

Consolidated Financial Results for the Fiscal Year ended March 31, 2009

Company Name:	The Tokyo Star Bank, Limited (URL http://www.tokyostarbank.co.jp/)
Headquarters:	Tokyo
Application of US GAAP:	Not applied

1. Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2009

(1) Operating Results

(in millions of yen except per share data and percentages)

	For the year ended March 31,	
	2009	2008
Ordinary income	74,334	77,096
Change from the previous year	(3.5)%	1.9 %
Ordinary profit	10,134	18,046
Change from the previous year	(43.8)%	(29.4)%
Net income	345	13,842
Change from the previous year	(97.5)%	(14.0)%
Net income per common share (yen)	493.60	19,775.41
Diluted net income per common share (yen)	-	-
Return on equity	0.3 %	13.0 %
Ratio of ordinary profit to total assets	0.5 %	1.0 %
Ratio of ordinary profit to ordinary income	13.6 %	23.4 %

(2) Financial Conditions

(in millions of yen except per share data and percentages)

	As of March 31,	
	2009	2008
Total assets	1,781,939	1,857,176
Net assets	102,079	110,328
Ratio of net assets to total assets	5.7 %	5.9 %
Net assets per common share (yen)	145,827.82	157,612.10
Capital adequacy ratio (based on the domestic standards)	(Preliminary) 9.02 %	9.75 %

Notes:

1. Net assets, excluding Stock acquisition rights and Minority interests, as of

March 31, 2009 : 102,079 million yen

March 31, 2008 : 110,328 million yen

2. Ratio of net assets to total assets

= (Net assets - Stock acquisition rights - Minority interests) / Total assets X 100

3. Capital adequacy ratio is based on "Financial Services Agency Ordinance Announcement No.19".

(3) Cash Flows

(in millions of yen)

	For the year ended March 31,	
	2009	2008
Net cash provided by (used in) operating activities	92,109	(64,898)
Net cash provided by (used in) investing activities	(75,234)	68,033
Net cash provided by (used in) financing activities	(13,226)	(3,479)
Cash and cash equivalents at the end of year	61,921	58,272

2. Others

(1) Significant Change in the Scope of Consolidation	:		No
(2) Change in Policies in preparation of Consolidated Financial Statements			
1.changes due to revision accounting standards etc.	:		Yes
2.changes other than 1.above	:		No
(3) Number of shares outstanding as of			
March 31, 2009 (Common stock)	:	700,000	shares
March 31, 2008 (Common stock)	:	700,000	shares

(Reference)

1. Summary of Non-Consolidated Financial Results for the Year Ended March 31, 2009

(1) Operating Results

(in millions of yen except per share data and percentages)

	For the year ended March 31,	
	2009	2008
Ordinary income	73,734	76,260
Change from the previous year	(3.3)%	3.4 %
Ordinary profit	7,834	18,027
Change from the previous year	(56.5)%	(16.9)%
Net income	(1,110)	13,528
Change from the previous year	-	(13.2)%
Net income per common share (yen)	(1,586.72)	19,326.44
Diluted net income per common share (yen)	-	-

(2) Financial Conditions

(in millions of yen except per share data and percentages)

	As of March 31,	
	2009	2008
Total assets	1,755,607	1,859,730
Net assets	98,674	108,378
Ratio of net assets to total assets	5.6 %	5.8 %
Net asset per common share (yen)	140,963.20	154,826.79
Capital adequacy ratio (based on the domestic standards)	(Preliminary) 8.91 %	9.55 %

Notes:

- Net assets, excluding Stock acquisition rights, as of
 March 31, 2009 : 98,674 million yen
 March 31, 2008 : 108,378 million yen
- Ratio of net assets to total assets
 = (Net assets - Stock acquisition rights) / Total assets X 100
- Capital adequacy ratio is based on "Financial Services Agency Ordinance Announcement No.19".

Consolidated Financial Statements

1. Significant Policies in Preparation of Consolidated Financial Statements

(1) Scope of consolidation

① Consolidated subsidiaries: 2

Principal subsidiaries

TSB Capital, Ltd.

TSB Servicer, Ltd.

② Non-consolidated subsidiaries

There are no non-consolidated subsidiaries.

(2) Application of equity method

There are no affiliates accounted for under the equity method.

(3) Fiscal year end of consolidated subsidiaries

Fiscal year ends of all consolidated subsidiaries are March 31.

(4) Amortization of goodwill

Goodwill is amortized over 5 years on a straight-line basis, except that when the excess is immaterial it is expensed or credited to income in the year of acquisition.

2. Significant Accounting Changes in Consolidated Financial Statements

(1) Change of accounting policy regarding lease transactions

Finance lease transactions that do not transfer ownership had been accounted for in a manner similar to accounting treatment for ordinary rental transactions.

From the year ended March 31, 2009, as "Accounting Standard for Lease Transactions" (ASBJ Statement No.13, March 30, 2007) and "Guidance on Accounting Standard for Lease Transactions" (ASBJ Guidance No.16, March 30, 2007) became effective from this fiscal year beginning on or after April 1, 2008, the Bank and its consolidated subsidiaries have applied this new accounting standard and guidance and finance lease transactions that do not transfer ownership have been accounted for in a similar manner with ordinary sale and purchase transactions.

The adoption of this accounting standard had no material impact on the consolidated balance sheet at March 31, 2009.

3. Additional Information

(1) Evaluation standard and method for securities

Floating-rate Japanese government bonds held as other securities had been evaluated based on market values.

From the year ended March 31, 2009, in accordance with the "Practical Solution on Measurement of Fair Value of Financial Assets" (ASBJ Practical Issues Task Force No.25), these bonds have been carried at their rationally calculated values.

This change resulted in a 461 million yen increase in "Securities", a 187 million yen decrease in "Deferred tax assets" and a 273 million yen increase in "Valuation difference on available-for-sale securities", as compared with the amounts which would have been recorded under the previous method.

Asset Backed Securities held as other securities had been evaluated based on prices quoted by brokers or information vendors as a substitute for market values.

From the year ended March 31, 2009, these securities have been carried at their rationally calculated values based on the management's rational estimation.

This change resulted in a 1,243 million yen increase in "Securities", a 132 million yen decrease in "Valuation difference on available-for-sale securities", a 1,466 million yen decrease in "Extraordinary loss" and the same amount increase in "Income before income taxes", respectively, for the year ended March 31, 2009 compared with the amounts which would have been recorded under the previous method.

4. Consolidated balance sheets

(in millions of yen)	As of March 31, 2008	As of March 31, 2009
Assets		
Cash and due from banks	74,323	69,750
Call loans	196,183	66,147
Monetary claims bought	41,573	33,044
Trading account securities	1	—
Money held in trust	3,577	1
Securities	256,552	323,879
Loans and bills discounted	1,266,086	1,244,449
Foreign exchanges	419	372
Other assets	18,331	24,865
Tangible fixed assets	5,884	5,498
Intangible fixed assets	3,955	3,650
Deferred tax assets	16,029	15,566
Customers' liabilities for acceptances and guarantees	1,687	30,195
Allowance for loan losses	(27,429)	(35,482)
Total assets	1,857,176	1,781,939
Liabilities		
Deposits	1,655,960	1,564,294
Foreign exchanges	10	1
Bonds payable	55,500	52,500
Other liabilities	31,286	30,779
Provision for bonuses	1,478	1,119
Provision for directors' bonuses	366	396
Provision for directors' retirement benefits	28	25
Provision for losses on dormant deposit repayments	512	526
Provision for possible losses on refund of interest	17	22
Acceptances and guarantees	1,687	30,195
Total liabilities	1,746,847	1,679,859
Net assets		
Capital stock	21,000	21,000
Capital surplus	19,000	19,000
Retained earnings	74,389	64,444
Total shareholders' equity	114,389	104,444
Valuation difference on available-for-sale securities	(4,759)	(3,583)
Deferred gains or losses on hedges	699	1,218
Total valuation and translation adjustments	(4,060)	(2,365)
Total net assets	110,328	102,079
Total liabilities and net assets	1,857,176	1,781,939

5. Consolidated statements of income

(in millions of yen)	For year ended March 31, 2008	For year ended March 31, 2009
Ordinary income	77,096	74,334
Interest income	52,779	51,268
Interest on loans and discounts	42,788	41,047
Interest and dividends on securities	6,769	7,686
Interest on call loans	1,143	1,051
Interest on deposits with banks	20	9
Other interest income	2,058	1,474
Fees and commissions	15,234	13,226
Other ordinary income	1,613	4,452
Other income	7,469	5,386
Ordinary expenses	59,049	64,199
Interest expenses	11,287	13,004
Interest on deposits	10,331	12,035
Interest on negotiable certificates of deposit	8	4
Interest on call money	3	0
Interest on bonds	943	963
Other interest expenses	0	0
Fees and commissions payments	5,235	5,518
Other ordinary expenses	1,411	57
General and administrative expenses	32,153	30,760
Other expenses	8,961	14,857
Provision of allowance for loan losses	5,153	10,883
Other	3,808	3,974
Ordinary profit	18,046	10,134
Extraordinary income	20,843	446
Gain on disposal of noncurrent assets	19,702	—
Recoveries of written-off claims	1,140	446
Extraordinary loss	15,244	9,839
Loss on disposal of noncurrent assets	1,127	42
Other	14,116	9,796
Income before income taxes	23,645	741
Income taxes-current	11,030	1,096
Income taxes-deferred	(1,227)	(700)
Total income taxes		396
Net income	13,842	345

6. Consolidated statements of changes in net assets

(in millions of yen)	For year ended March 31, 2008	For year ended March 31, 2009
Shareholders' equity		
Capital stock		
Balance at the end of previous period	21,000	21,000
Balance at the end of current period	21,000	21,000
Capital surplus		
Balance at the end of previous period	19,000	19,000
Balance at the end of current period	19,000	19,000
Retained earnings		
Balance at the end of previous period	64,046	74,389
Changes of items during the period		
Dividends from surplus	(3,500)	(10,290)
Net income	13,842	345
Total changes of items during the period	10,342	(9,944)
Balance at the end of current period	74,389	64,444
Total shareholders' equity		
Balance at the end of previous period	104,046	114,389
Changes of items during the period		
Dividends from surplus	(3,500)	(10,290)
Net income	13,842	345
Total changes of items during the period	10,342	(9,944)
Balance at the end of current period	114,389	104,444
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	(98)	(4,759)
Changes of items during the period		
Net changes of items other than shareholders' equity	(4,661)	1,176
Total changes of items during the period	(4,661)	1,176
Balance at the end of current period	(4,759)	(3,583)
Deferred gains or losses on hedges		
Balance at the end of previous period	(1,624)	699
Changes of items during the period		
Net changes of items other than shareholders' equity	2,323	519
Total changes of items during the period	2,323	519
Balance at the end of current period	699	1,218
Total valuation and translation adjustments		
Balance at the end of previous period	(1,723)	(4,060)
Changes of items during the period		
Net changes of items other than shareholders' equity	(2,337)	1,695
Total changes of items during the period	(2,337)	1,695
Balance at the end of current period	(4,060)	(2,365)
Total net assets		
Balance at the end of previous period	102,322	110,328
Changes of items during the period		
Dividends from surplus	(3,500)	(10,290)
Net income	13,842	345
Net changes of items other than shareholders' equity	(2,337)	1,695
Total changes of items during the period	8,005	(8,249)
Balance at the end of current period	110,328	102,079

7. Consolidated statements of cash flows

(in millions of yen)	For year ended March 31, 2008	For year ended March 31, 2009
I. Cash Flows from Operating Activities		
Income before income taxes	23,645	741
Depreciation	2,032	1,825
Amortization of negative goodwill	(20)	—
Net increase (decrease) in allowance for loan losses	(8,609)	5,787
Net increase (decrease) in provision for bonuses	(174)	(359)
Net increase (decrease) in provision for directors' bonuses	(720)	29
Net increase (decrease) in provision for directors' retirement benefits	(26)	(2)
Net increase (decrease) in provision for possible losses on refund of interest	1	4
Net increase (decrease) in provision for losses on dormant deposit repayments	512	13
Interest income	(52,779)	(51,268)
Interest expenses	11,287	13,004
Net (gain) loss on securities	13,190	9,140
Net (gain) loss on money held in trust	(149)	(614)
Net (gain) loss on disposal of noncurrent assets	(18,574)	42
Net (increase) decrease in loans and bills discounted	(80,220)	25,669
Net increase (decrease) in deposits	175,504	(91,665)
Net (increase) decrease in due from banks excluding due from the Bank of Japan	(151)	8,221
Net (increase) decrease in call loans and monetary claims bought	(150,294)	138,565
Net (increase) decrease in foreign exchange assets	841	47
Net increase (decrease) in foreign exchange liabilities	(19)	(9)
Interest received	49,805	48,979
Interest paid	(15,687)	(9,508)
Other, net	(6,179)	260
Sub-total	(56,786)	98,904
Income taxes paid (including provisional payment)	(8,112)	(6,795)
Net cash (used in) provided by operating activities	(64,898)	92,109
II. Cash flows from investing activities		
Purchases of securities	(295,432)	(565,755)
Proceeds from sales of securities	8,992	67,890
Proceeds from redemption of securities	331,141	419,661
Increase in money held in trust	(256)	(60)
Decrease in money held in trust	468	4,262
Purchases of tangible fixed assets	(619)	(356)
Proceeds from sales of tangible fixed assets	23,654	—
Purchases of intangible fixed assets	(776)	(876)
Proceeds from sales of intangible fixed assets	861	—
Net cash (used in) provided by investing activities	68,033	(75,234)
III. Cash flows from financing activities		
Redemption of subordinated bonds	—	(3,000)
Dividends paid	(3,479)	(10,226)
Net cash (used in) provided by financing activities	(3,479)	(13,226)
IV. Net (decrease) increase in cash and cash equivalents	(344)	3,648
V. Cash and cash equivalents at beginning of the year	58,617	58,272
VI. Cash and cash equivalents at end of the year	58,272	61,921

Non-Consolidated Financial Statements

1. Significant Accounting Changes in Non-Consolidated Financial Statements

(1) Change of accounting policy regarding lease transactions

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2. Additional Information

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Asset Backed Securities held as other securities had been evaluated based on prices quoted by brokers or information vendors as a substitute for market values.

From the year ended March 31, 2009, these securities have been carried at their rationally calculated values based on the management's rational estimation.

This change resulted in a 1,243 million yen increase in "Securities", a 132 million yen decrease in "Valuation difference on available-for-sale securities", a 1,466 million yen decrease in "Extraordinary loss" and the same amount increase in "Income before income taxes", respectively, for the year ended March 31, 2009 compared with the amounts which would have been recorded under the previous method.

3. Non-consolidated balance sheets

	As of March 31, 2008	As of March 31, 2009
Assets		
Cash and due from banks	74,197	69,674
Call loans	196,183	66,147
Monetary claims bought	41,573	33,044
Trading account securities	1	—
Money held in trust	3,577	1
Securities	261,486	328,529
Loans and bills discounted	1,256,373	1,232,431
Foreign exchanges	419	372
Other assets	17,695	24,563
Tangible fixed assets	5,828	5,454
Intangible fixed assets	3,738	3,546
Deferred tax assets	13,700	13,276
Customers' liabilities for acceptances and guarantees	1,895	1,713
Allowance for loan losses	(16,941)	(23,148)
Total assets	1,859,730	1,755,607
Liabilities		
Deposits	1,661,009	1,570,181
Foreign exchanges	10	1
Bonds payable	55,500	52,500
Other liabilities	30,576	30,488
Provision for bonuses	1,452	1,100
Provision for directors' bonuses	366	396
Provision for directors' retirement benefits	28	25
Provision for losses on dormant deposit repayments	512	526
Acceptances and guarantees	1,895	1,713
Total liabilities	1,751,352	1,656,933
Net assets		
Capital stock	21,000	21,000
Capital surplus	19,000	19,000
Legal capital surplus	19,000	19,000
Retained earnings	72,440	61,039
Legal retained earnings	2,000	2,000
Other retained earnings	70,440	59,039
Retained earnings brought forward	70,440	59,039
Total shareholders' equity	112,440	101,039
Valuation difference on available-for-sale securities	(4,760)	(3,583)
Deferred gains or losses on hedges	699	1,218
Total valuation and translation adjustments	(4,061)	(2,365)
Total net assets	108,378	98,674
Total liabilities and net assets	1,859,730	1,755,607

4. Non-consolidated statements of income

	For year ended March 31, 2008	For year ended March 31, 2009
Ordinary income	76,260	73,734
Interest income	52,089	50,736
Interest on loans and discounts	42,099	40,515
Interest and dividends on securities	6,769	7,686
Interest on call loans	1,143	1,051
Interest on deposits with banks	19	9
Interest on interest swaps	546	293
Other interest income	1,512	1,180
Fees and commissions	15,088	13,142
Fees and commissions on domestic and foreign exchanges	3,948	4,212
Other fees and commissions	11,140	8,930
Other ordinary income	1,610	4,450
Gains on foreign exchange transactions	—	198
Gains on sales of bonds	88	921
Income from derivatives other than for trading or hedging	1,064	789
Other	457	2,540
Other income	7,471	5,404
Ordinary expenses	58,232	65,899
Interest expenses	11,289	13,006
Interest on deposits	10,334	12,036
Interest on negotiable certificates of deposit	8	4
Interest on call money	3	0
Interest on bonds	943	963
Other interest expenses	0	0
Fees and commissions payments	11,630	12,471
Fees and commissions on domestic and foreign exchanges	210	219
Other fees and commissions	11,420	12,251
Other ordinary expenses	1,391	57
Loss on foreign exchange transactions	554	—
Loss on trading account securities transactions	0	0
Loss on sales of bonds	57	57
Other	778	—
General and administrative expenses	31,452	30,050
Other expenses	2,468	10,314
Provision of allowance for loan losses	477	8,937
Written-off of loans	1,443	336
Losses on devaluation of stocks and other securities	—	203
Loss on money held in trust	11	0
Provision for losses on dormant deposit repayments	71	13
Other	464	823
Ordinary profit	18,027	7,834
Extraordinary income	20,414	132
Gain on disposal of noncurrent assets	19,702	—
Recoveries of written-off claims	711	132
Extraordinary loss	15,182	9,838
Loss on disposal of noncurrent assets	1,125	42
Other	14,056	9,796
Income before income taxes	23,259	(1,872)
Income taxes-current	9,813	41
Refund of income taxes for prior periods	—	(62)
Income taxes-deferred	(82)	(739)
Total income taxes		(761)
Net income	13,528	(1,110)

5. Non-consolidated statements of changes in net assets

	For year ended March 31, 2008	For year ended March 31, 2009
Shareholders' equity		
Capital stock		
Balance at the end of previous period	21,000	21,000
Balance at the end of current period	21,000	21,000
Capital surplus		
Legal capital surplus		
Balance at the end of previous period	19,000	19,000
Balance at the end of current period	19,000	19,000
Total capital surplus		
Balance at the end of previous period	19,000	19,000
Balance at the end of current period	19,000	19,000
Retained earnings		
Legal retained earnings		
Balance at the end of previous period	2,000	2,000
Balance at the end of current period	2,000	2,000
Other retained earnings		
Retained earnings brought forward		
Balance at the end of previous period	60,411	70,440
Changes of items during the period		
Dividends from surplus	(3,500)	(10,290)
Net income	13,528	(1,110)
Total changes of items during the period	10,028	(11,400)
Balance at the end of current period	70,440	59,039
Total retained earnings		
Balance at the end of previous period	62,411	72,440
Changes of items during the period		
Dividends from surplus	(3,500)	(10,290)
Net income	13,528	(1,110)
Total changes of items during the period	10,028	(11,400)
Balance at the end of current period	72,440	61,039
Total shareholders' equity		
Balance at the end of previous period	102,411	112,440
Changes of items during the period		
Dividends from surplus	(3,500)	(10,290)
Net income	13,528	(1,110)
Total changes of items during the period	10,028	(11,400)
Balance at the end of current period	112,440	101,039
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	(98)	(4,760)
Changes of items during the period		
Net changes of items other than shareholders' equity	(4,661)	1,177
Total changes of items during the period	(4,661)	1,177
Balance at the end of current period	(4,760)	(3,583)
Deferred gains or losses on hedges		
Balance at the end of previous period	(1,624)	699
Changes of items during the period		
Net changes of items other than shareholders' equity	2,323	519
Total changes of items during the period	2,323	519
Balance at the end of current period	699	1,218
Total valuation and translation adjustments		
Balance at the end of previous period	(1,723)	(4,061)
Changes of items during the period		
Net changes of items other than shareholders' equity	(2,337)	1,696
Total changes of items during the period	(2,337)	1,696
Balance at the end of current period	(4,061)	(2,365)
Total net assets		
Balance at the end of previous period	100,688	108,378
Changes of items during the period		
Dividends from surplus	(3,500)	(10,290)
Net income	13,528	(1,110)
Net changes of items other than shareholders' equity	(2,337)	1,696
Total changes of items during the period	7,690	(9,704)
Balance at the end of current period	108,378	98,674