

Non-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 Non-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	31,133	29,204	60,225
Change from the previous year	6.6 %	6.7 %	
Ordinary profit	8,178	13,035	22,059
Change from the previous year	(37.3)%	9.4 %	
Net income	8,076	8,263	13,175
Change from the previous year	(2.3)%	28.2 %	
Net income per common share	11,537.55	59,022.55	94,113.98

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 11,804.51 yen and 18,822.80 yen for the six months ended September 30, 2004 and the year ended March 31, 2005, respectively.

(2) Payment of dividends

(in yen)

	For the six months ended September 30,		For the year ended March 31, 2005
	2005	2004	
Interim dividends per share	-	-	-
Total dividends per share paid for the fiscal year	-	-	9,285.71

(3) Financial Conditions

(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	
Total assets	1,439,487	1,321,308	1,444,080
Stockholders' equity	82,092	70,721	75,557
Stockholders' equity as a percentage of total liabilities, minority interest and stockholders' equity	5.7 %	5.4 %	5.2 %
Stockholders' equity per common share	117,274.75	505,154.50	539,693.76
Risk-adjusted capital ratio (based on the Domestic Standards)	8.93 %	9.43 %	8.77 %

Note:

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 101,030.90 yen and 107,938.75 yen for the six months ended September 30, 2004 and the year ended March 31, 2005, respectively.

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

(in millions of yen)

Ordinary income	Ordinary profits	Net income
66,645	20,329	13,392

(in yen)

	For the fiscal year ending March 31, 2006	
	Fiscal year-end Dividends	
Dividends per share common stock	5,000	5,000

Projected net income per common share for the year ending March 31, 2006 is 19,131.42 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.

NON-CONSOLIDATED BALANCE SHEET
As of September 30,2005

(in millions of yen)

Assets:	
Cash and due from banks	108,315
Call loans	474
Monetary receivables bought	53,627
Trading securities	9
Monetary assets held in trust	4,238
Investment securities	329,905
Loans and bills discounted	918,583
Foreign exchanges	307
Other assets	15,304
Premises and equipment	14,601
Deferred tax assets	11,487
Customers' liabilities for acceptances and guarantees	3,996
Reserve for possible loan losses	(21,362)
Total assets	1,439,487
Liabilities and stockholders' equity	
Liabilities:	
Deposits	1,307,195
Negotiable certificates of deposit	10,000
Corporate bonds and notes	3,000
Other liabilities	31,787
Reserve for employees' bonus	920
Reserve for directors' bonus	495
Acceptances and guarantees	3,996
Total liabilities	1,357,395
Stockholders' equity:	
Common stock	21,000
Capital surplus	19,000
Capital reserve	19,000
Retained earnings	41,697
Earned surplus reserve	2,000
Unappropriated retained earnings	39,697
Unrealized gains on securities available for sale, net of tax	394
Total stockholders' equity	82,092
Total liabilities and stockholders' equity	1,439,487

Notes to the Non-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. Investments in subsidiaries are stated at cost computed by the moving-average method, Available-for-sale securities whose fair value can be obtained from the market or estimated are carried at the fair value at the end of the 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
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.
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 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 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 15,833 million yen.

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. 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.
14. 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"). The method of hedge accounting is the deferral method. 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 their effectiveness.
15. Accumulated depreciation on premises and equipment was 3,129 million yen.
16. Loans to customers in bankruptcy and past due loans are included in Loans and bills discounted, and the amounts were 1,846 million yen and 24,454 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 are nonaccrual 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 3 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 3 months or more are loans whose principals or interests payment are 3 months or more past due from the following day of the prescribed payment date. Loans classified as loans to customers in bankruptcy or past due loans are excluded.

18. Restructured loans are included in Loans and bills discounted, and the amount was 9,452 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 35,761 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 25,216 million yen.
22. Assets pledged as collateral were as follows:

Investment securities	24,226 million yen
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Liabilities related to the pledged assets were as follows:

Deposits	591million yen
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In addition to above, Investment securities of 48,416 million yen were pledged as collateral for settlement of exchange transactions, and security deposits of 2,214 million yen were included in Premises and equipment.
23. Subordinated borrowings of 3,000 million yen were included in Corporate bonds and notes.
24. Net assets increased as a result of applying market values defined in Article 124 Subparagraph 3 of the Enforcement Regulations of the Commercial Code, which was adopted for this interim period end, and the amount was 436 million yen.

25. 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	143,183	143,915	662	1,191	528
Total	291,100	291,836	665	1,286	620

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 394 million yen, which were included in Net Unrealized Gains (Losses) on Available-for-sale Securities.

26. 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

27. Securities whose fair value is not readily determinable were as follows:

(in millions of yen)

	Balance sheet amount
Investments in subsidiaries and affiliates	
Investments in subsidiaries	5,306
Available-for-sale Securities	
Unlisted domestic equity securities (excluding OTC traded equities)	3,355
Corporate bonds (industrial bonds)	27,556
Others	1,850

28. 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	-

29. Monetary assets held in trust are as follows:

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

30. 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 84,364 million yen, of which contracts whose original terms were within one year (or contracts unconditionally cancelable at the Bank's discretion) were 28,591 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.
31. 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, and such grouping is used for 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.
32. 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 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.

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

(in millions of yen)

Ordinary income:		31,133
Interest income	21,817	
<i>Interest on loans and discounts</i>	17,791	
<i>Interest on and dividends from securities</i>	2,616	
Fees and commissions	4,344	
Other operating income	1,206	
Other ordinary income	3,765	
Ordinary expenses:		22,954
Interest expenses	3,913	
<i>Interest on deposits</i>	3,875	
Fees and commissions	2,074	
Other operating expenses	101	
General and administrative expenses	12,683	
Other ordinary expenses	4,181	
Ordinary profits		8,178
Extraordinary gains		6,177
Extraordinary losses		459
Income before Income Taxes		13,896
Income taxes		
Current		6,042
Deferred		(221)
Net income		8,076
Unappropriated retained earnings at beginning of the period		31,621
Unappropriated retained earnings at end of the period		39,697

Notes to the Non-Consolidated Statement of Operations

1. The amounts are rounded down to the nearest million.
2. Net income per common share is 11,537.54 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 3,643 million yen.
5. "Extraordinary Gains" includes gains on reversal of reserve for credit losses of 4,807 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 385 million yen.

COMPARISON OF NON-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	108,315	86,234	22,081	149,668	(41,353)
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	329,905	443,317	(113,412)	364,597	(34,692)
Loans and bills discounted	918,583	730,439	188,144	860,630	57,953
Foreign exchanges	307	217	90	236	71
Other assets	15,304	5,527	9,777	7,870	7,434
Premises and equipment	14,601	16,882	(2,281)	16,281	(1,680)
Deferred tax assets	11,487	8,681	2,806	11,100	387
Customers' liabilities for acceptances and guarantees	3,996	3,270	726	4,248	(252)
Reserve for possible loan losses	(21,362)	(25,473)	4,111	(26,373)	5,011
Total assets	1,439,487	1,321,308	118,179	1,444,080	(4,593)
Liabilities and Stockholders' Equity					
Liabilities:					
Deposits	1,307,195	1,213,137	94,058	1,329,918	(22,723)
Negotiable certificates of deposit	10,000	-	10,000	-	10,000
Foreign exchanges	-	1	(1)	5	(5)
Corporate bonds and notes	3,000	3,000	-	3,000	-
Other liabilities	31,787	30,351	1,436	29,728	2,059
Reserve for employee bonus	920	695	225	1,387	(467)
Reserve for director bonus	495	130	365	235	260
Acceptances and guarantees	3,996	3,270	726	4,248	(252)
Total Liabilities	1,357,395	1,250,586	106,809	1,368,523	(11,128)
Stockholders' equity:					
Common stock	21,000	21,000	-	21,000	-
Capital surplus	19,000	19,000	-	19,000	-
Capital reserve	19,000	19,000	-	19,000	-
Retained earnings	41,697	30,008	11,689	34,921	6,776
Earned surplus reserve	2,000	2,000	-	2,000	-
Unappropriated retained earnings	39,697	28,008	11,689	32,921	6,776
Unrealized gains on securities available for sale, net of tax	394	713	(319)	636	(242)
Total stockholders' equity	82,092	70,721	11,371	75,557	6,535
Total liabilities and stockholders' equity	1,439,487	1,321,308	118,179	1,444,080	(4,593)

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

COMPARISON OF NON-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:	31,133	29,204	1,929	60,225
Interest income	21,817	18,356	3,461	39,641
<i>Interest on loans and discounts</i>	17,791	15,031	2,760	33,062
<i>Interest on and dividends from securities</i>	2,616	1,920	696	4,439
Fees and commissions	4,344	4,266	78	8,771
Other operating income	1,206	686	520	1,042
Other ordinary income	3,765	5,894	(2,129)	10,770
Ordinary expenses:	22,954	16,168	6,786	38,165
Interest expenses	3,913	2,475	1,438	5,041
<i>Interest on deposits</i>	3,875	2,433	1,442	4,963
Fees and commissions	2,074	1,137	937	2,714
Other operating expenses	101	398	(297)	974
General and administrative expenses	12,683	10,122	2,561	22,263
Other ordinary expenses	4,181	2,034	2,147	7,171
Ordinary profits	8,178	13,035	(4,857)	22,059
Extraordinary gains	6,177	1,441	4,736	1,086
Extraordinary losses	459	432	27	1,025
Income before income taxes	13,896	14,044	(148)	22,121
Income taxes				
Current	6,042	6,431	(389)	11,961
Deferred	(221)	(650)	429	(3,016)
Net income	8,076	8,263	(187)	13,175
Unappropriated retained earnings at beginning of the period	31,621	19,745	11,876	19,745
Unappropriated retained earnings at end of the period	39,697	28,008	11,689	32,921

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

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	505,154.50	117,274.75	539,693.76
Net income per common share	59,022.55	11,537.54	94,113.98
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	8,263	8,076	13,175
Amount which does not belong to common shareholders	-	-	-
Net income related to common shares	8,263	8,076	13,175
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 at the beginning of interim period ended September 30, 2004, per common share information would have been as follows:

(in yen)

	For the six months ended September 30, 2004	For the year ended March 31, 2005
Net assets per common share	101,030.90	107,938.75
Net income per common share	11,804.51	18,822.79
Diluted net income per common and common equivalent share	-	-