

Consolidated Financial Results
for the 1st Quarter of Fiscal 2022

August 8, 2022



Consolidated Financial Results
for the 1st Quarter of Fiscal 2022 ended June 30, 2022
[under Japanese GAAP]

Company Name : **The Tokyo Star Bank, Limited**

(URL <http://www.tokyostarbank.co.jp/>)

Headquarters : Tokyo

Notes: - The financial results presented here are not subject to certified public accountant's or audit firm's audits.

- The amounts are rounded down to the nearest million of yen.

1. Summary of Consolidated Financial Results
for the 1st Quarter of Fiscal 2022 ended June 30, 2022

(1) Operating Results

(Millions of yen except per share data and percentages)

	For the three months ended	
	June 30, 2022	June 30, 2021
Ordinary income	11,298	10,627
Change from the previous period	6.3%	(3.7)%
Ordinary profit	1,044	457
Change from the previous period	128.3%	135.3%
Net income attributable to owners of the parent	507	227
Change from the previous period	123.5%	122.7%
Net income per common share (yen)	724.95	324.34
Diluted net income per common share (yen)	-	-

Note: Comprehensive income for the three months ended :

June 30, 2022 :	(210) million yen	— %
June 30, 2021 :	818 million yen	(49.1) %

(2) Financial Conditions

(Millions of yen except percentages)

	As of	
	June 30, 2022	March 31, 2022
Total assets	2,210,213	2,130,018
Net assets	163,892	164,102
Ratio of net assets to total assets	7.4%	7.7%

Notes: 1. Net assets, excluding Stock acquisition rights and Non-controlling interests, as of :

June 30, 2022 :	163,892 million yen
March 31, 2022 :	164,102 million yen

2. Ratio of net assets to total assets = Net assets / Total assets X 100

2. Notes

(1) Significant Change in the Scope of Consolidation : No
There is no changes in material subsidiaries accompanying significant change in the scope of consolidation.

**(2) Application of Special Accounting Methods
for Quarterly Consolidated Financial Statements** : No

**(3) Changes in Accounting Policies, Changes in Accounting Estimates
and Correction of Prior Period Errors for Quarterly Consolidated Financial Statements**

(a) Changes in accounting policies
due to revision of accounting standards etc. : No

(b) Changes in accounting policies other than (a) above : No

(c) Changes in accounting estimates : No

(d) Correction of prior period errors : No

(4) Number of Shares Outstanding (Common stock)

(a) Number of Shares Outstanding as of :

June 30, 2022	:	700,000 shares
March 31, 2022	:	700,000 shares

(b) Number of Treasury Shares Outstanding as of :

June 30, 2022	:	— shares
March 31, 2022	:	— shares

(c) Average Number of Shares Outstanding for the three months ended :

June 30, 2022	:	700,000 shares
June 30, 2021	:	700,000 shares

Consolidated Financial Statements

1. Consolidated Balance Sheets

(Millions of yen)	As of	
	March 31, 2022	June 30, 2022
Assets:		
Cash and due from banks	414,725	444,141
Call loans	25,500	19,500
Monetary claims bought	9,545	11,308
Securities	168,805	201,711
Loans and bills discounted	1,431,401	1,427,188
Foreign exchanges	9,650	14,029
Other assets	60,942	82,922
Tangible fixed assets	3,566	3,572
Intangible fixed assets	7,229	7,164
Deferred tax assets	3,964	3,965
Customers' liabilities for acceptances and guarantees	11,089	11,057
Allowance for loan losses	(16,401)	(16,349)
Total assets	2,130,018	2,210,213
Liabilities:		
Deposits	1,526,212	1,583,141
Negotiable certificates of deposits	364,978	281,367
Call money	—	98,336
Payables under securities lending transactions	—	32,668
Borrowed money	15,000	—
Foreign exchanges	120	26
Other liabilities	47,326	38,199
Provision for bonuses	817	1,245
Provision for directors' bonuses	162	56
Provision for directors' retirement benefits	149	165
Provision for losses on dormant deposit repayments	54	54
Provision for possible losses on refund of interest	3	3
Acceptances and guarantees	11,089	11,057
Total liabilities	1,965,915	2,046,321
Net assets:		
Capital stock	26,000	26,000
Capital surplus	24,000	24,000
Retained earnings	114,467	114,974
Total shareholders' equity	164,467	164,974
Valuation difference on available-for-sale securities	(364)	(1,082)
Total accumulated other comprehensive income	(364)	(1,082)
Total net assets	164,102	163,892
Total liabilities and net assets	2,130,018	2,210,213

2. Consolidated Statements of Income

(Millions of yen)	For the three months ended	
	June 30, 2021	June 30, 2022
Ordinary income:	10,627	11,298
Interest income and dividends	7,709	7,936
<i>Interest on loans and discounts</i>	7,024	6,828
<i>Interest and dividends on securities</i>	592	892
Fees and commissions	1,812	1,514
Other ordinary income	434	1,509
Other income	671	337
Ordinary expenses:	10,170	10,253
Interest expenses	429	495
<i>Interest on deposits</i>	419	356
Fees and commissions payments	926	896
Other ordinary expenses	116	772
General and administrative expenses	7,652	7,403
Other expenses	1,044	686
Ordinary profit	457	1,044
Extraordinary income	—	—
Extraordinary loss	38	0
Income before income taxes	418	1,044
Income taxes-current	249	537
Income taxes-deferred	(58)	(0)
Total income taxes	191	536
Net income	227	507
Net income attributable to non-controlling interests	—	—
Net income attributable to owners of the parent	227	507

3. Consolidated Statements of Comprehensive Income

(Millions of yen)	For the three months ended	
	June 30, 2021	June 30, 2022
Net income	227	507
Other comprehensive income	591	(717)
Valuation difference on available-for-sale securities	591	(717)
Comprehensive income	818	(210)
Comprehensive income attributable to owners of the parent	818	(210)
Comprehensive income attributable to non-controlling interests	—	—

4. Going Concern Assumption

There is no applicable information.

Selected Financial Information of 1st Quarter Results

1. Operating Results

(1) Consolidated

(Millions of yen)

	For the three months ended June 30,		Increase/ (Decrease) (A)-(B)
	2022 (A)	2021 (B)	
Gross operating profit (Note 1)	8,796	8,482	313
Net interest income	7,440	7,279	161
Net fees and commissions	618	886	(268)
Net other ordinary income	737	317	420
General and administrative expenses	7,403	7,652	(249)
Net operating income before general allowance and goodwill (Note 2)	1,393	829	563
Provision for general allowance for loan losses	(178)	(23)	(154)
Net operating income (Note 3)	1,571	853	718
Non-recurring income and expenses	(526)	(395)	(131)
Net gain and loss on stocks and other securities	—	—	—
Problem claims related costs	771	1,004	(232)
Written-off of loans	3	4	(0)
Provision for specific allowance for loan losses	501	944	(442)
Net loss on sales of loans	266	56	210
Reversal of allowance for loan losses	—	—	—
Recoveries of written-off claims	0	4	(4)
Others	245	604	(359)
Ordinary profit	1,044	457	587
Extraordinary income and loss	(0)	(38)	38
Net gain and loss on disposal of non-current assets	(0)	(38)	38
Gain on disposal of non-current assets	—	—	—
Loss on disposal of non-current assets	0	38	(38)
Others	—	—	—
Income before income taxes	1,044	418	625
Income taxes	536	191	345
Income taxes - current	537	249	287
Income taxes - deferred	(0)	(58)	57
Net income	507	227	280
Net income attributable to non-controlling interests	—	—	—
Net income attributable to owners of the parent	507	227	280

Notes: 1. Gross operating profit = (Interest income - Interest expenses) + (Fees and commissions - Fees and commissions payments) + (Other ordinary income - Other ordinary expenses)

2. Net operating income before general allowance and goodwill = Gross operating profit - General and administrative expenses

3. Net operating income = Gross operating profit - General and administrative expenses - Provision for general allowance for loan losses

Credit costs (Note 4)	624	1,021	(396)
Excluding recoveries of written-off claims	625	1,025	(400)

Note: 4. Credit costs = (Provision for general allowance for loan losses + Problem claims related costs) - (Reversal of allowance for loan losses + Recoveries of written-off claims) + Adjustment on purchased loan

(2) Non-consolidated

(Millions of yen)

	For the three months ended June 30,		Increase/ (Decrease) (A)-(B)
	2022 (A)	2021 (B)	
Gross operating profit	8,261	7,979	282
Net interest income	7,420	7,259	161
Net fees and commissions	103	402	(299)
Net other ordinary income	737	317	420
of which net gain and loss on bonds	(767)	(113)	(654)
General and administrative expenses (excluding non-recurring expenses)	7,275	7,518	(242)
Personnel expenses	3,462	3,792	(330)
Nonpersonnel expenses	3,384	3,318	66
Taxes	429	407	21
Net operating income before general allowance and goodwill	985	461	524
Core net operating income (excluding net gain and loss on bonds)	1,753	574	1,179
Excluding gain and loss on cancellation of investment trusts	1,753	574	1,179
Provision for general allowance for loan losses	(166)	(10)	(155)
Amortization of goodwill	—	—	—
Net operating income	1,152	471	680
Non-recurring income and expenses	(306)	(175)	(131)
Net gain and loss on stocks and other securities	—	—	—
Problem claims related costs	507	735	(227)
Written-off of loans	—	—	—
Provision for specific allowance for loan losses	258	735	(476)
Net gain and loss on sales of loans	249	—	249
Reversal of allowance for loan losses	—	—	—
Recoveries of written-off claims	0	0	(0)
Others	201	560	(358)
Ordinary profit	845	296	549
Extraordinary income and loss	(0)	(37)	37
Net gain and loss on disposal of non-current assets	(0)	(37)	37
Gain on disposal of non-current assets	—	—	—
Loss on disposal of non-current assets	0	37	(37)
Others	—	—	—
Income before income taxes	845	259	586
Income taxes	470	170	299
Income taxes - current	480	249	230
Income taxes - deferred	(10)	(79)	68
Net income	375	88	286

2. Disclosed Claims under Financial Revitalization Law

(1) Consolidated

<Disclosed Claims under Financial Revitalization Law after writing-off Category IV Claims>

(Millions of yen except percentages)

	As of June 30,		Increase/ (Decrease) (A)-(B)	As of March 31, 2022
	2022 (A)	2021 (B)		
Bankruptcy and Quasi-Bankruptcy	5,338	3,599	1,739	5,508
Doubtful	9,764	11,138	(1,374)	9,928
Sub-standard	2,302	1,893	409	2,869
Loans Past Due 3 Months or More	641	331	309	1,305
Restructured Loans	1,661	1,561	99	1,564
Sub-Total (a)	17,406	16,631	774	18,306
Normal	1,431,616	1,510,961	(79,345)	1,428,962
Total (b)	1,449,022	1,527,593	(78,571)	1,447,269
Ratio of Problem Loans to Total Claims (a / b × 100)	1.20%	1.08%	0.12%	1.26%

<Disclosed Claims under Financial Revitalization Law including Category IV Claims>

(Millions of yen except percentages)

	As of June 30,		Increase/ (Decrease) (A)-(B)	As of March 31, 2022
	2022 (A)	2021 (B)		
Bankruptcy and Quasi-Bankruptcy	11,340	7,332	4,008	11,962
Doubtful	9,764	11,138	(1,374)	9,928
Sub-standard	2,302	1,893	409	2,869
Loans Past Due 3 Months or More	641	331	309	1,305
Restructured Loans	1,661	1,561	99	1,564
Sub-Total (a)	23,407	20,364	3,043	24,760
Normal	1,431,616	1,510,961	(79,345)	1,428,962
Total (b)	1,455,023	1,531,326	(76,302)	1,453,723
Ratio of Problem Loans to Total Claims (a / b × 100)	1.60%	1.32%	0.28%	1.70%

(2) Non-consolidated

<Disclosed Claims under Financial Revitalization Law after writing-off Category IV Claims>

(Millions of yen except percentages)

	As of June 30,		Increase/ (Decrease) (A)-(B)	As of March 31, 2022
	2022 (A)	2021 (B)		
Bankruptcy and Quasi-Bankruptcy	3,700	1,969	1,730	3,893
Doubtful	9,737	11,090	(1,352)	9,900
Sub-standard	2,302	1,893	409	2,869
Loans Past Due 3 Months or More	641	331	309	1,305
Restructured Loans	1,661	1,561	99	1,564
Sub-Total (a)	15,740	14,953	787	16,663
Normal	1,426,094	1,505,047	(78,953)	1,423,336
Total (b)	1,441,835	1,520,001	(78,166)	1,440,000
Ratio of Problem Loans to Total Claims (a / b × 100)	1.09%	0.98%	0.11%	1.15%

<Disclosed Claims under Financial Revitalization Law including Category IV Claims>

(Millions of yen except percentages)

	As of June 30,		Increase/ (Decrease) (A)-(B)	As of March 31, 2022
	2022 (A)	2021 (B)		
Bankruptcy and Quasi-Bankruptcy	8,514	4,387	4,126	9,102
Doubtful	9,737	11,090	(1,352)	9,900
Sub-standard	2,302	1,893	409	2,869
Loans Past Due 3 Months or More	641	331	309	1,305
Restructured Loans	1,661	1,561	99	1,564
Sub-Total (a)	20,554	17,371	3,182	21,873
Normal	1,426,094	1,505,047	(78,953)	1,423,336
Total (b)	1,446,648	1,522,419	(75,771)	1,445,209
Ratio of Problem Loans to Total Claims (a / b × 100)	1.42%	1.14%	0.28%	1.51%

3. Securities at Fair Value (Consolidated)

1) Held-to-maturity securities

(Millions of yen)

	As of June 30, 2022			As of June 30, 2021			As of March 31, 2022		
	Balance sheet amount	Fair Value	Net unrealized gain/(loss)	Balance sheet amount	Fair Value	Net unrealized gain/(loss)	Balance sheet amount	Fair Value	Net unrealized gain/(loss)
Government bonds	-	-	-	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-	-	-	-
Foreign Securities	64,419	63,090	(1,328)	-	-	-	41,946	41,657	(288)
Total	64,419	63,090	(1,328)	-	-	-	41,946	41,657	(288)

2) Available-for-sale securities

(Millions of yen)

	As of June 30, 2022			As of June 30, 2021			As of March 31, 2022		
	Balance sheet amount	Cost	Net unrealized gain/(loss)	Balance sheet amount	Cost	Net unrealized gain/(loss)	Balance sheet amount	Cost	Net unrealized gain/(loss)
Bonds	29,953	29,496	457	23,619	23,311	307	31,970	31,490	480
Government bonds	7,009	7,010	(0)	-	-	-	5,004	5,009	(4)
Corporate bonds	22,944	22,485	458	23,619	23,311	307	26,965	26,480	484
Others	111,736	113,276	(1,539)	139,154	138,831	323	98,928	99,774	(845)
Total	141,690	142,772	(1,082)	162,774	162,143	631	130,899	131,264	(365)

4. Derivatives (Consolidated)

(1) Derivative transactions to which hedge accounting is not applied

(a) Interest Rate Derivatives

(Millions of yen)

		As of June 30, 2022			As of June 30, 2021			As of March 31, 2022		
		Notional amounts	Fair value	Net unrealized gain (loss)	Notional amounts	Fair value	Net unrealized gain (loss)	Notional amounts	Fair value	Net unrealized gain (loss)
Over-the-counter	Interest Rate Swaps	372,628	(409)	(409)	367,728	(243)	(243)	351,769	(300)	(300)
	Others	44,679	(8)	133	48,880	-	156	45,342	(4)	137
Total			(417)	(275)		(243)	(87)		(305)	(163)

(b) Currency Derivatives

(Millions of yen)

		As of June 30, 2022			As of June 30, 2021			As of March 31, 2022		
		Notional amounts	Fair value	Net unrealized gain (loss)	Notional amounts	Fair value	Net unrealized gain (loss)	Notional amounts	Fair value	Net unrealized gain (loss)
Over-the-counter	Currency Swaps	-	-	-	64,997	(2,020)	(2,020)	-	-	-
	Forward Foreign Exchange Contracts	136,718	(3,850)	(3,850)	63,752	(348)	(348)	120,925	(5,164)	(5,164)
	Currency Options	1,129,928	(872)	11,115	930,666	(106)	15,574	902,970	(591)	11,869
Total			(4,722)	7,264		(2,475)	13,204		(5,755)	6,705

(c) Bond Derivatives

(Millions of yen)

		As of June 30, 2022			As of June 30, 2021			As of March 31, 2022		
		Notional amounts	Fair value	Net unrealized gain (loss)	Notional amounts	Fair value	Net unrealized gain (loss)	Notional amounts	Fair value	Net unrealized gain (loss)
Listed	Bond Futures	19,560	(168)	(168)	8,421	(23)	(23)	10,748	0	0
Total			(168)	(168)		(23)	(23)		0	0

(d) Commodity Derivatives

(Millions of yen)

		As of June 30, 2022			As of June 30, 2021			As of March 31, 2022		
		Notional amounts	Fair value	Net unrealized gain (loss)	Notional amounts	Fair value	Net unrealized gain (loss)	Notional amounts	Fair value	Net unrealized gain (loss)
Over-the-counter	Commodity Swaps	-	-	-	2,979	(0)	(0)	1,541	(0)	(0)
Total			-	-		(0)	(0)		(0)	(0)

*Equity Derivatives, Credit Derivatives : Not applicable.

(2) Derivative transactions to which hedge accounting is applied

Not applicable.

5. Balances of Loans and Deposits (Consolidated)

	As of June 30,		(Millions of yen)
	2022	2021	As of March 31, 2022
Total deposits	1,864,508	1,985,337	1,891,191
Deposits	1,583,141	1,665,500	1,526,212
Individuals	1,158,973	1,263,313	1,162,453
Corporations	366,179	350,008	338,782
Public entities	55,249	49,177	21,785
Financial institutions	2,739	3,000	3,190
Negotiable certificates of deposit	281,367	319,836	364,978
Loans and bills discounted	1,427,188	1,515,187	1,431,401