

Consolidated Financial Results for the First Half of Fiscal 2005 ended September 30, 2005

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 First Half of Fiscal 2005

(1) Operating Results

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

	For the six months ended September 30,		For the year ended March 31, 2005
	2005	2004	
Ordinary income	32,066	30,954	63,059
Change from the previous period	3.6 %	6.9 %	
Ordinary profits	9,258	13,574	22,747
Change from the previous period	(31.8)%	5.5 %	
Net income	8,260	8,514	14,570
Change from the previous period	(3.0)%	27.0 %	
Net income per common share	11,800.37	60,817.24	104,076.22
Diluted net income per common share	-	-	-

Average number of shares outstanding:

For the six months ended September 30, 2005:	(Common stock)	700,000 shares
For the six months ended September 30, 2004:	(Common stock)	140,000 shares
For the year ended March 31, 2005:	(Common stock)	140,000 shares

The Bank consummated a five-for-one stock split on September 1, 2005. If the stock split had been made at April 1, 2004, Net income per common share would have been 12,163.45 yen and 20,815.24 yen for the six months ended September 30, 2004 and the year ended March 31, 2005, respectively.

(2) Financial Conditions

	As of September 30,		As of March 31, 2005
	2005	2004	
Total assets	1,440,366	1,327,823	1,450,163
Stockholders' equity	82,940	70,365	76,301
Stockholder's equity as a percentage of total liabilities, minority interest and stockholders'	5.8%	5.3%	5.3%
Stockholders' equity per common share	118,486.05	502,610.87	545,011.65
Risk-adjusted capital ratio (based on the domestic standards)	9.04%	9.35%	8.84%

Number of shares outstanding as of:

September 30, 2005:	(Common stock)	700,000 shares
September 30, 2004:	(Common stock)	140,000 shares
March 31, 2005:	(Common stock)	140,000 shares

If the stock split had been made at April 1, 2004, Net assets per common share would have been 100,522.17 yen and 109,002.33 yen for the six months ended September 30, 2004 and the year ended March 31, 2005, respectively.

(3) Cash Flows

(in millions of yen)

	For the six months ended September 30,		For the year ended March 31, 2005
	2005	2004	
Net cash provided by (used in) operating activities	(76,369)	78,777	51,369
Net cash provided by (used in) investing activities	38,783	(72,488)	5,034
Net cash provided by (used in) financing activities	(1,300)	(3,000)	(3,000)
Cash and cash equivalents at the end of period / year	92,667	81,438	131,553

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

Consolidated subsidiaries: 5 Non-consolidated subsidiaries accounted for under the equity method: -
 Affiliated companies accounted for by the equity method: -

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

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

2. Earning Projections for the Fiscal Year Ending March 31, 2006

(in millions of yen)

Ordinary income	Ordinary profits	Net income
68,647	22,433	14,492

Projected net income per common share for the fiscal year ending March 31, 2006 is 20,702.65yen.

(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.

The Tokyo Star Bank, Limited and Consolidated Subsidiaries

CONSOLIDATED BALANCE SHEET

As of September 30, 2005

(in millions of yen)

Assets:	
Cash and due from banks	109,242
Call loans	474
Monetary receivables bought	53,627
Trading securities	9
Monetary assets held in trust	4,238
Investment securities	324,694
Loans and bills discounted	923,946
Foreign exchanges	307
Other assets	16,732
Premises and equipment	14,767
Deferred tax assets	11,527
Customers' liabilities for acceptances and guarantees	3,758
Reserve for possible loan losses	(22,959)
Total assets	1,440,366
Liabilities and stockholders' equity	
Liabilities:	
Deposits	1,305,406
Negotiable certificates of deposit	10,000
Borrowed money	1,000
Corporate bonds and notes	3,000
Other liabilities	32,404
Reserve for employees' bonus	928
Reserve for directors' bonus	495
Goodwill	433
Acceptances and guarantees	3,758
Total liabilities	1,357,426
Stockholders' equity:	
Common stock	21,000
Capital surplus	19,000
Retained earnings	42,548
Unrealized gains on securities available for sale, net of tax	391
Total stockholders' equity	82,940
Total liabilities and stockholders' equity	1,440,366

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. Held-to-maturity debt securities are stated at amortized cost computed by the moving-average method (straight-line amortization). 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 interim period (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 computed by the moving-average method (straight-line amortization) 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 other 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. 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 doubtful, virtually bankrupt and bankrupt are recorded at acquisition costs and the discount is not amortized.
8. Foreign currency assets and liabilities are principally translated into yen equivalents at the exchange rates prevailing at interim period end.
9. Reserve for possible loan losses of the Bank is provided pursuant to the internal rules for the self-assessment of asset quality and the internal rules for 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 the amount 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 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 at the 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 divisions, which are 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 for the six months period ended September 30, 2005 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 September 30, 2005 was 19,211 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 specific claims for claims that are rated as special mention.

10. A reserve for employees' bonuses is provided for the payment of employees' bonuses based on the estimated amounts of the future payments attributed to the current interim period.
11. A reserve for directors' bonuses is provided for the payment of directors' bonuses based on the estimated amounts of the future payments attributed to the current interim period. The reserve for director bonuses is a reserve defined under Article 43 of the Enforcement Regulations of the 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 for fair value hedge, 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 which are not deductible as a tax credit, are charged to expenses when incurred.
15. Accumulated depreciation on premises and equipment was 3,250 million yen.
16. Loans to customers in bankruptcy and past due loans are included in Loans and bills discounted, and the amounts were 1,979 million yen and 25,686 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 customers in bankruptcy 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 which are under the legal restructuring - type liquidation procedures) of 182 million yen is included in the amount of loans to customers in bankruptcy. These loans are fully secured by collaterals and other means.
17. Loans past due three months or more, other than loans to customers in bankruptcy and other past due loans, are included in Loans and Bills Discounted, and the amount was 7 million yen.
Such 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.

18. Restructured loans are included in Loans and bills discounted, and the amount was 9,677 million yen. Such 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 customers in bankruptcy, past due loans or loans past due 3 months or more are excluded.
19. Total amount of loans to customers in bankruptcy, past due loans, loans past due 3 months or more and restructured loans was 37,351 million yen. The amount described in Notes 16 through 19 represent the gross receivable amounts before a reduction for the reserve for possible loan losses.
20. Bills discounted are accounted for as secured lending transactions in conformity with the Industry Audit Committee Report No.24. Bills accepted by other banks, commercial bills, bills of exchange, and foreign bills bought discounted are permitted to be sold or (re) pledged and the total face value was 437 million.
21. 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 1,570 million yen. The amount of participated loans which were accounted for as loans to original debtors included in the balance sheet as of September 30, 2005 was 282 million yen.
22. Assets pledged as collateral were as follows:

Investment securities	24,226 million yen
Loans and bills discounted	6,059 million yen

Liabilities related to the pledged assets were as follows:

Borrowed Money	1,000 million yen
Deposits	591million yen

In addition to above, Investment securities of 48,416 million yen were pledged as collateral for settlement of exchange transactions, and security deposits of 2,268 million yen were included in Premises and equipment.

23. Subordinated borrowings of 3,000 million yen were included in Corporate bonds and notes.

24. 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. 26 through 28.

Trading Securities

Balance sheet amount	9 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 unrealized gains (losses)	Unrealized gains	Unrealized losses
Japanese bonds	147,917	147,920	3	94	91
Government bonds	138,806	138,820	14	93	78
Municipal bonds	109	109	(0)	0	0
Corporate bonds	9,001	8,990	(11)	1	12
Others	143,248	143,977	659	1,191	532
Total	291,165	291,898	662	1,286	623

Where compound instruments as a whole are marked to market, and valuation gains (losses) are included in current gains/losses, these valuation gains/losses are excluded from "Others."

The valuation gains (losses) amount, net of deferred tax liabilities of 270 million yen, were 391 million yen, which were included in Net Unrealized Gains (Losses) on Available-for-sale Securities.

25. Available-for-sale securities sold during the six months ended September 30, 2005 are as follows:

(in millions of yen)

	Proceeds from sales	Gains	Losses
Available-for-sale securities	183,699	1,106	55

26. 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)	3,389
Corporate bonds (industrial bonds)	27,556
Others	1,850

27. Redemption schedule of bonds classified as investment securities available for sale and held to maturity 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	66,783	104,581	4,112	-
Government bonds	55,694	83,004	121	-
Municipal bonds	-	8	100	-
Corporate bonds	11,088	21,568	3,890	-
Others	13,583	59,819	39,924	-
Total	80,366	164,400	44,036	-

28. Monetary assets held in trust are as follows:

Money held in trust for trading purposes	
Balance sheet	4,238 million yen
Valuation losses included in Income before income taxes	20 million yen

29. Contracts of overdraft facilities and loan commitment limits are contracts under which customers are lent 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 91,377 million yen, of which contracts whose original terms were within one year (or contracts unconditionally cancelable at the Bank's discretion) were 35,604 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 designate 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.
30. The Bank has applied the 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)) since this interim period. As a result of applying these standards, the Bank 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.
31. The Bank was reviewed 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 review, 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 (excluding delinquency tax related to inhabitant tax and enterprise tax not being claimed). 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.
- In addition, because the assessment by the Tokyo Regional Tax Bureau's was attributable almost entirely to temporary differences in the timing of income and loss recognition for the tax purpose, the application of the assessment to the fiscal year ended March 31, 2005 resulted in a decrease in the amount of taxes paid of 3,384 million yen. Therefore, the net additional amount of taxes paid for the four years ended March 31, 2005 was equal to 5,417 million yen, representing the difference between the 8,801 million yen tax assessment and the 3,384 million yen decrease in the amount of taxes paid for the year ended March 31, 2005.

CONSOLIDATED STATEMENT OF OPERATIONS*For the six months ended September 30, 2005*

(in millions of yen)

Ordinary income:		32,066
Interest income	22,273	
<i>Interest on loans and discounts</i>	18,246	
<i>Interest on and dividends from securities</i>	2,616	
Fees and commissions	4,435	
Other operating income	1,213	
Other ordinary income	4,143	
Ordinary expenses:		22,808
Interest expenses	3,923	
<i>Interest on deposits</i>	3,875	
Fees and commissions	1,129	
Other operating expenses	191	
General and administrative expenses	13,341	
Other ordinary expenses	4,223	
Ordinary profits		9,258
Extraordinary gains		5,309
Extraordinary losses		484
Income before income taxes		14,083
Income taxes:		
Current		6,043
Deferred		(220)
Net Income		8,260

Notes to the Consolidated Statement of Operations

1. The amounts are rounded down to the nearest million.
2. Net income per common share is 11,800.37 yen.
3. "Other ordinary income" includes gains on collection of purchased loans of 2,642 million yen.
4. "Other ordinary expenses" includes write-off of loans of 3,676 million yen
5. "Extraordinary gains" includes gains on reversal of reserve for credit losses of 4,587 million yen and gains on disposal of premises and equipment of 719 million yen.
6. "Extraordinary losses" includes losses on disposal of premises and equipment of 410 million yen.

CONSOLIDATED STATEMENT OF CAPITAL SURPLUS AND RETAINED EARNINGS
For six months ended September 30, 2005

(in millions of yen)

Capital surplus

Balance, at beginning of the period	19,000
Balance, at end of the period	19,000

Retained earnings

Balance, at beginning of the period	35,588
Additions	8,260
<i>Net income</i>	<i>8,260</i>
Deductions	1,300
<i>Dividend declared</i>	<i>1,300</i>
Balance, at end of the period	42,548

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

CONSOLIDATED STATEMENT OF CASH FLOWS*For six months ended September 30, 2005*

(in millions of yen)

I. Cash Flows from Operating Activities

Income before income taxes	14,083
Depreciation	724
Impairment losses	25
Amortization of goodwill	(138)
Reversal of reserve for possible loan losses	(914)
Net decrease in reserve for employees' bonuses	(488)
Net increase in reserve for directors' bonuses	260
Interest income	(22,273)
Interest expenses	3,923
Net (gains) losses on investment securities	(2,787)
Net (gains) losses on monetary assets held in trust	(147)
Net (gains) losses on sales of premises and equipment	(308)
Net (increase)decrease in loans and bills discounted	(58,033)
Net increase (decrease) in deposits	(22,669)
Net increase (decrease) in negotiable certificates of deposit	10,000
Net increase (decrease) in borrowed money (non-subordinated)	(3,300)
Net (increase)decrease in due from banks excluding due from central bank	4,996
Net (increase)decrease in call loans and monetary receivables bought	(2,531)
Net (increase)decrease in foreign exchange assets	(70)
Net increase (decrease) in foreign exchange liabilities	(5)
Interest received	18,526
Interest paid	(714)
Others, net	(1,984)
Sub-total	(63,828)
Income taxes paid	(12,541)
Net cash used in operating activities	(76,369)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For six months ended September 30, 2005

(in millions of yen)

II. Cash flows from investing activities	
Purchases of investment securities	(223,706)
Proceeds from sales of investment securities	184,228
Proceeds from maturities of securities	76,691
Decrease in monetary assets held in trust	230
Capital expenditures for premises and equipment	(648)
Proceeds from sales of premises and equipment	2,356
Expenditures for purchases of subsidiaries	(367)
Net cash provided by investing activities	38,783
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	(38,885)
V. Cash and cash equivalents at beginning of the period	131,553
VI. Cash and cash equivalents at end of the period	92,667

Notes to the Consolidated Statement of Cash Flows

- The amounts are rounded down to the nearest million.
- 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.
- The reconciliation of the balance of cash and cash equivalents to the cash and due from banks in the consolidated balance sheet at end of this interim period is as follows:

	(in millions of yen)
Cash and due from banks	109,242
Due from banks other than BOJ	<u>(16,575)</u>
Cash and cash equivalents	<u>92,667</u>

COMPARISON OF CONSOLIDATED BALANCE SHEETS

(in millions of yen)	As of September 30,		(A)-(B)	As of March 31,	
	2005 (A)	2004 (B)		2005 (C)	(A)-(C)
Assets:					
Cash and due from banks	109,242	88,401	20,841	152,792	(43,550)
Call loans	474	1,240	(766)	1,307	(833)
Monetary receivables bought	53,627	46,631	6,996	50,264	3,363
Trading securities	9	17	(8)	12	(3)
Monetary assets held in trust	4,238	4,321	(83)	4,235	3
Investment securities	324,694	439,037	(114,343)	360,270	(35,576)
Loans and bills discounted	923,946	736,043	187,903	868,115	55,831
Foreign exchanges	307	217	90	236	71
Other assets	16,732	10,182	6,550	9,476	7,256
Premises and equipment	14,767	17,302	(2,535)	16,591	(1,824)
Deferred tax assets	11,527	8,631	2,896	11,004	523
Customers' liabilities for acceptances and guarantees	3,758	2,937	821	4,005	(247)
Reserve for possible loan losses	(22,959)	(27,142)	4,183	(28,149)	5,190
Total assets	1,440,366	1,327,823	112,543	1,450,163	(9,797)
Liabilities and Stockholders' Equity					
Liabilities:					
Deposits	1,305,406	1,211,367	94,039	1,328,076	(22,670)
Negotiable certificates of deposit	10,000	-	10,000	-	10,000
Borrowed money	1,000	5,500	(4,500)	4,300	(3,300)
Foreign exchanges	-	1	(1)	5	(5)
Corporate bonds and notes	3,000	3,000	-	3,000	-
Other liabilities	32,404	32,897	(493)	32,215	189
Reserve for employee bonus	928	713	215	1,416	(488)
Reserve for director bonus	495	130	365	235	260
Deferred tax liabilities	-	163	(163)	-	-
Goodwill	433	746	(313)	607	(174)
Acceptances and guarantees	3,758	2,937	821	4,005	(247)
Total liabilities	1,357,426	1,257,458	99,968	1,373,862	(16,436)
Stockholders' equity:					
Common stock	21,000	21,000	-	21,000	-
Capital surplus	19,000	19,000	-	19,000	-
Retained earnings	42,548	29,532	13,016	35,588	6,960
Unrealized gains on securities available for sale, net of tax	391	833	(442)	713	(322)
Total stockholders' equity	82,940	70,365	12,575	76,301	6,639
Total liabilities and stockholders' equity	1,440,366	1,327,823	112,543	1,450,163	(9,797)

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

COMPARISON OF CONSOLIDATED STATEMENTS OF OPERATIONS

(in millions of yen)	For six months ended September 30,			For year ended
	2005 (A)	2004 (B)	(A)-(B)	March 31, 2005
Ordinary income:	32,066	30,954	1,112	63,059
Interest income	22,273	19,207	3,066	41,121
<i>Interest on loans and discounts</i>	18,246	15,881	2,365	34,540
<i>Interest on and dividends from securities</i>	2,616	1,920	696	4,441
Fees and commissions	4,435	4,984	(549)	9,480
Other operating income	1,213	719	494	1,407
Other ordinary income	4,143	6,043	(1,900)	11,049
Ordinary expenses:	22,808	17,380	5,428	40,311
Interest expenses	3,923	2,532	1,391	5,137
<i>Interest on deposits</i>	3,875	2,433	1,442	4,963
Fees and commissions	1,129	744	385	1,718
Other operating expenses	191	917	(726)	2,033
General and administrative expenses	13,341	11,079	2,262	23,991
Other ordinary expenses	4,223	2,105	2,118	7,430
Ordinary profits	9,258	13,574	(4,316)	22,747
Extraordinary gains	5,309	1,258	4,051	1,900
Extraordinary losses	484	536	(52)	1,220
Income before income taxes	14,083	14,295	(212)	23,428
Income taxes				
Current	6,043	6,465	(422)	11,996
Deferred	(220)	(684)	464	(3,138)
Net income	8,260	8,514	(254)	14,570

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 six months ended September 30,			For year ended
	2005 (A)	2004 (B)	(A)-(B)	March 31, 2005
Capital surplus				
Balance, at beginning of the period	19,000	19,000	-	19,000
Balance, at end of the period	19,000	19,000	-	19,000
Retained earnings				
Balance, at beginning of the period	35,588	22,017	13,571	22,017
Additions	8,260	8,514	(254)	14,570
<i>Net income</i>	8,260	8,514	(254)	14,570
Deductions	1,300	1,000	300	1,000
<i>Dividend declared</i>	1,300	1,000	300	1,000
Balance, at end of the period	42,548	29,532	13,016	35,588

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

COMPARISON OF CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions of yen)	For six months ended September 30,			For year ended
	2005 (A)	2004 (B)	(A)-(B)	March 31, 2005
Cash Flows from Operating Activities				
Income before income taxes	14,083	14,295	(212)	23,428
Depreciation	724	601	123	1,293
Impairment losses	25	-	25	-
Amortization of goodwill	(138)	(140)	2	(279)
Reversal of reserve for possible loan losses	(914)	2,855	(3,769)	3,150
Net decrease in reserve for employees' bonuses	(488)	(163)	(325)	539
Net increase in reserve for directors' bonuses	260	(50)	310	54
Interest income	(22,273)	(19,207)	(3,066)	(41,121)
Interest expenses	3,923	2,532	1,391	5,137
Net (gains) losses on investment securities	(2,787)	169	(2,956)	1,150
Net (gains) losses on monetary assets held in trust	(147)	(3)	(144)	(74)
Net (gains) losses on sales of premises and equipment	(308)	(63)	(245)	412
Net (increase)decrease in loans and bills discounted	(58,033)	(39,343)	(18,690)	(164,194)
Net increase (decrease) in deposits	(22,669)	97,027	(119,696)	213,736
Net increase (decrease) in negotiable certificates of deposit	10,000	-	10,000	-
Net increase (decrease) in borrowed money (non-subordinated)	(3,300)	(1,200)	(2,100)	(2,400)
Net (increase)decrease in due from banks excluding due from central bank	4,996	2,673	2,323	(11,603)
Net (increase)decrease in call loans and monetary receivables bought	(2,531)	9,905	(12,436)	6,206
Net (increase)decrease in foreign exchange assets	(70)	539	(609)	521
Net increase (decrease) in foreign exchange liabilities	(5)	(14)	9	(11)
Interest received	18,526	15,245	3,281	31,656
Interest paid	(714)	(915)	201	(1,587)
Others, net	(1,984)	3,206	(5,190)	1,039
Sub-total	(63,828)	87,951	(151,779)	67,055
Income taxes paid	(12,541)	(9,173)	(3,368)	(15,686)
Net cash (used in) provided by operating activities	(76,369)	78,777	(155,146)	51,369

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

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

(in millions of yen)	For six months ended September 30,			For year ended
	2005 (A)	2004 (B)	(A)-(B)	March 31, 2005
Cash flows from investing activities				
Purchases of investment securities	(223,706)	(253,327)	29,621	(422,984)
Proceeds from sales of investment securities	184,228	117,871	66,357	262,981
Proceeds from maturities of securities	76,691	65,222	11,469	167,352
Increase in monetary assets held in trust	-	(3,069)	3,069	(4,621)
Decrease in monetary assets held in trust	230	85	145	1,795
Capital expenditures for premises and equipment	(648)	(1,166)	518	(2,303)
Proceeds from sales of premises and equipment	2,356	2,035	321	2,956
Expenditures for purchases of subsidiaries	(367)	(141)	(226)	(141)
Net cash provided by (used in) investing activities	38,783	(72,488)	111,271	5,034
Cash flows from financing activities				
Expenditures for repayment of subordinated debt	-	(2,000)	2,000	(2,000)
Dividends Paid	(1,300)	(1,000)	(300)	(1,000)
Net cash used in financing activities	(1,300)	(3,000)	1,700	(3,000)
Net increase in cash and cash equivalents	(38,885)	3,289	(42,174)	53,403
Cash and cash equivalents at beginning of the period	131,553	78,149	53,404	78,149
Cash and cash equivalents at end of the period	92,667	81,438	11,229	131,553

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

Other Information on the Interim Consolidated Financial Statements

- (1) Scope of consolidation
 - 1) Consolidated subsidiaries: 5
Principal subsidiaries
TSB Capital, Ltd.
Sowa Business Corporation
Minori Debt Collection Corporation has been consolidated from this interim fiscal year.
 - 2) Non-consolidated subsidiaries
There are no non-consolidated subsidiaries.
- (2) Application of the equity method
There are no affiliates accounted for under the equity method.
- (3) Interim period-end of consolidated subsidiaries
 - 1) Ends of Interim period of consolidated subsidiaries are as follows:
September 30 : 4
June 30 : 1
 - 2) A subsidiary whose interim period-end is June 30 is consolidated using financial statements prepared based on the provisional closing as of September 30.

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
No geographic segment information is disclosed since there is no foreign subsidiaries or branches.
- (3) Ordinary income from overseas operations
The disclosure is not applicable 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 presented since there is no relevant information due to the nature of operations of banking business.

Per Common Share Information

(in yen)

	For the six months ended September 30,		For the year ended March 31, 2005
	2004	2005	
Net assets per common share	502,610.87	118,486.05	545,011.65
Net income per common share	60,817.24	11,800.37	104,076.22
Diluted net income per common share	-	-	-

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

(in millions of yen except per share data)

	For the six months ended September 30,		For the year ended March 31, 2005
	2004	2005	
Net income	8,514	8,260	14,570
Amount which does not belong to common shareholders	-	-	-
Net income related to common shares	8,514	8,260	14,570
Average number of shares	140,000	700,000	140,000

2. Diluted net income per common share (net income per common and common equivalent share) is not stated as there is no common equivalent shares.

3. 5-for-1 stock splits became effective on September 1, 2005.

Had this stock splits become effective in the beginning of interim period ended September 30, 2004, per common share information would be as follows:

(in yen)

	For the six months ended September 30, 2004	For the year ended March 31, 2005
Net assets per common share	100,522.17	109,002.33
Net income per common share	12,163.44	20,815.24
Diluted net income per common share	-	-