

**Consolidated Financial Results**  
*for the 1st Quarter of Fiscal 2009*



## Consolidated Financial Results for the 1st Quarter of Fiscal 2009 ended June 30, 2009

Company Name : **The Tokyo Star Bank, Limited**  
(URL <http://www.tokyostarbank.co.jp/>)

*The financial information presented here has not been audited.  
Simplified accounting methods are applied for the depreciation of fixed assets and allowance for loan losses, and special accounting method for quarterly consolidated financial statements is applied for income taxes.  
The amounts are rounded down to the nearest million of yen.*

### 1. Summary of Consolidated Financial Results for the 1st Quarter of Fiscal 2009 Ended June 30, 2009

#### (1) Operating Results (in millions of yen except per share data and percentages)

	For the three months ended June 30,	
	2009	2008
Ordinary income	14,765	18,347
Change from the previous period	(19.5)%	(6.1)%
Ordinary profit	(2,554)	2,258
Change from the previous period	-	(63.6)%
Net income	(1,548)	1,388
Change from the previous period	-	(62.9)%
Net income per common share (yen)	(2,212.79)	1,983.50

#### (2) Financial Conditions (in millions of yen except per share data and percentages)

	As of June 30, 2009	As of March 31, 2009
Total assets	1,836,499	1,781,939
Net assets	102,015	102,079
Ratio of net assets to total assets (*)	5.5 %	5.7 %
Net assets per common share (yen)	145,737.03	145,827.82

(\*) Ratio of net assets to total assets = (Net assets - Stock acquisition rights - Minority interests) / Total assets X 100

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

June 30, 2009: 102,015 million yen  
March 31, 2009: 102,079 million yen

### 2. Others

- (1) Significant Change in the Scope of Consolidation : no
- (2) Change in Accounting Policies for Quarterly Consolidated Financial Statements
- 1.changes due to revision accounting standards etc. : no
- 2.changes other than 1.above : no
- (3) Number of shares outstanding as of:
- June 30, 2009 (Common stock) : 700,000 shares
- March 31, 2009 (Common stock) : 700,000 shares
- (4) Average number of shares outstanding during the 1st quarter of fiscal year ended:
- June 30, 2009 (Common stock) : 700,000 shares
- June 30, 2008 (Common stock) : 700,000 shares

**COMPARISON OF CONSOLIDATED BALANCE SHEETS**

(in millions of yen)	As of June 30, 2009	As of March 31, 2009
<b>Assets:</b>		
Cash and due from banks	58,293	69,750
Call loans	44,502	66,147
Monetary claims bought	31,370	33,044
Money held in trust	1	1
Securities	388,259	323,879
Loans and bills discounted	1,271,361	1,244,449
Foreign exchanges	450	372
Other assets	27,453	24,865
Tangible fixed assets	6,064	5,498
Intangible fixed assets	3,534	3,650
Deferred tax assets	14,569	15,566
Customers' liabilities for acceptances and guarantees	29,257	30,195
Allowance for loan losses	(38,617)	(35,482)
<b>Total assets</b>	<b>1,836,499</b>	<b>1,781,939</b>
<b>Liabilities and net assets</b>		
<b>Liabilities:</b>		
Deposits	1,619,443	1,564,294
Foreign exchanges	3	1
Bonds payable	51,800	52,500
Other liabilities	32,561	30,779
Provision for bonuses	513	1,119
Provision for directors' bonuses	322	396
Provision for directors' retirement benefits	33	25
Provision for losses on dormant deposit repayments	526	526
Provision for possible losses on refund of interest	22	22
Acceptances and guarantees	29,257	30,195
<b>Total liabilities</b>	<b>1,734,483</b>	<b>1,679,859</b>
<b>Net assets:</b>		
Capital stock	21,000	21,000
Capital surplus	19,000	19,000
Retained earnings	62,895	64,444
Total Shareholders' equity	102,895	104,444
Valuation difference on available-for-sale securities	(2,397)	(3,583)
Deferred gains or losses on hedges	1,517	1,218
Total Valuation and translation adjustments	879	(2,365)
<b>Total net assets</b>	<b>102,015</b>	<b>102,079</b>
<b>Total liabilities and net assets</b>	<b>1,836,499</b>	<b>1,781,939</b>

COMPARISON OF CONSOLIDATED STATEMENTS OF INCOME

( in millions of yen)	For the three months ended June 30,	
	2009	2008
<b>Ordinary income:</b>	<b>14,765</b>	18,347
Interest income and dividends	<b>11,219</b>	12,765
<i>Interest on loans and discounts</i>	<i>9,448</i>	<i>10,257</i>
Fees and commissions	<b>2,586</b>	3,449
Other ordinary income	<b>423</b>	292
Other income	<b>536</b>	1,840
<b>Ordinary expenses:</b>	<b>17,320</b>	16,088
Interest expenses	<b>3,040</b>	3,543
<i>Interest on deposits</i>	<i>2,819</i>	<i>3,298</i>
Fees and commissions payments	<b>1,382</b>	1,377
Other ordinary expenses	<b>833</b>	87
General and administrative expenses	<b>7,946</b>	8,167
Other expenses	<b>4,117</b>	2,913
<b>Ordinary profit (loss)</b>	<b>(2,554)</b>	2,258
Extraordinary income	<b>38</b>	102
Extraordinary loss	<b>9</b>	5
<b>Income (Loss) before income taxes</b>	<b>(2,525)</b>	2,355
Income taxes - current and deferred	<b>(976)</b>	967
<b>Net income (loss)</b>	<b>(1,548)</b>	1,388

## Selected Financial Information of 1st Quarter Results

## 1. Operating Results

(1) **【Consolidated】***(in millions of yen)*

	For the three months ended June 30,		Increase/ (Decrease) (A)-(B)
	2009 (A)	2008 (B)	
<b>Gross Operating Profit</b>	<b>8,973</b>	<b>11,498</b>	<b>(2,525)</b>
Net Interest Income	8,179	9,221	(1,042)
Net Fees and Commissions	1,204	2,072	(868)
Net Other Ordinary Income	(410)	204	(614)
General and Administrative Expenses	7,946	8,167	(221)
Provision for General Allowance for Loan Losses	(584)	147	(731)
Other Income & Expenses	(4,166)	(925)	(3,241)
Net Gain & Loss on Stocks and Other Securities	(0)	-	(0)
Problem Claims related Costs	4,637	2,593	2,044
Written-offs of Loans	616	489	127
Provision for Specific Allowance for Loan Losses	4,020	2,104	1,916
Net Gain & Loss on Sales of Loans	-	-	-
Other	471	1,668	(1,197)
<b>Ordinary Profit (Loss)</b>	<b>(2,554)</b>	<b>2,258</b>	<b>(4,812)</b>
Extraordinary Income & Loss	29	96	(67)
Net Gain & Loss on Disposal of Noncurrent Assets	(8)	(3)	(5)
Gain on Disposal of Noncurrent Assets	-	-	-
Loss on Disposal of Noncurrent Assets	8	3	5
Recoveries of Written-off Claims	38	102	(64)
Other	(1)	(1)	0
<b>Income (Loss) before Income Taxes</b>	<b>(2,525)</b>	<b>2,355</b>	<b>(4,880)</b>
Income Taxes (Current & Deferred)	(976)	967	(1,943)
<b>Net Income (Loss)</b>	<b>(1,548)</b>	<b>1,388</b>	<b>(2,936)</b>

(2) 【Non-consolidated】

(in millions of yen)

	For the three months ended June 30,		Increase/ (Decrease) (A)-(B)
	2009 (A)	2008 (B)	
<b>Gross Operating Profit</b>	<b>7,137</b>	<b>9,577</b>	<b>(2,440)</b>
Net Interest Income	8,076	9,081	(1,005)
Net Fees and Commissions	(529)	291	(820)
Net Other Ordinary Income	(410)	204	(614)
General and Administrative Expenses	7,870	7,913	(43)
Personnel Expenses	3,069	3,222	(153)
Nonpersonnel Expenses	4,427	4,308	119
Taxes	373	382	(9)
<b>Net Operating Income (Loss) before General Allowance &amp; Goodwill</b>	<b>(732)</b>	<b>1,663</b>	<b>(2,395)</b>
Provision for General Allowance for Loan Losses	(427)	97	(524)
Amortization of Goodwill	-	-	-
<b>Net Operating Income (Loss)</b>	<b>(305)</b>	<b>1,566</b>	<b>(1,871)</b>
of which Net Gain & Loss on Bonds	(769)	9	(778)
Other Income and Expenses	(2,416)	400	(2,816)
Net Gain & Loss on Stocks and Other Securities	(0)	-	(0)
Problem Claims related Costs	2,947	1,238	1,709
Written-offs of Loans	-	-	-
Provision for Specific Allowance for Loan Losses	2,947	1,238	1,709
Net Gain & Loss on Sales of Loans	-	-	-
Other	530	1,638	(1,108)
<b>Ordinary Profit (Loss)</b>	<b>(2,721)</b>	<b>1,967</b>	<b>(4,688)</b>
Extraordinary Income & Loss	(9)	(5)	(4)
Net Gain and Loss on Disposal of Noncurrent Assets	(8)	(3)	(5)
Gain on Disposal of Noncurrent Assets	-	-	-
Loss on Disposal of Noncurrent Assets	8	3	5
Recoveries of Written-off Claims	0	-	0
Other	(1)	(1)	0
<b>Income (Loss) before Income Taxes</b>	<b>(2,731)</b>	<b>1,961</b>	<b>(4,692)</b>
Income Taxes (Current & Deferred)	(1,142)	807	(1,949)
<b>Net Income (Loss)</b>	<b>(1,588)</b>	<b>1,154</b>	<b>(2,742)</b>

## Composition of Revenue (Consolidated)

Our ordinary income includes revenue that is derived from 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.**"

### (1) Loan Purchase Revenue

(in millions of yen)

	For the three months ended June 30, 2009	For the three months ended June 30, 2008	Increase/ (Decrease)
<b>Loan Purchase Revenue</b>	<b>901</b>	<b>1,001</b>	<b>(100)</b>
Amortization included in Interest Income (A)	323	490	(167)
Amortization of Unearned Loan Purchase Revenue	462	513	(51)
Offset of Provision for General Allowance for Loan Losses	(139)	(23)	(116)
Amortization included in Fees and Commissions (B)	17	19	(2)
Revenue included in Other Ordinary Income	420	469	(49)
Add-back of Offset of Provision for General Allowance for Loan Losses	139	23	116

### (2) Gross Operating Profit

(in millions of yen)

	For the three months ended June 30, 2009	For the three months ended June 30, 2008	Increase/ (Decrease)
<b>Gross Operating Profit</b> (including Loan Purchase Revenue)	<b>8,973</b>	<b>11,498</b>	<b>(2,525)</b>
Net Interest Income	8,179	9,221	(1,042)
Organic Revenue (C)	7,855	8,731	(876)
Loan Purchase Revenue (=A)	323	490	(167)
Net Fees and Commissions	1,204	2,072	(868)
Organic Revenue (D)	1,186	2,053	(867)
Loan Purchase Revenue (=B)	17	19	(2)
Net Other Ordinary Income (E)	(410)	204	(614)
<b>Gross Operating Profit related to Organic Revenue</b> <b>(C+D+E)</b>	<b>8,632</b>	<b>10,989</b>	<b>(2,357)</b>

## Credit Costs (Consolidated)

(in millions of yen)

	For the three months ended June 30, 2009	For the three months ended June 30, 2008	Increase/ (Decrease)
Provision for General Allowance for Loan Losses	(584)	147	(731)
Provision for Specific Allowance for Loan Losses	4,020	2,104	1,916
Written-offs of Loans	616	489	127
Net Gain & Loss on Sales of Loans	-	-	-
Credit Costs excluding Offset of Provision for General Allowance for Loan Losses with respect to Purchased Loans against Loan Purchase Revenue	4,052	2,741	1,311
Offset of Provision for General Allowance for Loan Losses with respect to Purchased Loans against Loan Purchase Revenue	139	23	116
Credit Costs before offsetting Recoveries of Written-off Claims	4,192	2,764	1,428
Offset of Recoveries of Written-off Claims	(38)	(102)	64
<b>Credit Costs (Adjusted)</b>	<b>4,153</b>	<b>2,661</b>	<b>1,492</b>

## 2. Disclosed Claims under Financial Revitalization Law (Consolidated)

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

(in millions of yen except percentages)

		As of June 30, 2009	As of June 30, 2008	As of March 31, 2009
	Bankruptcy and Quasi-Bankruptcy	26,743	9,530	23,898
	Doubtful	22,863	12,744	21,055
	Sub-standard	7,470	10,859	8,780
	<b>Sub-Total (A)</b>	<b>57,076</b>	<b>33,133</b>	<b>53,734</b>
	Normal	1,226,084	1,239,511	1,178,308
Total (B)		1,283,161	1,272,645	1,232,042
<b>Ratio of Problem Loans to Total Claims (A / B × 100)</b>		<b>4.44%</b>	<b>2.60%</b>	<b>4.36%</b>

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

(in millions of yen except percentages)

		As of June 30, 2009	As of June 30, 2008	As of March 31, 2009
	Bankruptcy and Quasi-Bankruptcy	47,376	20,690	40,877
	Doubtful	22,863	12,744	21,055
	Sub-standard	7,470	10,859	8,780
	<b>Sub-Total (A)</b>	<b>77,710</b>	<b>44,294</b>	<b>70,713</b>
	Normal	1,226,084	1,239,511	1,178,308
Total (B)		1,303,795	1,283,805	1,249,021
<b>Ratio of Problem Loans to Total Claims (A / B × 100)</b>		<b>5.96%</b>	<b>3.45%</b>	<b>5.66%</b>

Note:

Disclosed Claims under Financial Revitalization Law ("Disclosed Claims") is shown under two calculation methods.

Category IV claims are defined as those claims against legally or virtually bankrupt borrowers that have been judged as uncollectible. In such claims, any amount in excess of the value of the collateral or guarantees are either fully written-off (top chart) or fully reserved against (bottom chart).

The top chart has excluded all Category IV claims from Disclosed Claims since these claims have been deemed as uncollectible and the remaining balance is fully covered with collateral and guarantees after writing off the excess. Most Japanese banks have adopted this method for reporting Disclosed Claims.

The bottom chart has included all Category IV claims in Disclosed Claims even though any amount in excess of collateral and guarantees has been fully reserved against. The Bank has adopted this method and thus, Category IV claims are not deducted from Disclosed Claims until such claims are collected, legally settled, or sold. This results in a higher Disclosed amount and ratio than the calculation method used in the top chart.

## 3. Unrealized Gain/Loss on Available-for-sale Securities (Consolidated)

(in millions of yen)

	As of June 30,						As of March 31, 2009		
	2009			2008			Cost	Carrying value	Net unrealized gain (loss)
	Cost	Carrying value	Net unrealized gain (loss)	Cost	Carrying value	Net unrealized gain (loss)			
Domestic equities	23	36	12	226	175	(51)	23	23	-
Domestic bonds	245,649	244,960	(688)	130,855	129,813	(1,041)	175,485	174,333	(1,151)
Others	63,403	60,037	(3,366)	71,391	63,557	(7,833)	69,687	64,796	(4,890)
<b>Total</b>	<b>309,075</b>	<b>305,034</b>	<b>(4,041)</b>	<b>202,473</b>	<b>193,546</b>	<b>(8,926)</b>	<b>245,195</b>	<b>239,153</b>	<b>(6,041)</b>



4. Derivatives (Consolidated)

(1) Interest Rate Derivatives

(in millions of yen)

	As of June 30,						As of		
	2009			2008			March 31, 2009		
	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 Forward Contracts	-	-	-	-	-	-	-	-	-
Interest Rate Swaps	587,554	(1,103)	(1,103)	771,377	(1,100)	(1,100)	699,532	(1,099)	(1,099)
Interest Rate Options	45,598	-	37	45,374	-	39	62,742	-	50
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>			(1,066)			(1,061)			(1,048)

(2) Currency Derivatives

(in millions of yen)

	As of June 30,						As of		
	2009			2008			March 31, 2009		
	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	23,745	666	666	3,361	32	32	19,984	314	314
Currency Options	34,566	-	192	-	-	-	32,522	-	165
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>			858			32			480

(3) Commodity Derivatives

(in millions of yen)

	As of June 30,						As of		
	2009			2008			March 31, 2009		
	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 Forward Contracts	-	-	-	-	-	-	-	-	-
Commodity Options	7,222	-	-	-	-	-	5,611	-	-
<b>Total</b>			-			-			-

(4) Credit Derivatives

(in millions of yen)

	As of June 30,						As of		
	2009			2008			March 31, 2009		
	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:									
Total Return Swaps	20,544	16	-	-	-	-	20,771	17	-
<b>Total</b>			-			-			-

(5) Other

(in millions of yen)

	As of June 30,						As of		
	2009			2008			March 31, 2009		
	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:									
Basket Options	721	-	-	15,424	-	-	737	-	-
<b>Total</b>			-			-			-

\*Equity Derivatives and Bond Derivatives : Not applicable.

5. Balances of Loans and Deposits (Consolidated)

(in millions of yen)

	As of June 30,		As of March 31, 2009
	2009	2008	
	<b>Total deposits</b>	<b>1,619,443</b>	
Individuals	1,443,435	1,433,646	1,380,440
Corporations	160,556	174,895	162,309
Public entities	10,664	32,416	10,606
Financial institutions	4,787	5,738	10,937
<b>Loans and Bills Discounted</b>	<b>1,271,361</b>	<b>1,278,922</b>	<b>1,244,449</b>