

**Consolidated Financial Results**  
*for the 3rd Quarter of Fiscal 2022*

**February 13, 2023**



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**Consolidated Financial Results**  
**for the 3rd Quarter of Fiscal 2022 ended December 31, 2022**  
*[ under Japanese GAAP ]*

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

(URL <https://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 3rd Quarter of Fiscal 2022 ended December 31, 2022**

**(1) Operating Results**

(Millions of yen except per share data and percentages)

	For the nine months ended	
	December 31, 2022	December 31, 2021
Ordinary income	<b>34,905</b>	32,127
Change from the previous period	<b>8.6%</b>	(3.5)%
Ordinary profit	<b>4,232</b>	2,690
Change from the previous period	<b>57.3%</b>	192.9%
Net income attributable to owners of the parent	<b>2,124</b>	1,867
Change from the previous period	<b>13.7%</b>	165.6%
Net income per common share (yen)	<b>3,034.90</b>	2,667.18
Diluted net income per common share (yen)	-	-

Note: Comprehensive income for the nine months ended :

December 31, 2022 : 1,084 million yen (56.1) %  
 December 31, 2021 : 2,475 million yen 90.2 %

**(2) Financial Conditions**

(Millions of yen except percentages)

	As of	
	December 31, 2022	March 31, 2022
Total assets	<b>2,124,098</b>	2,130,018
Net assets	<b>165,187</b>	164,102
Ratio of net assets to total assets	<b>7.7%</b>	7.7%

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

December 31, 2022 165,187 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 :
 

December 31, 2022	:	700,000 shares
March 31, 2022	:	700,000 shares
- (b) Number of Treasury Shares Outstanding as of :
 

December 31, 2022	:	— shares
March 31, 2022	:	— shares
- (c) Average Number of Shares Outstanding for the nine months ended :
 

December 31, 2022	:	700,000 shares
December 31, 2021	:	700,000 shares

## Consolidated Financial Statements

### 1. Consolidated Balance Sheets

(Millions of yen)	As of	
	March 31, 2022	December 31, 2022
<b>Assets:</b>		
Cash and due from banks	414,725	398,414
Call loans	25,500	18,000
Monetary claims bought	9,545	11,450
Securities	168,805	178,921
Loans and bills discounted	1,431,401	1,428,747
Foreign exchanges	9,650	5,298
Other assets	60,942	75,123
Tangible fixed assets	3,566	3,505
Intangible fixed assets	7,229	7,833
Deferred tax assets	3,964	4,091
Customers' liabilities for acceptances and guarantees	11,089	9,821
Allowance for loan losses	(16,401)	(17,109)
<b>Total assets</b>	<b>2,130,018</b>	<b>2,124,098</b>
<b>Liabilities:</b>		
Deposits	1,526,212	1,655,851
Negotiable certificate of deposits	364,978	181,404
Call money	—	70,000
Borrowed money	15,000	—
Foreign exchanges	120	45
Other liabilities	47,326	39,780
Provision for bonuses	817	1,638
Provision for directors' bonuses	162	119
Provision for directors' retirement benefits	149	191
Provision for losses on dormant deposit repayments	54	54
Provision for possible losses on refund of interest	3	3
Acceptances and guarantees	11,089	9,821
<b>Total liabilities</b>	<b>1,965,915</b>	<b>1,958,911</b>
<b>Net assets:</b>		
Capital stock	26,000	26,000
Capital surplus	24,000	24,000
Retained earnings	114,467	116,591
Total shareholders' equity	164,467	166,591
Valuation difference on available-for-sale securities	(364)	(1,404)
Total accumulated other comprehensive income	(364)	(1,404)
<b>Total net assets</b>	<b>164,102</b>	<b>165,187</b>
<b>Total liabilities and net assets</b>	<b>2,130,018</b>	<b>2,124,098</b>

## 2. Consolidated Statements of Income

(Millions of yen)	For the nine months ended	
	December 31, 2021	December 31, 2022
<b>Ordinary income:</b>	32,127	34,905
Interest income and dividends	22,682	26,024
Interest on loans and discounts	20,683	21,263
Interest and dividends on securities	1,641	3,937
Fees and commissions	5,478	4,712
Other ordinary income	2,516	3,013
Other income	1,449	1,154
<b>Ordinary expenses:</b>	29,436	30,673
Interest expenses	1,213	2,240
Interest on deposits	1,190	1,725
Fees and commissions payments	2,757	2,643
Other ordinary expenses	222	1,422
General and administrative expenses	22,155	21,793
Other expenses	3,088	2,571
<b>Ordinary profit</b>	2,690	4,232
Extraordinary income	—	—
Extraordinary loss	75	97
<b>Income before income taxes</b>	2,615	4,134
Income taxes-current	842	2,137
Income taxes-deferred	(94)	(126)
Total income taxes	748	2,010
<b>Net income</b>	1,867	2,124
Net income attributable to non-controlling interests	—	—
Net income attributable to owners of the parent	1,867	2,124

### 3. Consolidated Statements of Comprehensive Income

(Millions of yen)	For the nine months ended	
	December 31, 2021	December 31, 2022
Net income	1,867	2,124
Other comprehensive income	607	(1,039)
Valuation difference on available-for-sale securities	607	(1,039)
<b>Comprehensive income</b>	<b>2,475</b>	<b>1,084</b>
Comprehensive income attributable to owners of the parent	2,475	1,084
Comprehensive income attributable to non-controlling interests	—	—

### 4. Going Concern Assumption

There is no applicable information.

# Selected Financial Information of 3rd Quarter Results

## 1. Operating Results

### (1) Consolidated

(Millions of yen)

	For the nine months ended December 31,		Increase/ (Decrease) (A)-(B)
	2022 (A)	2021 (B)	
<b>Gross operating profit</b> (Note 1)	<b>27,443</b>	<b>26,484</b>	<b>958</b>
Net interest income	23,783	21,469	2,314
Net fees and commissions	2,069	2,721	(652)
Net other ordinary income	1,590	2,293	(703)
General and administrative expenses	21,793	22,155	(361)
<b>Net operating income before general allowance and goodwill</b> (Note 2)	<b>5,649</b>	<b>4,329</b>	<b>1,319</b>
Provision for general allowance for loan losses	(503)	(268)	(234)
<b>Net operating income</b> (Note 3)	<b>6,152</b>	<b>4,597</b>	<b>1,554</b>
Non-recurring income and expenses	(1,919)	(1,907)	(12)
Net gain and loss on stocks and other securities	—	—	—
Problem claims related costs	2,932	3,225	(293)
Written-off of loans	62	101	(38)
Provision for specific allowance for loan losses	2,267	2,776	(508)
Net loss on sales of loans	602	348	253
Reversal of allowance for loan losses	—	—	—
Recoveries of written-off claims	0	4	(4)
Others	1,012	1,313	(301)
<b>Ordinary profit</b>	<b>4,232</b>	<b>2,690</b>	<b>1,541</b>
Extraordinary income and loss	(97)	(75)	(22)
Net gain and loss on disposal of non-current assets	(97)	(75)	(22)
Gain on disposal of non-current assets	—	—	—
Loss on disposal of non-current assets	97	75	22
Others	—	—	—
<b>Income before income taxes</b>	<b>4,134</b>	<b>2,615</b>	<b>1,519</b>
Income taxes	2,010	748	1,262
Income taxes - current	2,137	842	1,294
Income taxes - deferred	(126)	(94)	(32)
<b>Net income</b>	<b>2,124</b>	<b>1,867</b>	<b>257</b>
Net income attributable to non-controlling interests	—	—	—
Net income attributable to owners of the parent	2,124	1,867	257

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)	2,459	2,992	(532)
Excluding recoveries of written-off claims	2,460	2,997	(537)

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 nine months ended December 31,		Increase/ (Decrease) (A)-(B)
	2022 (A)	2021 (B)	
<b>Gross operating profit</b>	<b>25,824</b>	<b>24,968</b>	<b>856</b>
Net interest income	23,738	21,419	2,319
Net fees and commissions	495	1,254	(759)
Net other ordinary income	1,590	2,293	(703)
of which net gain and loss on bonds	(1,397)	(184)	(1,212)
General and administrative expenses (excluding non-recurring expenses)	21,396	21,733	(337)
Personnel expenses	10,255	10,762	(506)
Nonpersonnel expenses	10,015	9,862	152
Taxes	1,126	1,108	17
<b>Net operating income before general allowance and goodwill</b>	<b>4,427</b>	<b>3,234</b>	<b>1,193</b>
<b>Core net operating income (excluding net gain and loss on bonds)</b>	<b>5,825</b>	<b>3,419</b>	<b>2,406</b>
<b>Excluding gain and loss on cancellation of investment trusts</b>	<b>5,825</b>	<b>3,419</b>	<b>2,406</b>
Provision for general allowance for loan losses	(502)	(185)	(317)
Amortization of goodwill	—	—	—
<b>Net operating income</b>	<b>4,930</b>	<b>3,419</b>	<b>1,511</b>
Non-recurring income and expenses	(1,338)	(1,350)	11
Net gain and loss on stocks and other securities	—	—	—
Problem claims related costs	2,186	2,501	(315)
Written-off of loans	1	15	(13)
Provision for specific allowance for loan losses	1,935	2,495	(559)
Net gain and loss on sales of loans	249	(8)	258
Reversal of allowance for loan losses	—	—	—
Recoveries of written-off claims	0	0	(0)
Others	847	1,150	(303)
<b>Ordinary profit</b>	<b>3,591</b>	<b>2,069</b>	<b>1,522</b>
Extraordinary income and loss	(97)	(73)	(23)
Net gain and loss on disposal of non-current assets	(97)	(73)	(23)
Gain on disposal of non-current assets	—	—	—
Loss on disposal of non-current assets	97	73	23
Others	—	—	—
<b>Income before income taxes</b>	<b>3,494</b>	<b>1,995</b>	<b>1,499</b>
Income taxes	1,777	585	1,191
Income taxes - current	1,931	829	1,102
Income taxes - deferred	(153)	(243)	89
<b>Net income</b>	<b>1,716</b>	<b>1,409</b>	<b>307</b>



## 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 December 31,		Increase/ (Decrease) (A)-(B)	As of September 30, 2022
		2022 (A)	2021 (B)		
	Bankruptcy and Quasi-Bankruptcy	5,077	5,076	0	5,550
	Doubtful	12,686	12,652	34	11,475
	Sub-standard	2,216	2,000	216	2,191
	Loans Past Due 3 Months or More	629	479	150	490
	Restructured Loans	1,586	1,521	65	1,701
	<b>Sub-Total (a)</b>	<b>19,980</b>	<b>19,729</b>	<b>251</b>	<b>19,217</b>
	Normal	1,420,434	1,457,184	(36,750)	1,421,852
Total (b)		1,440,415	1,476,913	(36,498)	1,441,070
<b>Ratio of Problem Loans to Total Claims (a / b × 100)</b>		<b>1.38%</b>	<b>1.33%</b>	<b>0.05%</b>	<b>1.33%</b>

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

(Millions of yen except percentages)

		As of December 31,		Increase/ (Decrease) (A)-(B)	As of September 30, 2022
		2022 (A)	2021 (B)		
	Bankruptcy and Quasi-Bankruptcy	11,183	9,363	1,819	11,833
	Doubtful	12,686	12,652	34	11,475
	Sub-standard	2,216	2,000	216	2,191
	Loans Past Due 3 Months or More	629	479	150	490
	Restructured Loans	1,586	1,521	65	1,701
	<b>Sub-Total (a)</b>	<b>26,087</b>	<b>24,016</b>	<b>2,070</b>	<b>25,500</b>
	Normal	1,420,434	1,457,184	(36,750)	1,421,852
Total (b)		1,446,521	1,481,201	(34,679)	1,447,353
<b>Ratio of Problem Loans to Total Claims (a / b × 100)</b>		<b>1.80%</b>	<b>1.62%</b>	<b>0.18%</b>	<b>1.76%</b>

### (2) Non-consolidated

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

(Millions of yen except percentages)

		As of December 31,		Increase/ (Decrease) (A)-(B)	As of September 30, 2022
		2022 (A)	2021 (B)		
	Bankruptcy and Quasi-Bankruptcy	3,601	3,488	112	3,942
	Doubtful	12,658	12,620	38	11,446
	Sub-standard	2,216	2,000	216	2,191
	Loans Past Due 3 Months or More	629	479	150	490
	Restructured Loans	1,586	1,521	65	1,701
	<b>Sub-Total (a)</b>	<b>18,476</b>	<b>18,109</b>	<b>367</b>	<b>17,580</b>
	Normal	1,414,909	1,451,506	(36,596)	1,416,376
Total (b)		1,433,385	1,469,615	(36,229)	1,433,956
<b>Ratio of Problem Loans to Total Claims (a / b × 100)</b>		<b>1.28%</b>	<b>1.23%</b>	<b>0.05%</b>	<b>1.22%</b>

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

(Millions of yen except percentages)

		As of December 31,		Increase/ (Decrease) (A)-(B)	As of September 30, 2022
		2022 (A)	2021 (B)		
	Bankruptcy and Quasi-Bankruptcy	8,632	6,658	1,974	8,856
	Doubtful	12,658	12,620	38	11,446
	Sub-standard	2,216	2,000	216	2,191
	Loans Past Due 3 Months or More	629	479	150	490
	Restructured Loans	1,586	1,521	65	1,701
	<b>Sub-Total (a)</b>	<b>23,507</b>	<b>21,279</b>	<b>2,228</b>	<b>22,494</b>
	Normal	1,414,909	1,451,506	(36,596)	1,416,376
Total (b)		1,438,417	1,472,786	(34,368)	1,438,870
<b>Ratio of Problem Loans to Total Claims (a / b × 100)</b>		<b>1.63%</b>	<b>1.44%</b>	<b>0.19%</b>	<b>1.56%</b>

### 3. Securities at Fair Value (Consolidated)

#### 1) Held-to-maturity securities

(Millions of yen)

	As of December 31, 2022			As of December 31, 2021			As of September 30, 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	75,839	74,654	(1,184)	24,356	24,330	(25)	75,915	74,079	(1,836)
Total	75,839	74,654	(1,184)	24,356	24,330	(25)	75,915	74,079	(1,836)

#### 2) Available-for-sale securities

(Millions of yen)

	As of December 31, 2022			As of December 31, 2021			As of September 30, 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	37,918	37,496	422	30,989	30,547	441	34,782	34,225	557
Government bonds	10,998	11,009	(10)	4,007	4,009	(1)	9,010	9,011	(1)
Corporate bonds	26,919	26,487	432	26,981	26,538	442	25,771	25,213	558
Others	69,102	70,929	(1,826)	106,932	106,689	243	90,176	92,289	(2,112)
Total	107,021	108,425	(1,404)	137,921	137,237	684	124,959	126,514	(1,555)

### 4. Derivatives (Consolidated)

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

##### (a) Interest Rate Derivatives

(Millions of yen)

		As of December 31, 2022			As of December 31, 2021			As of September 30, 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	410,303	(384)	(384)	358,175	(365)	(365)	397,305	(475)	(475)
	Others	44,165	(15)	140	48,312	(1)	168	44,108	(6)	132
Total			(399)	(243)		(367)	(196)		(482)	(343)

##### (b) Currency Derivatives

(Millions of yen)

		As of December 31, 2022			As of December 31, 2021			As of September 30, 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	—	—	—	—	—	—	—	—	—
	Forward Foreign Exchange Contracts	126,367	4,982	4,982	114,476	(1,693)	(1,693)	150,452	(2,718)	(2,718)
	Currency Options	1,138,742	(975)	9,348	871,019	(373)	13,116	1,208,493	(632)	9,987
Total			4,006	14,330		(2,066)	11,423		(3,350)	7,268

##### (c) Bond Derivatives

(Millions of yen)

		As of December 31, 2022			As of December 31, 2021			As of September 30, 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	5,513	25	25	1,648	(0)	(0)	4,329	35	35
Total			25	25		(0)	(0)		35	35

##### (d) Commodity Derivatives

(Millions of yen)

		As of December 31, 2022			As of December 31, 2021			As of September 30, 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	—	—	—	1,108	(0)	(0)	—	—	—
Total			—	—		(0)	(0)		—	—

\*Equity Derivatives, Credit Derivatives : Not applicable.

#### (2) Derivative transactions to which hedge accounting is applied

There is no applicable transactions.

## 5. Balances of Loans and Deposits (Consolidated)

(Millions of yen)

	As of December 31,		As of September 30, 2022
	2022	2021	
<b>Total deposits</b>	<b>1,837,255</b>	1,933,397	1,840,101
Deposits	1,655,851	1,647,397	1,625,597
Individuals	1,130,665	1,184,899	1,148,511
Corporations	422,279	396,016	366,272
Public entities	96,438	61,983	108,070
Financial institutions	6,467	4,498	2,741
Negotiable certificates of deposit	181,404	286,000	214,504
<b>Loans and bills discounted</b>	<b>1,428,747</b>	1,457,387	1,420,924