Corporate loans increased 5.2% or 126.5 billion yen to 2,577.7 billion yen. Lending to CCF customers increased 64.4 billion yen or 23.6% to 337.1 billion yen in the nine-month period ended December 31, 2005.

Shinsei Bank continues to diversify its funding base through continuing growth in its retail deposits. Total deposits, including negotiable certificates of deposit, increased 625.8 billion yen or 18.1% to 4,078.6 billion yen during the first nine months of FY2005. The retail deposits balance, including high net worth customers, grew 715.5 billion yen or 31.1% in the first three quarters of this fiscal year and has now reached 3.0 trillion yen. As a result, retail funding now represents close to 67% of total customer funding.

### **4. Non-performing Loans (non-consolidated):**

Shinsei Bank made further progress in bringing down its non-performing loan balances. As of December 31, 2005, total non-performing loans were at 42.5 billion yen – a decline of 3.6 billion yen from September 2005 level. Non-performing loans currently represent 1.1% of total claims outstanding.

## 5. Financial Forecast:

In view of the strong business and financial performance experienced during the first nine months of FY2005, Shinsei Bank has revised its earnings forecasts for Fiscal Year 2005 as follows:

- Consolidated ordinary business profit: 125 billion yen (previous forecast: 120 billion yen)
- Consolidated net income: 75 billion yen (previous forecast: 63 billion yen)
- Consolidated cash basis net income: 98 billion yen (previous forecast: 93 billion yen)
- Non-consolidated net business profit: 68 billion yen (previous forecast 62 billion yen)
- Non-consolidated net income: 72 billion yen (previous forecast 68 billion yen)

\*\*\*\*

*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 business model comprising Institutional Banking, Consumer and Commercial Finance and Retail Banking. The Bank has total assets of USD 81 billion on a consolidated basis and a network of 29 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 is available at <http://www.shinseibank.com/english/index.html>.*

*This press release contains forward-looking statements relating to the Bank and its subsidiaries. These statements are based on management assumptions of future events and trends and are subject to uncertainty and changes in circumstances. Actual results may differ materially from those included in these statements as a result of various factors.*

# Financial Highlights - Consolidated

## Results of Operations <sup>(1)</sup>

| (Three months comparison)  | (Billions of yen)                                  |  |            |  |            |
|--|--|--|------------|--|------------|
|  | Three months ended<br>Dec. 31, 2005<br>(3Q-FY2005) | Three months ended<br>Dec. 31, 2004<br>(3Q-FY2004) | Change     | Three months ended<br>Sep. 30, 2005<br>(2Q-FY2005) | Change     |
|  | a  | b  | a - b (%)  | c  | a - c (%)  |
| Net interest income  | 20.3   | 17.9   | 14%        | 20.7   | (2)%       |
| Fees and commissions   | 12.7   | 15.9   | (20)%      | 10.6   | 19%        |
| Net trading income   | 8.3  | 4.3  | 91%        | 7.9  | 5%         |
| Other business income  | 31.5   | 9.9  | 217%       | 26.6   | 18%        |
| Non-interest income  | 52.6   | 30.2   | 74%        | 45.2   | 16%        |
| <b>Total revenue <sup>(2)</sup></b>                                      | <b>72.9</b>  | <b>48.2</b>  | <b>51%</b> | <b>66.0</b>  | <b>11%</b> |
| General and administrative expenses <sup>(2)</sup>                       | (34.7)   | (28.9)   | 20%        | (32.1)   | 8%         |
| <b>Ordinary business profit (jissuitsu gyomu jun-eki) <sup>(2)</sup></b> | <b>38.2</b>  | <b>19.3</b>  | <b>98%</b> | <b>33.8</b>  | <b>13%</b> |
| Net credit recoveries (costs)  | (8.2)  | (3.4)  | 141%       | (9.4)  | (13)%      |
| Amortization of acquired goodwill and intangible assets                  | (6.2)  | (4.4)  | 41%        | (7.8)  | (20)%      |
| Taxes and others   | (1.7)  | 0.9  | (278)%     | 3.7  | (147)%     |
| <b>Net income</b>  | <b>21.9</b>  | <b>12.4</b>  | <b>77%</b> | <b>20.2</b>  | <b>8%</b>  |
| <b>Cash basis net income <sup>(3)</sup></b>                              | <b>27.3</b>  | <b>16.0</b>  | <b>70%</b> | <b>27.1</b>  | <b>1%</b>  |

| (Nine months comparison)   | Nine months ended<br>Dec. 31, 2005 | Nine months ended<br>Dec. 31, 2004 | Change              | Six months ended<br>Sep. 30, 2005<br>(1H-FY2005) |
|--|------------------------------------|------------------------------------|---------------------|--|
|  |                                    |                                    | %                   |  |
| Net interest income  | 60.5                               | 43.3                               | 40%                 | 40.1   |
| Fees and commissions   | 36.2                               | 25.3                               | 43%                 | 23.5   |
| Net trading income   | 21.1                               | 19.7                               | 7%                  | 12.7   |
| Other business income  | 85.6                               | 32.7                               | 162%                | 54.1   |
| Non-interest income  | 143.0                              | 77.7                               | 84%                 | 90.4   |
| <b>Total revenue <sup>(2)</sup></b>                                      | <b>203.5</b>                       | <b>121.0</b>                       | <b>68%</b>          | <b>130.5</b>                                     |
| General and administrative expenses <sup>(2)</sup>                       | (101.4)                            | (67.4)                             | 50%                 | 66.6   |
| <b>Ordinary business profit (jissuitsu gyomu jun-eki) <sup>(2)</sup></b> | <b>102.0</b>                       | <b>53.6</b>                        | <b>90%</b>          | <b>63.8</b>                                      |
| Net credit recoveries (costs)  | (22.8)                             | 7.2                                | n.m. <sup>(4)</sup> | (14.5)   |
| Amortization of acquired goodwill and intangible assets                  | (20.9)                             | (4.4)                              | n.m. <sup>(4)</sup> | (14.6)   |
| Taxes and others   | 1.4                                | (3.2)                              | n.m. <sup>(4)</sup> | 3.1  |
| <b>Net income</b>  | <b>59.6</b>                        | <b>53.1</b>                        | <b>12%</b>          | <b>37.7</b>                                      |
| <b>Cash basis net income <sup>(3)</sup></b>                              | <b>77.9</b>                        | <b>56.8</b>                        | <b>37%</b>          | <b>50.5</b>                                      |

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

(2) Represents results based on management accounting basis

(3) Excludes amortization of APLUS and Showa Leasing's acquired (consolidation) goodwill and intangible assets, net of tax benefit.

(4) n.m. is not meaningful.

## Selected Balance Sheet Data

|   | (Billions of yen) |                |              |             |                |              |             |  |
|---|-------------------|----------------|--------------|-------------|----------------|--------------|-------------|--|
|   | As of             |                | Change       |             | As of          |              | Change      |  |
|   | Dec. 31, 2005     | Sep. 30, 2005  | Amount       | %           | Mar. 31, 2005  | Amount       | %           |  |
| Securities  | 1,619.9           | 1,678.2        | (58.3)       | (3.5)%      | 1,478.2        | 141.7        | 9.6%        |  |
| Loans and bills discounted                              | 3,756.4           | 3,828.0        | (71.5)       | (1.9)%      | 3,430.4        | 326.0        | 9.5%        |  |
| Lease and installment receivables <sup>(5)</sup>        | 776.1             | 769.1          | 7.0          | 0.9%        | 735.8          | 40.3         | 5.5%        |  |
| Intangible assets <sup>(6)</sup>                        | 70.4              | 72.6           | (2.2)        | (3.0)%      | 77.2           | (6.8)        | (8.8)%      |  |
| Consolidation goodwill, net                             | 224.7             | 229.6          | (4.8)        | (2.1)%      | 244.0          | (19.3)       | (7.9)%      |  |
| Customers' liabilities for acceptances and guarantees   | 785.9             | 1,002.4        | (216.5)      | (21.6)%     | 1,058.1        | (272.2)      | (25.7)%     |  |
| <b>Total assets</b>                                     | <b>9,366.6</b>    | <b>9,142.7</b> | <b>223.8</b> | <b>2.4%</b> | <b>8,576.3</b> | <b>790.3</b> | <b>9.2%</b> |  |
| Deposits (including Negotiable Certificates of Deposit) | 4,078.6           | 3,964.3        | 114.2        | 2.9%        | 3,452.8        | 625.7        | 18.1%       |  |
| Debentures and corporate bonds                          | 1,265.7           | 1,263.7        | 2.0          | 0.2%        | 1,330.9        | (65.1)       | (4.9)%      |  |
| Borrowed money  | 1,085.3           | 1,166.9        | (81.6)       | (7.0)%      | 1,160.2        | (74.9)       | (6.5)%      |  |
| Acceptances and guarantees                              | 785.9             | 1,002.4        | (216.5)      | (21.6)%     | 1,058.1        | (272.2)      | (25.7)%     |  |
| <b>Total liabilities</b>                                | <b>8,442.8</b>    | <b>8,261.6</b> | <b>181.2</b> | <b>2.2%</b> | <b>7,735.7</b> | <b>707.0</b> | <b>9.1%</b> |  |
| Minority interests in subsidiaries                      | 84.4              | 60.4           | 23.9         | 39.6%       | 53.8           | 30.5         | 56.7%       |  |
| <b>Total shareholders' equity</b>                       | <b>839.3</b>      | <b>820.6</b>   | <b>18.6</b>  | <b>2.3%</b> | <b>786.6</b>   | <b>52.6</b>  | <b>6.7%</b> |  |

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

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

## References

|                      | as of the end of |           |
|----------------------|------------------|-----------|
|                      | Dec. 2005        | Sep. 2005 |
| Exchange rate (¥/\$) | 118.07           | 113.21    |
| Nikkei average       | 16,111.43        | 13,574.30 |

**Interest-Earning Assets and Interest-Bearing Liabilities (Consolidated) <sup>(1)</sup>**
*(Billions of yen, except percentages)*

|  | Nine months ended<br>Dec. 31, 2005 |              |                   | Six months ended<br>Sep. 30, 2005<br>(1H-FY2005) |             |                   | Fiscal year ended<br>Mar. 31, 2005<br>(FY2004) |              |                   |
|--|------------------------------------|--------------|-------------------|--|-------------|-------------------|--|--------------|-------------------|
|  | Average<br>balance                 | Interest     | Yield/rate<br>(%) | Average<br>balance                               | Interest    | Yield/rate<br>(%) | Average<br>balance                             | Interest     | Yield/rate<br>(%) |
| <b>Interest-earning assets <sup>(2)</sup>:</b>                               |                                    |              |                   |  |             |                   |  |              |                   |
| Loans and bills discounted   | 3,685.9                            | 76.0         | 2.74              | 3,576.5  | 50.8        | 2.83              | 3,099.9  | 77.3         | 2.50              |
| Lease and installment receivables <sup>(2)</sup>                             | 787.1                              | 35.0         | 5.90              | 781.4  | 23.6        | 6.04              | 152.2  | 10.3         | 6.78              |
| Securities   | 1,720.5                            | 12.9         | 1.00              | 1,698.5  | 8.3         | 0.98              | 1,509.4  | 15.8         | 1.05              |
| Other earning assets <sup>(3)</sup>  | 382.7                              | 2.7          | 0.96              | 356.8  | 2.1         | 1.19              | 553.4  | 8.1          | 1.48              |
| <b>Total interest-earning assets <sup>(2)</sup></b>                          | <b>6,576.3</b>                     | <b>126.8</b> | <b>2.56</b>       | <b>6,413.3</b>                                   | <b>84.9</b> | <b>2.64</b>       | <b>5,315.0</b>                                 | <b>111.7</b> | <b>2.10</b>       |
| <b>Interest-bearing liabilities:</b>   |                                    |              |                   |  |             |                   |  |              |                   |
| Deposits and negotiable certificates of deposit                              | 3,708.5                            | 12.3         | 0.44              | 3,548.5  | 8.0         | 0.45              | 3,096.2  | 13.6         | 0.44              |
| Debentures   | 1,180.6                            | 3.7          | 0.42              | 1,198.9  | 2.6         | 0.44              | 1,311.4  | 6.1          | 0.47              |
| Subordinated debt  | 245.9                              | 4.0          | 2.17              | 251.6  | 3.0         | 2.41              | 210.5  | 6.9          | 3.32              |
| Borrowed money and corporate bonds   | 976.8                              | 9.3          | 1.28              | 967.3  | 6.5         | 1.36              | 338.0  | 6.6          | 1.96              |
| Other interest-bearing liabilities   | 245.2                              | 1.8          | 0.98              | 225.8  | 0.8         | 0.79              | 259.7  | 1.0          | 0.40              |
| <b>Total interest-bearing liabilities</b>                                    | <b>6,357.2</b>                     | <b>31.3</b>  | <b>0.65</b>       | <b>6,192.4</b>                                   | <b>21.2</b> | <b>0.68</b>       | <b>5,216.0</b>                                 | <b>34.4</b>  | <b>0.66</b>       |
| <b>Non interest-bearing sources of funds:</b>                                |                                    |              |                   |  |             |                   |  |              |                   |
| Non interest-bearing (assets) liabilities, net                               | (593.9)                            | -            | -                 | (582.7)  | -           | -                 | (659.2)  | -            | -                 |
| Shareholders' equity   | 812.9                              | -            | -                 | 803.6  | -           | -                 | 758.3  | -            | -                 |
| Total interest-bearing liabilities and non interest-bearing sources of funds | 6,576.3                            | -            | -                 | 6,413.3  | -           | -                 | 5,315.0  | -            | -                 |
| Net interest margin <sup>(2)</sup>   | -                                  | -            | 1.91              | -  | -           | 1.96              | -  | -            | 1.44              |
| Impact of non interest-bearing sources                                       | -                                  | -            | 0.02              | -  | -           | 0.02              | -  | -            | 0.01              |
| <b>Net yield on interest-earning assets <sup>(2)</sup></b>                   |                                    | <b>95.5</b>  | <b>1.93</b>       |  | <b>63.7</b> | <b>1.98</b>       |  | <b>77.2</b>  | <b>1.45</b>       |
| Note:  |                                    |              |                   |  |             |                   |  |              |                   |
| Reclass from total revenue on earning assets to net interest income.         |                                    |              |                   |  |             |                   |  |              |                   |
| Total revenue on earning assets  | 6,576.3                            | 126.8        | 2.56              | 6,413.3  | 84.9        | 2.64              | 5,315.0  | 111.7        | 2.10              |
| Less: Lease and installment receivables                                      | 787.1                              | 35.0         | 5.90              | 781.4  | 23.6        | 6.04              | 152.2  | 10.3         | 6.78              |
| <b>Total interest income</b>   | <b>5,789.1</b>                     | <b>91.8</b>  | <b>2.11</b>       | <b>5,631.9</b>                                   | <b>61.3</b> | <b>2.17</b>       | <b>5,162.8</b>                                 | <b>101.3</b> | <b>1.96</b>       |
| Total interest expense   | -                                  | 31.3         | -                 | -  | 21.2        | -                 | -  | 34.4         | -                 |
| <b>Net interest income</b>   |                                    | <b>60.5</b>  |                   |  | <b>40.1</b> |                   |  | <b>66.8</b>  |                   |

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

(2) Includes lease and installment receivables assets and related yields.

(3) Interest earning deposits have been restated, by excluding cash deposits, to be consistent with prior period reporting.

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

|   | Nine months ended<br>Dec. 31, 2005 |             |                   | Six months ended<br>Sep. 30, 2005<br>(1H-FY2005) |             |                   | Fiscal year ended<br>Mar. 31, 2005<br>(FY2004) |             |                   |
|---|------------------------------------|-------------|-------------------|--|-------------|-------------------|--|-------------|-------------------|
|   | Average<br>balance                 | Interest    | Yield/rate<br>(%) | Average<br>balance                               | Interest    | Yield/rate<br>(%) | Average<br>balance                             | Interest    | Yield/rate<br>(%) |
| <b>Interest-earning assets:</b>                             |                                    |             |                   |  |             |                   |  |             |                   |
| Cash and due from banks                                     | 75.9                               | 1.5         | 2.63              | 72.3   | 1.0         | 2.92              | 134.7  | 2.7         | 2.06              |
| Call loans  | 76.7                               | 0.0         | 0.01              | 44.9   | 0.0         | 0.03              | 134.1  | 0.0         | 0.01              |
| Receivables under resale agreements                         | -                                  | -           | -                 | -  | -           | -                 | 1.7  | 0.0         | 0.00              |
| Collateral related to securities borrowing transactions     | 5.4                                | 0.0         | 0.47              | 6.4  | 0.0         | 0.49              | 49.5   | 0.0         | 0.01              |
| Securities  | 1,999.5                            | 16.6        | 1.10              | 1,977.4  | 11.8        | 1.19              | 1,526.0  | 15.5        | 1.01              |
| Loans and bills discounted                                  | 3,578.5                            | 43.4        | 1.61              | 3,483.9  | 28.8        | 1.65              | 3,186.9  | 58.5        | 1.83              |
| Other interest-earning assets                               | 72.1                               | 0.6         | 1.18              | 82.6   | 0.3         | 0.93              | 93.9   | 0.6         | 0.66              |
| Interest rate and fund swaps                                | -                                  | 0.5         | -                 | -  | 0.5         | -                 | -  | 4.2         | -                 |
| <b>Total interest-earning assets</b>                        | <b>5,808.5</b>                     | <b>62.8</b> | <b>1.43</b>       | <b>5,667.7</b>                                   | <b>42.7</b> | <b>1.50</b>       | <b>5,127.0</b>                                 | <b>81.8</b> | <b>1.59</b>       |
| <b>Interest-bearing liabilities:</b>                        |                                    |             |                   |  |             |                   |  |             |                   |
| Deposits  | 3,617.7                            | 12.3        | 0.45              | 3,421.1  | 8.0         | 0.47              | 2,828.8  | 13.5        | 0.47              |
| Negotiable certificates of deposit                          | 222.0                              | 0.0         | 0.02              | 199.6  | 0.0         | 0.02              | 410.1  | 0.1         | 0.03              |
| Debentures  | 1,187.9                            | 3.7         | 0.42              | 1,206.3  | 2.6         | 0.43              | 1,319.2  | 6.2         | 0.47              |
| Call money  | 154.7                              | 0.0         | 0.06              | 139.1  | 0.0         | 0.07              | 117.8  | 0.6         | 0.53              |
| Payable under repurchase agreements                         | 0.8                                | 0.0         | 0.00              | 1.2  | 0.0         | 0.00              | 121.3  | 0.0         | 0.00              |
| Collateral related to securities lending transactions       | 6.2                                | 0.0         | 0.57              | 6.6  | 0.0         | 0.20              | 13.2   | 0.0         | 0.03              |
| Borrowed money  | 311.1                              | 4.6         | 1.97              | 324.4  | 3.5         | 2.20              | 326.6  | 8.2         | 2.53              |
| Corporate bonds   | 65.6                               | 0.3         | 0.72              | 50.0   | 0.1         | 0.42              | 0.9  | 0.0         | 0.39              |
| Other interest-bearing liabilities                          | 1.4                                | 1.6         | 144.57            | 1.7  | 0.7         | 88.25             | 0.2  | 0.3         | 106.10            |
| Interest rate and fund swaps                                | -                                  | -           | -                 | -  | -           | -                 | -  | -           | -                 |
| <b>Total interest-bearing liabilities</b>                   | <b>5,567.7</b>                     | <b>22.8</b> | <b>0.54</b>       | <b>5,350.2</b>                                   | <b>15.2</b> | <b>0.56</b>       | <b>5,138.7</b>                                 | <b>29.1</b> | <b>0.56</b>       |
| <b>Net interest income/yield on interest-earning assets</b> | <b>5,808.5</b>                     | <b>39.9</b> | <b>0.91</b>       | <b>5,667.7</b>                                   | <b>27.4</b> | <b>0.96</b>       | <b>5,127.0</b>                                 | <b>52.6</b> | <b>1.02</b>       |

## Per Share Data

|                                    | (yen)                              |                                    |  |  |
|------------------------------------|------------------------------------|------------------------------------|--|--|
|                                    | Nine months ended<br>Dec. 31, 2005 | Nine months ended<br>Dec. 31, 2004 | Six months ended<br>Sep. 30, 2005<br>(1H-FY2005) | Fiscal year ended<br>Mar. 31, 2005<br>(FY2004) |
| Common shareholders' equity        | 369.84                             | 321.66                             | 354.68   | 329.65   |
| Fully diluted shareholders' equity | 413.81                             | 391.64                             | 404.66   | 390.06   |
| Basic net income                   | 42.51                              | 37.73                              | 26.33  | 46.78  |
| Diluted net income                 | 29.61                              | 27.60                              | 18.71  | 34.98  |

Note:

For calculation of per share data

|                        |   |               |               |               |               |
|------------------------|---|---------------|---------------|---------------|---------------|
| (shareholders' equity) | Number of common shares <sup>(1)</sup>        | 1,358,520,605 | 1,358,532,551 | 1,358,521,003 | 1,358,523,191 |
|                        | Fully diluted number of shares <sup>(1)</sup> | 2,028,296,959 | 1,975,994,995 | 2,028,002,412 | 2,016,758,396 |
| (net income)           | Number of common shares <sup>(2)</sup>        | 1,358,521,379 | 1,358,534,265 | 1,358,521,647 | 1,358,529,854 |
|                        | Fully diluted number of shares <sup>(2)</sup> | 2,015,452,740 | 1,927,665,795 | 2,015,158,063 | 1,927,660,001 |

(1) Outstanding shares at the end of the respective period

(2) Weighted average number of outstanding shares during the respective period

## Cash Basis Per Share Data

|                    | (yen)                              |                                    |  |  |
|--------------------|------------------------------------|------------------------------------|--|--|
|                    | Nine months ended<br>Dec. 31, 2005 | Nine months ended<br>Dec. 31, 2004 | Six months ended<br>Sep. 30, 2005<br>(1H-FY2005) | Fiscal year ended<br>Mar. 31, 2005<br>(FY2004) |
| Basic net income   | 55.94                              | 40.44                              | 35.79  | 52.15  |
| Diluted net income | 38.67                              | 29.50                              | 25.08  | 38.76  |

## Performance Ratios

|  | (%)                                |                                    |  |  |
|--|------------------------------------|------------------------------------|--|--|
|  | Nine months ended<br>Dec. 31, 2005 | Nine months ended<br>Dec. 31, 2004 | Six months ended<br>Sep. 30, 2005<br>(1H-FY2005) | Fiscal year ended<br>Mar. 31, 2005<br>(FY2004) |
| Return on assets                                   | 0.9% <sup>(4)</sup>                | 1.0% <sup>(4)</sup>                | 0.8%   | 0.9%   |
| Return on equity (fully diluted)                   | 9.7% <sup>(4)</sup>                | 9.4% <sup>(4)</sup>                | 9.4%   | 8.9%   |
| Cash basis return on assets                        | 1.2% <sup>(4)</sup>                | 1.1% <sup>(4)</sup>                | 1.2%   | 1.0%   |
| Cash basis return on equity (fully diluted)        | 12.7% <sup>(4)</sup>               | 10.0% <sup>(4)</sup>               | 12.5%  | 9.8%   |
| Expense to revenue (overhead) ratio <sup>(3)</sup> | 49.8%                              | 55.7%                              | 51.1%  | 54.0%  |

## Supplemental Financial Data and Reconciliation to Japanese GAAP Measures

Nine months ended December 31, 2005

(Billions of yen, except per share data)

|  |                     |
|--|---------------------|
| <b>Amortization of acquired goodwill and intangible assets <sup>(5)</sup></b>                    |                     |
| Amortization of intangible assets  | 6.7                 |
| Associated deferred tax liability  | (2.7)               |
| Amortization of acquired goodwill  | 14.2                |
| Total amortization of acquired goodwill and intangible assets, net of tax benefit                | 18.2                |
| <b>Reconciliation of net income to cash basis net income</b>                                     |                     |
| Net income   | 59.6                |
| Total amortization of acquired goodwill and intangible assets, net of tax benefit                | 18.2                |
| Cash basis net income  | 77.9                |
| <b>Reconciliation of basic net income per share to cash basis basic net income per share</b>     |                     |
| Basic net income per share   | 42.51               |
| Effect of amortization of acquired goodwill and intangible assets, net of tax benefit            | 13.43               |
| Cash basis basic net income per share  | 55.94               |
| <b>Reconciliation of diluted net income per share to cash basis diluted net income per share</b> |                     |
| Diluted net income per share   | 29.61               |
| Effect of amortization of acquired goodwill and intangible assets, net of tax benefit            | 9.06                |
| Cash basis diluted net income per share  | 38.67               |
| <b>Reconciliation of return on assets to cash basis return on assets</b>                         |                     |
| Return on assets   | 0.9 <sup>(4)</sup>  |
| Effect of amortization of acquired goodwill and intangible assets, net of tax benefit            | 0.3 <sup>(4)</sup>  |
| Cash basis return on assets  | 1.2 <sup>(4)</sup>  |
| <b>Reconciliation of return on equity to cash basis return on equity</b>                         |                     |
| Return on equity (fully diluted)   | 9.7 <sup>(4)</sup>  |
| Effect of amortization of acquired goodwill and intangible assets, net of tax benefit            | 3.0 <sup>(4)</sup>  |
| Cash basis return on equity (fully diluted)  | 12.7 <sup>(4)</sup> |

(3) Management accounting basis

(4) Annualized basis

(5) Acquired goodwill and intangible assets are referred to as consolidation goodwill and other intangibles in our financial statements.

**Business Line Ordinary Business Profit**<sup>(1) (2)</sup>
*(Billions of yen)*
**Nine months ended December 31, 2005**

|                                     | Institutional<br>Banking | Consumer and<br>Commercial<br>Finance (※1) | Retail<br>Banking   | ALM/<br>Corporate/<br>Other <sup>(3)</sup> | Total |
|-------------------------------------|--------------------------|--|---------------------|--|-------|
| Total revenue                       | 86.6                     | 89.1                                       | 32.6 <sup>(4)</sup> | (4.9)                                      | 203.5 |
| General and administrative expenses | 29.1                     | 45.1                                       | 26.1                | 1.0  | 101.4 |
| Ordinary business profit (loss)     | 57.5                     | 43.9                                       | 6.5                 | (5.9)                                      | 102.0 |

 (※1) breakdown of Consumer and  
Commercial Finance

|                                     | APLUS | Showa<br>Leasing | Other <sup>(5)</sup> | Consumer and<br>Commercial<br>Finance |
|-------------------------------------|-------|------------------|----------------------|---------------------------------------|
| Total revenue                       | 62.4  | 17.7             | 9.0                  | 89.1                                  |
| General and administrative expenses | 32.2  | 8.0              | 4.9                  | 45.1                                  |
| Ordinary business profit            | 30.1  | 9.7              | 4.1                  | 43.9                                  |

**Nine months ended December 31, 2004**

|                                     | Institutional<br>Banking | Consumer and<br>Commercial<br>Finance (※2) | Retail<br>Banking   | ALM/<br>Corporate/<br>Other <sup>(3)</sup> | Total |
|-------------------------------------|--------------------------|--|---------------------|--|-------|
| Total revenue                       | 73.8                     | 20.6                                       | 29.0 <sup>(4)</sup> | (2.4)                                      | 121.0 |
| General and administrative expenses | 28.3                     | 14.2                                       | 23.9                | 0.8  | 67.4  |
| Ordinary business profit (loss)     | 45.4                     | 6.3  | 5.1                 | (3.3)                                      | 53.6  |

 (※2) breakdown of Consumer and  
Commercial Finance

|                                     | APLUS | Other <sup>(5)</sup> | Consumer and<br>Commercial<br>Finance |
|-------------------------------------|-------|----------------------|---------------------------------------|
| Total revenue                       | 14.8  | 5.8                  | 20.6                                  |
| General and administrative expenses | 9.7   | 4.5                  | 14.2                                  |
| Ordinary business profit            | 0.6   | 5.7                  | 6.3                                   |

(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, and corporate level expenses.

(4) Includes revenue related to structured deposits of 15.4 billion yen for nine months ended Dec. 31, 2005, and 14.6 billion yen for nine months ended Dec. 31, 2004.

(5) Includes unallocated Consumer and Commercial Finance sub-group expenses.

**Earnings Forecast for Fiscal Year 2005**

(Consolidated)

*(Billions of yen)*

|  | for the fiscal year ended              |                                      | March 31, 2005<br>(FY2004)<br>Actual |
|--|--|--------------------------------------|--------------------------------------|
|  | March 31, 2006<br>(FY2005)<br>Forecast | March 31, 2005<br>(FY2004)<br>Actual |                                      |
|  | (After revision)                       | (Before revision) <sup>(6)</sup>     |                                      |
| Ordinary business profit ( <i>jishitsu gyomu jun-eki</i> ) | 125.0                                  | 120.0                                | 81.9                                 |
| Net income   | 75.0                                   | 63.0                                 | 67.4                                 |
| Cash basis net income <sup>(7)</sup>                       | 98.0                                   | 93.0                                 | 74.7                                 |

(6) Originally announced on May 24, 2005

(7) Excludes amortization of APLUS and Showa Leasing's acquired (consolidation) goodwill and intangible assets, net of tax benefit.

 (Non-consolidated)<sup>(8)</sup>
*(Billions of yen)*

|                     | for the fiscal year ended              |                                      | March 31, 2005<br>(FY2004)<br>Actual |
|---------------------|--|--------------------------------------|--------------------------------------|
|                     | March 31, 2006<br>(FY2005)<br>Forecast | March 31, 2005<br>(FY2004)<br>Actual |                                      |
|                     | (After revision)                       | (Before revision) <sup>(6)</sup>     |                                      |
| Net business profit | 68.0                                   | 62.0                                 | 54.9                                 |
| Net income          | 72.0                                   | 68.0                                 | 68.0                                 |

(8) Revitalization plan basis

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 Income (Unaudited)

|   | (millions of yen)                       |   |                |               |   |
|---|---|---|----------------|---------------|---|
|   | Nine months ended<br>Dec. 31, 2005<br>a | Nine months ended<br>Dec. 31, 2004<br>b | Change         |               | Fiscal year ended<br>Mar. 31, 2005<br>c |
|   |   |   | a-b            | %             |   |
| Interest on loans and bills   | 76,090                                  | 51,972                                  | 24,118         | 46.4%         | 77,353                                  |
| Interest and dividends on securities                                  | 12,975                                  | 10,245                                  | 2,730          | 26.6%         | 15,862                                  |
| Other interest income   | 2,770                                   | 6,392                                   | (3,622)        | (56.7)%       | 8,181                                   |
| Interest income   | 91,836                                  | 68,610                                  | 23,226         | 33.9%         | 101,396                                 |
| Fees and commissions income   | 52,654                                  | 34,629                                  | 18,025         | 52.1%         | 57,690                                  |
| Trading profits   | 21,215                                  | 19,700                                  | 1,515          | 7.7%          | 23,992                                  |
| Other business income   | 195,133                                 | 28,008                                  | 167,125        | 596.7%        | 38,231                                  |
| Other operating income  | 29,591                                  | 23,144                                  | 6,447          | 27.9%         | 27,330                                  |
| <b>Operating income</b>   | <b>390,431</b>                          | <b>174,094</b>                          | <b>216,337</b> | <b>124.3%</b> | <b>248,641</b>                          |
| Interest on deposits, including negotiable<br>certificates of deposit | 12,350                                  | 10,374                                  | 1,976          | 19.0%         | 13,671                                  |
| Interest and discounts on debentures                                  | 3,756                                   | 4,756                                   | (1,000)        | (21.0)%       | 6,184                                   |
| Interest on other borrowings  | 11,387                                  | 8,951                                   | 2,436          | 27.2%         | 12,924                                  |
| Other interest expenses   | 3,841                                   | 1,223                                   | 2,618          | 214.1%        | 1,716                                   |
| Interest expenses   | 31,336                                  | 25,307                                  | 6,029          | 23.8%         | 34,497                                  |
| Fees and commissions expenses   | 16,447                                  | 9,360                                   | 7,087          | 75.7%         | 15,308                                  |
| Trading losses  | 100                                     | --                                      | 100            | n.m.          | --                                      |
| Other business expenses   | 134,977                                 | 14,706                                  | 120,271        | 817.8%        | 15,475                                  |
| General and administrative expenses                                   | 101,942                                 | 68,278                                  | 33,664         | 49.3%         | 97,317                                  |
| Amortization of consolidation goodwill                                | 14,222                                  | 2,486                                   | 11,736         | 472.1%        | 4,918                                   |
| Amortization of identified intangible assets                          | 6,737                                   | 1,946                                   | 4,791          | 246.2%        | 3,919                                   |
| Losses on write-off of loans  | 17,209                                  | 4,527                                   | 12,682         | 280.1%        | 10,076                                  |
| All other   | 10,716                                  | 8,563                                   | 2,153          | 25.1%         | 12,674                                  |
| Other operating expenses  | 48,886                                  | 15,577                                  | 33,309         | 213.8%        | 31,588                                  |
| <b>Operating expenses</b>   | <b>333,690</b>                          | <b>133,230</b>                          | <b>200,460</b> | <b>150.5%</b> | <b>194,186</b>                          |
| <b>Net operating income</b>   | <b>56,741</b>                           | <b>40,864</b>                           | <b>15,877</b>  | <b>38.9%</b>  | <b>54,454</b>                           |
| Extraordinary gains   | 3,134                                   | 11,954                                  | (8,820)        | (73.8)%       | 11,845                                  |
| Extraordinary losses  | 1,272                                   | 625                                     | 647            | 103.5%        | 702                                     |
| Income before income taxes and minority interests                     | 58,603                                  | 52,193                                  | 6,410          | 12.3%         | 65,597                                  |
| Income tax (current)  | 2,905                                   | 1,344                                   | 1,561          | 116.1%        | 1,438                                   |
| Income tax (deferred)   | (6,332)                                 | (2,237)                                 | (4,095)        | 183.1%        | (3,444)                                 |
| Minority interests in net income of subsidiaries                      | 2,342                                   | (106)                                   | 2,448          | n.m.          | 168                                     |
| <b>Net income</b>   | <b>59,687</b>                           | <b>53,193</b>                           | <b>6,494</b>   | <b>12.2%</b>  | <b>67,435</b>                           |

| (billions of yen)  |            |         |         |       |         |
|--|------------|---------|---------|-------|---------|
| (Ref.) Ordinary business profit ( <i>jishitsu gyomu jun-eki</i> ) <sup>(1)</sup> | 102.0      | 53.6    | 48.4    | 90.2% | 81.9    |
|  | yen / US\$ | @118.07 | @104.20 |       | @107.39 |

(1) Management accounting basis

n.m.: not meaningful

# Consolidated Balance Sheets (Unaudited)

## -- Assets

(millions of yen)

|  | As of Dec. 31,<br>2005 | As of Sep. 30,<br>2005 | Change         |             | As of Mar. 31,<br>2005 | Change         |             |
|--|------------------------|------------------------|----------------|-------------|------------------------|----------------|-------------|
|  | a                      | b                      | a-b            | %           | c                      | a-c            | %           |
| <b>&lt;&lt;Assets&gt;&gt;</b>                              |                        |                        |                |             |                        |                |             |
| Cash and due from banks                                    | 398,103                | 352,584                | 45,519         | 12.9%       | 277,593                | 120,510        | 43.4%       |
| Call loans   | 286,500                | 117,000                | 169,500        | 144.9%      | 70,000                 | 216,500        | 309.3%      |
| Collateral related to securities borrowing transactions    | 73,615                 | 5,232                  | 68,383         | 1307.0%     | 3,744                  | 69,871         | 1866.2%     |
| Other monetary claims purchased                            | 243,847                | 244,387                | (540)          | (0.2)%      | 320,379                | (76,532)       | (23.9)%     |
| Trading assets   | 151,930                | 119,876                | 32,054         | 26.7%       | 168,501                | (16,571)       | (9.8)%      |
| Monetary assets held in trust                              | 624,432                | 393,694                | 230,738        | 58.6%       | 372,224                | 252,208        | 67.8%       |
| Securities   | 1,619,960              | 1,678,291              | (58,331)       | (3.5)%      | 1,478,219              | 141,741        | 9.6%        |
| Loans and bills discounted                                 | 3,756,476              | 3,828,070              | (71,594)       | (1.9)%      | 3,430,421              | 326,055        | 9.5%        |
| Foreign exchanges  | 11,982                 | 12,881                 | (899)          | (7.0)%      | 8,550                  | 3,432          | 40.1%       |
| Other assets   | 906,320                | 868,421                | 37,899         | 4.4%        | 850,440                | 55,880         | 6.6%        |
| Premises and equipment                                     | 416,176                | 419,404                | (3,228)        | (0.8)%      | 418,938                | (2,762)        | (0.7)%      |
| Deferred discounts on and issuance expenses for debentures | 177                    | 206                    | (29)           | (14.1)%     | 284                    | (107)          | (37.7)%     |
| Deferred tax assets  | 27,374                 | 26,639                 | 735            | 2.8%        | 24,623                 | 2,751          | 11.2%       |
| Consolidation goodwill, net                                | 224,716                | 229,614                | (4,898)        | (2.1)%      | 244,042                | (19,326)       | (7.9)%      |
| Customers' liabilities for acceptances and guarantees      | 785,908                | 1,002,462              | (216,554)      | (21.6)%     | 1,058,161              | (272,253)      | (25.7)%     |
| Reserve for credit losses                                  | (160,883)              | (155,980)              | (4,903)        | 3.1%        | (149,799)              | (11,084)       | 7.4%        |
| <b>Total assets</b>  | <b>9,366,638</b>       | <b>9,142,786</b>       | <b>223,852</b> | <b>2.4%</b> | <b>8,576,328</b>       | <b>790,310</b> | <b>9.2%</b> |

yen / US\$

@118.07

@113.21

@107.39

## Consolidated Balance Sheets (Unaudited)

-- Liabilities, minority interests in subsidiaries and shareholders' equity

(millions of yen)

|  | As of Dec. 31,<br>2005 | As of Sep. 30,<br>2005 | Change         |              | As of Mar. 31,<br>2005 | Change         |              |
|--|------------------------|------------------------|----------------|--------------|------------------------|----------------|--------------|
|  | a                      | b                      | a-b            | %            | c                      | a-c            | %            |
| <b>&lt;&lt;Liabilities&gt;&gt;</b>   |                        |                        |                |              |                        |                |              |
| Deposits, including negotiable certificates of deposit                                   | 4,078,601              | 3,964,390              | 114,211        | 2.9%         | 3,452,813              | 625,788        | 18.1%        |
| Debentures   | 1,110,344              | 1,181,728              | (71,384)       | (6.0)%       | 1,242,632              | (132,288)      | (10.6)%      |
| Call money   | 140,000                | 170,664                | (30,664)       | (18.0)%      | 204,295                | (64,295)       | (31.5)%      |
| Collateral related to securities lending transactions                                    | 9,420                  | 5,672                  | 3,748          | 66.1%        | -                      | 9,420          | n.m.         |
| Commercial paper   | 112,500                | 77,800                 | 34,700         | 44.6%        | 13,300                 | 99,200         | 745.9%       |
| Trading liabilities  | 91,360                 | 80,083                 | 11,277         | 14.1%        | 69,101                 | 22,259         | 32.2%        |
| Borrowed money   | 1,085,333              | 1,166,966              | (81,633)       | (7.0)%       | 1,160,265              | (74,932)       | (6.5)%       |
| Foreign exchanges  | 117                    | 170                    | (53)           | (31.2)%      | 20                     | 97             | 485.0%       |
| Corporate bonds  | 155,449                | 82,016                 | 73,433         | 89.5%        | 88,344                 | 67,105         | 76.0%        |
| Other liabilities  | 844,833                | 501,842                | 342,991        | 68.3%        | 412,763                | 432,070        | 104.7%       |
| Accrued employees bonuses  | 9,417                  | 7,026                  | 2,391          | 34.0%        | 10,276                 | (859)          | (8.4)%       |
| Reserve for retirement benefits  | 3,185                  | 3,237                  | (52)           | (1.6)%       | 3,376                  | (191)          | (5.7)%       |
| Reserve for loss on disposition of premises and equipment                                | -                      | 153                    | (153)          | (100.0)%     | 153                    | (153)          | (100.0)%     |
| Reserve under special law  | 2                      | 2                      | -              | -            | 2                      | -              | -            |
| Deferred tax liabilities   | 16,375                 | 17,419                 | (1,044)        | (6.0)%       | 20,262                 | (3,887)        | (19.2)%      |
| Acceptances and guarantees   | 785,908                | 1,002,462              | (216,554)      | (21.6)%      | 1,058,161              | (272,253)      | (25.7)%      |
| <b>Total liabilities</b>   | <b>8,442,848</b>       | <b>8,261,635</b>       | <b>181,213</b> | <b>2.2%</b>  | <b>7,735,769</b>       | <b>707,079</b> | <b>9.1%</b>  |
| <b>Minority interests in subsidiaries</b>  | <b>84,458</b>          | <b>60,487</b>          | <b>23,971</b>  | <b>39.6%</b> | <b>53,891</b>          | <b>30,567</b>  | <b>56.7%</b> |
| <b>&lt;&lt;Shareholders' equity&gt;&gt;</b>  |                        |                        |                |              |                        |                |              |
| Capital stock  | 451,296                | 451,296                | -              | -            | 451,296                | -              | -            |
| Capital surplus  | 18,558                 | 18,558                 | -              | -            | 18,558                 | -              | -            |
| Retained earnings  | 363,090                | 345,056                | 18,034         | 5.2%         | 311,039                | 52,051         | 16.7%        |
| Net unrealized gains on securities available-for-sale, net of taxes                      | 2,868                  | 2,794                  | 74             | 2.6%         | 3,043                  | (175)          | (5.8)%       |
| Foreign currency transaction adjustments   | 3,528                  | 2,968                  | 560            | 18.9%        | 2,738                  | 790            | 28.9%        |
| Treasury stock, at cost  | (11)                   | (11)                   | (0)            | 0.0%         | (9)                    | (2)            | 22.2%        |
| <b>Total shareholders' equity</b>  | <b>839,331</b>         | <b>820,663</b>         | <b>18,668</b>  | <b>2.3%</b>  | <b>786,667</b>         | <b>52,664</b>  | <b>6.7%</b>  |
| <b>Total liabilities, minority interest in subsidiaries<br/>and shareholders' equity</b> | <b>9,366,638</b>       | <b>9,142,786</b>       | <b>223,852</b> | <b>2.4%</b>  | <b>8,576,328</b>       | <b>790,310</b> | <b>9.2%</b>  |

yen / US\$

@118.07

@113.21

@107.39

## Consolidated Statements of Capital Surplus and Retained Earnings (Unaudited)

(millions of yen)

|   | Nine months ended         | Nine months ended         | Change     |          | Fiscal year ended<br>Mar.31, 2005 |
|---|---------------------------|---------------------------|------------|----------|-----------------------------------|
|   | Dec. 31, 2005<br><b>a</b> | Dec. 31, 2004<br><b>b</b> | <b>a-b</b> | <b>%</b> |                                   |
| [Capital surplus]                                 |                           |                           |            |          |                                   |
| Balance at beginning of period/year               | 18,558                    | 18,558                    | —          | —        | 18,558                            |
| Balance at end of period/year                     | 18,558                    | 18,558                    | —          | —        | 18,558                            |
| [Retained earnings]                               |                           |                           |            |          |                                   |
| Balance at beginning of period/year               | 311,039                   | 250,737                   | 60,302     | 24.0%    | 250,737                           |
| Increase  | 59,687                    | 53,193                    | 6,494      | 12.2%    | 67,435                            |
| Net income  | 59,687                    | 53,193                    | 6,494      | 12.2%    | 67,435                            |
| Decrease  | 7,636                     | 7,133                     | 503        | 7.1%     | 7,133                             |
| Dividends paid                                    | 7,635                     | 7,133                     | 502        | 7.0%     | 7,133                             |
| Bonuses to directors of consolidated subsidiaries | 0                         | —                         | 0          | n.m.     | —                                 |
| Balance at end of period/year                     | 363,090                   | 296,798                   | 66,292     | 22.3%    | 311,039                           |

Note: The table represents a translation of the original consolidated statements of capital surplus and retained earnings prepared in the Japanese language in accordance with regulations of consolidated financial statements.

n.m.: not meaningful

## Reference Material

(The tables below are based on translations of the original disclosure in the Japanese language.)

### 1. Non-consolidated Financial Results [and Forecast]

(Billions of yen)

|  | Nine months ended<br>Dec. 31, 2005 | Nine months ended<br>Dec. 31, 2004 | Three months ended<br>Dec. 31, 2005<br>(3Q-FY2005) | Three months ended<br>Dec. 31, 2004<br>(3Q-FY2004) | Six months ended<br>Sep. 30, 2005<br>(1H-FY2005) | Fiscal year ended<br>Mar. 31, 2006<br>(FY2005)<br>Forecast <sup>(2)</sup> |
|--|------------------------------------|------------------------------------|--|--|--|---|
| Gross business profit ( <i>gyomu sorieki</i> ) <sup>(1)</sup>        | 109.5                              | 92.3                               | 39.1   | 27.5   | 70.4   |   |
| Net interest income  | 42.0                               | 41.0                               | 13.3   | 15.5   | 28.7   |   |
| Net fees and commissions <sup>(1)</sup>                              | 36.9                               | 29.4                               | 19.2   | 9.7  | 17.6   |   |
| Net trading income   | 15.5                               | 18.1                               | 5.5  | 3.6  | 10.0   |   |
| Net other business income  | 14.9                               | 3.7                                | 1.0  | (1.4)  | 13.9   |   |
| General & administrative expenses                                    | (55.1)                             | (52.9)                             | (18.9)   | (17.3)   | (36.1)   |   |
| Net business profit ( <i>jishitsu gyomu jun-eki</i> ) <sup>(1)</sup> | 54.4                               | 39.4                               | 20.2   | 10.1   | 34.2   | 68.0  |
| Net operating income ( <i>kejou rieki</i> )                          | 52.2                               | 38.1                               | 19.3   | 13.5   | 32.8   | 64.0  |
| Net income   | 59.1                               | 54.2                               | 19.9   | 16.9   | 39.1   | 72.0  |
| Credit recoveries (costs)  | 1.0                                | 13.7                               | (1.3)  | 3.3  | 2.3  |   |
| Reversal (provision) of reserve for credit losses                    | 1.5                                | 13.4                               | (1.3)  | 1.9  | 2.8  |   |

(1) Includes income from monetary assets held in trust of 27.1 billion yen for nine months ended Dec. 31, 2005, 22.3 billion yen for nine months ended Dec. 31, 2004 and 12.1 billion yen for six months ended Sep. 30, 2005.

(2) Revised on January 25, 2006.

### 2. Non-performing Loans

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

(Billions of yen, %)

|   | As of Dec. 31,<br>2005<br>a | As of Sep. 30,<br>2005<br>b | Change<br>a-b | As of March 31,<br>2005<br>c | Change<br>a-c |
|---|-----------------------------|-----------------------------|---------------|------------------------------|---------------|
| Claims against bankrupt and quasi-bankrupt obligors | 0.8                         | 2.4                         | (1.6)         | 3.1                          | (2.3)         |
| Doubtful claims                                     | 26.4                        | 28.3                        | (1.9)         | 42.1                         | (15.8)        |
| Standard claims                                     | 15.3                        | 15.4                        | (0.1)         | 6.5                          | 8.8           |
| Total non-performing loans (A)                      | 42.5                        | 46.1                        | (3.6)         | 51.8                         | (9.3)         |
| Total claims (B)                                    | 3,878.9                     | 3,967.0                     | (88.1)        | 3,621.1                      | 257.8         |
| % of total claims outstanding (A) / (B)             | 1.10                        | 1.16                        | (0.06)        | 1.43                         | (0.33)        |
| (ref.) Amount of partial write-off                  | 4.6                         | 6.8                         |               | 6.0                          |               |

### 3. Risk Monitored Loans

(Non-consolidated)

(Billions of yen, %)

|                                     | As of Dec. 31,<br>2005<br>a | As of Sep. 30,<br>2005<br>b | Change<br>a-b | As of March 31,<br>2005<br>c | Change<br>a-c |
|-------------------------------------|-----------------------------|-----------------------------|---------------|------------------------------|---------------|
| Loans to bankrupt obligors          | 0.5                         | 1.5                         | (1.0)         | 2.3                          | (1.8)         |
| Non-accrual delinquent loans        | 25.8                        | 27.5                        | (1.7)         | 41.2                         | (15.4)        |
| Loans past due three months or more | 0.1                         | 0.1                         | (0.0)         | 3.1                          | (3.0)         |
| Restructured loans                  | 15.2                        | 15.2                        | (0.0)         | 3.3                          | 11.9          |
| Total risk monitored loans (A)      | 41.6                        | 44.5                        | (2.9)         | 50.0                         | (8.4)         |
| Loans and bills discounted (B)      | 3,690.6                     | 3,788.0                     | (97.4)        | 3,443.7                      | 246.9         |
| % of risk monitored loans (A) / (B) | 1.13                        | 1.18                        | (0.05)        | 1.45                         | (0.32)        |
| Reserve for credit losses (C)       | 115.8                       | 114.5                       | 1.3           | 124.4                        | (8.6)         |
| Reserve ratios (C) / (A)            | 277.85                      | 257.38                      | 20.47         | 248.63                       | 29.22         |

4. Unrealized Gains (Losses) on Available-for Sale Securities

(Non-consolidated)

As of December 31, 2005

(Billions of yen)

|                              | Fair value | Net unrealized gain (loss) |                        |                         |
|------------------------------|------------|----------------------------|------------------------|-------------------------|
|                              |            |                            | Gross unrealized gains | Gross unrealized losses |
| Equity securities (domestic) | 5.1        | 1.3                        | 1.4                    | 0.0                     |
| Bonds (domestic)             | 840.7      | (3.1)                      | 0.1                    | 3.2                     |
| Other <sup>(1)</sup>         | 140.5      | 2.1                        | 3.4                    | 1.3                     |
| Total                        | 986.5      | 0.3                        | 5.0                    | 4.6                     |

As of September 30, 2005

(Billions of yen)

|                              | Fair value | Net unrealized gain (loss) |                        |                         |
|------------------------------|------------|----------------------------|------------------------|-------------------------|
|                              |            |                            | Gross unrealized gains | Gross unrealized losses |
| Equity securities (domestic) | 4.8        | 1.0                        | 1.0                    | 0.0                     |
| Bonds (domestic)             | 999.6      | (2.5)                      | 0.0                    | 2.6                     |
| Other <sup>(1)</sup>         | 134.6      | 3.3                        | 4.1                    | 0.7                     |
| Total                        | 1,139.2    | 1.8                        | 5.2                    | 3.4                     |

As of March 31, 2005

(Billions of yen)

|                              | Fair value | Net unrealized gain (loss) |                        |                         |
|------------------------------|------------|----------------------------|------------------------|-------------------------|
|                              |            |                            | Gross unrealized gains | Gross unrealized losses |
| Equity securities (domestic) | 5.3        | 1.2                        | 1.2                    | -                       |
| Bonds (domestic)             | 1,076.9    | 0.7                        | 0.9                    | 0.2                     |
| Other <sup>(1)</sup>         | 83.0       | 2.6                        | 3.4                    | 0.8                     |
| Total                        | 1,165.3    | 4.6                        | 5.6                    | 1.0                     |

(1) "Other" mainly consists of foreign securities.

5. Balance of deposits (Non-consolidated)

(Billions of yen)

|                                      | As of Dec. 31, 2005<br>a | As of Sep. 30, 2005<br>b | Change<br>a-b | As of March 31, 2005<br>c | Change<br>a-c |
|--------------------------------------|--------------------------|--------------------------|---------------|---------------------------|---------------|
| Balance of deposits (including NCDs) | 4,585.8                  | 4,046.9                  | 538.9         | 3,528.8                   | 1,057.0       |
| Balance of deposits from individuals | 2,991.1                  | 2,813.9                  | 177.2         | 2,277.7                   | 713.4         |

## Non-Consolidated Statements of Income (Unaudited)

(millions of yen)

|   | Nine months ended | Nine months ended | Change        |              | Fiscal year ended<br>Mar. 31, 2005 |
|---|-------------------|-------------------|---------------|--------------|------------------------------------|
|   | Dec. 31, 2005     | Dec. 31, 2004     | a-b           | %            |                                    |
|   | a                 | b                 |               |              |                                    |
| Interest on loans and bills   | 43,411            | 43,891            | (480)         | (1.1)%       | 58,569                             |
| Interest and dividends on securities                                  | 16,669            | 11,882            | 4,787         | 40.3%        | 15,551                             |
| Other interest income   | 2,764             | 6,014             | (3,250)       | (54.0)%      | 7,705                              |
| <b>Interest income</b>  | <b>62,844</b>     | <b>61,788</b>     | <b>1,056</b>  | <b>1.7%</b>  | <b>81,826</b>                      |
| Fees and commissions income   | 17,160            | 13,740            | 3,420         | 24.9%        | 20,516                             |
| Trading profits   | 15,905            | 18,222            | (2,317)       | (12.7)%      | 22,305                             |
| Other business income   | 19,264            | 8,986             | 10,278        | 114.4%       | 10,765                             |
| Other operating income  | 33,939            | 29,901            | 4,038         | 13.5%        | 37,654                             |
| <b>Operating income</b>   | <b>149,114</b>    | <b>132,639</b>    | <b>16,475</b> | <b>12.4%</b> | <b>173,068</b>                     |
| Interest on deposits, including negotiable<br>certificates of deposit | 12,395            | 10,405            | 1,990         | 19.1%        | 13,713                             |
| Interest and discounts on debentures                                  | 3,765             | 4,770             | (1,005)       | (21.1)%      | 6,201                              |
| Interest on other borrowings  | 4,694             | 7,044             | (2,350)       | (33.4)%      | 8,896                              |
| Other interest expenses   | 2,001             | 222               | 1,779         | 801.4%       | 316                                |
| <b>Interest expenses</b>  | <b>22,856</b>     | <b>22,442</b>     | <b>414</b>    | <b>1.8%</b>  | <b>29,127</b>                      |
| Fees and commissions expenses   | 7,362             | 6,675             | 687           | 10.3%        | 8,859                              |
| Trading losses  | 322               | 87                | 235           | 270.1%       | 113                                |
| Other business expenses   | 4,311             | 5,243             | (932)         | (17.8)%      | 4,939                              |
| General and administrative expenses                                   | 55,616            | 53,781            | 1,835         | 3.4%         | 70,088                             |
| Other operating expenses  | 6,369             | 6,226             | 143           | 2.3%         | 13,242                             |
| <b>Operating expenses</b>   | <b>96,838</b>     | <b>94,457</b>     | <b>2,381</b>  | <b>2.5%</b>  | <b>126,370</b>                     |
| <b>Net operating income</b>   | <b>52,276</b>     | <b>38,182</b>     | <b>14,094</b> | <b>36.9%</b> | <b>46,697</b>                      |
| Extraordinary gains   | 2,051             | 13,824            | (11,773)      | (85.2)%      | 18,737                             |
| Extraordinary losses  | 95                | 594               | (499)         | (84.0)%      | 575                                |
| Income before income taxes  | 54,232            | 51,413            | 2,819         | 5.5%         | 64,859                             |
| Income tax (current)  | (4,589)           | (2,247)           | (2,342)       | 104.2%       | (2,374)                            |
| Income tax (deferred)   | (310)             | (614)             | 304           | (49.5)%      | (864)                              |
| <b>Net income</b>   | <b>59,131</b>     | <b>54,274</b>     | <b>4,857</b>  | <b>8.9%</b>  | <b>68,097</b>                      |
| Unappropriated retained earnings brought forward                      | 302,595           | 243,351           | 59,244        | 24.3%        | 243,351                            |
| Interim dividends paid  | 3,947             | 3,688             | 259           | 7.0%         | 3,688                              |
| Transfer to legal reserve   | 789               | 737               | 52            | 7.1%         | 737                                |
| <b>Unappropriated retained earnings</b>                               | <b>356,990</b>    | <b>293,199</b>    | <b>63,791</b> | <b>21.8%</b> | <b>307,022</b>                     |

yen / US\$

@118.07

@104.20

@107.39

## Non-Consolidated Balance Sheets -- Assets (Unaudited)

(millions of yen)

|  | As of Dec. 31,<br>2005 | As of Sep. 30,<br>2005 | Change         |             | As of Mar. 31,<br>2005 | Change         |              |
|--|------------------------|------------------------|----------------|-------------|------------------------|----------------|--------------|
|  | a                      | b                      | a-b            | %           | c                      | a-c            | %            |
| <b>&lt;&lt;Assets&gt;&gt;</b>                              |                        |                        |                |             |                        |                |              |
| Cash and due from banks                                    | 258,152                | 206,602                | 51,550         | 25.0%       | 162,208                | 95,944         | 59.1%        |
| Call loans   | 286,500                | 117,000                | 169,500        | 144.9%      | 70,000                 | 216,500        | 309.3%       |
| Collateral related to securities borrowing transactions    | 73,615                 | 5,232                  | 68,383         | 1,307.0%    | 3,744                  | 69,871         | 1,866.2%     |
| Other monetary claims purchased                            | 36,708                 | 40,365                 | (3,657)        | (9.1)%      | 108,410                | (71,702)       | (66.1)%      |
| Trading assets   | 132,838                | 111,506                | 21,332         | 19.1%       | 166,817                | (33,979)       | (20.4)%      |
| Monetary assets held in trust                              | 675,825                | 440,625                | 235,200        | 53.4%       | 415,395                | 260,430        | 62.7%        |
| Securities   | 1,970,700              | 2,016,488              | (45,788)       | (2.3)%      | 1,820,753              | 149,947        | 8.2%         |
| Loans and bills discounted                                 | 3,690,615              | 3,788,017              | (97,402)       | (2.6)%      | 3,443,721              | 246,894        | 7.2%         |
| Foreign exchanges  | 11,982                 | 12,881                 | (899)          | (7.0)%      | 8,550                  | 3,432          | 40.1%        |
| Other assets   | 243,818                | 215,141                | 28,677         | 13.3%       | 220,972                | 22,846         | 10.3%        |
| Premises and equipment                                     | 27,046                 | 27,204                 | (158)          | (0.6)%      | 26,499                 | 547            | 2.1%         |
| Deferred discounts on and issuance expenses for debentures | 177                    | 206                    | (29)           | (14.1)%     | 285                    | (108)          | (37.9)%      |
| Deferred tax assets  | 25,701                 | 24,979                 | 722            | 2.9%        | 23,543                 | 2,158          | 9.2%         |
| Customers' liabilities for acceptances and guarantees      | 46,243                 | 51,456                 | (5,213)        | (10.1)%     | 49,896                 | (3,653)        | (7.3)%       |
| Reserve for credit losses                                  | (115,828)              | (114,598)              | (1,230)        | 1.1%        | (124,499)              | 8,671          | (7.0)%       |
| <b>Total assets</b>  | <b>7,364,098</b>       | <b>6,943,109</b>       | <b>420,989</b> | <b>6.1%</b> | <b>6,396,302</b>       | <b>967,796</b> | <b>15.1%</b> |

yen / US\$

@118.07

@113.21

@107.39

# Non-Consolidated Balance Sheets (Unaudited)

## -- Liabilities and shareholders' equity

(millions of yen)

|  | As of Dec. 31,   | As of Sep. 30,   | Change         |             | As of Mar. 31,   | Change         |              |
|--|------------------|------------------|----------------|-------------|------------------|----------------|--------------|
|  | 2005             | 2005             | a-b            | %           | 2005             | a-c            | %            |
|  | a                | b                |                |             | c                |                |              |
| <b>&lt;&lt;Liabilities&gt;&gt;</b>                                 |                  |                  |                |             |                  |                |              |
| Deposits, including negotiable certificates of deposit             | 4,585,810        | 4,046,936        | 538,874        | 13.3%       | 3,528,879        | 1,056,931      | 30.0%        |
| Debentures   | 1,113,854        | 1,185,538        | (71,684)       | (6.0)%      | 1,246,862        | (133,008)      | (10.7)%      |
| Call money   | 140,000          | 170,664          | (30,664)       | (18.0)%     | 204,295          | (64,295)       | (31.5)%      |
| Collateral related to securities lending transactions              | 9,420            | 5,672            | 3,748          | 66.1%       | —                | 9,420          | n.m.         |
| Trading liabilities  | 71,142           | 68,963           | 2,179          | 3.2%        | 64,296           | 6,846          | 10.6%        |
| Borrowed money   | 285,699          | 339,962          | (54,263)       | (16.0)%     | 325,394          | (39,695)       | (12.2)%      |
| Foreign exchanges  | 405              | 447              | (42)           | (9.4)%      | 289              | 116            | 40.1%        |
| Corporate bonds  | 122,789          | 50,000           | 72,789         | 145.6%      | 50,000           | 72,789         | 145.6%       |
| Other liabilities  | 142,618          | 194,904          | (52,286)       | (26.8)%     | 128,663          | 13,955         | 10.8%        |
| Accrued employees bonuses  | 7,558            | 4,830            | 2,728          | 56.5%       | 7,616            | (58)           | (0.8)%       |
| Reserve for retirement benefits                                    | 811              | 811              | —              | —           | 1,010            | (199)          | (19.7)%      |
| Reserve for loss on disposition of premises and equipment          | —                | 153              | (153)          | (100.0)%    | 153              | (153)          | (100.0)%     |
| Acceptances and guarantees   | 46,243           | 51,456           | (5,213)        | (10.1)%     | 49,896           | (3,653)        | (7.3)%       |
| <b>Total liabilities</b>   | <b>6,526,352</b> | <b>6,120,341</b> | <b>406,011</b> | <b>6.6%</b> | <b>5,607,357</b> | <b>918,995</b> | <b>16.4%</b> |
| <b>&lt;&lt;Shareholders' equity&gt;&gt;</b>                        |                  |                  |                |             |                  |                |              |
| Capital stock  | 451,296          | 451,296          | —              | —           | 451,296          | —              | —            |
| Capital surplus  | 18,558           | 18,558           | —              | —           | 18,558           | —              | —            |
| Additional paid-in capital   | 18,558           | 18,558           | —              | —           | 18,558           | —              | —            |
| Retained earnings  | 364,767          | 348,736          | 16,031         | 4.6%        | 313,272          | 51,495         | 16.4%        |
| Legal reserve  | 7,777            | 6,987            | 790            | 11.3%       | 6,249            | 1,528          | 24.5%        |
| Unappropriated retained earnings                                   | 356,990          | 341,749          | 15,241         | 4.5%        | 307,022          | 49,968         | 16.3%        |
| Net income   | 59,131           | 39,153           | 19,978         | 51.0%       | 68,097           | —              | —            |
| Net unrealized gain on securities available-for-sale, net of taxes | 3,128            | 4,181            | (1,053)        | (25.2)%     | 5,822            | (2,694)        | (46.3)%      |
| Treasury stock, at cost  | (6)              | (5)              | (1)            | 20.0%       | (4)              | (2)            | 50.0%        |
| <b>Total shareholders' equity</b>                                  | <b>837,745</b>   | <b>822,768</b>   | <b>14,977</b>  | <b>1.8%</b> | <b>788,945</b>   | <b>48,800</b>  | <b>6.2%</b>  |
| <b>Total liabilities and shareholders' equity</b>                  | <b>7,364,098</b> | <b>6,943,109</b> | <b>420,989</b> | <b>6.1%</b> | <b>6,396,302</b> | <b>967,796</b> | <b>15.1%</b> |

yen / US\$

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**INFORMATION**

SHINSEI BANK, LIMITED

1-8, Uchisaiwaicho 2-Chome, Chiyoda-ku, Tokyo 100-8501 Japan  
TEL: 03-5511-5111

For Immediate Release

2006 FEB -6 P 3:43

OFFICE OF INTERNATIONAL  
CORPORATE FINANCEShinsei Bank, Limited  
(Code: 8303, TSE First Section)**“SHINSEI BANK DÉLONGHI CAFÉ” Opens in Omotesando Hills on February 11**

Tokyo (Wednesday, January 18, 2006) -- On February 11, 2006, Shinsei Bank, Limited (“Shinsei Bank”) and De’ Longhi Japan Corp. (“De’ Longhi”) will open the “SHINSEI BANK DÉLONGHI CAFÉ” at the Grand Opening of Omotesando Hills, a multipurpose complex. A branch of Shinsei Bank and a cafe by De’ Longhi, the Italian home electric appliance manufacturer, will be located next to each other.

This new BankCafé offers a totally new banking experience in a comfortable and stylish atmosphere, not only by offering internet banking services but also by offering space to relax on a sofa in a café. Customers can do internet banking while enjoying a cup of authentic espresso. This will be the only bank branch in Omotesando Hills providing banking and ATM services.

(See appendix for service details.)

**Image****Outline of SHINSEI BANK DÉLONGHI CAFÉ**

|                                       |   |  |
|---------------------------------------|---|--|
| Name                                  | SHINSEI BANK DÉLONGHI CAFÉ  |  |
| Category                              | Bank Cafe & Showroom  |  |
| Address                               | B3 floor, Omotesando Hills Main Building, 4-12-10 Jingu-mae, Shibuya-ku, Tokyo 150-0001             |  |
|                                       | SHINSEI BANK  | DÉLONGHI CAFÉ  |
| Holidays                              | None, open all year   | None, open all year  |
| Business hours and Available services | 11:00-19:00 (Account opening, with staff)<br>11:00-24:00 (ATM, Internet banking, telephone banking) | 11:00-24:00 (Café. Last orders at 23:00)<br>[Alcoholic drinks will be served after 19:00]<br>11:00-24:00 (Display of products) |
| Inquiries from customers:             | Shinsei PowerCall 0120-456-860<br>[24 hours, 365 days]  | 03-5410-7788 (Direct to the store)   |
| Official name                         | Shinsei Bank Omotesando Hills Annex   | -  |

### **Shinsei Bank Services at "SHINSEI BANK D'ELONGHI CAFÉ"**

#### **1) Simple and timely account opening and immediate issuance of cash cards in 32 select colors**

You can easily open a PowerFlex account and have your cash card issued immediately (The immediate issuance of cards require certain customer ID documents, such as a driver's license.) You can choose your color from among 32 choices.

#### **2) Free ATMs**

You can use Shinsei Bank ATMs free of charge (deposits, withdrawals and balance inquiries).

Note: Cash cardholders of Postal Savings Accounts are charged a fee.

#### **3) Easy transactions through internet and telephone banking services**

"SHINSEI BANK D'ELONGHI CAFÉ" provides personal computers for internet banking and direct phones to the Call Center. Over a cup of coffee, Shinsei PowerFlex accountholders can carry out transactions, such as remittances, account information inquiries, yen and foreign currency deposits and investment trust transactions, and can make inquiries about various products and services via the Internet or by telephone. Furthermore, remittances via the Internet are free of charge up to five times a month (up to 30 times depending on account balances).

### **De' Longhi' Café Services at "SHINSEI BANK D'ELONGHI CAFÉ"**

This is an Italian bar/cafe with totally different features during the day and in the evening. During the daytime, it is an Italian bar where people can enjoy focaccia with a cup of espresso in a brightly lit atmosphere. At night, it is a social space for adults to enjoy chatting over espresso liqueur in an attractive space with soft lighting.

- 1) Authentic Italian espresso and cappuccino from a De'Longhi Espresso Machine.
- 2) After 7:00 p.m., espresso liqueurs and other alcoholic drinks are served.
- 3) Focaccia made from genuine Italian ingredients.
- 4) A showcase of new models of De' Longhi machines.
- 5) Sales of "De' Longhi Selezione," the first food line produced by De' Longhi.

\*\*\*\*\*

*Shinsei Bank is a Japanese banking institution founded on global standards of governance and management. With over \$61 billion in assets and 30 Shinsei Financial Centers throughout Japan (non-consolidated, as of September 2005), Shinsei provides a broad range of value-added financial solutions to institutional and individual customers under the banner of "Better Banking." Our PowerFlex account, free ATM network and internet banking service, and customer friendly financial centers have redefined the Japanese retail banking experience. Shinsei is committed to long-term growth and profitability by expanding its customer-focused business model.*



FOR IMMEDIATE RELEASE

Rakuten, Inc.  
 (Code: 4755, JASDAQ)  
 Shinsei Bank, Limited  
 (Code: 8303, TSE First Section)

### **Rakuten and Shinsei Bank to Establish Joint Venture for Mortgage Loans**

Tokyo (Thursday, January 19, 2006) - Rakuten, Inc. ("Rakuten") and Shinsei Bank, Limited ("Shinsei Bank") today announced that they have reached an agreement to establish Rakuten Mortgage Co., Ltd. (tentative name, "Rakuten Mortgage"), a financial company specializing in mortgage loans provided over the internet.

Rakuten is aiming to enhance its product lineup through the introduction of a new product from the financial field, an area highly compatible with the internet, as a means to improve convenience and expand services. Shinsei Bank has decided to establish Rakuten Mortgage, an equally financed joint venture, as an avenue to expand its housing loan securitization business. Initially the new company will ally with the Government Housing Loan Corporation ("GHLC") and market as its mainstay product, the Flat 35, a long-term fixed rate mortgage. The venture aims to provide housing loans at the lowest interest rate levels in the industry by applying the customer base and internet business know-how of Rakuten with the skills in securitizing housing loans and strong ability to distribute securitization products of the Shinsei Bank Group.

#### Outline of Rakuten Mortgage

|                                     |  |
|-------------------------------------|--|
| Name                                | Rakuten Mortgage Co., Ltd. (tentative name)                                    |
| Establishment                       | Mid-February 2006  |
| Capital (including capital reserve) | 1 billion yen  |
| Capital contribution ratio          | Rakuten 50%, Shinsei Bank 50%  |
| Launch of business operation        | October 1, 2006 (tentative)  |
| Board of Directors                  | Three shall be nominated by Rakuten and two shall be nominated by Shinsei Bank |

About Rakuten

|                        |   |
|------------------------|---|
| Name                   | Rakuten, Inc.   |
| Representative Officer | Hiroshi Mikitani  |
| Address                | 10-1, Roppongi 6-chome, Minato-ku, Tokyo                    |
| Established            | February 1997   |
| Capital                | 54.122 billion yen (consolidated, as of September 30, 2005) |
| Number of employees    | 3,495 (consolidated, as of September 30, 2005)              |
| Business               | Internet services   |

About Shinsei Bank

|  |   |
|--|---|
| Name                                       | Shinsei Bank, Limited                         |
| Representative Statutory Executive Officer | Thierry Porté                                 |
| Address                                    | 1-8, Uchisaiwaicho 2-chome, Chiyoda-ku, Tokyo |
| Established                                | December 1952                                 |
| Capital                                    | 451.2 billion yen (as of September 30, 2005)  |
| Number of employees                        | 2,052 (as of September 30, 2005)              |
| Business                                   | Banking                                       |




OFFICE OF INTERNATIONAL  
CORPORATE FINANCE

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www.shinseibank.com

For Immediate Press Release

Shinsei Bank, Limited

(Code: 8303, TSE First Section)

## Shinsei Bank Reports Financial Results for Nine Months ended December 31, 2005

Tokyo (Wednesday, January 25, 2006) – Shinsei Bank, Limited (“Shinsei Bank”) today reported its financial results for the nine months of fiscal year (FY) 2005 ended December 31, 2005.

“Solid growth in all three of our strategic business lines contributed to the excellent results achieved during the first nine months of FY2005 and has prompted us to revise our earnings’ forecast for this financial year” said Mr. Thierry Porté, President and CEO of Shinsei Bank, “I believe that the key to our success going forward lies in the growing recognition and appreciation by our customers of Shinsei’s unique business model based on delivering innovative solutions to meet our customers’ evolving needs.”

### Financial Highlights: First Nine Months of FY2005

*(All figures compared to first nine months of FY2004)*

- Total revenue grew 68% to 203.5 billion yen
- Ordinary business profit increased 90% to 102.0 billion
- Net income increased 12% to 59.6 billion yen
  - Cash basis net income increased 37% to 77.9 billion yen
- Diluted EPS for nine months reached 29.61 yen
  - Cash basis diluted EPS of 38.67 yen
- Return on equity (diluted) stood at 9.7%
  - Cash basis diluted ROE of 12.7%
- Expense to revenue ratio improved from 55.7% to 49.8%

### Financial Forecast: Full Year FY2005

- Consolidated net income: 75 billion yen (Previous forecast: 63 billion yen)
  - Cash basis net income: 98 billion yen (Previous forecast: 93 billion yen)

### 1. Financial Summary: First Nine Months of FY2005

Shinsei Bank reported consolidated revenue of 203.5 billion yen for the first nine months of fiscal 2005, an increase of 82.4 billion yen or 68.1% as compared to same period in fiscal year 2004. Both interest income and non-interest income growth contributed to this significant increase in revenue.

Revenue from fees and commissions, trading and other non-interest sources, including revenues from leased assets and installment receivables increased to 143.0 billion yen and now represents 70.3% of total revenues. This significant rise is partly driven by fees on installment shopping credit, credit cards, guarantees and other financing to APLUS customers, leasing income from Showa Leasing customers, income on capital markets and other structured products as well as sales of asset management products.

General and administrative expenses increased by 34.0 billion yen to 101.4 billion yen in the first nine months of fiscal 2005 largely due to the inclusion of APLUS and Showa Leasing. This expense increase was partly offset by continual expense rationalization and disciplined cost management across all businesses. As a result, Shinsei Bank's expense to revenue ratio improved to 49.8% from 55.7% compared to the same period last fiscal year.

Ordinary business profit of 102.0 billion yen during the first nine months of FY2005 was 48.4 billion yen or 90.2% higher than the same period last fiscal year. Ordinary business profit improved in all three business areas.

Net credit costs were 22.8 billion yen for the nine months ended December 31, 2005 compared with net credit recoveries of 7.2 billion yen during the same period last fiscal year. The increase in credit costs in this fiscal year was largely attributable to inclusion of APLUS and Showa Leasing's net credit costs. The net credit recoveries in the first nine months of last fiscal year were primarily due to a reduction in the historical default ratio resulting from improvement in overall credit quality which has led to a non-consolidated NPL ratio of just 1.1% as of December 31, 2005.

Consolidated net income for the period was 59.6 billion yen, up 12.2% as compared to the same period last fiscal year. The first nine months of this fiscal year included 18.2 billion yen of amortized acquired goodwill and intangible assets, net of tax benefit, related to the acquisition of APLUS and Showa Leasing. Diluted net income per share for the nine months ended December 31, 2005 was 29.61 yen.

Shinsei Bank also reports cash basis net income on a voluntary basis in order to provide greater transparency and understanding of its underlying performance. Cash basis net income is calculated by excluding amortization of acquired goodwill and intangible assets, net of tax benefit, from net income under Japanese GAAP. For the first nine months of fiscal 2005, consolidated cash basis net income was 77.9 billion yen, an increase of 37.1% as compared to the same period last fiscal year. Cash basis diluted net income per share for the nine-month period of fiscal year 2005 was 38.67 yen, an increase of 9.17 yen or 31.1%, as compared to the same period last fiscal year.

## **2. Business Line Results:**

Shinsei Bank's business model is based on three strategic pillars: Institutional Banking, Consumer and Commercial Finance ("CCF") and Retail Banking. The strength of these three business areas continues to generate strong revenue in line with Shinsei Bank's customer-focused, solution driven business model.

### **Institutional Banking**

The Institutional Banking business has positioned itself as a hybrid commercial and investment bank which provides innovative solutions to institutional customers through an integrated team of relationship managers and product specialists. The business generated revenue of 86.6 billion yen in the first nine months of this fiscal year – an increase of 12.8 billion yen or 17.4% compared to the same period the previous year. Non-recourse real estate finance and capital markets activities delivered particularly strong results. In the first nine months of this fiscal year, the total general and administrative expenses were 29.1 billion yen, 0.8 billion yen higher than the same period last fiscal year. Strong revenue growth coupled with modest expense growth in Institutional Banking resulted in an expense to revenue ratio improvement to 33.6% for the nine months ended December 31, 2005 compared with 38.4% for the same period a year ago.

### **Consumer and Commercial Finance**

The acquisition of APLUS and Showa Leasing in FY2004 have transformed the Consumer and Commercial Finance business into a major contributor to the Bank's overall revenue while adding new customers, experienced personnel, technical capabilities and leveraging Shinsei Bank's expertise and know-how. In the nine months ended December 31, 2005, CCF business contributed revenue of 89.1 billion yen, or 44% of total Shinsei Bank's revenue. Continuous expense rationalization coupled with revenue growth improved the expense to revenue ratio to 50.7% in the first nine months of this fiscal year from 69.1% during the same period a year ago. The business generated ordinary business profit of 43.9 billion yen, an increase of 37.6 billion yen from the same period last fiscal year primarily due to the contribution from APLUS and Showa Leasing.

### **Retail Banking**

The Retail Banking business continues to build on its successful "bricks and clicks" business model by focusing on understanding customers' needs, expanding its range of customer-acclaimed products and enhancing distribution channels to provide customers with greater value and convenience. During the first nine months of this fiscal year, total revenue was 32.6 billion yen, up 12.5% from the same period last fiscal year. The main sources of revenue were interest income from retail deposits and loans, option income from structured deposits, fees from asset management and variable annuity products and foreign exchange fees from the sale of foreign currency deposits. The ability to successfully sell an increasingly wide range of products is contributing to more balanced and recurrent revenue growth. In

the nine months ended December 31, 2005, following the successful launch of Shinsei Bank's "Color your life" campaign, Shinsei Bank added more than 342,000 new *PowerFlex* retail and high net worth customers, compared to 284,000 over the same period last fiscal year and the business now has over 1.6 million retail accounts.

Retail Banking had total expenses of 26.1 billion yen, an increase of 2.1 billion yen, during the nine-month period. The expense increase relates to expansion of distribution channels and the growth of customer driven transactions. During the period, revenue grew faster than expenses resulting in an expense to revenue ratio improvement from 82.4% to 79.9%. The business generated ordinary business profit of 6.5 billion yen for the nine months of fiscal 2005 compared to 5.1 billion yen during the same period in FY2004.

#### **ALM/Corporate/Other**

ALM, Corporate and Other primarily includes results of corporate treasury activities, income from proprietary investments, inter-company eliminations, and corporate level expenses. In the first nine months of this fiscal year ordinary business profit (loss) was (5.9) billion yen compared to (3.3) billion yen the same period in FY2004.

### **3. Balance Sheet:**

Loan and bills discounted balance grew 326.0 billion yen or 9.5% to 3,756.4 billion yen in the nine-month period ended December 31, 2005. Loans to retail customers, including lending to high net worth individuals, grew 51.5% or 158.6 billion yen to 466.7 billion yen. Corporate loans increased 5.2% or 126.5 billion yen to 2,577.7 billion yen. Lending to CCF customers increased 64.4 billion yen or 23.6% to 337.1 billion yen in the nine-month period ended December 31, 2005.

Shinsei Bank continues to diversify its funding base through continuing growth in its retail deposits. Total deposits, including negotiable certificates of deposit, increased 625.8 billion yen or 18.1% to 4,078.6 billion yen during the first nine months of FY2005. The retail deposits balance, including high net worth customers, grew 715.5 billion yen or 31.1% in the first three quarters of this fiscal year and has now reached 3.0 trillion yen. As a result, retail funding now represents close to 67% of total customer funding.

### **4. Non-performing Loans (non-consolidated):**

Shinsei Bank made further progress in bringing down its non-performing loan balances. As of December 31, 2005, total non-performing loans were at 42.5 billion yen – a decline of 3.6 billion yen from September 2005 level. Non-performing loans currently represent 1.1% of total claims outstanding.

## 5. Financial Forecast:

In view of the strong business and financial performance experienced during the first nine months of FY2005, Shinsei Bank has revised its earnings forecasts for Fiscal Year 2005 as follows:

- Consolidated ordinary business profit: 125 billion yen (previous forecast: 120 billion yen)
- Consolidated net income: 75 billion yen (previous forecast: 63 billion yen)
- Consolidated cash basis net income: 98 billion yen (previous forecast: 93 billion yen)
- Non-consolidated net business profit: 68 billion yen (previous forecast 62 billion yen)
- Non-consolidated net income: 72 billion yen (previous forecast 68 billion yen)

\*\*\*\*

*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 business model comprising Institutional Banking, Consumer and Commercial Finance and Retail Banking. The Bank has total assets of USD 81 billion on a consolidated basis and a network of 29 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 is available at <http://www.shinseibank.com/english/index.html>.*

*This press release contains forward-looking statements relating to the Bank and its subsidiaries. These statements are based on management assumptions of future events and trends and are subject to uncertainty and changes in circumstances. Actual results may differ materially from those included in these statements as a result of various factors.*

## Financial Highlights - Consolidated

### Results of Operations <sup>(1)</sup>

| (Three months comparison)   | (Billions of yen)                 |                                   |            |                     |            |                                   |
|---|-----------------------------------|-----------------------------------|------------|---------------------|------------|-----------------------------------|
|   | Three months ended                | Three months ended                | Change     | Three months ended  | Change     |                                   |
|   | Dec. 31, 2005<br>(3Q-FY2005)<br>a | Dec. 31, 2004<br>(3Q-FY2004)<br>b |            | Change<br>a - b (%) |            | Sep. 30, 2005<br>(2Q-FY2005)<br>c |
| Net interest income   | 20.3                              | 17.9                              | 14%        | 20.7                | (2)%       |                                   |
| Fees and commissions  | 12.7                              | 15.9                              | (20)%      | 10.6                | 19%        |                                   |
| Net trading income  | 8.3                               | 4.3                               | 91%        | 7.9                 | 5%         |                                   |
| Other business income   | 31.5                              | 9.9                               | 217%       | 26.6                | 18%        |                                   |
| Non-interest income   | 52.6                              | 30.2                              | 74%        | 45.2                | 16%        |                                   |
| <b>Total revenue <sup>(2)</sup></b>                                     | <b>72.9</b>                       | <b>48.2</b>                       | <b>51%</b> | <b>66.0</b>         | <b>11%</b> |                                   |
| General and administrative expenses <sup>(2)</sup>                      | (34.7)                            | (28.9)                            | 20%        | (32.1)              | 8%         |                                   |
| <b>Ordinary business profit (jishitsu gyomu jun-eki) <sup>(2)</sup></b> | <b>38.2</b>                       | <b>19.3</b>                       | <b>98%</b> | <b>33.8</b>         | <b>13%</b> |                                   |
| Net credit recoveries (costs)   | (8.2)                             | (3.4)                             | 141%       | (9.4)               | (13)%      |                                   |
| Amortization of acquired goodwill and intangible assets                 | (6.2)                             | (4.4)                             | 41%        | (7.8)               | (20)%      |                                   |
| Taxes and others  | (1.7)                             | 0.9                               | (278)%     | 3.7                 | (147)%     |                                   |
| <b>Net income</b>   | <b>21.9</b>                       | <b>12.4</b>                       | <b>77%</b> | <b>20.2</b>         | <b>8%</b>  |                                   |
| <b>Cash basis net income <sup>(3)</sup></b>                             | <b>27.3</b>                       | <b>16.0</b>                       | <b>70%</b> | <b>27.1</b>         | <b>1%</b>  |                                   |

| (Nine months comparison)  | (Billions of yen) |                   |                     |                  |        |
|---|-------------------|-------------------|---------------------|------------------|--------|
|   | Nine months ended | Nine months ended | Change              | Six months ended | Change |
|   | Dec. 31, 2005     | Dec. 31, 2004     |                     | Change           |        |
| Net interest income   | 60.5              | 43.3              | 40%                 | 40.1             |        |
| Fees and commissions  | 36.2              | 25.3              | 43%                 | 23.5             |        |
| Net trading income  | 21.1              | 19.7              | 7%                  | 12.7             |        |
| Other business income   | 85.6              | 32.7              | 162%                | 54.1             |        |
| Non-interest income   | 143.0             | 77.7              | 84%                 | 90.4             |        |
| <b>Total revenue <sup>(2)</sup></b>                                     | <b>203.5</b>      | <b>121.0</b>      | <b>68%</b>          | <b>130.5</b>     |        |
| General and administrative expenses <sup>(2)</sup>                      | (101.4)           | (67.4)            | 50%                 | 66.6             |        |
| <b>Ordinary business profit (jishitsu gyomu jun-eki) <sup>(2)</sup></b> | <b>102.0</b>      | <b>53.6</b>       | <b>90%</b>          | <b>63.8</b>      |        |
| Net credit recoveries (costs)   | (22.8)            | 7.2               | n.m. <sup>(4)</sup> | (14.5)           |        |
| Amortization of acquired goodwill and intangible assets                 | (20.9)            | (4.4)             | n.m. <sup>(4)</sup> | (14.6)           |        |
| Taxes and others  | 1.4               | (3.2)             | n.m. <sup>(4)</sup> | 3.1              |        |
| <b>Net income</b>   | <b>59.6</b>       | <b>53.1</b>       | <b>12%</b>          | <b>37.7</b>      |        |
| <b>Cash basis net income <sup>(3)</sup></b>                             | <b>77.9</b>       | <b>56.8</b>       | <b>37%</b>          | <b>50.5</b>      |        |

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

(2) Represents results based on management accounting basis.

(3) Excludes amortization of APLUS and Showa Leasing's acquired (consolidation) goodwill and intangible assets, net of tax benefit.

(4) n.m. is not meaningful.

### Selected Balance Sheet Data

|   | (Billions of yen) |                |              |             |                |              |             |  |
|---|-------------------|----------------|--------------|-------------|----------------|--------------|-------------|--|
|   | As of             | As of          | Change       |             | As of          | Change       |             |  |
|   | Dec. 31, 2005     | Sep. 30, 2005  | Amount       | %           | Mar. 31, 2005  | Amount       | %           |  |
| Securities  | 1,619.9           | 1,678.2        | (58.3)       | (3.5)%      | 1,478.2        | 141.7        | 9.6%        |  |
| Loans and bills discounted                              | 3,756.4           | 3,828.0        | (71.5)       | (1.9)%      | 3,430.4        | 326.0        | 9.5%        |  |
| Lease and instalment receivables <sup>(5)</sup>         | 776.1             | 769.1          | 7.0          | 0.9%        | 735.8          | 40.3         | 5.5%        |  |
| Intangible assets <sup>(6)</sup>                        | 70.4              | 72.6           | (2.2)        | (3.0)%      | 77.2           | (6.8)        | (8.8)%      |  |
| Consolidation goodwill, net                             | 224.7             | 229.6          | (4.8)        | (2.1)%      | 244.0          | (19.3)       | (7.9)%      |  |
| Customers' liabilities for acceptances and guarantees   | 785.9             | 1,002.4        | (216.5)      | (21.6)%     | 1,058.1        | (272.2)      | (25.7)%     |  |
| <b>Total assets</b>                                     | <b>9,366.6</b>    | <b>9,142.7</b> | <b>223.8</b> | <b>2.4%</b> | <b>8,576.3</b> | <b>790.3</b> | <b>9.2%</b> |  |
| Deposits (including Negotiable Certificates of Deposit) | 4,078.6           | 3,964.3        | 114.2        | 2.9%        | 3,452.8        | 625.7        | 18.1%       |  |
| Debentures and corporate bonds                          | 1,265.7           | 1,263.7        | 2.0          | 0.2%        | 1,330.9        | (65.1)       | (4.9)%      |  |
| Borrowed money  | 1,085.3           | 1,166.9        | (81.6)       | (7.0)%      | 1,160.2        | (74.9)       | (6.5)%      |  |
| Acceptances and guarantees                              | 785.9             | 1,002.4        | (216.5)      | (21.6)%     | 1,058.1        | (272.2)      | (25.7)%     |  |
| <b>Total liabilities</b>                                | <b>8,442.8</b>    | <b>8,261.6</b> | <b>181.2</b> | <b>2.2%</b> | <b>7,735.7</b> | <b>707.0</b> | <b>9.1%</b> |  |
| Minority interests in subsidiaries                      | 84.4              | 60.4           | 23.9         | 39.6%       | 53.8           | 30.5         | 56.7%       |  |
| <b>Total shareholders' equity</b>                       | <b>839.3</b>      | <b>820.6</b>   | <b>18.6</b>  | <b>2.3%</b> | <b>786.6</b>   | <b>52.6</b>  | <b>6.7%</b> |  |

(5) Lease assets are included in premises and equipment or other assets and instalment receivables are a part of other assets in the consolidated balance sheet.

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

### References

|                      | as of the end of |           |
|----------------------|------------------|-----------|
|                      | Dec. 2005        | Sep. 2005 |
| Exchange rate (¥/\$) | 118.07           | 113.21    |
| Nikkei average       | 16,111.43        | 13,574.30 |

**Interest-Earning Assets and Interest-Bearing Liabilities (Consolidated) <sup>(1)</sup>**
*(Billions of yen, except percentages)*

|   | Nine months ended<br>Dec. 31, 2005 |                            |             | Six months ended<br>Sep. 30, 2005<br>(1H-FY2005) |                            |             | Fiscal year ended<br>Mar. 31, 2005<br>(FY2004) |                            |             |
|---|------------------------------------|----------------------------|-------------|--|----------------------------|-------------|--|----------------------------|-------------|
|   | Average<br>balance                 | Yield/rate<br>Interest (%) |             | Average<br>balance                               | Yield/rate<br>Interest (%) |             | Average<br>balance                             | Yield/rate<br>Interest (%) |             |
| <b>Interest-earning assets <sup>(2)</sup>:</b>                                      |                                    |                            |             |  |                            |             |  |                            |             |
| Loans and bills discounted  | 3,685.9                            | 76.0                       | 2.74        | 3,576.5  | 50.8                       | 2.83        | 3,099.9  | 77.3                       | 2.50        |
| Lease and installment receivables <sup>(2)</sup>                                    | 787.1                              | 35.0                       | 5.90        | 781.4  | 23.6                       | 6.04        | 152.2  | 10.3                       | 6.78        |
| Securities  | 1,720.5                            | 12.9                       | 1.00        | 1,698.5  | 8.3                        | 0.98        | 1,509.4  | 15.8                       | 1.05        |
| Other earning assets <sup>(3)</sup>   | 382.7                              | 2.7                        | 0.96        | 356.8  | 2.1                        | 1.19        | 553.4  | 8.1                        | 1.48        |
| <b>Total interest-earning assets <sup>(2)</sup></b>                                 | <b>6,576.3</b>                     | <b>126.8</b>               | <b>2.56</b> | <b>6,413.3</b>                                   | <b>84.9</b>                | <b>2.64</b> | <b>5,315.0</b>                                 | <b>111.7</b>               | <b>2.10</b> |
| <b>Interest-bearing liabilities:</b>  |                                    |                            |             |  |                            |             |  |                            |             |
| Deposits and negotiable certificates of deposit                                     | 3,708.5                            | 12.3                       | 0.44        | 3,548.5  | 8.0                        | 0.45        | 3,096.2  | 13.6                       | 0.44        |
| Debentures  | 1,180.6                            | 3.7                        | 0.42        | 1,198.9  | 2.6                        | 0.44        | 1,311.4  | 6.1                        | 0.47        |
| Subordinated debt   | 245.9                              | 4.0                        | 2.17        | 251.6  | 3.0                        | 2.41        | 210.5  | 6.9                        | 3.32        |
| Borrowed money and corporate bonds  | 976.8                              | 9.3                        | 1.28        | 967.3  | 6.5                        | 1.36        | 338.0  | 6.6                        | 1.96        |
| Other interest-bearing liabilities  | 245.2                              | 1.8                        | 0.98        | 225.8  | 0.8                        | 0.79        | 259.7  | 1.0                        | 0.40        |
| <b>Total interest-bearing liabilities</b>   | <b>6,357.2</b>                     | <b>31.3</b>                | <b>0.65</b> | <b>6,192.4</b>                                   | <b>21.2</b>                | <b>0.68</b> | <b>5,216.0</b>                                 | <b>34.4</b>                | <b>0.66</b> |
| <b>Non interest-bearing sources of funds:</b>                                       |                                    |                            |             |  |                            |             |  |                            |             |
| Non interest-bearing (assets) liabilities, net                                      | (593.9)                            | -                          | -           | (582.7)  | -                          | -           | (659.2)  | -                          | -           |
| Shareholders' equity  | 812.9                              | -                          | -           | 803.6  | -                          | -           | 758.3  | -                          | -           |
| <b>Total interest-bearing liabilities and non interest-bearing sources of funds</b> | <b>6,576.3</b>                     | <b>-</b>                   | <b>-</b>    | <b>6,413.3</b>                                   | <b>-</b>                   | <b>-</b>    | <b>5,315.0</b>                                 | <b>-</b>                   | <b>-</b>    |
| Net interest margin <sup>(2)</sup>  | -                                  | -                          | 1.91        | -  | -                          | 1.96        | -  | -                          | 1.44        |
| Impact of non interest-bearing sources  | -                                  | -                          | 0.02        | -  | -                          | 0.02        | -  | -                          | 0.01        |
| <b>Net yield on interest-earning assets <sup>(2)</sup></b>                          |                                    | <b>95.5</b>                | <b>1.93</b> |  | <b>63.7</b>                | <b>1.98</b> |  | <b>77.2</b>                | <b>1.45</b> |
| Note:   |                                    |                            |             |  |                            |             |  |                            |             |
| Reclass from total revenue on earning assets to net interest income.                |                                    |                            |             |  |                            |             |  |                            |             |
| Total revenue on earning assets   | 6,576.3                            | 126.8                      | 2.56        | 6,413.3  | 84.9                       | 2.64        | 5,315.0  | 111.7                      | 2.10        |
| Less: Lease and installment receivables   | 787.1                              | 35.0                       | 5.90        | 781.4  | 23.6                       | 6.04        | 152.2  | 10.3                       | 6.78        |
| <b>Total interest income</b>  | <b>5,789.1</b>                     | <b>91.8</b>                | <b>2.11</b> | <b>5,631.9</b>                                   | <b>61.3</b>                | <b>2.17</b> | <b>5,162.8</b>                                 | <b>101.3</b>               | <b>1.96</b> |
| Total interest expense  | -                                  | 31.3                       | -           | -  | 21.2                       | -           | -  | 34.4                       | -           |
| Net interest income   | -                                  | 60.5                       | -           | -  | 40.1                       | -           | -  | 66.8                       | -           |

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

(2) Includes lease and installment receivables assets and related yields.

(3) Interest earning deposits have been restated, by excluding cash deposits, to be consistent with prior period reporting.

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

|   | Nine months ended<br>Dec. 31, 2005 |                            |             | Six months ended<br>Sep. 30, 2005<br>(1H-FY2005) |                            |             | Fiscal year ended<br>Mar. 31, 2005<br>(FY2004) |                            |             |
|---|------------------------------------|----------------------------|-------------|--|----------------------------|-------------|--|----------------------------|-------------|
|   | Average<br>balance                 | Yield/rate<br>Interest (%) |             | Average<br>balance                               | Yield/rate<br>Interest (%) |             | Average<br>balance                             | Yield/rate<br>Interest (%) |             |
| <b>Interest-earning assets:</b>                             |                                    |                            |             |  |                            |             |  |                            |             |
| Cash and due from banks                                     | 75.9                               | 1.5                        | 2.63        | 72.3   | 1.0                        | 2.92        | 134.7  | 2.7                        | 2.06        |
| Call loans  | 76.7                               | 0.0                        | 0.01        | 44.9   | 0.0                        | 0.03        | 134.1  | 0.0                        | 0.01        |
| Receivables under resale agreements                         | -                                  | -                          | -           | -  | -                          | -           | 1.7  | 0.0                        | 0.00        |
| Collateral related to securities borrowing transactions     | 5.4                                | 0.0                        | 0.47        | 6.4  | 0.0                        | 0.49        | 49.5   | 0.0                        | 0.01        |
| Securities  | 1,999.5                            | 16.6                       | 1.10        | 1,977.4  | 11.8                       | 1.19        | 1,526.0  | 15.5                       | 1.01        |
| Loans and bills discounted                                  | 3,578.5                            | 43.4                       | 1.61        | 3,483.9  | 28.8                       | 1.65        | 3,186.9  | 58.5                       | 1.83        |
| Other interest-earning assets                               | 72.1                               | 0.6                        | 1.18        | 82.6   | 0.3                        | 0.93        | 93.9   | 0.6                        | 0.66        |
| Interest rate and fund swaps                                | -                                  | 0.5                        | -           | -  | 0.5                        | -           | -  | 4.2                        | -           |
| <b>Total interest-earning assets</b>                        | <b>5,808.5</b>                     | <b>62.8</b>                | <b>1.43</b> | <b>5,667.7</b>                                   | <b>42.7</b>                | <b>1.50</b> | <b>5,127.0</b>                                 | <b>81.8</b>                | <b>1.59</b> |
| <b>Interest-bearing liabilities:</b>                        |                                    |                            |             |  |                            |             |  |                            |             |
| Deposits  | 3,617.7                            | 12.3                       | 0.45        | 3,421.1  | 8.0                        | 0.47        | 2,828.8  | 13.5                       | 0.47        |
| Negotiable certificates of deposit                          | 222.0                              | 0.0                        | 0.02        | 199.6  | 0.0                        | 0.02        | 410.1  | 0.1                        | 0.03        |
| Debentures  | 1,187.9                            | 3.7                        | 0.42        | 1,206.3  | 2.6                        | 0.43        | 1,319.2  | 6.2                        | 0.47        |
| Call money  | 154.7                              | 0.0                        | 0.06        | 139.1  | 0.0                        | 0.07        | 117.8  | 0.6                        | 0.53        |
| Payable under repurchase agreements                         | 0.8                                | 0.0                        | 0.00        | 1.2  | 0.0                        | 0.00        | 121.3  | 0.0                        | 0.00        |
| Collateral related to securities lending transactions       | 6.2                                | 0.0                        | 0.57        | 6.6  | 0.0                        | 0.20        | 13.2   | 0.0                        | 0.03        |
| Borrowed money  | 311.1                              | 4.6                        | 1.97        | 324.4  | 3.5                        | 2.20        | 326.6  | 8.2                        | 2.53        |
| Corporate bonds   | 65.6                               | 0.3                        | 0.72        | 50.0   | 0.1                        | 0.42        | 0.9  | 0.0                        | 0.39        |
| Other interest-bearing liabilities                          | 1.4                                | 1.6                        | 144.57      | 1.7  | 0.7                        | 88.25       | 0.2  | 0.3                        | 106.10      |
| Interest rate and fund swaps                                | -                                  | -                          | -           | -  | -                          | -           | -  | -                          | -           |
| <b>Total interest-bearing liabilities</b>                   | <b>5,567.7</b>                     | <b>22.8</b>                | <b>0.54</b> | <b>5,350.2</b>                                   | <b>15.2</b>                | <b>0.56</b> | <b>5,138.7</b>                                 | <b>29.1</b>                | <b>0.56</b> |
| <b>Net interest income/yield on interest-earning assets</b> | <b>5,808.5</b>                     | <b>39.9</b>                | <b>0.91</b> | <b>5,667.7</b>                                   | <b>27.4</b>                | <b>0.96</b> | <b>5,127.0</b>                                 | <b>52.6</b>                | <b>1.02</b> |

## Per Share Data

|                                    | (yen)                              |                                    |  |  |
|------------------------------------|------------------------------------|------------------------------------|--|--|
|                                    | Nine months ended<br>Dec. 31, 2005 | Nine months ended<br>Dec. 31, 2004 | Six months ended<br>Sep. 30, 2005<br>(1H-FY2005) | Fiscal year ended<br>Mar. 31, 2005<br>(FY2004) |
| Common shareholders' equity        | 369.84                             | 321.66                             | 354.68   | 329.65   |
| Fully diluted shareholders' equity | 413.81                             | 391.64                             | 404.66   | 390.06   |
| Basic net income                   | 42.51                              | 37.73                              | 26.33  | 46.78  |
| Diluted net income                 | 29.61                              | 27.60                              | 18.71  | 34.98  |

Note:

For calculation of per share data

|                        |   |               |               |               |               |
|------------------------|---|---------------|---------------|---------------|---------------|
| (shareholders' equity) | Number of common shares <sup>(1)</sup>        | 1,358,520,605 | 1,358,532,551 | 1,358,521,003 | 1,358,523,191 |
|                        | Fully diluted number of shares <sup>(1)</sup> | 2,028,296,959 | 1,975,994,995 | 2,028,002,412 | 2,016,758,396 |
| (net income)           | Number of common shares <sup>(2)</sup>        | 1,358,521,379 | 1,358,534,265 | 1,358,521,647 | 1,358,529,854 |
|                        | Fully diluted number of shares <sup>(2)</sup> | 2,015,452,740 | 1,927,665,795 | 2,015,158,063 | 1,927,660,001 |

(1) Outstanding shares at the end of the respective period

(2) Weighted average number of outstanding shares during the respective period

## Cash Basis Per Share Data

|                    | (yen)                              |                                    |  |  |
|--------------------|------------------------------------|------------------------------------|--|--|
|                    | Nine months ended<br>Dec. 31, 2005 | Nine months ended<br>Dec. 31, 2004 | Six months ended<br>Sep. 30, 2005<br>(1H-FY2005) | Fiscal year ended<br>Mar. 31, 2005<br>(FY2004) |
| Basic net income   | 55.94                              | 40.44                              | 35.79  | 52.15  |
| Diluted net income | 38.67                              | 29.50                              | 25.08  | 38.76  |

## Performance Ratios

|  | (%)                                |                                    |  |  |
|--|------------------------------------|------------------------------------|--|--|
|  | Nine months ended<br>Dec. 31, 2005 | Nine months ended<br>Dec. 31, 2004 | Six months ended<br>Sep. 30, 2005<br>(1H-FY2005) | Fiscal year ended<br>Mar. 31, 2005<br>(FY2004) |
| Return on assets                                   | 0.9% <sup>(4)</sup>                | 1.0% <sup>(4)</sup>                | 0.8%   | 0.9%   |
| Return on equity (fully diluted)                   | 9.7% <sup>(4)</sup>                | 9.4% <sup>(4)</sup>                | 9.4%   | 8.9%   |
| Cash basis return on assets                        | 1.2% <sup>(4)</sup>                | 1.1% <sup>(4)</sup>                | 1.2%   | 1.0%   |
| Cash basis return on equity (fully diluted)        | 12.7% <sup>(4)</sup>               | 10.0% <sup>(4)</sup>               | 12.5%  | 9.8%   |
| Expense to revenue (overhead) ratio <sup>(3)</sup> | 49.8%                              | 55.7%                              | 51.1%  | 54.0%  |

## Supplemental Financial Data and Reconciliation to Japanese GAAP Measures

Nine months ended December 31, 2005

(Billions of yen, except per share data)

### Amortization of acquired goodwill and intangible assets <sup>(5)</sup>

|   |       |
|---|-------|
| Amortization of intangible assets   | 6.7   |
| Associated deferred tax liability   | (2.7) |
| Amortization of acquired goodwill   | 14.2  |
| Total amortization of acquired goodwill and intangible assets, net of tax benefit | 18.2  |

### Reconciliation of net income to cash basis net income

|   |      |
|---|------|
| Net income  | 59.6 |
| Total amortization of acquired goodwill and intangible assets, net of tax benefit | 18.2 |
| Cash basis net income   | 77.9 |

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

|   |       |
|---|-------|
| Basic net income per share  | 42.51 |
| Effect of amortization of acquired goodwill and intangible assets, net of tax benefit | 13.43 |
| Cash basis basic net income per share   | 55.94 |

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

|   |       |
|---|-------|
| Diluted net income per share  | 29.61 |
| Effect of amortization of acquired goodwill and intangible assets, net of tax benefit | 9.06  |
| Cash basis diluted net income per share   | 38.67 |

### Reconciliation of return on assets to cash basis return on assets

|   |                    |
|---|--------------------|
| Return on assets  | 0.9 <sup>(4)</sup> |
| Effect of amortization of acquired goodwill and intangible assets, net of tax benefit | 0.3 <sup>(4)</sup> |
| Cash basis return on assets   | 1.2 <sup>(4)</sup> |

### Reconciliation of return on equity to cash basis return on equity

|   |                     |
|---|---------------------|
| Return on equity (fully diluted)  | 9.7 <sup>(4)</sup>  |
| Effect of amortization of acquired goodwill and intangible assets, net of tax benefit | 3.0 <sup>(4)</sup>  |
| Cash basis return on equity (fully diluted)   | 12.7 <sup>(4)</sup> |

(3) Management accounting basis

(4) Annualized basis

(5) Acquired goodwill and intangible assets are referred to as consolidation goodwill and other intangibles in our financial statements.

**Business Line Ordinary Business Profit<sup>(1) (2)</sup>**
*(Billions of yen)*
**Nine months ended December 31, 2005**

|                                     | Institutional<br>Banking | Consumer and<br>Commercial<br>Finance (※1) | Retail<br>Banking   | ALM/<br>Corporate/<br>Other <sup>(3)</sup> | Total |
|-------------------------------------|--------------------------|--|---------------------|--|-------|
| Total revenue                       | 86.6                     | 89.1                                       | 32.6 <sup>(4)</sup> | (4.9)                                      | 203.5 |
| General and administrative expenses | 29.1                     | 45.1                                       | 26.1                | 1.0  | 101.4 |
| Ordinary business profit (loss)     | 57.5                     | 43.9                                       | 6.5                 | (5.9)                                      | 102.0 |

 (※1) breakdown of Consumer and  
Commercial Finance

|                                     | APLUS | Showa<br>Leasing | Other <sup>(5)</sup> | Consumer and<br>Commercial<br>Finance |
|-------------------------------------|-------|------------------|----------------------|---------------------------------------|
| Total revenue                       | 62.4  | 17.7             | 9.0                  | 89.1                                  |
| General and administrative expenses | 32.2  | 8.0              | 4.9                  | 45.1                                  |
| Ordinary business profit            | 30.1  | 9.7              | 4.1                  | 43.9                                  |

**Nine months ended December 31, 2004**

|                                     | Institutional<br>Banking | Consumer and<br>Commercial<br>Finance (※2) | Retail<br>Banking   | ALM/<br>Corporate/<br>Other <sup>(3)</sup> | Total |
|-------------------------------------|--------------------------|--|---------------------|--|-------|
| Total revenue                       | 73.8                     | 20.6                                       | 29.0 <sup>(4)</sup> | (2.4)                                      | 121.0 |
| General and administrative expenses | 28.3                     | 14.2                                       | 23.9                | 0.8  | 67.4  |
| Ordinary business profit (loss)     | 45.4                     | 6.3  | 5.1                 | (3.3)                                      | 53.6  |

 (※2) breakdown of Consumer and  
Commercial Finance

|                                     | APLUS | Other <sup>(5)</sup> | Consumer and<br>Commercial<br>Finance |
|-------------------------------------|-------|----------------------|---------------------------------------|
| Total revenue                       | 14.8  | 5.8                  | 20.6                                  |
| General and administrative expenses | 9.7   | 4.5                  | 14.2                                  |
| Ordinary business profit            | 0.6   | 5.7                  | 6.3                                   |

(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, and corporate level expenses.

(4) Includes revenue related to structured deposits of 15.4 billion yen for nine months ended Dec. 31, 2005, and 14.6 billion yen for nine months ended Dec. 31, 2004.

(5) Includes unallocated Consumer and Commercial Finance sub-group expenses.

**Earnings Forecast for Fiscal Year 2005**

(Consolidated)

*(Billions of yen)*

|   | for the fiscal year ended              |                                      |      |
|---|--|--------------------------------------|------|
|   | March 31, 2006<br>(FY2005)<br>Forecast | March 31, 2005<br>(FY2004)<br>Actual |      |
|   | (After revision)                       | (Before revision) <sup>(6)</sup>     |      |
| Ordinary business profit ( <i>jishhitsu gyomu jun-eki</i> ) | 125.0                                  | 120.0                                | 81.9 |
| Net income  | 75.0                                   | 63.0                                 | 67.4 |
| Cash basis net income <sup>(7)</sup>                        | 98.0                                   | 93.0                                 | 74.7 |

(6) Originally announced on May 24, 2005

(7) Excludes amortization of APLUS and Showa Leasing's acquired (consolidation) goodwill and intangible assets, net of tax benefit.

 (Non-consolidated)<sup>(8)</sup>
*(Billions of yen)*

|                     | for the fiscal year ended              |                                      |      |
|---------------------|--|--------------------------------------|------|
|                     | March 31, 2006<br>(FY2005)<br>Forecast | March 31, 2005<br>(FY2004)<br>Actual |      |
|                     | (After revision)                       | (Before revision) <sup>(6)</sup>     |      |
| Net business profit | 68.0                                   | 62.0                                 | 54.9 |
| Net income          | 72.0                                   | 68.0                                 | 68.0 |

(8) Revitalization plan basis

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 result of various factors.

## Consolidated Statements of Income (Unaudited)

|   | (millions of yen)                       |   |                |               |   |
|---|---|---|----------------|---------------|---|
|   | Nine months ended<br>Dec. 31, 2005<br>a | Nine months ended<br>Dec. 31, 2004<br>b | Change         |               | Fiscal year ended<br>Mar. 31, 2005<br>c |
|   |   |   | a-b            | %             |   |
| Interest on loans and bills   | 76,090                                  | 51,972                                  | 24,118         | 46.4%         | 77,353                                  |
| Interest and dividends on securities                                  | 12,975                                  | 10,245                                  | 2,730          | 26.6%         | 15,862                                  |
| Other interest income   | 2,770                                   | 6,392                                   | (3,622)        | (56.7)%       | 8,181                                   |
| <b>Interest income</b>  | <b>91,836</b>                           | <b>68,610</b>                           | <b>23,226</b>  | <b>33.9%</b>  | <b>101,396</b>                          |
| Fees and commissions income   | 52,654                                  | 34,629                                  | 18,025         | 52.1%         | 57,690                                  |
| Trading profits   | 21,215                                  | 19,700                                  | 1,515          | 7.7%          | 23,992                                  |
| Other business income   | 195,133                                 | 28,008                                  | 167,125        | 596.7%        | 38,231                                  |
| Other operating income  | 29,591                                  | 23,144                                  | 6,447          | 27.9%         | 27,330                                  |
| <b>Operating income</b>   | <b>390,431</b>                          | <b>174,094</b>                          | <b>216,337</b> | <b>124.3%</b> | <b>248,641</b>                          |
| Interest on deposits, including negotiable<br>certificates of deposit | 12,350                                  | 10,374                                  | 1,976          | 19.0%         | 13,671                                  |
| Interest and discounts on debentures                                  | 3,756                                   | 4,756                                   | (1,000)        | (21.0)%       | 6,184                                   |
| Interest on other borrowings  | 11,387                                  | 8,951                                   | 2,436          | 27.2%         | 12,924                                  |
| Other interest expenses   | 3,841                                   | 1,223                                   | 2,618          | 214.1%        | 1,716                                   |
| <b>Interest expenses</b>  | <b>31,336</b>                           | <b>25,307</b>                           | <b>6,029</b>   | <b>23.8%</b>  | <b>34,497</b>                           |
| Fees and commissions expenses   | 16,447                                  | 9,360                                   | 7,087          | 75.7%         | 15,308                                  |
| Trading losses  | 100                                     | —                                       | 100            | n.m.          | —                                       |
| Other business expenses   | 134,977                                 | 14,706                                  | 120,271        | 817.8%        | 15,475                                  |
| General and administrative expenses                                   | 101,942                                 | 68,278                                  | 33,664         | 49.3%         | 97,317                                  |
| Amortization of consolidation goodwill                                | 14,222                                  | 2,486                                   | 11,736         | 472.1%        | 4,918                                   |
| Amortization of identified intangible assets                          | 6,737                                   | 1,946                                   | 4,791          | 246.2%        | 3,919                                   |
| Losses on write-off of loans  | 17,209                                  | 4,527                                   | 12,682         | 280.1%        | 10,076                                  |
| All other   | 10,716                                  | 8,563                                   | 2,153          | 25.1%         | 12,674                                  |
| <b>Other operating expenses</b>                                       | <b>48,886</b>                           | <b>15,577</b>                           | <b>33,309</b>  | <b>213.8%</b> | <b>31,588</b>                           |
| <b>Operating expenses</b>   | <b>333,690</b>                          | <b>133,230</b>                          | <b>200,460</b> | <b>150.5%</b> | <b>194,186</b>                          |
| <b>Net operating income</b>   | <b>56,741</b>                           | <b>40,864</b>                           | <b>15,877</b>  | <b>38.9%</b>  | <b>54,454</b>                           |
| Extraordinary gains   | 3,134                                   | 11,954                                  | (8,820)        | (73.8)%       | 11,845                                  |
| Extraordinary losses  | 1,272                                   | 625                                     | 647            | 103.5%        | 702                                     |
| Income before income taxes and minority interests                     | 58,603                                  | 52,193                                  | 6,410          | 12.3%         | 65,597                                  |
| Income tax (current)  | 2,905                                   | 1,344                                   | 1,561          | 116.1%        | 1,438                                   |
| Income tax (deferred)   | (6,332)                                 | (2,237)                                 | (4,095)        | 183.1%        | (3,444)                                 |
| Minority interests in net income of subsidiaries                      | 2,342                                   | (106)                                   | 2,448          | n.m.          | 168                                     |
| <b>Net income</b>   | <b>59,687</b>                           | <b>53,193</b>                           | <b>6,494</b>   | <b>12.2%</b>  | <b>67,435</b>                           |

| (billions of yen)  |            |         |         |       |         |
|--|------------|---------|---------|-------|---------|
| (Ref.) Ordinary business profit (jissuitsu gyomu jun-eki) <sup>(1)</sup> | 102.0      | 53.6    | 48.4    | 90.2% | 81.9    |
|  | yen / US\$ | @118.07 | @104.20 |       | @107.39 |

(1) Management accounting basis

n.m.: not meaningful

# Consolidated Balance Sheets (Unaudited)

## -- Assets

(millions of yen)

|  | As of Dec. 31,<br>2005 | As of Sep. 30,<br>2005 | Change         |             | As of Mar. 31,<br>2005 | Change         |             |
|--|------------------------|------------------------|----------------|-------------|------------------------|----------------|-------------|
|  | a                      | b                      | a-b            | %           | c                      | a-c            | %           |
| <b>&lt;&lt;Assets&gt;&gt;</b>                              |                        |                        |                |             |                        |                |             |
| Cash and due from banks                                    | 398,103                | 352,584                | 45,519         | 12.9%       | 277,593                | 120,510        | 43.4%       |
| Call loans   | 286,500                | 117,000                | 169,500        | 144.9%      | 70,000                 | 216,500        | 309.3%      |
| Collateral related to securities borrowing transactions    | 73,615                 | 5,232                  | 68,383         | 1307.0%     | 3,744                  | 69,871         | 1866.2%     |
| Other monetary claims purchased                            | 243,847                | 244,387                | (540)          | (0.2)%      | 320,379                | (76,532)       | (23.9)%     |
| Trading assets   | 151,930                | 119,876                | 32,054         | 26.7%       | 168,501                | (16,571)       | (9.8)%      |
| Monetary assets held in trust                              | 624,432                | 393,694                | 230,738        | 58.6%       | 372,224                | 252,208        | 67.8%       |
| Securities   | 1,619,960              | 1,678,291              | (58,331)       | (3.5)%      | 1,478,219              | 141,741        | 9.6%        |
| Loans and bills discounted                                 | 3,756,476              | 3,828,070              | (71,594)       | (1.9)%      | 3,430,421              | 326,055        | 9.5%        |
| Foreign exchanges  | 11,982                 | 12,881                 | (899)          | (7.0)%      | 8,550                  | 3,432          | 40.1%       |
| Other assets   | 906,320                | 868,421                | 37,899         | 4.4%        | 850,440                | 55,880         | 6.6%        |
| Premises and equipment                                     | 416,176                | 419,404                | (3,228)        | (0.8)%      | 418,938                | (2,762)        | (0.7)%      |
| Deferred discounts on and issuance expenses for debentures | 177                    | 206                    | (29)           | (14.1)%     | 284                    | (107)          | (37.7)%     |
| Deferred tax assets  | 27,374                 | 26,639                 | 735            | 2.8%        | 24,623                 | 2,751          | 11.2%       |
| Consolidation goodwill, net                                | 224,716                | 229,614                | (4,898)        | (2.1)%      | 244,042                | (19,326)       | (7.9)%      |
| Customers' liabilities for acceptances and guarantees      | 785,908                | 1,002,462              | (216,554)      | (21.6)%     | 1,058,161              | (272,253)      | (25.7)%     |
| Reserve for credit losses                                  | (160,883)              | (155,980)              | (4,903)        | 3.1%        | (149,799)              | (11,084)       | 7.4%        |
| <b>Total assets</b>  | <b>9,366,638</b>       | <b>9,142,786</b>       | <b>223,852</b> | <b>2.4%</b> | <b>8,576,328</b>       | <b>790,310</b> | <b>9.2%</b> |

yen / US\$

@118.07

@113.21

@107.39

## Consolidated Balance Sheets (Unaudited)

-- Liabilities, minority interests in subsidiaries and shareholders' equity

(millions of yen)

|  | As of Dec. 31,   | As of Sep. 30,   | Change         |              | As of Mar. 31,   | Change         |              |
|--|------------------|------------------|----------------|--------------|------------------|----------------|--------------|
|  | 2005             | 2005             | a-b            | %            | 2005             | a-c            | %            |
|  | a                | b                |                |              | c                |                |              |
| <b>&lt;&lt;Liabilities&gt;&gt;</b>   |                  |                  |                |              |                  |                |              |
| Deposits, including negotiable certificates of deposit                               | 4,078,601        | 3,964,390        | 114,211        | 2.9%         | 3,452,813        | 625,788        | 18.1%        |
| Debentures   | 1,110,344        | 1,181,728        | (71,384)       | (6.0)%       | 1,242,632        | (132,288)      | (10.6)%      |
| Call money   | 140,000          | 170,664          | (30,664)       | (18.0)%      | 204,295          | (64,295)       | (31.5)%      |
| Collateral related to securities lending transactions                                | 9,420            | 5,672            | 3,748          | 66.1%        | -                | 9,420          | n.m.         |
| Commercial paper   | 112,500          | 77,800           | 34,700         | 44.6%        | 13,300           | 99,200         | 745.9%       |
| Trading liabilities  | 91,360           | 80,083           | 11,277         | 14.1%        | 69,101           | 22,259         | 32.2%        |
| Borrowed money   | 1,085,333        | 1,166,966        | (81,633)       | (7.0)%       | 1,160,265        | (74,932)       | (6.5)%       |
| Foreign exchanges  | 117              | 170              | (53)           | (31.2)%      | 20               | 97             | 485.0%       |
| Corporate bonds  | 155,449          | 82,016           | 73,433         | 89.5%        | 88,344           | 67,105         | 76.0%        |
| Other liabilities  | 844,833          | 501,842          | 342,991        | 68.3%        | 412,763          | 432,070        | 104.7%       |
| Accrued employees bonuses  | 9,417            | 7,026            | 2,391          | 34.0%        | 10,276           | (859)          | (8.4)%       |
| Reserve for retirement benefits  | 3,185            | 3,237            | (52)           | (1.6)%       | 3,376            | (191)          | (5.7)%       |
| Reserve for loss on disposition of premises and equipment                            | -                | 153              | (153)          | (100.0)%     | 153              | (153)          | (100.0)%     |
| Reserve under special law  | 2                | 2                | -              | -            | 2                | -              | -            |
| Deferred tax liabilities   | 16,375           | 17,419           | (1,044)        | (6.0)%       | 20,262           | (3,887)        | (19.2)%      |
| Acceptances and guarantees   | 785,908          | 1,002,462        | (216,554)      | (21.6)%      | 1,058,161        | (272,253)      | (25.7)%      |
| <b>Total liabilities</b>   | <b>8,442,848</b> | <b>8,261,635</b> | <b>181,213</b> | <b>2.2%</b>  | <b>7,735,769</b> | <b>707,079</b> | <b>9.1%</b>  |
| <b>Minority interests in subsidiaries</b>  | <b>84,458</b>    | <b>60,487</b>    | <b>23,971</b>  | <b>39.6%</b> | <b>53,891</b>    | <b>30,567</b>  | <b>56.7%</b> |
| <b>&lt;&lt;Shareholders' equity&gt;&gt;</b>  |                  |                  |                |              |                  |                |              |
| Capital stock  | 451,296          | 451,296          | -              | -            | 451,296          | -              | -            |
| Capital surplus  | 18,558           | 18,558           | -              | -            | 18,558           | -              | -            |
| Retained earnings  | 363,090          | 345,056          | 18,034         | 5.2%         | 311,039          | 52,051         | 16.7%        |
| Net unrealized gains on securities available-for-sale, net of taxes                  | 2,868            | 2,794            | 74             | 2.6%         | 3,043            | (175)          | (5.8)%       |
| Foreign currency transaction adjustments   | 3,528            | 2,968            | 560            | 18.9%        | 2,738            | 790            | 28.9%        |
| Treasury stock, at cost  | (11)             | (11)             | (0)            | 0.0%         | (9)              | (2)            | 22.2%        |
| <b>Total shareholders' equity</b>  | <b>839,331</b>   | <b>820,663</b>   | <b>18,668</b>  | <b>2.3%</b>  | <b>786,667</b>   | <b>52,664</b>  | <b>6.7%</b>  |
| <b>Total liabilities, minority interest in subsidiaries and shareholders' equity</b> | <b>9,366,638</b> | <b>9,142,786</b> | <b>223,852</b> | <b>2.4%</b>  | <b>8,576,328</b> | <b>790,310</b> | <b>9.2%</b>  |

yen / US\$

@118.07

@113.21

@107.39

## Consolidated Statements of Capital Surplus and Retained Earnings (Unaudited)

*(millions of yen)*

|   | Nine months ended<br>Dec. 31, 2005 | Nine months ended<br>Dec. 31, 2004 | Change     |          | Fiscal year ended<br>Mar.31, 2005 |
|---|------------------------------------|------------------------------------|------------|----------|-----------------------------------|
|   | <b>a</b>                           | <b>b</b>                           | <b>a-b</b> | <b>%</b> |                                   |
| [Capital surplus]                                 |                                    |                                    |            |          |                                   |
| Balance at beginning of period/year               | 18,558                             | 18,558                             | -          | -        | 18,558                            |
| Balance at end of period/year                     | 18,558                             | 18,558                             | -          | -        | 18,558                            |
| [Retained earnings]                               |                                    |                                    |            |          |                                   |
| Balance at beginning of period/year               | 311,039                            | 250,737                            | 60,302     | 24.0%    | 250,737                           |
| Increase  | 59,687                             | 53,193                             | 6,494      | 12.2%    | 67,435                            |
| Net income  | 59,687                             | 53,193                             | 6,494      | 12.2%    | 67,435                            |
| Decrease  | 7,636                              | 7,133                              | 503        | 7.1%     | 7,133                             |
| Dividends paid                                    | 7,635                              | 7,133                              | 502        | 7.0%     | 7,133                             |
| Bonuses to directors of consolidated subsidiaries | 0                                  | -                                  | 0          | n.m.     | -                                 |
| Balance at end of period/year                     | 363,090                            | 296,798                            | 66,292     | 22.3%    | 311,039                           |

Note: The table represents a translation of the original consolidated statements of capital surplus and retained earnings prepared in the Japanese language in accordance with regulations of consolidated financial statements.

n.m.: not meaningful

## Reference Material

(The tables below are based on translations of the original disclosure in the Japanese language.)

### 1. Non-consolidated Financial Results [and Forecast]

(Billions of yen)

|  | Nine months ended<br>Dec. 31, 2005 | Nine months ended<br>Dec. 31, 2004 | Three months ended<br>Dec. 31, 2005<br>(3Q-FY2005) | Three months ended<br>Dec. 31, 2004<br>(3Q-FY2004) | Six months ended<br>Sep. 30, 2005<br>(1H-FY2005) | Fiscal year ended<br>Mar. 31, 2006<br>(FY2005)<br>Forecast (2) |
|--|------------------------------------|------------------------------------|--|--|--|--|
| Gross business profit ( <i>gyomu sorieki</i> ) (1)         | 109.5                              | 92.3                               | 39.1   | 27.5   | 70.4   |  |
| Net interest income  | 42.0                               | 41.0                               | 13.3   | 15.5   | 28.7   |  |
| Net fees and commissions (1)                               | 36.9                               | 29.4                               | 19.2   | 9.7  | 17.6   |  |
| Net trading income   | 15.5                               | 18.1                               | 5.5  | 3.6  | 10.0   |  |
| Net other business income                                  | 14.9                               | 3.7                                | 1.0  | (1.4)  | 13.9   |  |
| General & administrative expenses                          | (55.1)                             | (52.9)                             | (18.9)   | (17.3)   | (36.1)   |  |
| Net business profit ( <i>jisshitsu gyomu jun-eki</i> ) (1) | 54.4                               | 39.4                               | 20.2   | 10.1   | 34.2   | 68.0   |
| Net operating income ( <i>keijou rieki</i> )               | 52.2                               | 38.1                               | 19.3   | 13.5   | 32.8   | 64.0   |
| Net income   | 59.1                               | 54.2                               | 19.9   | 16.9   | 39.1   | 72.0   |
| Credit recoveries (costs)                                  | 1.0                                | 13.7                               | (1.3)  | 3.3  | 2.3  |  |
| Reversal (provision) of reserve for credit losses          | 1.5                                | 13.4                               | (1.3)  | 1.9  | 2.8  |  |

(1) Includes income from monetary assets held in trust of 27.1 billion yen for nine months ended Dec. 31, 2005, 22.3 billion yen for nine months ended Dec. 31, 2004 and 12.1 billion yen for six months ended Sep. 30, 2005.

(2) Revised on January 25, 2006.

### 2. Non-performing Loans

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

(Billions of yen, %)

|   | As of Dec. 31,<br>2005<br>a | As of Sep. 30,<br>2005<br>b | Change<br>a-b | As of March 31,<br>2005<br>c | Change<br>a-c |
|---|-----------------------------|-----------------------------|---------------|------------------------------|---------------|
| Claims against bankrupt and quasi-bankrupt obligors | 0.8                         | 2.4                         | (1.6)         | 3.1                          | (2.3)         |
| Doubtful claims                                     | 26.4                        | 28.3                        | (1.9)         | 42.1                         | (15.8)        |
| Substandard claims                                  | 15.3                        | 15.4                        | (0.1)         | 6.5                          | 8.8           |
| Total non-performing loans (A)                      | 42.5                        | 46.1                        | (3.6)         | 51.8                         | (9.3)         |
| Total claims (B)                                    | 3,878.9                     | 3,967.0                     | (88.1)        | 3,621.1                      | 257.8         |
| % of total claims outstanding (A) / (B)             | 1.10                        | 1.16                        | (0.06)        | 1.43                         | (0.33)        |
| (ref.) Amount of partial write-off                  | 4.6                         | 6.8                         |               | 6.0                          |               |

### 3. Risk Monitored Loans

(Non-consolidated)

(Billions of yen, %)

|                                     | As of Dec. 31,<br>2005<br>a | As of Sep. 30,<br>2005<br>b | Change<br>a-b | As of March 31,<br>2005<br>c | Change<br>a-c |
|-------------------------------------|-----------------------------|-----------------------------|---------------|------------------------------|---------------|
| Loans to bankrupt obligors          | 0.5                         | 1.5                         | (1.0)         | 2.3                          | (1.8)         |
| Non-accrual delinquent loans        | 25.8                        | 27.5                        | (1.7)         | 41.2                         | (15.4)        |
| Loans past due three months or more | 0.1                         | 0.1                         | (0.0)         | 3.1                          | (3.0)         |
| Restructured loans                  | 15.2                        | 15.2                        | (0.0)         | 3.3                          | 11.9          |
| Total risk monitored loans (A)      | 41.6                        | 44.5                        | (2.9)         | 50.0                         | (8.4)         |
| Loans and bills discounted (B)      | 3,690.6                     | 3,788.0                     | (97.4)        | 3,443.7                      | 246.9         |
| % of risk monitored loans (A) / (B) | 1.13                        | 1.18                        | (0.05)        | 1.45                         | (0.32)        |
| Reserve for credit losses (C)       | 115.8                       | 114.5                       | 1.3           | 124.4                        | (8.6)         |
| Reserve ratios (C) / (A)            | 277.85                      | 257.38                      | 20.47         | 248.63                       | 29.22         |

4. Unrealized Gains (Losses) on Available-for Sale Securities

(Non-consolidated)

As of December 31, 2005

(Billions of yen)

|                              | Fair value | Net unrealized gain (loss) |                        |                         |
|------------------------------|------------|----------------------------|------------------------|-------------------------|
|                              |            |                            | Gross unrealized gains | Gross unrealized losses |
| Equity securities (domestic) | 5.1        | 1.3                        | 1.4                    | 0.0                     |
| Bonds (domestic)             | 840.7      | (3.1)                      | 0.1                    | 3.2                     |
| Other <sup>(1)</sup>         | 140.5      | 2.1                        | 3.4                    | 1.3                     |
| Total                        | 986.5      | 0.3                        | 5.0                    | 4.6                     |

As of September 30, 2005

(Billions of yen)

|                              | Fair value | Net unrealized gain (loss) |                        |                         |
|------------------------------|------------|----------------------------|------------------------|-------------------------|
|                              |            |                            | Gross unrealized gains | Gross unrealized losses |
| Equity securities (domestic) | 4.8        | 1.0                        | 1.0                    | 0.0                     |
| Bonds (domestic)             | 999.6      | (2.5)                      | 0.0                    | 2.6                     |
| Other <sup>(1)</sup>         | 134.6      | 3.3                        | 4.1                    | 0.7                     |
| Total                        | 1,139.2    | 1.8                        | 5.2                    | 3.4                     |

As of March 31, 2005

(Billions of yen)

|                              | Fair value | Net unrealized gain (loss) |                        |                         |
|------------------------------|------------|----------------------------|------------------------|-------------------------|
|                              |            |                            | Gross unrealized gains | Gross unrealized losses |
| Equity securities (domestic) | 5.3        | 1.2                        | 1.2                    | -                       |
| Bonds (domestic)             | 1,076.9    | 0.7                        | 0.9                    | 0.2                     |
| Other <sup>(1)</sup>         | 83.0       | 2.6                        | 3.4                    | 0.8                     |
| Total                        | 1,165.3    | 4.6                        | 5.6                    | 1.0                     |

(1) "Other" mainly consists of foreign securities.

5. Balance of deposits (Non-consolidated)

(Billions of yen)

|                                      | As of Dec. 31, 2005 | As of Sep. 30, 2005 | Change | As of March 31, 2005 | Change  |
|--------------------------------------|---------------------|---------------------|--------|----------------------|---------|
|                                      | a                   | b                   | a-b    | c                    | a-c     |
| Balance of deposits (including NCDs) | 4,585.8             | 4,046.9             | 538.9  | 3,528.8              | 1,057.0 |
| Balance of deposits from individuals | 2,991.1             | 2,813.9             | 177.2  | 2,277.7              | 713.4   |

## Non-Consolidated Statements of Income (Unaudited)

(millions of yen)

|   | Nine months ended | Nine months ended | Change        |              | Fiscal year ended<br>Mar. 31, 2005 |
|---|-------------------|-------------------|---------------|--------------|------------------------------------|
|   | Dec. 31, 2005     | Dec. 31, 2004     | a-b           | %            |                                    |
|   | a                 | b                 |               |              |                                    |
| Interest on loans and bills   | 43,411            | 43,891            | (480)         | (1.1)%       | 58,569                             |
| Interest and dividends on securities                                  | 16,669            | 11,882            | 4,787         | 40.3%        | 15,551                             |
| Other interest income   | 2,764             | 6,014             | (3,250)       | (54.0)%      | 7,705                              |
| <b>Interest income</b>  | <b>62,844</b>     | <b>61,788</b>     | <b>1,056</b>  | <b>1.7%</b>  | <b>81,826</b>                      |
| Fees and commissions income   | 17,160            | 13,740            | 3,420         | 24.9%        | 20,516                             |
| Trading profits   | 15,905            | 18,222            | (2,317)       | (12.7)%      | 22,305                             |
| Other business income   | 19,264            | 8,986             | 10,278        | 114.4%       | 10,765                             |
| Other operating income  | 33,939            | 29,901            | 4,038         | 13.5%        | 37,654                             |
| <b>Operating income</b>   | <b>149,114</b>    | <b>132,639</b>    | <b>16,475</b> | <b>12.4%</b> | <b>173,068</b>                     |
| Interest on deposits, including negotiable<br>certificates of deposit | 12,395            | 10,405            | 1,990         | 19.1%        | 13,713                             |
| Interest and discounts on debentures                                  | 3,765             | 4,770             | (1,005)       | (21.1)%      | 6,201                              |
| Interest on other borrowings  | 4,694             | 7,044             | (2,350)       | (33.4)%      | 8,896                              |
| Other interest expenses   | 2,001             | 222               | 1,779         | 801.4%       | 316                                |
| <b>Interest expenses</b>  | <b>22,856</b>     | <b>22,442</b>     | <b>414</b>    | <b>1.8%</b>  | <b>29,127</b>                      |
| Fees and commissions expenses   | 7,362             | 6,675             | 687           | 10.3%        | 8,859                              |
| Trading losses  | 322               | 87                | 235           | 270.1%       | 113                                |
| Other business expenses   | 4,311             | 5,243             | (932)         | (17.8)%      | 4,939                              |
| General and administrative expenses                                   | 55,616            | 53,781            | 1,835         | 3.4%         | 70,088                             |
| Other operating expenses  | 6,369             | 6,226             | 143           | 2.3%         | 13,242                             |
| <b>Operating expenses</b>   | <b>96,838</b>     | <b>94,457</b>     | <b>2,381</b>  | <b>2.5%</b>  | <b>126,370</b>                     |
| <b>Net operating income</b>   | <b>52,276</b>     | <b>38,182</b>     | <b>14,094</b> | <b>36.9%</b> | <b>46,697</b>                      |
| Extraordinary gains   | 2,051             | 13,824            | (11,773)      | (85.2)%      | 18,737                             |
| Extraordinary losses  | 95                | 594               | (499)         | (84.0)%      | 575                                |
| <b>Income before income taxes</b>                                     | <b>54,232</b>     | <b>51,413</b>     | <b>2,819</b>  | <b>5.5%</b>  | <b>64,859</b>                      |
| Income tax (current)  | (4,589)           | (2,247)           | (2,342)       | 104.2%       | (2,374)                            |
| Income tax (deferred)   | (310)             | (614)             | 304           | (49.5)%      | (864)                              |
| <b>Net income</b>   | <b>59,131</b>     | <b>54,274</b>     | <b>4,857</b>  | <b>8.9%</b>  | <b>68,097</b>                      |
| Unappropriated retained earnings brought forward                      | 302,595           | 243,351           | 59,244        | 24.3%        | 243,351                            |
| Interim dividends paid  | 3,947             | 3,688             | 259           | 7.0%         | 3,688                              |
| Transfer to legal reserve   | 789               | 737               | 52            | 7.1%         | 737                                |
| <b>Unappropriated retained earnings</b>                               | <b>356,990</b>    | <b>293,199</b>    | <b>63,791</b> | <b>21.8%</b> | <b>307,022</b>                     |

yen / US\$

@118.07

@104.20

@107.39

## Non-Consolidated Balance Sheets -- Assets (Unaudited)

(millions of yen)

|  | As of Dec. 31,<br>2005 | As of Sep. 30,<br>2005 | Change         |             | As of Mar. 31,<br>2005 | Change         |              |
|--|------------------------|------------------------|----------------|-------------|------------------------|----------------|--------------|
|  | a                      | b                      | a-b            | %           | c                      | a-c            | %            |
| <b>&lt;&lt;Assets&gt;&gt;</b>                              |                        |                        |                |             |                        |                |              |
| Cash and due from banks                                    | 258,152                | 206,602                | 51,550         | 25.0%       | 162,208                | 95,944         | 59.1%        |
| Call loans   | 286,500                | 117,000                | 169,500        | 144.9%      | 70,000                 | 216,500        | 309.3%       |
| Collateral related to securities borrowing transactions    | 73,615                 | 5,232                  | 68,383         | 1,307.0%    | 3,744                  | 69,871         | 1,866.2%     |
| Other monetary claims purchased                            | 36,708                 | 40,365                 | (3,657)        | (9.1)%      | 108,410                | (71,702)       | (66.1)%      |
| Trading assets   | 132,838                | 111,506                | 21,332         | 19.1%       | 166,817                | (33,979)       | (20.4)%      |
| Monetary assets held in trust                              | 675,825                | 440,625                | 235,200        | 53.4%       | 415,395                | 260,430        | 62.7%        |
| Securities   | 1,970,700              | 2,016,488              | (45,788)       | (2.3)%      | 1,820,753              | 149,947        | 8.2%         |
| Loans and bills discounted                                 | 3,690,615              | 3,788,017              | (97,402)       | (2.6)%      | 3,443,721              | 246,894        | 7.2%         |
| Foreign exchanges  | 11,982                 | 12,881                 | (899)          | (7.0)%      | 8,550                  | 3,432          | 40.1%        |
| Other assets   | 243,818                | 215,141                | 28,677         | 13.3%       | 220,972                | 22,846         | 10.3%        |
| Premises and equipment                                     | 27,046                 | 27,204                 | (158)          | (0.6)%      | 26,499                 | 547            | 2.1%         |
| Deferred discounts on and issuance expenses for debentures | 177                    | 206                    | (29)           | (14.1)%     | 285                    | (108)          | (37.9)%      |
| Deferred tax assets  | 25,701                 | 24,979                 | 722            | 2.9%        | 23,543                 | 2,158          | 9.2%         |
| Customers' liabilities for acceptances and guarantees      | 46,243                 | 51,456                 | (5,213)        | (10.1)%     | 49,896                 | (3,653)        | (7.3)%       |
| Reserve for credit losses                                  | (115,828)              | (114,598)              | (1,230)        | 1.1%        | (124,499)              | 8,671          | (7.0)%       |
| <b>Total assets</b>  | <b>7,364,098</b>       | <b>6,943,109</b>       | <b>420,989</b> | <b>6.1%</b> | <b>6,396,302</b>       | <b>967,796</b> | <b>15.1%</b> |

yen / US\$

@118.07

@113.21

@107.39

# Non-Consolidated Balance Sheets (Unaudited)

## -- Liabilities and shareholders' equity

(millions of yen)

|  | As of Dec. 31,   | As of Sep. 30,   | Change         |             | As of Mar. 31,   | Change         |              |
|--|------------------|------------------|----------------|-------------|------------------|----------------|--------------|
|  | 2005             | 2005             | a-b            | %           | 2005             | a-c            | %            |
|  | a                | b                |                |             | c                |                |              |
| <b>&lt;&lt;Liabilities&gt;&gt;</b>                                 |                  |                  |                |             |                  |                |              |
| Deposits, including negotiable certificates of deposit             | 4,585,810        | 4,046,936        | 538,874        | 13.3%       | 3,528,879        | 1,056,931      | 30.0%        |
| Debentures   | 1,113,854        | 1,185,538        | (71,684)       | (6.0)%      | 1,246,862        | (133,008)      | (10.7)%      |
| Call money   | 140,000          | 170,664          | (30,664)       | (18.0)%     | 204,295          | (64,295)       | (31.5)%      |
| Collateral related to securities lending transactions              | 9,420            | 5,672            | 3,748          | 66.1%       | —                | 9,420          | n.m.         |
| Trading liabilities  | 71,142           | 68,963           | 2,179          | 3.2%        | 64,296           | 6,846          | 10.6%        |
| Borrowed money   | 285,699          | 339,962          | (54,263)       | (16.0)%     | 325,394          | (39,695)       | (12.2)%      |
| Foreign exchanges  | 405              | 447              | (42)           | (9.4)%      | 289              | 116            | 40.1%        |
| Corporate bonds  | 122,789          | 50,000           | 72,789         | 145.6%      | 50,000           | 72,789         | 145.6%       |
| Other liabilities  | 142,618          | 194,904          | (52,286)       | (26.8)%     | 128,663          | 13,955         | 10.8%        |
| Accrued employees bonuses  | 7,558            | 4,830            | 2,728          | 56.5%       | 7,616            | (58)           | (0.8)%       |
| Reserve for retirement benefits                                    | 811              | 811              | —              | —           | 1,010            | (199)          | (19.7)%      |
| Reserve for loss on disposition of premises and equipment          | —                | 153              | (153)          | (100.0)%    | 153              | (153)          | (100.0)%     |
| Acceptances and guarantees   | 46,243           | 51,456           | (5,213)        | (10.1)%     | 49,896           | (3,653)        | (7.3)%       |
| <b>Total liabilities</b>   | <b>6,526,352</b> | <b>6,120,341</b> | <b>406,011</b> | <b>6.6%</b> | <b>5,607,357</b> | <b>918,995</b> | <b>16.4%</b> |
| <b>&lt;&lt;Shareholders' equity&gt;&gt;</b>                        |                  |                  |                |             |                  |                |              |
| Capital stock  | 451,296          | 451,296          | —              | —           | 451,296          | —              | —            |
| Capital surplus  | 18,558           | 18,558           | —              | —           | 18,558           | —              | —            |
| Additional paid-in capital   | 18,558           | 18,558           | —              | —           | 18,558           | —              | —            |
| Retained earnings  | 364,767          | 348,736          | 16,031         | 4.6%        | 313,272          | 51,495         | 16.4%        |
| Legal reserve  | 7,777            | 6,987            | 790            | 11.3%       | 6,249            | 1,528          | 24.5%        |
| Unappropriated retained earnings                                   | 356,990          | 341,749          | 15,241         | 4.5%        | 307,022          | 49,968         | 16.3%        |
| Net income   | 59,131           | 39,153           | 19,978         | 51.0%       | 68,097           |                |              |
| Net unrealized gain on securities available-for-sale, net of taxes | 3,128            | 4,181            | (1,053)        | (25.2)%     | 5,822            | (2,694)        | (46.3)%      |
| Treasury stock, at cost  | (6)              | (5)              | (1)            | 20.0%       | (4)              | (2)            | 50.0%        |
| <b>Total shareholders' equity</b>                                  | <b>837,745</b>   | <b>822,768</b>   | <b>14,977</b>  | <b>1.8%</b> | <b>788,945</b>   | <b>48,800</b>  | <b>6.2%</b>  |
| <b>Total liabilities and shareholders' equity</b>                  | <b>7,364,098</b> | <b>6,943,109</b> | <b>420,989</b> | <b>6.1%</b> | <b>6,396,302</b> | <b>967,796</b> | <b>15.1%</b> |

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