For Immediate Press Release: May 26, 2006

Consolidated Financial Results for the Fiscal Year Ended March 31, 2006

Company Name (Code Number):	**The Tokyo Star Bank, Limited** (8384) (URL http://www.tokyostarbank.co.jp/)
Stock Exchange Listings:	First Section of Tokyo
Headquarters:	Tokyo
Application of US GAAP:	Not applied

1. Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2006

(1) Operating Results (in millions of yen except per share data and percentages)

	For the year ended March 31,	
	2006	2005
Ordinary income	**68,323**	63,059
Change from the previous year	**8.3%**	2.6%
Ordinary profits	**24,043**	22,747
Change from the previous year	**5.7%**	(11.3%)
Net income	**17,149**	14,570
Change from the previous year	**17.7%**	0.2%
Net income per common share	**24,499.10**	104,076.22
Return on equity	**20.5%**	21.1%
Ratio of ordinary profits to total assets	**1.6%**	1.7%
Ratio of ordinary profits to ordinary income	**35.2%**	36.1%

Note: Average number of shares outstanding for the year ended:

March 31, 2006 (Common stock): 700,000 shares

March 31, 2005 (Common stock): 140,000 shares

The Bank consummated a five-for-one stock split on September 1, 2005. If the stock spilt had been made at April 1, 2004, Net income per common share would have been 20,815.24 yen for the year ended March 31, 2005.

(2) Financial Conditions

	As of March 31,	
	2006	2005
Total assets	**1,505,492**	1,450,163
Stockholders' equity	**91,005**	76,301
Ratio of stockholder's equity to total assets	**6.0%**	5.3%
Stockholders' equity per common share	**130,007.85**	545,011.65
Risk-adjusted capital ratio (based on the domestic standards)	**8.95%** (preliminary figure)	8.84%

Note: Number of shares outstanding as of:

March 31, 2006 (Common stock): 700,000 shares

March 31, 2005 (Common stock): 140,000 shares

If the stock spilt had been made at April 1, 2004, Net assets per common share would have been 109,002.33 yen for the year ended March 31, 2005.

(3) Cash Flows

(in millions of yen)

	For the year ended March 31,	
	2006	2005
Net cash provided by (used in) operating activities	**(122,408)**	51,369
Net cash provided by (used in) investing activities	**93,848**	5,034
Net cash provided by (used in) financing activities	**(1,300)**	(3,000)
Cash and cash equivalents at the end of year	**101,692**	131,553

(4) Scope of Consolidation and Application of the Equity Method

Consolidated subsidiaries: 4
Non-consolidated subsidiaries accounted for under the equity method: -
Affiliated companies accounted for under the equity method: -

(5) Change in the Scope of Consolidation and Application of the Equity Method

Consolidated subsidiaries:
Newly included: 1
Excluded: 1
Affiliated companies accounted for under the equity method:
Newly included: -
Excluded: -

2. Earning Projections for the Fiscal Year Ending March 31, 2007

(in millions of yen)

	For the six-months ending September 30, 2006	For the year ending March 31, 2007
Ordinary income	35,000	75,500
Ordinary profits	12,500	26,500
Net income	7,400	15,700

Projected net income per common share for the fiscal year ending March 31, 2007 is 22,428.57 yen.

(Note)
The information contains forward-looking statements. The forward-looking statements are inherently susceptible to risks and uncertainties and does not guarantee future performance. Please note that future performance may differ from the prospect due to matters such as changes in business environments.

CONSOLIDATED BALANCE SHEET
As of March 31, 2006

	(in millions of yen)
Assets:	
Cash and due from banks	119,816
Call loans	1,526
Monetary receivables bought	48,293
Trading securities	7
Monetary assets held in trust	3,670
Investment securities	271,478
Loans and bills discounted	1,031,891
Foreign exchanges	275
Other assets	23,601
Premises and equipment	13,969
Deferred tax assets	12,402
Customers' liabilities for acceptances and guarantees	2,326
Reserve for possible loan losses	(23,768)
Total assets	**1,505,492**
Liabilities and stockholders' equity	
Liabilities:	
Deposits	1,364,714
Borrowed money	1,000
Foreign exchanges	14
Corporate bonds and notes	3,000
Other liabilities	40,566
Reserve for employees' bonus	1,528
Reserve for directors' bonus	1,037
Goodwill	297
Acceptances and guarantees	2,326
Total liabilities	**1,414,486**
Stockholders' equity:	
Common stock	21,000
Capital surplus	19,000
Retained earnings	51,437
Unrealized gains on securities available for sale, net of tax	(432)
Total stockholders' equity	**91,005**
Total liabilities and stockholders' equity	**1,505,492**

Notes to the Consolidated Balance Sheet:

1. The amounts are rounded down to the nearest million of yen.
2. Trading Securities are stated at market value (cost of securities sold is determined by the moving-average method).
3. Available-for-sale securities whose fair value can be obtained for the market or estimated are carried at the fair value at the end of the fiscal year (cost of securities sold is calculated by the moving-average method), and other available-for-sale securities with no market value are stated at cost or amortized cost (straight-line) computed by the moving-average method. Unrealized gains or losses on available-for-sale securities are included in the stockholders' equity, net of taxes.
4. Derivatives are stated at fair value.
5. Depreciation for premises and equipment of the Bank is computed using the declining-balance method (depreciation for buildings except for fixtures is computed using the straight-line method).
   The estimated useful lives of primary buildings and equipment are as follows:
   Building --- 8 years to 50 years
   Equipment and furniture --- 2 years to 20 years
   Depreciation for premises and equipment of consolidated subsidiaries is computed principally using the declining-balance method based on the estimated useful lives.
6. Costs of computer software developed or obtained for internal use are deferred and amortized using the straight-line method over the estimated useful lives (5 years) as defined by the Bank and its consolidated subsidiaries.
7. Foreign currency assets and liabilities are principally translated into yen equivalents using the exchange rates prevailing at the fiscal year end.
8. Loans acquired from other financial institutions, loans on deeds and bills discounted are recorded at acquisition costs in the balance sheet, and the difference between the acquisition costs and principal amount is amortized in proportion to the principal amount over the actual collection period. Overdrafts and loans on notes are carried at principal amount and the difference is recorded as a liability and is amortized over the actual collection period using the straight-line method. Loans that are classified as likely to become bankrupt, virtually bankrupt and legally bankrupt are recorded at acquisition costs and the difference is not amortized.
9. Reserve for possible loan losses of the Bank is provided pursuant to the internal rules for the write-off of claims and providing reserve for possible loan losses. For claims to debtors who are legally bankrupt or virtually bankrupt, a reserve is provided based on the amount of claims, after charge-offs as stated below, and net of amounts expected to be collected through the disposal of collateral or the execution of guarantees.
   For claims to debtors who are likely to become bankrupt and for which future cash flows can not be reasonably estimated, a reserve is provided for the amount considered to be necessary based on an overall solvency assessment performed for the amount of the claim, net amounts expected to be collected through the disposal of collateral or execution of guarantees.

For claims to debtors who are likely to become bankrupt or whose claims are restructured as noted in 21 below and the amount of claims exceeds certain levels for which the amount of future cash flows can be reasonably estimated, a reserve is provided for the difference between the present value of the expected future cash flows discounted using the initial contracted interest rate and the carrying value of the claim. For other claims, a reserve is provided based on historical loan loss experience.

All claims are assessed by the business related divisions based on the internal rules for self-assessment of asset quality. The credit examination related division, which is independent from business related divisions, subsequently conducts examination of their assessments, and the reserve is provided based on the examination results.

Provisions for possible loan losses are directly offset with the corresponding income recognized by applying the amortized cost method since such income is arising from the change in credit risk of purchased claims.

For collateralized or guaranteed claims to debtors who are legally bankrupt or virtually bankrupt, the amount of claims exceeding the estimated value of the collateral or guarantees, which is deemed uncollectible, has been charged-off against the respective claims. The amount of the charge-off as of March 31, 2006 was 17,948 million yen.

Reserve for possible loan losses for consolidated subsidiaries is provided based on historical loan loss experience for normal claims and estimated collectibility of each claim for claims that are rated as problem loan.

10. A reserve for employees' bonus is provided for the payment of employees' bonus based on the estimated amounts of the future payments attributed to the current fiscal year.
11. A reserve for directors' bonus is provided for the payment of directors' bonus based on the estimated amounts of the future payments attributed to the current fiscal year. The reserve for director's bonus is a reserve defined under Article 43 of the Enforcement Regulations of the former Commercial Code.
12. Equipment used under finance lease agreements is accounted for as equipment leased under operating leases, except for those leases which transfer ownership of leased equipment to the lessee, in which case the equipment is capitalized.
13. With respect to hedge accounting for interest rate risks arising from financial assets and liabilities, the Bank has adopted deferral hedges prescribed in the Industry Audit Committee Report No. 24, "Practical Guidelines for Accounting Financial Instruments", issued by the Japanese Institute of Certified Public Accountants ("JICPA"). As for the assessment of hedge effectiveness, the Bank groups the deposits (hedged items) and interest swap transactions (hedging instruments) by their maturities and evaluate its effectiveness.
14. The National Consumption Tax and the Local Consumption Tax are excluded from transaction amounts. The portion of the National Consumption Tax and the Local Consumption Tax, which are paid on the purchase of premises and equipment and are not deductible as a tax credit, are charged to expenses when incurred.
15. There are no claims to directors and statutory executive officers.
16. There are no obligations to directors and statutory executive officers.

17. Accumulated depreciation on premises and equipment was 3,000 million yen.
18. Besides premises and equipment included in the balance sheet, some equipment, vehicles and office equipment are used under lease agreements.
19. Loans to bankrupt borrowers and past due loans are included in Loans and bills discounted, and the amounts were 601 million yen and 22,260 million yen, respectively.

    Loans to bankrupt borrowers represent loans which have been placed in non-accrual status due to substantial delinquency or other reasons such as non-accrual loans, and meet certain provisions as stipulated in Article 96, Paragraph 1, Subparagraphs 3 and 4 of the Enforcement Ordinance of the Corporation Tax Law of Japan. Past due loans represent non-accrual loans excluding those loans to bankrupt borrowers and loans for which interest payments are deferred in order to assist the financial recovery of debtors in financial difficulties.

    DIP finance loans (finance to restructuring companies under turnaround procedures) of 50 million yen are included in the amount of loans to bankrupt borrowers. These loans are fully secured by collaterals and other means.
20. Loans past due three months or more are included in Loans and bills discounted, and the amount was 6 million yen. Loans past due three months or more are loans whose principal or interest payments are three months or more past due from the following day of the prescribed payment date. Loans to bankrupt borrowers and past due loans are excluded.
21. Restructured loans are included in Loans and bills discounted, and the amount was 12,041 million yen. Restructured loans are loans on which concessions (e.g., reduction of the stated interest rate, deferral of interest payment, extension of maturity date, reduction of the face amount or maturity amount of the debt or accrued interest) have been granted to debtors in financial difficulties to assist them in their financial recovery and eventually to be able to repay to creditors. Loans classified as loans to bankrupt borrowers, past due loans or loans past due three months or more are excluded.
22. Total amount of loans to bankrupt borrowers, past due loans, loans past due three months or more and restructured loans was 34,909 million yen. The amount stated in Notes 19 through 22 represents the gross receivable amounts before a reduction for the Reserve for possible loan losses.
23. With respect to Loan Participation, the total principal balance of loans which are accounted for as sales under JICPA Accounting System Committee Report No.3 issued on June 1, 1995 was 92 million yen. The amount of participated loans which were accounted for as loans to original debtors included in the balance sheet as of March 31, 2006 was 276 million yen.
24. Bills discounted are accounted for as secured lending transactions in conformity with the Industry Audit Committee Report No.24. Bank acceptances, commercial bills, bills of exchange, and foreign bills bought are permitted to be sold or (re) pledged and the total face value was 488 million.
25. Assets pledged as collateral were as follows:

Investment securities	24,354 million yen
Loans and bills discounted	5,760 million yen

Liabilities related to the pledged assets were as follows:

Borrowed money	1,000 million yen
Deposits	622 million yen

In addition to above, Investment securities of 51,787 million yen were pledged as collateral for settlement of exchange transactions, and security deposits of 2,206 million yen were included in Premises and equipment.

26. Subordinated bonds of 3,000 million yen were included in Corporate bonds and notes.
27. Net assets per share was 130,007.85 yen.
28. Fair value and valuation gains/losses of investment securities are as follows. Securities below include Trading securities as well as Investment securities in the balance sheet. The same definition is applied to Notes. 29 through 31.

Trading securities:

Balance sheet amount	7 million yen
Valuation Losses included in Income before income taxes	(0) million yen

Available-for-sale securities with fair value: (in millions of yen)

	Acquisition cost	Balance sheet amount	Net valuation gains (losses)	Valuation gains	Valuation losses
Equities	579	1,694	1,114	1,114	-
Japanese bonds	146,701	145,411	(1,290)	12	1,303
Government bonds	128,319	127,084	(1,234)	11	1,245
Municipal bonds	609	596	(12)	0	12
Corporate bonds	17,773	17,730	(43)	1	44
Others	87,140	86,592	(549)	508	1,058
Total	234,421	233,697	(725)	1,635	2,361

Where compound instruments in “Others” as a whole are marked to market, and valuation gains (losses) are included in Income before income taxes, the valuation gains/losses of these instruments are excluded.

The valuation gains (losses) amount, net of deferred tax assets of 293 million yen, were (432) million yen, which were included in Unrealized gains on securities available for sale, net of tax.

29. Available-for-sale securities sold during the year ended March 31, 2006 are as follows:

(in millions of yen)

	Proceeds from sales	Gains	Losses
Available-for-sale securities	363,778	1,744	504

30. Securities whose fair value is not readily available are as follows:

(in millions of yen)

	Balance sheet amount
Available-for-sale securities	
Unlisted domestic equity securities (excluding OTC traded equities)	3,356
Corporate bonds (industrial bonds)	32,655
Others	1,766

31. Redemption schedule of bonds classified as Available for sale securities is as follows:

(in millions of yen)

	Due within 1 year	Over 1 year to 5 years	Over 5 years to 10 years	Over 10 years
Japanese bonds	19,236	123,082	27,962	7,785
Government bonds	15,686	89,896	13,716	7,785
Municipal bonds	-	498	98	-
Corporate bonds	3,550	32,688	14,147	-
Other	14,059	30,766	24,114	2,295
Total	33,296	153,848	52,077	10,080

32. Monetary assets held in trust are as follows:

Money held in trust for trading purposes:

Balance sheet amount 3,670 million yen

Valuation Losses included in Income before income taxes (17) million yen

33. Contracts of overdraft facilities and loan commitment line are contracts under which customers are lent to up to the prescribed limits in response to the customers' application for a loan as long as there is no violation of any condition in the contracts. The unused amount within the limits relating to these contracts was 59,006 million yen, of which contracts whose original terms were within one year (or contracts unconditionally cancelable at voluntary timing) were 26,215 million yen. Since many of these commitments expire without being drawn, the unused amount does not necessarily represent a future cash requirement. Most of these contracts have conditions that allow the Bank and its consolidated subsidiaries to refuse the customers' application for a loan or decrease the contract limits with proper reasons (e.g., changes in financial situation, deterioration in customers' creditworthiness, etc.). At the inception of contracts, the Bank and its consolidated subsidiaries obtain real estate, securities, etc. as collateral if considered to be necessary. Subsequently, the Bank and its consolidated subsidiaries perform periodic reviews (semi-annually) of the customers' business results based on internal rules, and take necessary measures to reconsider conditions in contracts and/or require additional collateral and guarantees.

34. Fixed Asset Impairment Accounting Standards ("Statement on Establishment of Fixed Asset Impairment Accounting Standards" (Business Accounting Council, August 9, 2002) and "Application Guideline of Fixed Asset Impairment Accounting Standards" (Accounting Standard Application Guideline No. 6, October 31, 2003)) was applied since this fiscal year. As a result of applying these standards, the Bank and its consolidated subsidiaries recorded an impairment loss of 25 million yen. Under these standards, impairment loss is recognized when the balance of long-lived assets used for operation are not expected to be recoverable. Since the Bank manages profits and losses from operations at the Head Office, fixed assets held and used for operations as a whole are grouped as one asset group for the purpose of the impairment analysis. The carrying values of idle assets are reduced to the net realizable value, and the reduced value is recognized as an impairment loss. As for the grouping of idle assets, each asset is considered to be an independent unit. Since accumulated depreciation is netted with each asset balance in accordance with the Enforcement Regulations of Banking Law, the impairment loss is also netted with the respective assets.
35. The Bank was examined by the Tokyo Regional Taxation Bureau for its corporate income taxes (corporate tax, inhabitant tax and enterprise tax) for the fiscal year ended March 31, 2002 through March 31, 2004. As a result of this examination, the Bank has received a disposition concerning differences in profit recognized on amortization of difference between carrying values of purchased loans related to business transfer and its purchase amount as well as timing difference of profit recognition (that is to say, the amount of profit to be recognized was different or profit shall be recognized earlier for the tax purpose). Accordingly, the Bank received a notice regarding this disposition on June 29, 2005. Specifically, the Bank was required to make payments of back taxes of 8,801 million yen, which extend for the total of 3 fiscal years, as well as additional tax and delinquency tax of 1,685 million yen.
    In order to avoid further payment of additional tax and delinquency tax, the Bank has fully paid for back taxes, additional tax and delinquency tax. However, the Bank believes that the treatment of profit from amortization was appropriate from accounting as well as tax perspectives. Hence, the Bank has requested for examination to the National Tax Tribunal on August 26, 2005.

CONSOLIDATED STATEMENT OF OPERATIONS

For the year ended March 31, 2006

(in millions of yen)

Ordinary income:		**68,323**
Interest income	46,598	
Interest on loans and discounts	*38,192*	
Interest and dividends on securities	*5,333*	
Interest on call loans	*36*	
Interest on due from banks	*151*	
Other	*2,884*	
Fees and commissions	11,025	
Other operating income	1,971	
Other ordinary income	8,727	
Ordinary expenses:		**44,279**
Interest expenses	7,857	
Interest on deposits	*7,762*	
Interest on negotiable certificates of deposit	*4*	
Interest on borrowed money	*17*	
Interest on corporate bonds and notes	*72*	
Others	*1*	
Fees and commissions	2,334	
Other operating expenses	622	
General and administrative expenses	27,648	
Other ordinary expenses	5,817	
Ordinary profits		**24,043**
Extraordinary gains		**5,731**
Gains on sales of premises and equipment	*2,007*	
Collection of written-off claims	*5*	
Others	*3,717*	
Extraordinary losses		**751**
Losses on sales of premises and equipment	*667*	
Losses on impairment of fixed assets	*25*	
Others	*58*	
Income before income taxes		**29,022**
Income taxes:		
Current		12,404
Deferred		(531)
Net Income		**17,149**

Notes to the Consolidated Statement of Operations:

1. The amounts are rounded down to the nearest million.
2. "Other ordinary income" includes gains on recoveries of purchased loans of 6,185 million yen.
3. "Other ordinary expenses" includes write-off of loans of 5,159 million yen.
4. "Others" of Extraordinary gains includes gains on reversal of Reserve for possible loan losses of 3,716 million yen
5. Net income per common share is 24,499.10 yen.

CONSOLIDATED STATEMENT OF CAPITAL SURPLUS AND RETAINED EARNINGS
For the year ended March 31, 2006

	(in millions of yen)
Capital surplus	
Balance, at beginning of the year	**19,000**
Balance, at end of the year	**19,000**
Retained earnings	
Balance, at beginning of the year	**35,588**
Additions	**17,149**
Net income	*17,149*
Deductions	**1,300**
Cash dividends	*1,300*
Balance, at end of the year	**51,437**

Notes: The amounts are rounded down to the nearest million.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended March 31, 2006

	(in millions of yen)
I. Cash Flows from Operating Activities	
Income before income taxes	29,022
Depreciation	1,612
Losses on impairment of fixed assets	25
Amortization of goodwill	(274)
Reversal of reserve for possible loan losses	(700)
Net increase in reserve for employees' bonus	111
Net increase in reserve for directors' bonus	802
Interest income	(46,598)
Interest expenses	7,857
Net (gains) losses on investment securities	(4,119)
Net (gains) losses on monetary assets held in trust	(285)
Net (gains) losses on sales of premises and equipment	(1,340)
Net (increase) decrease in loans and bills discounted	(162,623)
Net increase (decrease) in deposits	36,637
Net increase (decrease) in borrowed money (non-subordinated)	(3,300)
Net (increase) decrease in due from banks excluding due from BOJ	3,447
Net (increase) decrease in call loans and monetary receivables bought	1,751
Net (increase) decrease in foreign exchange assets	(38)
Net increase (decrease) in foreign exchange liabilities	9
Interest received	38,568
Interest paid	(1,235)
Others, net	(4,978)
Sub-total	(105,646)
Income taxes paid (including provisional payment)	(16,761)
Net cash used in operating activities	**(122,408)**

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended March 31, 2006

	(in millions of yen)
II. Cash flows from investing activities	
Purchases of investment securities	(382,235)
Proceeds from sales of investment securities	363,777
Proceeds from maturities of securities	108,707
Increase in monetary assets held in trust	(455)
Decrease in monetary assets held in trust	1,392
Capital expenditures for premises and equipment	(1,943)
Proceeds from sales of premises and equipment	4,972
Purchases of newly consolidated subsidiaries	(367)
Net cash provided by investing activities	93,848
III. Cash flows from financing activities	
Dividends paid	(1,300)
Net cash used in financing activities	**(1,300)**
IV. Net decrease in cash and cash equivalents	**(29,860)**
V. Cash and cash equivalents at beginning of the year	**131,553**
VI. Cash and cash equivalents at end of the year	**101,692**

Notes to the Consolidated Statement of Cash Flows:

1. The amounts are rounded down to the nearest million.
2. For the purpose of reporting cash flows, cash and cash equivalents are defined as cash and due from Bank of Japan ("BOJ") included in the Cash and due from bank in the consolidated balance sheet.
3. The reconciliation of the balance of cash and cash equivalents to the cash and due from banks in the consolidated balance sheet at the year end is as follows:

	(in millions of yen)
Cash and due from banks	119,816
Due from banks excluding due from BOJ	(18,123)
Cash and cash equivalents	101,692

COMPARISON OF CONSOLIDATED BALANCE SHEETS

(in millions of yen)	As of March 31, 2006 (A)	As of March 31, 2005 (B)	(A)-(B)
Assets:			
Cash and due from banks	119,816	152,792	(32,976)
Call loans	1,526	1,307	219
Monetary receivables bought	48,293	50,264	(1,971)
Trading securities	7	12	(5)
Monetary assets held in trust	3,670	4,235	(565)
Investment securities	271,478	360,270	(88,792)
Loans and bills discounted	1,031,891	868,115	163,776
Foreign exchanges	275	236	39
Other assets	23,601	9,476	14,125
Premises and equipment	13,969	16,591	(2,622)
Deferred tax assets	12,402	11,004	1,398
Customers' liabilities for acceptances and guarantees	2,326	4,005	(1,679)
Reserve for possible loan losses	(23,768)	(28,149)	4,381
Total assets	1,505,492	1,450,163	55,329
Liabilities and Stockholders' Equity			
Liabilities:			
Deposits	1,364,714	1,328,076	36,638
Borrowed money	1,000	4,300	(3,300)
Foreign exchanges	14	5	9
Corporate bonds and notes	3,000	3,000	-
Other liabilities	40,566	32,215	8,351
Reserve for employee's bonus	1,528	1,416	112
Reserve for director's bonus	1,037	235	802
Goodwill	297	607	(310)
Acceptances and guarantees	2,326	4,005	(1,679)
Total liabilities	1,414,486	1,373,862	40,624
Stockholders' equity:			
Common stock	21,000	21,000	-
Capital surplus	19,000	19,000	-
Retained earnings	51,437	35,588	15,849
Unrealized gains on securities available for sale, net of tax	(432)	713	(1,145)
Total stockholders' equity	91,005	76,301	14,704
Total liabilities and stockholders' equity	1,505,492	1,450,163	55,329

Note: The amounts are rounded down to the nearest million.

COMPARISON OF CONSOLIDATED STATEMENTS OF OPERATIONS

(in millions of yen)	For the year ended March 31, 2006 (A)	2005 (B)	(A)-(B)
Ordinary income:	68,323	63,059	5,264
Interest income	46,598	41,121	5,477
Interest on loans and discounts	*38,192*	*34,540*	*3,652*
Interest and dividends on securities	*5,333*	*4,441*	*892*
Interest on call loans	*36*	*28*	*8*
Interest on due from banks	*151*	*3*	*148*
Other	*2,884*	*2,108*	*776*
Fees and commissions	11,025	9,480	1,545
Other operating income	1,971	1,407	564
Other ordinary income	8,727	11,049	(2,322)
Ordinary expenses:	44,279	40,311	3,968
Interest expenses	7,857	5,137	2,720
Interest on deposits	*7,762*	*4,963*	*2,799*
Interest on negotiable certificates of deposit	*4*	*-*	*4*
Interest on call money	*-*	*0*	*(0)*
Interest on borrowed money	*17*	*101*	*(84)*
Interest on corporate bonds and notes	*72*	*71*	*1*
Others	*1*	*0*	*1*
Fees and commissions	2,334	1,718	616
Other operating expenses	622	2,033	(1,411)
General and administrative expenses	27,648	23,991	3,657
Other ordinary expenses	5,817	7,430	(1,613)
Provisions for possible loan losses	*-*	*2,910*	*(2,910)*
Others	*5,817*	*4,519*	*1,298*
Ordinary profits	24,043	22,747	1,296
Extraordinary gains	5,731	1,900	3,831
Gains on sales of premises and equipment	*2,007*	*728*	*1,279*
Collection of written-off claims	*5*	*364*	*(359)*
Others	*3,717*	*807*	*2,910*
Extraordinary losses	751	1,220	(469)
Losses on sales of premises and equipment	*667*	*1,141*	*(474)*
Losses on impairment of fixed assets	*25*	*-*	*25*
Others	*58*	*78*	*(20)*
Income before income taxes	29,022	23,428	5,594
Income taxes			
Current	12,404	11,996	408
Deferred	(531)	(3,138)	2,607
Minority interests in net income of subsidiaries	-	0	(0)
Net income	17,149	14,570	2,579

Note: The amounts are rounded down to the nearest million.

COMPARISON OF CONSOLIDATED STATEMENTS OF CAPITAL SURPLUS AND RETAINED EARNINGS

(in millions of yen)	For the year ended March 31, 2006 (A)	2005 (B)	(A)-(B)
Capital surplus			
Balance, at beginning of the year	19,000	19,000	-
Balance, at end of the year	19,000	19,000	-
Retained earnings			
Balance, at beginning of the year	35,588	22,017	13,571
Additions	17,149	14,570	2,579
Net income	*17,149*	*14,570*	*2,579*
Deductions	1,300	1,000	300
Cash dividends	*1,300*	*1,000*	*300*
Balance, at end of the year	51,437	35,588	15,849

Note: The amounts are rounded down to the nearest million.

COMPARISON OF CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the year ended March 31,		
(in millions of yen)	2006 (A)	2005 (B)	(A)-(B)
I. Cash Flows from Operating Activities			
Income before income taxes	29,022	23,428	5,594
Depreciation	1,612	1,293	319
Losses on impairment of fixed assets	25	-	25
Amortization of goodwill	(274)	(279)	5
Reversal of reserve for possible loan losses	(700)	3,150	(3,850)
Net increase in reserve for employees' bonus	111	539	(428)
Net increase in reserve for directors' bonus	802	54	748
Interest income	(46,598)	(41,121)	(5,477)
Interest expenses	7,857	5,137	2,720
Net (gains) losses on investment securities	(4,119)	1,150	(5,269)
Net (gains) losses on monetary assets held in trust	(285)	(74)	(211)
Net (gains) losses on sales of premises and equipment	(1,340)	412	(1,752)
Net (increase) decrease in loans and bills discounted	(162,623)	(164,194)	1,571
Net increase (decrease) in deposits	36,637	213,736	(177,099)
Net increase (decrease) in borrowed money (non-subordinated)	(3,300)	(2,400)	(900)
Net (increase) decrease in due from banks excluding due from BOJ	3,447	(11,603)	15,050
Net (increase) decrease in call loans and monetary receivables bought	1,751	6,206	(4,455)
Net (increase) decrease in foreign exchange assets	(38)	521	(559)
Net increase (decrease) in foreign exchange liabilities	9	(11)	20
Interest received	38,568	31,656	6,912
Interest paid	(1,235)	(1,587)	352
Others, net	(4,978)	1,039	(6,017)
Sub-total	(105,646)	67,055	(172,701)
Income taxes paid (including provisional payment)	(16,761)	(15,686)	(1,075)
Net cash (used in) provided by operating activities	(122,408)	51,369	(173,777)

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

	For the year ended March 31,		
(in millions of yen)	2006 (A)	2005 (B)	(A)-(B)
II. Cash flows from investing activities			
Purchases of investment securities	(382,235)	(422,984)	40,749
Proceeds from sales of investment securities	363,777	262,981	100,796
Proceeds from maturities of securities	108,707	167,352	(58,645)
Increase in monetary assets held in trust	(455)	(4,621)	4,166
Decrease in monetary assets held in trust	1,392	1,795	(403)
Capital expenditures for premises and equipment	(1,943)	(2,303)	360
Proceeds from sales of premises and equipment	4,972	2,956	2,016
Purchases of newly consolidated subsidiaries	(367)	(141)	(226)
Net cash provided by investing activities	93,848	5,034	88,814
III. Cash flows from financing activities			
Expenditures for repayment of subordinated debt	-	(2,000)	2,000
Dividends Paid	(1,300)	(1,000)	(300)
Net cash used in financing activities	(1,300)	(3,000)	1,700
IV. Net (decrease) increase in cash and cash equivalents	(29,860)	53,403	(83,263)
V. Cash and cash equivalents at beginning of the year	131,553	78,149	53,404
VI. Cash and cash equivalents at end of the year	101,692	131,553	(29,861)

Note: The amounts are rounded down to the nearest million.

Significant Policies in Preparation of Consolidated Financial Statements

(1) Scope of consolidation

1) Consolidated subsidiaries: 4

Principal subsidiaries

TSB Capital, Ltd.

TSB Servicer, Ltd.

TSB Servicer, Ltd. has been consolidated from this fiscal year due to acquirement of shares. Sowa Business Ltd. and The Star-Gin Real Estate Management Co., Ltd. are under liquidation proceedings.

2) Non-consolidated subsidiaries

There are no non-consolidated subsidiaries.

(2) Application of equity method

There are no affiliates accounted for under the equity method.

(3) Fiscal year end of consolidated subsidiaries

Fiscal year ends of all consolidated subsidiaries are March 31.

(4) Valuation of assets and liabilities of consolidated subsidiaries

The assets and liabilities of consolidated subsidiaries, including the portion attributable to minority shareholders, were evaluated at fair value.

(5) Amortization of goodwill

Goodwill is amortized over 5years on a straight-line basis, except that when the excess is immaterial it is expensed or credited to income in the year of acquisition.

(6) Appropriation of retained earnings

Consolidated statements of Capital Surplus and Retained Earnings is prepared based on capital surplus and retained earnings appropriated during the fiscal year.

Changes in Significant Policies in Preparation of Consolidated Financial Statements

(Fixed Asset Impairment Accounting Standards)

Fixed Asset Impairment Accounting Standards ("Statement on Establishment of Fixed Asset Impairment Accounting Standards" (Business Accounting Council, August 9, 2002) and "Application Guideline of Fixed Asset Impairment Accounting Standards" (Accounting Standard Application Guideline No. 6, October 31, 2003)) was applied since this fiscal year. As a result of applying these standards, the Bank and its consolidated subsidiaries recorded an impairment loss of 25 million yen. Under these standards, impairment loss is recognized when the balance of long-lived assets used for operation are not expected to be recoverable. Since the Bank manages profits and losses from operations at the Head Office, fixed assets held and used for operations as a whole are grouped as one asset group for the purpose of the impairment analysis. The carrying values of idle assets are reduced to the net realizable value, and the reduced value is recognized as an impairment loss. As for the grouping of idle assets, each asset is considered to be an independent unit. Since accumulated depreciation is netted with each asset balance in accordance with the Enforcement Regulations of Banking Law, the impairment loss is also charged-off against the respective assets.

Segment Information

(1) Business segment information

Besides the banking business, certain consolidated subsidiaries engage in other businesses such as credit card business. Such information is, however, not disclosed since the proportion of those businesses in total is not significant.

(2) Geographic segment information

The information is not applicable since there is no foreign subsidiaries or branches.

(3) Ordinary income from overseas operations

The information is not disclosed since ordinary income from overseas operations is less than 10% of ordinary income on a consolidated basis.

Production, receipt of orders and distribution

The information is not applicable since there is no relevant information due to the nature of operations of banking business.

Lease transactions

The information is not disclosed since it will be disclosed in EDINET (security report).

Derivatives

The information is not disclosed since it will be disclosed in EDINET (security report).

Retirement benefits

1. Retirement benefit plan

Our group has adopted defined contribution pension plans since April 2004.

2. Retirement benefit expenses

(in millions of yen)

	For the year ended March 31, 2006
Contributions to defined contribution plans	281
Retirement benefit expenses	281

Tax effect accounting

(in millions of yen)

	For the year ended March 31, 2006	
1. Details of deferred tax assets and liabilities	Deferred tax assets:	
	Reserve for possible loan losses	11,216
	Reserve for employees' bonus	599
	Enterprise tax payable	523
	Unrealized loss on securities available for sale	295
	Others	607
	Sub-total deferred tax assets	13,242
	Valuation allowance	(829)
	Total deferred tax assets	12,412
	Deferred tax liabilities:	
	Temporary differences inherent to consolidation	10
	Total deferred tax liabilities	10
	Net deferred tax assets	12,402
2. Reconciling items between effective income tax rate and statutory tax rate	The information is not disclosed because the differences between the effective income tax rate and the statutory tax rate are within 5% of the statutory income tax rate.	

Transactions with related parties

There are no material transactions to be disclosed.

Per Share Information

(in yen)

	For the year ended March 31,	
	2006	2005
Net assets per common share	130,007.85	545,011.65
Net income per common share	24,499.10	104,076.22

Notes: 1. The basis in calculating net income per common share is as follows:

(in millions of yen except per share data)

	For the year ended March 31,	
	2006	2005
Net income	17,149	14,570
Amount not available to common shareholders	-	-
Net income available to common shares	17,149	14,570
Average number of common shares	700,000	140,000

2. The Bank consummated a five-for-one stock split on September 1, 2005. If the stock spilt had been made at April 1, 2004, per share information would be as follows:

(in yen)

	For the year ended March 31, 2005
Net assets per common share	109,002.33
Net income per common share	20,815.24