

SELECTED FINANCIAL INFORMATION

***For the Fiscal Year Ended March 31, 2008
(Supplementary)***

May 23, 2008

TOKYO
S T A R
B A N K 

東京スター銀行

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I. Selected Financial Information for the Fiscal Year Ended March 31, 2008

1. Operating Results

【Consolidated basis】

(in millions of yen)

	For the Year Ended March 31, 2008 (A)	For the Year Ended March 31, 2007 (B)	Increase/ (Decrease) (A)-(B)
Gross Operating Profits	51,692	54,732	(3,040)
Net Interest Income	41,492	42,123	(631)
Net Fees and Commissions	9,998	9,296	702
Net Other Ordinary Income	201	3,312	(3,111)
General & Administrative Expenses	32,153	31,253	900
Provision of General Allowance for Loan Losses	(1,847)	(427)	(1,420)
Other Income & Expenses	(3,339)	1,682	(5,021)
Net Gain & Loss on Stocks and Other Securities	380	776	(396)
Problem Claims related Costs	7,250	5,589	1,661
Written-off of Loans	3,206	4,351	(1,145)
Provision of Specific Allowance for Loan Losses	7,000	1,181	5,819
Profit and Loss on Sales of Loans	(2,956)	57	(3,013)
Other	3,530	6,495	(2,965)
Ordinary Profit	18,046	25,588	(7,542)
Extraordinary Income & Loss	5,598	1,287	4,311
Net Gain & Loss on Disposal of Noncurrent Assets	18,574	30	18,544
Gain on Disposal of Noncurrent Assets	19,702	121	19,581
Loss on Disposal of Noncurrent Assets	1,127	90	1,037
Recoveries of Written-off Claims	1,140	1,289	(149)
Reversal of Allowance for Loan Losses	—	—	—
Other	(14,116)	(32)	(14,084)
Income before Income Taxes	23,645	26,876	(3,231)
Income Taxes - Current	11,030	10,674	356
- Deferred	(1,227)	93	(1,320)
Minority Interests in net income of subsidiaries	—	—	—
Net Income	13,842	16,108	(2,266)

Note: Gross Operating Profits = (Interest Income - Interest Expenses) + (Fees and Commissions - Fees and Commissions Payments)
+ (Other Ordinary Income - Other Ordinary Expenses)

	For the Year Ended March 31, 2008 (A)	For the Year Ended March 31, 2007 (B)	Increase/ (Decrease) (A)-(B)
Number of Consolidated Subsidiaries	2	2	0

【Non-consolidated basis】

(in millions of yen)

	For the Year Ended March 31, 2008 (A)	For the Year Ended March 31, 2007 (B)	Increase/ (Decrease) (A)-(B)
Gross Operating Profits	44,499	48,982	(4,483)
Net Interest Income	40,822	41,255	(433)
Net Fees and Commissions	3,458	4,996	(1,538)
Net Other Ordinary Income	219	2,729	(2,510)
General & Administrative Expenses	30,996	30,960	36
Personnel Expenses	12,478	12,103	375
Nonpersonnel Expenses	17,272	17,504	(232)
Taxes	1,244	1,353	(109)
Net Operating Income (before General Allowance and Goodwill)	13,503	18,022	(4,519)
Provision of General Allowance for Loan Losses	(3,372)	—	(3,372)
Amortization of Goodwill	—	—	—
Net Operating Income	16,875	18,022	(1,147)
of which Net Gain & Loss on Bonds	30	21	9
Other Income & Expenses	1,152	3,695	(2,543)
Net Gain & Loss on Stocks and Other Securities	390	772	(382)
Problem Claims related Costs	2,294	3,230	(936)
Written-off of Loans	1,443	3,215	(1,772)
Provision of Specific Allowance for Loan Losses	3,850	—	3,850
Profit and Loss on Sales of Loans	(2,999)	14	(3,013)
Other	3,056	6,153	(3,097)
Ordinary Profit	18,027	21,717	(3,690)
Extraordinary Income & Loss	5,231	4,776	455
Net Gain & Loss on Disposal of Noncurrent Assets	18,577	42	18,535
Gain on Disposal of Noncurrent Assets	19,702	121	19,581
Loss on Disposal of Noncurrent Assets	1,125	78	1,047
Recoveries of Written-off Claims	711	1,284	(573)
Reversal of Allowance for Loan Losses	—	3,472	(3,472)
Other	(14,056)	(22)	(14,034)
Income before Income Taxes	23,259	26,494	(3,235)
Income Taxes - Current	9,813	9,926	(113)
- Deferred	(82)	971	(1,053)
Net Income	13,528	15,595	(2,067)

Composition of Revenue (Consolidated basis)

Our ordinary income includes revenue that is derived pursuant to the terms of our loans and bills discounted ("**Organic Revenue**"), as well as revenue that is derived from the amortization of the difference between the stated principal amount and book value, which initially is the purchase price, of our purchased loan from Tokyo Sowa Bank ("**Loan Purchase Revenue**"), we measure our performance based on "**Organic Revenue**."

Loan Purchase Revenue

(in millions of yen)

	For the Year Ended March 31, 2008 (A)	For the Year Ended March 31, 2007 (B)	Increase/ (Decrease) (A)-(B)
Loan Purchase Revenue	6,370	11,767	(5,397)
Amortization included in Interest Income (a)	3,513	6,777	(3,264)
Amortization of Unearned Loan Purchase Revenue	3,557	6,900	(3,343)
Offset of Provision of General Allowance for Loan Losses	(44)	(122)	78
Amortization included in Fees and Commissions (b)	81	87	(6)
Revenue included in Other Ordinary Income	2,731	4,778	(2,047)
Add-back of Offset of Provision of General Allowance for Loan Losses	44	122	(78)

Gross Operating Profits

(in millions of yen)

	For the Year Ended March 31, 2008 (A)	For the Year Ended March 31, 2007 (B)	Increase/ (Decrease) (A)-(B)
Gross Operating Profits (incl. Loan Purchase Revenue)	51,692	54,732	(3,040)
Net Interest Income	41,492	42,123	(631)
Organic Revenue (c)	37,979	35,346	2,633
Loan Purchase Revenue (=a)	3,513	6,777	(3,264)
Net Fees and Commissions	9,998	9,296	702
Organic Revenue (d)	9,916	9,209	707
Loan Purchase Revenue (=b)	81	87	(6)
Net Other Ordinary Income (e)	201	3,312	(3,111)
Gross Operating Profits related to Organic Revenue (c+d+e)	48,097	47,867	230

Unamortized Loan Purchase Revenue

(in millions of yen)

	As of March 31, 2008 (A)	As of March 31, 2007 (B)	Increase/ (Decrease) (A)-(B)
Unamortized Loan Purchase Revenue in Interest Income (excluding "Problem Loans" related)	11,276	17,735	(6,459)
Unamortized Unearned Guarantees in Fees and Commissions	670	752	(82)
Unamortized Loan Purchase Revenue	11,947	18,487	(6,540)

Note: "Problem Loans" means Bankruptcy claims, Quasi-Bankruptcy claims and Doubtful claims based on the Self-assessment Guideline.

Credit Costs (Consolidated basis)

Credit Costs

(in millions of yen)

	As of March 31, 2008 (A)	As of March 31, 2007 (B)	Increase/ (Decrease) (A)-(B)
Provision of General Allowance for Loan Losses	(1,847)	(427)	(1,420)
Provision of Specific Allowance for Loan Losses	7,000	1,181	5,819
Written-off of Loans	3,206	4,351	(1,145)
Profit and Loss on Sales of Loans	(2,956)	57	(3,013)
Credit Costs excluding Offset of Provision of General Allowance for Loan Losses with respect to Purchased Loans against Loan Purchase Revenue	5,403	5,162	241
Offset of Provision of General Allowance for Loan Losses with respect to Purchased Loans against Loan Purchase Revenue	44	122	(78)
Credit Costs before offsetting Recoveries of Written-off Claims	5,447	5,285	162
Offset of Recoveries of Written-off Claims	(1,140)	(1,289)	149
Credit Costs (Adjusted)	4,306	3,995	311

2. Return on Equity

(%)

	For the Year Ended March 31, 2008 (A)	For the Year Ended March 31, 2007 (B)	Increase/ (Decrease) (A)-(B)
Consolidated Basis	13.01	16.66	(3.65)
Non-consolidated Basis	12.94	16.36	(3.42)

3. Net Interest Margin after General & Administrative Expenses

(excluding International Operations, Non-consolidated)

(%)

	For the Year Ended March 31, 2008 (A)	For the Year Ended March 31, 2007 (B)	Increase/ (Decrease) (A)-(B)
(1) Return on Interest-Earning Assets (a)	2.99	3.19	(0.20)
i) Yields on Loans and Bills discounted	3.43	3.74	(0.31)
ii) Yields on Securities	1.76	1.38	0.38
(2) Financing Costs including General & Administrative Expenses (b)	2.61	2.76	(0.15)
i) Yields on Deposits	0.61	0.55	0.06
ii) Yields on Other External Liabilities	0.45	0.12	0.33
(3) Net Interest Margin after General & Administrative Expenses (a)-(b)	0.38	0.43	(0.05)

4. Gain & Loss on Securities (Non-consolidated)

(in millions of yen)

	For the Year Ended March 31, 2008 (A)	For the Year Ended March 31, 2007 (B)	Increase/ (Decrease) (A)-(B)
Net Gain & Loss on Bonds	30	21	9
Gain on Sales	88	95	(7)
Gain on Redemption	—	—	—
Loss on Sales	57	73	(16)
Loss on Redemption	—	—	—
Loss on Devaluation	—	—	—
Net Gain & Loss on Stocks and Other Securities	390	772	(382)
Gain on Sales	390	772	(382)
Loss on Sales	—	—	—
Loss on Devaluation	—	—	—

5. Capital Adequacy Ratio (Preliminary)

【Consolidated】

(in millions of yen)

		As of March 31, 2008 Preliminary (A)	As of March 31, 2007 (B)	Increase/ (Decrease) (A)-(B)
(1)	Capital Adequacy Ratio	9.75%	9.52%	0.23%
(2)	Tier I Capital	109,611	100,447	9,164
	Tier I Ratio	8.05%	7.77%	0.28%
(3)	Tier II Capital	24,009	23,571	438
(4)	Reductions	768	1,058	(290)
(5)	Capital (2)+(3)-(4)	132,852	122,960	9,892
(6)	Credit Risk-adjusted Assets	1,260,090	1,197,523	62,567
(7)	Operational Risks	101,389	93,965	7,424
(8)	Risk-adjusted Assets (6)+(7)	1,361,479	1,291,489	69,990

【Non-consolidated】

(in millions of yen)

		As of March 31, 2008 Preliminary (A)	As of March 31, 2007 (B)	Increase/ (Decrease) (A)-(B)
(1)	Capital Adequacy Ratio	9.55%	9.42%	0.13%
(2)	Tier I Capital	107,679	98,813	8,866
	Tier I Ratio	7.97%	7.67%	0.30%
(3)	Tier II Capital	22,025	23,543	(1,518)
(4)	Reductions	768	1,058	(290)
(5)	Capital (2)+(3)-(4)	128,937	121,297	7,640
(6)	Credit Risk-adjusted Assets	1,258,194	1,200,037	58,157
(7)	Operational Risks	91,377	86,907	4,470
(8)	Risk-adjusted Assets (6)+(7)	1,349,571	1,286,945	62,626

- Notes: 1. "Credit Risk-adjusted Assets" is calculated on "Standard Method."
2. "Operational Risks" is equivalent amounts of operational risks divided by 8%.

II. Loan Portfolio & Deposits

Change of accounting policy regarding write-offs for Non Performing Loans

The Bank's allowance for loan losses is provided pursuant to the internal rules governing the written-off of claims and the allowance for loan losses.

For collateralized or guaranteed claims against 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 ("Partial write-offs").

In recent years, several claims exist after Partial write-offs, considerable amounts were collected (e.g., sales of collateral). In view of these circumstances, starting from this fiscal year, the Bank has decided to discontinue Partial write-offs and to adopt an accounting policy where claims will not be charged off until collections on claims are completed or the amount deemed uncollectible is determined. Instead, an allowance will be established for the uncollectible portion.

For the purpose of reference, the balances, in case of continuing Partial write-offs, of Risk-managed Loans & Bills Discounted as well as Disclosed Claims under Financial Revitalization Law will be presented below.

1. Status of Risk-Managed Loans & Bills Discounted

【Consolidated】

(in millions of yen)

	As of March 31, 2008 (A)	(Reference) In case of continuing Partial write-offs	As of March 31, 2007 (B)	Increase/ (Decrease) (A)-(B)
Loans to Bankrupt Borrowers	9,706	5,788	805	8,901
Past Due Loans	21,248	16,042	20,451	797
Loans Past Due for 3 Months or More	403	403	2	401
Restructured Loans	10,874	10,874	14,261	(3,387)
Total (a)	42,233	33,109	35,521	6,712
Ending Balance of Loans and Bills Discounted (b)	1,266,086	1,256,962	1,169,024	97,062
Ratio of Risk-Managed Loans to Total Loans and Bills Discounted (%) (a/b X 100)	3.33	2.63	3.03	0.30
Amounts Secured (c)	30,578	21,454	21,027	9,551
Coverage Ratio (%) (c/a X 100)	72.40	64.79	59.19	13.21

【Non-consolidated】

(in millions of yen)

	As of March 31, 2008 (A)	(Reference) In case of continuing Partial write-offs	As of March 31, 2007 (B)	Increase/ (Decrease) (A)-(B)
Loans to Bankrupt Borrowers	8,729	5,653	633	8,096
Past Due Loans	16,520	14,861	19,482	(2,962)
Loans Past Due for 3 Months or More	403	403	2	401
Restructured Loans	10,874	10,874	14,261	(3,387)
Total (a)	36,527	31,793	34,380	2,147
Ending Balance of Loans and Bills Discounted (b)	1,256,373	1,251,640	1,164,946	91,427
Ratio of Risk-Managed Loans to Total Loans and Bills Discounted (%) (a/b X 100)	2.90	2.54	2.95	(0.05)
Amounts Secured (c)	26,062	21,328	21,398	4,664
Coverage Ratio (%) (c/a X 100)	71.35	67.08	62.24	9.11

2. Disclosed Claims under Financial Revitalization Law

【Consolidated】

(in millions of yen)

	As of March 31, 2008 (A)	(Reference) In case of continuing Partial write-offs	As of March 31, 2007 (B)	Increase/ (Decrease) (A)-(B)
Bankruptcy and Quasi-Bankruptcy	17,810	8,686	3,721	14,089
Doubtful	13,378	13,378	17,869	(4,491)
Sub-standard	11,277	11,277	14,264	(2,987)
Sub-Total (a)	42,467	33,343	35,855	6,612
Normal	1,228,136	1,228,136	1,138,895	89,241
Total (b)	1,270,603	1,261,479	1,174,751	95,852
Ratio of Problem Loans to Total Claims (a/b X 100) (%)	3.34	2.64	3.05	0.29
Amounts Secured (c)	29,961	20,837	21,320	8,641
Coverage Ratio (c/a X 100) (%)	70.55	62.49	59.46	11.09

【Non-consolidated】

(in millions of yen)

	As of March 31, 2008 (A)	(Reference) In case of continuing Partial write-offs	As of March 31, 2007 (B)	Increase/ (Decrease) (A)-(B)
Bankruptcy and Quasi-Bankruptcy	12,502	7,768	2,998	9,504
Doubtful	13,138	13,138	17,647	(4,509)
Sub-standard	11,277	11,277	14,264	(2,987)
Sub-Total (a)	36,918	32,184	34,910	2,008
Normal	1,224,032	1,224,032	1,135,902	88,130
Total (b)	1,260,951	1,256,217	1,170,812	90,139
Ratio of Problem Loans to Total Claims (a/b X 100) (%)	2.92	2.56	2.98	(0.06)
Amounts Secured (c)	26,425	21,691	21,886	4,539
Coverage Ratio (c/a X 100) (%)	71.57	67.39	62.69	8.88

3. Allowance for Loan Losses (Non-consolidated)

(in millions of yen)

	As of March 31, 2008 (A)	(Reference) In case of continuing Partial Write-offs	As of March 31, 2007 (B)	Increase/ (Decrease) (A)-(B)
General Allowance for Loan Losses	6,525	6,525	9,916	(3,391)
Specific Allowance for Loan Losses	10,415	5,681	6,683	3,732
Total Allowance for Loan Losses (a)	16,941	12,207	16,599	342
Total Loans and Bills Discounted (b)	1,256,373	1,251,640	1,164,946	91,427
Ratio of Total Allowance for Loan Losses to Total Loans and Bills Discounted ((a)/(b) X 100) (%)	1.34	0.97	1.42	(0.08)

4. Classifications of Loans & Bills Discounted (Non-consolidated)

1) Classification by Type of Borrower Industry

(in millions of yen)

	As of March 31, 2008 (A)	As of March 31, 2007 (B)	Increase/ (Decrease) (A)-(B)
Domestic (excluding offshore banking account)	1,256,373	1,164,946	91,427
Manufacturing	19,638	16,734	2,904
Agriculture	120	191	(71)
Forestry	45	56	(11)
Fishery	184	204	(20)
Mining	2	3	(1)
Construction	9,081	9,716	(635)
Utilities	1,577	1,648	(71)
Communications and information	3,262	7,166	(3,904)
Transportation	11,582	9,715	1,867
Wholesale and retail	28,379	28,597	(218)
Banks and other financial institutions	63,368	70,666	(7,298)
Real estate	339,730	333,467	6,263
Services	190,611	177,735	12,876
Municipal government	797	928	(131)
Other	587,988	508,113	79,875
Overseas and Offshore Banking Account	—	—	—
Governments and official institutions	—	—	—
Financial institutions	—	—	—
Other	—	—	—
Total	1,256,373	1,164,946	91,427

2) Consumer Loans

(in millions of yen)

	As of March 31, 2008 (A)	As of March 31, 2007 (B)	Increase/ (Decrease) (A)-(B)
Consumer Loans	499,829	427,404	72,425
Housing Loans	428,016	359,676	68,340
Other Consumer Loans	71,813	67,728	4,085

3) Loans to Small- and Medium-sized Enterprises and Individuals

(in millions of yen)

	As of March 31, 2008 (A)	As of March 31, 2007 (B)	Increase/ (Decrease) (A)-(B)
Loans to Small and Medium-sized Enterprises and Individuals (a)	1,130,582	1,055,662	74,920
Total Loans and Bills Discounted (b)	1,256,373	1,164,946	91,427
Ratio of Loans to Small and Medium-sized Enterprises and Individuals to Total Loans and Bills Discounted ((a)/(b) X 100) (%)	89.98	90.61	(0.63)

5. Balances of Loans and Deposits

(in millions of yen)

		As of March 31, 2008 (A)	As of March 31, 2007 (B)	Increase/ (Decrease) (A)-(B)
Deposits	Consolidated (Ending Bal.)	1,655,960	1,480,455	175,505
	Non-consolidated (Ending Bal.)	1,661,009	1,484,137	176,872
	Non-consolidated (Average Bal.)	1,512,409	1,413,538	98,871
Loans and Bills Discounted	Consolidated (Ending Bal.)	1,266,086	1,169,024	97,062
	Non-consolidated (Ending Bal.)	1,256,373	1,164,946	91,427
	Non-consolidated (Average Bal.)	1,208,544	1,088,453	120,091