

Consolidated Financial Results for the First Half of Fiscal 2009 ended September 30, 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 First Half of Fiscal 2009 Ended September 30, 2009

(1) Operating Results

(millions of yen except per share data and percentages)

	For the six months ended September 30,		For the year ended March 31, 2009
	2009	2008	
Ordinary income	32,439	37,337	74,334
Change from the previous period	(13.1)%	(11.9)%	-
Ordinary profit	(44)	5,214	10,134
Change from the previous period	-	(62.1)%	-
Net income	96	(770)	345
Change from the previous period	-	-	-
Net income per common share (yen)	138.20	(1,101.37)	493.60
Diluted net income per common share (yen)	-	-	-

(2) Financial Conditions

(millions of yen except per share data and percentages)

	As of September 30,		As of March 31, 2009
	2009	2008	
Total assets	2,024,923	1,845,420	1,781,939
Net assets	100,865	103,452	102,079
Ratio of net assets to total assets	4.9 %	5.6 %	5.7 %
Net assets per common share (yen)	144,093.72	147,788.68	145,827.82
Capital adequacy ratio (based on the domestic standards)	(Preliminary) 8.91 %	9.29 %	9.02 %

Notes:

1. Net assets, excluding Stock acquisition rights and Minority interests, as of
 - September 30, 2009 : 100,865 million yen
 - September 30, 2008 : 103,452 million yen
 - March 31, 2009 : 102,079 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".

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.: No
 2. changes other than 1. above: No
- (3) Number of shares outstanding as of:

September 30, 2009 (Common stock) :	700,000	shares
September 30, 2008 (Common stock) :	700,000	shares
March 31, 2009 (Common stock) :	700,000	shares

(Reference)

**1. Summary of Non-Consolidated Financial Results
for the First Half of Fiscal 2009 Ended September 30, 2009**

(1) Operating Results

(millions of yen except per share data and percentages)

	For the six months ended September 30,		For the year ended March 31, 2009
	2009	2008	
Ordinary income	32,175	37,012	73,734
Change from the previous period	(13.0)%	(11.8)%	-
Ordinary profit	(2,473)	3,283	7,834
Change from the previous period	-	(75.9)%	-
Net income	(2,054)	(2,009)	(1,110)
Change from the previous period	-	-	-
Net income per common share (yen)	(2,935.22)	(2,871.25)	(1,586.72)

(2) Financial Conditions

(millions of yen except per share data and percentages)

	As of September 30,		As of March 31, March 31, 2009
	2009	2008	
Total assets	1,998,411	1,847,610	1,755,607
Net assets	95,309	100,263	98,674
Ratio of net assets to total assets	4.7 %	5.4 %	5.6 %
Net assets per common share (yen)	136,155.91	143,233.90	140,963.20
Capital adequacy ratio (based on the domestic standards)	(Preliminary) 8.59 %	9.00 %	8.91 %

Notes:

1. Net assets, excluding Stock acquisition rights and Minority interests, as of
September 30, 2009 : 95,309 million yen
September 30, 2008 : 100,263 million yen
March 31, 2009 : 98,674 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".

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) First half year end of consolidated subsidiaries

First half year ends of all consolidated subsidiaries are September 30.

(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

There are no accounting changes in consolidated financial statements.

3. Additional Information

(1) Evaluation standard and method for securities

From the first half year ended September 30, 2008, Floating-rate Japanese government bonds held as other securities had been carried at their rationally calculated values.

However, as the result of our consideration of the current market environment, since the market value can be regarded as fair value, these bonds have been evaluated based on market values from the first half year ended September 30, 2009.

4. Going Concern Assumption

There is no applicable information.

4. Consolidated balance sheets

(in millions of yen)	As of September 30, 2008	As of September 30, 2009	As of March 31, 2009
Assets			
Cash and due from banks	65,769	59,509	69,750
Call loans	124,244	77,324	66,147
Monetary claims bought	37,377	29,766	33,044
Money held in trust	3,549	3,246	1
Securities	315,085	505,853	323,879
Loans and bills discounted	1,285,895	1,312,250	1,244,449
Foreign exchanges	599	571	372
Other assets	16,399	21,370	24,865
Tangible fixed assets	5,642	8,074	5,498
Intangible fixed assets	3,700	3,497	3,650
Deferred tax assets	17,228	13,942	15,566
Customers' liabilities for acceptances and guarantees	1,584	28,305	30,195
Allowance for loan losses	(31,658)	(38,788)	(35,482)
Total assets	1,845,420	2,024,923	1,781,939
Liabilities			
Deposits	1,638,348	1,805,162	1,564,294
Negotiable certificates of deposit	2,200	—	—
Foreign exchanges	1	9	1
Bonds payable	55,500	55,200	52,500
Other liabilities	43,090	34,621	30,779
Provision for bonuses	563	209	1,119
Provision for directors' bonuses	198	—	396
Provision for directors' retirement benefits	8	41	25
Provision for losses on dormant deposit repayments	454	485	526
Provision for possible losses on refund of interest	17	22	22
Acceptances and guarantees	1,584	28,305	30,195
Total liabilities	1,741,968	1,924,058	1,679,859
Net assets			
Capital stock	21,000	21,000	21,000
Capital surplus	19,000	19,000	19,000
Retained earnings	67,878	60,257	64,444
Total shareholders' equity	107,878	100,257	104,444
Valuation difference on available-for-sale securities	(3,866)	(1,015)	(3,583)
Deferred gains or losses on hedges	(559)	1,623	1,218
Total valuation and translation adjustments	(4,426)	608	(2,365)
Total net assets	103,452	100,865	102,079
Total liabilities and net assets	1,845,420	2,024,923	1,781,939

5. Consolidated statements of income

(in millions of yen)	For six months ended September 30, 2008	For six months ended September 30, 2009	For year ended March 31, 2009
Ordinary income	37,337	32,439	74,334
Interest income	26,600	24,231	51,268
Interest on loans and discounts	20,564	20,262	41,047
Interest and dividends on securities	4,311	3,044	7,686
Fees and commissions	7,069	5,752	13,226
Other ordinary income	628	914	4,452
Other income	3,038	1,540	5,386
Ordinary expenses	32,122	32,483	64,199
Interest expenses	6,802	6,312	13,004
Interest on deposits	6,309	5,871	12,035
Fees and commissions payments	2,821	2,716	5,518
Other ordinary expenses	123	3,175	57
General and administrative expenses	15,568	14,921	30,760
Other expenses	6,806	5,356	14,857
Ordinary profit	5,214	(44)	10,134
Extraordinary income	296	199	446
Extraordinary loss	6,725	54	9,839
Income before income taxes	(1,214)	101	741
Income taxes-current	504	420	1,096
Income taxes-deferred	(948)	(415)	(700)
Total income taxes	(443)	4	396
Net income	(770)	96	345

6. Consolidated statements of changes in net assets

(in millions of yen)	For six months ended September 30, 2008	For six months ended September 30, 2009	For year ended March 31, 2009
Shareholders' equity			
Capital stock			
Balance at the end of previous period	21,000	21,000	21,000
Balance at the end of current period	21,000	21,000	21,000
Capital surplus			
Balance at the end of previous period	19,000	19,000	19,000
Balance at the end of current period	19,000	19,000	19,000
Retained earnings			
Balance at the end of previous period	74,389	64,444	74,389
Changes of items during the period			
Dividends from surplus	(5,740)	(4,284)	(10,290)
Net income	(770)	96	345
Total changes of items during the period	(6,510)	(4,187)	(9,944)
Balance at the end of current period	67,878	60,257	64,444
Total shareholders' equity			
Balance at the end of previous period	114,389	104,444	114,389
Changes of items during the period			
Dividends from surplus	(5,740)	(4,284)	(10,290)
Net income	(770)	96	345
Total changes of items during the period	(6,510)	(4,187)	(9,944)
Balance at the end of current period	107,878	100,257	104,444
Valuation and translation adjustments			
Valuation difference on available-for-sale securities			
Balance at the end of previous period	(4,759)	(3,583)	(4,759)
Changes of items during the period			
Net changes of items other than shareholders' equity	892	2,567	1,176
Total changes of items during the period	892	2,567	1,176
Balance at the end of current period	(3,866)	(1,015)	(3,583)
Deferred gains or losses on hedges			
Balance at the end of previous period	699	1,218	699
Changes of items during the period			
Net changes of items other than shareholders' equity	(1,258)	405	519
Total changes of items during the period	(1,258)	405	519
Balance at the end of current period	(559)	1,623	1,218
Total valuation and translation adjustments			
Balance at the end of previous period	(4,060)	(2,365)	(4,060)
Changes of items during the period			
Net changes of items other than shareholders' equity	(365)	2,973	1,695
Total changes of items during the period	(365)	2,973	1,695
Balance at the end of current period	(4,426)	608	(2,365)
Total net assets			
Balance at the end of previous period	110,328	102,079	110,328
Changes of items during the period			
Dividends from surplus	(5,740)	(4,284)	(10,290)
Net income	(770)	96	345
Net changes of items other than shareholders' equity	(365)	2,973	1,695
Total changes of items during the period	(6,876)	(1,213)	(8,249)
Balance at the end of current period	103,452	100,865	102,079

Non-Consolidated Financial Statements

1. Significant Accounting Changes in Non-Consolidated Financial Statements

There are no accounting changes in non-consolidated financial statements.

2. Additional Information

(1) Evaluation standard and method for securities

From the first half year ended September 30, 2008, Floating-rate Japanese government bonds held as other securities had been carried at their rationally calculated values.

However, as the result of our consideration of the current market environment, since the market value can be regarded as fair value, these bonds have been evaluated based on market values from the first half year ended September 30, 2009.

3. Going Concern Assumption

There is no applicable information.

3. Non-consolidated balance sheets

(in millions of yen)	As of September 30, 2008	As of September 30, 2009	As of March 31, 2009
Assets			
Cash and due from banks	65,684	59,393	69,674
Call loans	124,244	77,324	66,147
Monetary claims bought	37,377	29,766	33,044
Money held in trust	3,549	3,246	1
Securities	320,027	510,511	328,529
Loans and bills discounted	1,274,970	1,300,691	1,232,431
Foreign exchanges	599	571	372
Other assets	15,865	21,149	24,563
Tangible fixed assets	5,593	6,048	5,454
Intangible fixed assets	3,572	3,374	3,546
Deferred tax assets	15,194	11,776	13,276
Customers' liabilities for acceptances and guarantees	1,786	1,569	1,713
Allowance for loan losses	(20,856)	(27,012)	(23,148)
Total assets	1,847,610	1,998,411	1,755,607
Liabilities			
Deposits	1,643,871	1,811,173	1,570,181
Negotiable certificates of deposit	2,200	—	—
Foreign exchanges	1	9	1
Bonds payable	55,500	55,200	52,500
Other liabilities	42,775	34,422	30,488
Provision for bonuses	551	200	1,100
Provision for directors' bonuses	198	—	396
Provision for directors' retirement benefits	8	41	25
Provision for losses on dormant deposit repayments	454	485	526
Acceptances and guarantees	1,786	1,569	1,713
Total liabilities	1,747,347	1,903,102	1,656,933
Net assets			
Capital stock	21,000	21,000	21,000
Capital surplus	19,000	19,000	19,000
Legal capital surplus	19,000	19,000	19,000
Retained earnings	64,690	54,700	61,039
Legal retained earnings	2,000	2,000	2,000
Other retained earnings	62,690	52,700	59,039
Retained earnings brought forward	62,690	52,700	59,039
Total shareholders' equity	104,690	94,700	101,039
Valuation difference on available-for-sale securities	(3,867)	(1,015)	(3,583)
Deferred gains or losses on hedges	(559)	1,623	1,218
Total valuation and translation adjustments	(4,426)	608	(2,365)
Total net assets	100,263	95,309	98,674
Total liabilities and net assets	1,847,610	1,998,411	1,755,607

4. Non-consolidated statements of income

(in millions of yen)	For six months ended September 30, 2008	For six months ended September 30, 2009	For year ended March 31, 2009
Ordinary income	37,012	32,175	73,734
Interest income	26,315	24,037	50,736
Interest on loans and discounts	20,279	20,073	40,515
Interest and dividends on securities	4,311	3,039	7,686
Fees and commissions	7,020	5,741	13,142
Other ordinary income	627	908	4,450
Other income	3,048	1,488	5,404
Ordinary expenses	33,728	34,649	65,899
Interest expenses	6,803	6,313	13,006
Interest on deposits	6,310	5,871	12,036
Fees and commissions payments	6,311	6,106	12,471
Other ordinary expenses	123	3,175	57
General and administrative expenses	15,244	14,623	30,050
Other expenses	5,246	4,430	10,314
Ordinary profit	3,283	(2,473)	7,834
Extraordinary income	117	0	132
Extraordinary loss	6,725	53	9,838
Income before income taxes	(3,324)	(2,527)	(1,872)
Income taxes-current	16	17	41
Income taxes for prior periods	(87)	49	(62)
Income taxes-deferred	(1,243)	(539)	(739)
Total income taxes	(1,314)	(472)	(761)
Net income	(2,009)	(2,054)	(1,110)

5. Non-consolidated statements of changes in net assets

(in millions of yen)	For six months ended September 30, 2008	For six months ended September 30, 2009	For year ended March 31, 2009
Shareholders' equity			
Capital stock			
Balance at the end of previous period	21,000	21,000	21,000
Balance at the end of current period	21,000	21,000	21,000
Capital surplus			
Legal capital surplus			
Balance at the end of previous period	19,000	19,000	19,000
Balance at the end of current period	19,000	19,000	19,000
Total capital surplus			
Balance at the end of previous period	19,000	19,000	19,000
Balance at the end of current period	19,000	19,000	19,000
Retained earnings			
Legal retained earnings			
Balance at the end of previous period	2,000	2,000	2,000
Balance at the end of current period	2,000	2,000	2,000
Other retained earnings			
Retained earnings brought forward			
Balance at the end of previous period	70,440	59,039	70,440
Changes of items during the period			
Dividends from surplus	(5,740)	(4,284)	(10,290)
Net income	(2,009)	(2,054)	(1,110)
Total changes of items during the period	(7,749)	(6,338)	(11,400)
Balance at the end of current period	62,690	52,700	59,039
Total retained earnings			
Balance at the end of previous period	72,440	61,039	72,440
Changes of items during the period			
Dividends from surplus	(5,740)	(4,284)	(10,290)
Net income	(2,009)	(2,054)	(1,110)
Total changes of items during the period	(7,749)	(6,338)	(11,400)
Balance at the end of current period	64,690	54,700	61,039
Total shareholders' equity			
Balance at the end of previous period	112,440	101,039	112,440
Changes of items during the period			
Dividends from surplus	(5,740)	(4,284)	(10,290)
Net income	(2,009)	(2,054)	(1,110)
Total changes of items during the period	(7,749)	(6,338)	(11,400)
Balance at the end of current period	104,690	94,700	101,039
Valuation and translation adjustments			
Valuation difference on available-for-sale securities			
Balance at the end of previous period	(4,760)	(3,583)	(4,760)
Changes of items during the period			
Net changes of items other than shareholders' equity	893	2,567	1,177
Total changes of items during the period	893	2,567	1,177
Balance at the end of current period	(3,867)	(1,015)	(3,583)
Deferred gains or losses on hedges			
Balance at the end of previous period	699	1,218	699
Changes of items during the period			
Net changes of items other than shareholders' equity	(1,258)	405	519
Total changes of items during the period	(1,258)	405	519
Balance at the end of current period	(559)	1,623	1,218
Total valuation and translation adjustments			
Balance at the end of previous period	(4,061)	(2,365)	(4,061)
Changes of items during the period			
Net changes of items other than shareholders' equity	(365)	2,973	1,696
Total changes of items during the period	(365)	2,973	1,696
Balance at the end of current period	(4,426)	608	(2,365)
Total net assets			
Balance at the end of previous period	108,378	98,674	108,378
Changes of items during the period			
Dividends from surplus	(5,740)	(4,284)	(10,290)
Net income	(2,009)	(2,054)	(1,110)
Net changes of items other than shareholders' equity	(365)	2,973	1,696
Total changes of items during the period	(8,115)	(3,365)	(9,704)
Balance at the end of current period	100,263	95,309	98,674