

Consolidated Financial Results
for the 1st Quarter of Fiscal 2024

August 14, 2024



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for the 1st Quarter of Fiscal 2024 ended June 30, 2024

[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 1st Quarter of Fiscal 2024 ended June 30, 2024

(1) Operating Results

(Millions of yen except per share data and percentages)

	For the three months ended	
	June 30, 2024	June 30, 2023
Ordinary income	15,381	12,948
Change from the previous period	18.7%	14.6%
Ordinary profit	3,240	2,110
Change from the previous period	53.5%	102.0%
Net income attributable to owners of the parent	2,132	1,402
Change from the previous period	52.0%	176.3%
Net income per common share (yen)	3,046.64	2,003.20
Diluted net income per common share (yen)	-	-

Note: Comprehensive income for the three months ended :

June 30, 2024 :	1,666 million yen	29.7 %
June 30, 2023 :	1,284 million yen	— %

(2) Financial Conditions

(Millions of yen except percentages)

	As of	
	June 30, 2024	March 31, 2024
Total assets	2,311,417	2,311,242
Net assets	177,318	175,651
Ratio of net assets to total assets	7.6%	7.5%

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

June 30, 2024 :	177,318 million yen
March 31, 2024 :	175,651 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, 2024	:	700,000 shares
March 31, 2024	:	700,000 shares

(b) Number of Treasury Shares Outstanding as of :

June 30, 2024	:	— shares
March 31, 2024	:	— shares

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

June 30, 2024	:	700,000 shares
June 30, 2023	:	700,000 shares

Consolidated Financial Statements

1. Consolidated Balance Sheets

(Millions of yen)	As of	
	March 31, 2024	June 30, 2024
Assets:		
Cash and due from banks	479,665	401,309
Monetary claims bought	25,718	28,025
Securities	266,028	295,560
Loans and bills discounted	1,464,174	1,505,569
Foreign exchanges	6,745	5,884
Other assets	60,220	66,707
Tangible fixed assets	2,918	2,808
Intangible fixed assets	6,580	6,277
Deferred tax assets	5,264	5,486
Customers' liabilities for acceptances and guarantees	9,779	9,813
Allowance for loan losses	(15,853)	(16,024)
Total assets	2,311,242	2,311,417
Liabilities:		
Deposits	1,804,678	1,769,525
Negotiable certificates of deposits	128,200	169,200
Call money	100,739	69,000
Payables under repurchase agreements	54,786	73,648
Payables under securities lending transactions	—	1,739
Foreign exchanges	300	397
Other liabilities	35,811	39,172
Provision for bonuses	826	1,221
Provision for directors' bonuses	199	91
Provision for directors' retirement benefits	209	227
Provision for losses on dormant deposit repayments	55	55
Provision for possible losses on refund of interest	5	5
Acceptances and guarantees	9,779	9,813
Total liabilities	2,135,590	2,134,098
Net assets:		
Capital stock	26,000	26,000
Capital surplus	24,000	24,000
Retained earnings	125,967	128,100
Total shareholders' equity	175,967	178,100
Valuation difference on available-for-sale securities	(315)	(781)
Total accumulated other comprehensive income	(315)	(781)
Total net assets	175,651	177,318
Total liabilities and net assets	2,311,242	2,311,417

2. Consolidated Statements of Income

(Millions of yen)	For the three months ended	
	June 30, 2023	June 30, 2024
Ordinary income:	12,948	15,381
Interest income and dividends	10,411	12,524
Interest on loans and discounts	7,918	8,489
Interest and dividends on securities	2,044	3,624
Fees and commissions	1,575	2,031
Other ordinary income	593	461
Other income	368	363
Ordinary expenses:	10,838	12,141
Interest expenses	1,516	2,457
Interest on deposits	941	1,343
Fees and commissions payments	854	856
Other ordinary expenses	0	598
General and administrative expenses	7,880	7,558
Other expenses	586	670
Ordinary profit	2,110	3,240
Extraordinary income	—	—
Extraordinary loss	33	58
Income before income taxes	2,076	3,181
Income taxes-current	578	1,064
Income taxes-deferred	96	(16)
Total income taxes	674	1,048
Net income	1,402	2,132
Net income attributable to non-controlling interests	—	—
Net income attributable to owners of the parent	1,402	2,132

3. Consolidated Statements of Comprehensive Income

(Millions of yen)	For the three months ended	
	June 30, 2023	June 30, 2024
Net income	1,402	2,132
Other comprehensive income	(117)	(466)
Valuation difference on available-for-sale securities	(117)	(466)
Comprehensive income	1,284	1,666
Comprehensive income attributable to owners of the parent	1,284	1,666
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)
	2024 (A)	2023 (B)	
Gross operating profit (Note 1)	11,104	10,208	895
Net interest income	10,066	8,894	1,172
Net fees and commissions	1,174	721	453
Net other ordinary income	(136)	592	(729)
General and administrative expenses	7,558	7,880	(322)
Net operating income before general allowance and goodwill (Note 2)	3,546	2,328	1,217
Provision for general allowance for loan losses	133	(414)	547
Net operating income (Note 3)	3,413	2,742	670
Non-recurring income and expenses	(172)	(632)	459
Net gain and loss on stocks and other securities	—	—	—
Problem claims related costs	472	891	(418)
Written-off of loans	3	2	0
Provision for specific allowance for loan losses	451	864	(413)
Net loss on sales of loans	18	24	(5)
Reversal of allowance for loan losses	—	—	—
Recoveries of written-off claims	0	0	0
Others	299	258	40
Ordinary profit	3,240	2,110	1,130
Extraordinary income and loss	(58)	(33)	(25)
Net gain and loss on disposal of non-current assets	(58)	(33)	(25)
Gain on disposal of non-current assets	—	—	—
Loss on disposal of non-current assets	58	33	25
Others	—	—	—
Income before income taxes	3,181	2,076	1,104
Income taxes	1,048	674	374
Income taxes - current	1,064	578	486
Income taxes - deferred	(16)	96	(112)
Net income	2,132	1,402	730
Net income attributable to non-controlling interests	—	—	—
Net income attributable to owners of the parent	2,132	1,402	730

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)	623	498	124
Excluding recoveries of written-off claims	623	498	124

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)
	2024 (A)	2023 (B)	
Gross operating profit	10,487	9,660	826
Net interest income	10,060	8,877	1,182
Net fees and commissions	563	190	373
Net other ordinary income	(136)	592	(729)
of which net gain and loss on bonds	(8)	7	(15)
General and administrative expenses (excluding non-recurring expenses)	7,346	7,734	(387)
Personnel expenses	3,618	3,520	98
Nonpersonnel expenses	3,341	3,642	(301)
Taxes	386	571	(185)
Net operating income before general allowance and goodwill	3,140	1,926	1,213
Core net operating income (excluding net gain and loss on bonds)	3,149	1,919	1,229
Excluding gain and loss on cancellation of investment trusts	3,149	1,919	1,229
Provision for general allowance for loan losses	84	(423)	507
Amortization of goodwill	—	—	—
Net operating income	3,056	2,349	706
Non-recurring income and expenses	69	(423)	493
Net gain and loss on stocks and other securities	—	—	—
Problem claims related costs	117	621	(504)
Written-off of loans	—	—	—
Provision for specific allowance for loan losses	126	626	(500)
Net gain and loss on sales of loans	(9)	(5)	(3)
Reversal of allowance for loan losses	—	—	—
Recoveries of written-off claims	—	—	—
Others	186	198	(11)
Ordinary profit	3,126	1,926	1,199
Extraordinary income and loss	(58)	(33)	(24)
Net gain and loss on disposal of non-current assets	(58)	(33)	(24)
Gain on disposal of non-current assets	—	—	—
Loss on disposal of non-current assets	58	33	24
Others	—	—	—
Income before income taxes	3,067	1,892	1,174
Income taxes	1,007	619	388
Income taxes - current	1,029	552	476
Income taxes - deferred	(21)	67	(88)
Net income	2,059	1,272	786

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, 2024
		2024 (A)	2023 (B)		
	Bankruptcy and Quasi-Bankruptcy	3,135	3,699	(564)	3,898
	Doubtful	9,525	10,749	(1,223)	9,458
	Sub-standard	2,944	2,072	872	2,724
	Loans Past Due 3 Months or More	585	428	156	434
	Restructured Loans	2,359	1,644	715	2,290
	Sub-Total (a)	15,605	16,521	(915)	16,082
	Normal	1,499,280	1,434,215	65,064	1,458,297
	Total (b)	1,514,885	1,450,736	64,149	1,474,379
Ratio of Problem Loans to Total Claims (a / b × 100)		1.03%	1.13%	(0.10)%	1.09%

<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, 2024
		2024 (A)	2023 (B)		
	Bankruptcy and Quasi-Bankruptcy	11,222	11,668	(446)	11,916
	Doubtful	9,525	10,749	(1,223)	9,458
	Sub-standard	2,944	2,072	872	2,724
	Loans Past Due 3 Months or More	585	428	156	434
	Restructured Loans	2,359	1,644	715	2,290
	Sub-Total (a)	23,692	24,490	(798)	24,100
	Normal	1,499,280	1,434,215	65,064	1,458,297
	Total (b)	1,522,972	1,458,706	64,266	1,482,397
Ratio of Problem Loans to Total Claims (a / b × 100)		1.55%	1.67%	(0.12)%	1.62%

(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, 2024
		2024 (A)	2023 (B)		
	Bankruptcy and Quasi-Bankruptcy	1,775	2,271	(496)	2,474
	Doubtful	9,504	10,715	(1,211)	9,436
	Sub-standard	2,941	2,072	868	2,714
	Loans Past Due 3 Months or More	581	428	153	424
	Restructured Loans	2,359	1,644	715	2,290
	Sub-Total (a)	14,220	15,059	(838)	14,625
	Normal	1,493,935	1,428,826	65,108	1,452,908
	Total (b)	1,508,155	1,443,885	64,270	1,467,533
Ratio of Problem Loans to Total Claims (a / b × 100)		0.94%	1.04%	(0.10)%	0.99%

<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, 2024
		2024 (A)	2023 (B)		
	Bankruptcy and Quasi-Bankruptcy	8,547	9,126	(579)	9,074
	Doubtful	9,504	10,715	(1,211)	9,436
	Sub-standard	2,941	2,072	868	2,714
	Loans Past Due 3 Months or More	581	428	153	424
	Restructured Loans	2,359	1,644	715	2,290
	Sub-Total (a)	20,992	21,914	(922)	21,225
	Normal	1,493,935	1,428,826	65,108	1,452,908
	Total (b)	1,514,927	1,450,741	64,186	1,474,133
Ratio of Problem Loans to Total Claims (a / b × 100)		1.38%	1.51%	(0.13)%	1.43%

3. Securities at Fair Value (Consolidated)

1) Held-to-maturity securities

(Millions of yen)

	As of June 30, 2024			As of June 30, 2023			As of March 31, 2024		
	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	202,088	202,148	59	110,601	109,938	(662)	179,396	179,553	156
Total	202,088	202,148	59	110,601	109,938	(662)	179,396	179,553	156

2) Available-for-sale securities

(Millions of yen)

	As of June 30, 2024			As of June 30, 2023			As of March 31, 2024		
	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	38,292	38,278	13	39,221	39,024	196	37,748	37,728	20
Government bonds	11,974	11,997	(23)	13,016	13,004	11	13,985	13,997	(12)
Corporate bonds	26,317	26,280	37	26,204	26,020	184	23,763	23,730	33
Others	55,659	57,505	(1,845)	52,394	54,242	(1,848)	49,392	50,846	(1,453)
Total	93,952	95,784	(1,831)	91,615	93,267	(1,651)	87,141	88,574	(1,432)

4. Derivatives (Consolidated)

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

(a) Interest Rate Derivatives

(Millions of yen)

		As of June 30, 2024			As of June 30, 2023			As of March 31, 2024		
		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	520,809	(95)	(95)	456,397	(221)	(221)	496,204	(211)	(211)
	Others	28,252	(0)	139	40,764	(1)	149	29,034	(0)	140
Total			(95)	44		(223)	(72)		(212)	(71)

(b) Currency Derivatives

(Millions of yen)

		As of June 30, 2024			As of June 30, 2023			As of March 31, 2024		
		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	Forward Foreign Exchange Contracts	213,945	(4,483)	(4,483)	149,220	(4,613)	(4,613)	135,261	(2,259)	(2,259)
	Currency Options	1,081,746	(330)	7,839	1,218,974	(470)	9,967	1,061,215	(321)	8,353
Total			(4,814)	3,355		(5,084)	5,354		(2,580)	6,094

(c) Bond Derivatives

(Millions of yen)

		As of June 30, 2024			As of June 30, 2023			As of March 31, 2024		
		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	3,417	(2)	(2)	4,232	(5)	(5)	2,523	0	0
Total			(2)	(2)		(5)	(5)		0	0

*Commodity Derivatives, Equity Derivatives, Credit Derivatives : Not applicable.

(2) Derivative transactions to which hedge accounting is applied

Not applicable.

5. Balances of Loans and Deposits (Consolidated)

(Millions of yen)

	As of June 30,		As of March 31, 2024
	2024	2023	
Total deposits	1,938,725	1,926,107	1,932,878
Deposits	1,769,525	1,706,907	1,804,678
Individuals	1,164,624	1,141,691	1,138,567
Corporations	474,275	415,527	486,913
Public entities	120,079	144,149	89,189
Financial institutions	10,545	5,539	90,008
Negotiable certificates of deposit	169,200	219,200	128,200
Loans and bills discounted	1,505,569	1,431,135	1,464,174