

**Consolidated Financial Results**  
*for the 3rd Quarter of Fiscal 2009*

TOKYO  
S T A R  
B A N K 

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東京スター銀行

## Consolidated Financial Results for the 3rd Quarter of Fiscal 2009 ended December 31, 2009

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

*The financial information presented here has not been audited.  
The amounts are rounded down to the nearest million of yen.*

### 1. Summary of Consolidated Financial Results for the 3rd Quarter of Fiscal 2009 Ended December 31, 2009

	(in millions of yen except per share data and percentages)	
	For the nine months ended December 31,	
	2009	2008
Ordinary income	49,456	53,704
Change from the previous period	(7.9)%	-
Ordinary profit	(2,854)	3,440
Change from the previous period	-	-
Net income	(1,885)	(3,479)
Change from the previous period	-	-
Net income per common share (yen)	(2,693.63)	(4,970.46)

	(in millions of yen except per share data and percentages)	
	As of December 31, 2009	As of March 31, 2009
Total assets	2,083,617	1,781,939
Net assets	100,105	102,079
Ratio of net assets to total assets (*)	4.8 %	5.7 %
Net assets per common share (yen)	143,007.60	145,827.82

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

December 31, 2009: 100,105 million yen

March 31, 2009: 102,079 million yen

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

### 2. Others

- (1) Significant Change in the Scope of Consolidation : No
- (2) Application of Simplified Accounting Methods  
or Special Accounting Methods for Quarterly Consolidated Financial Statements : Yes
- 1.application of simplified accounting methods to:
- a.Depreciation of fixed assets
- b.Allowance for loan losses
- c.Deferred tax assets or liabilities
- 2.application of special accounting methods for quarterly consolidated financial statements to:
- a.Income taxes
- (3) 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
- (4) Number of Shares Outstanding as of:
- December 31, 2009 (Common stock) : 700,000 shares
- March 31, 2009 (Common stock) : 700,000 shares
- (5) Average Number of Shares Outstanding for the Nine Months Ended:
- December 31, 2009 (Common stock) : 700,000 shares
- December 31, 2008 (Common stock) : 700,000 shares

## FINANCIAL STATEMENTS

### 1. COMPARISON OF CONSOLIDATED BALANCE SHEETS

(in millions of yen)	As of December 31, 2009	As of March 31, 2009
<b>Assets:</b>		
Cash and due from banks	55,814	69,750
Call loans	133,987	66,147
Monetary claims bought	33,009	33,044
Money held in trust	3,137	1
Securities	503,038	323,879
Loans and bills discounted	1,318,894	1,244,449
Foreign exchanges	520	372
Other assets	27,002	24,865
Tangible fixed assets	7,911	5,498
Intangible fixed assets	3,437	3,650
Deferred tax assets	12,872	15,566
Customers' liabilities for acceptances and guarantees	27,426	30,195
Allowance for loan losses	(43,433)	(35,482)
<b>Total assets</b>	<b>2,083,617</b>	<b>1,781,939</b>
<b>Liabilities and net assets</b>		
<b>Liabilities:</b>		
Deposits	1,862,176	1,564,294
Foreign exchanges	3	1
Bonds payable	55,200	52,500
Other liabilities	37,943	30,779
Provision for bonuses	214	1,119
Provision for directors' bonuses	-	396
Provision for directors' retirement benefits	41	25
Provision for losses on dormant deposit repayments	485	526
Provision for possible losses on refund of interest	22	22
Acceptances and guarantees	27,426	30,195
<b>Total liabilities</b>	<b>1,983,512</b>	<b>1,679,859</b>
<b>Net assets:</b>		
Capital stock	21,000	21,000
Capital surplus	19,000	19,000
Retained earnings	58,275	64,444
Total shareholders' equity	98,275	104,444
Valuation difference on available-for-sale securities	(327)	(3,583)
Deferred gains or losses on hedges	2,157	1,218
Total valuation and translation adjustments	1,830	(2,365)
<b>Total net assets</b>	<b>100,105</b>	<b>102,079</b>
<b>Total liabilities and net assets</b>	<b>2,083,617</b>	<b>1,781,939</b>

## 2. COMPARISON OF CONSOLIDATED STATEMENTS OF INCOME

( in millions of yen)	For the nine months ended December 31,	
	2009	2008
<b>Ordinary income:</b>	<b>49,456</b>	53,704
Interest income and dividends	<b>36,105</b>	38,900
<i>Interest on loans and discounts</i>	30,335	30,685
<i>Interest and dividends on securities</i>	4,312	6,035
Fees and commissions	<b>8,791</b>	9,932
Other ordinary income	<b>2,523</b>	852
Other income	<b>2,035</b>	4,019
<b>Ordinary expenses:</b>	<b>52,310</b>	50,264
Interest expenses	<b>10,038</b>	9,743
<i>Interest on deposits</i>	9,358	9,006
Fees and commissions payments	<b>4,092</b>	4,233
Other ordinary expenses	<b>5,284</b>	183
General and administrative expenses	<b>22,130</b>	22,485
Other expenses	<b>10,764</b>	13,258
<b>Ordinary profit (loss)</b>	<b>(2,854)</b>	3,440
Extraordinary income	<b>356</b>	368
Extraordinary loss	<b>73</b>	9,547
<b>Income (Loss) before income taxes</b>	<b>(2,571)</b>	(5,738)
Income taxes - current and deferred	<b>(685)</b>	(2,259)
<b>Net income (loss)</b>	<b>(1,885)</b>	(3,479)

## 3. Going Concern Assumption

There is no applicable information.

## Selected Financial Information of 3rd Quarter Results

### 1. Operating Results

(1) **【Consolidated】**

(in millions of yen)

	For the nine months ended December 31,		Increase/ (Decrease) (A)-(B)
	2009 (A)	2008 (B)	
<b>Gross Operating Profit</b>	<b>28,004</b>	<b>35,524</b>	<b>(7,520)</b>
Net Interest Income	26,066	29,156	(3,090)
Net Fees and Commissions	4,699	5,698	(999)
Net Other Ordinary Income	(2,761)	668	(3,429)
General and Administrative Expenses	22,130	22,845	(715)
Provision for General Allowance for Loan Losses	(1,384)	(690)	(694)
Other Income & Expenses	(10,113)	(9,929)	(184)
Net Gain & Loss on Stocks and Other Securities	(0)	(165)	165
Problem Claims related Costs	11,905	13,506	(1,601)
Written-offs of Loans	2,323	1,663	660
Provision for Specific Allowance for Loan Losses	9,581	11,827	(2,246)
Net Gain & Loss on Sales of Loans	-	16	(16)
Other	1,792	3,743	(1,951)
<b>Ordinary Profit (Loss)</b>	<b>(2,854)</b>	<b>3,440</b>	<b>(6,294)</b>
Extraordinary Income & Loss	283	(9,178)	9,461
Net Gain & Loss on Disposal of Noncurrent Assets	(34)	(17)	(17)
Gain on Disposal of Noncurrent Assets	-	-	-
Loss on Disposal of Noncurrent Assets	34	17	17
Recoveries of Written-off Claims	356	368	(12)
Other	(38)	(9,530)	9,492
<b>Income (Loss) before Income Taxes</b>	<b>(2,571)</b>	<b>(5,738)</b>	<b>3,167</b>
Income Taxes (Current & Deferred)	(685)	(2,259)	1,574
<b>Net Income (Loss)</b>	<b>(1,885)</b>	<b>(3,479)</b>	<b>1,594</b>

(2) 【Non-consolidated】

(in millions of yen)

	For the nine months ended December 31,		Increase/ (Decrease) (A)-(B)
	2009 (A)	2008 (B)	
<b>Gross Operating Profit</b>	<b>22,728</b>	<b>29,827</b>	<b>(7,099)</b>
Net Interest Income	25,794	28,761	(2,967)
Net Fees and Commissions	(304)	399	(703)
Net Other Ordinary Income	(2,761)	666	(3,427)
General and Administrative Expenses	21,725	22,035	(310)
Personnel Expenses	8,189	8,714	(525)
Nonpersonnel Expenses	12,767	12,566	201
Taxes	767	753	14
<b>Net Operating Income before General Allowance &amp; Goodwill</b>	<b>1,002</b>	<b>7,791</b>	<b>(6,789)</b>
Provision for General Allowance for Loan Losses	(1,136)	97	(1,233)
Amortization of Goodwill	-	-	-
<b>Net Operating Income</b>	<b>2,139</b>	<b>7,694</b>	<b>(5,555)</b>
of which Net Gain & Loss on Bonds	(5,182)	23	(5,205)
Other Income and Expenses	(7,725)	(6,423)	(1,302)
Net Gain & Loss on Stocks and Other Securities	(0)	(162)	162
Problem Claims related Costs	9,458	9,786	(328)
Written-offs of Loans	136	0	136
Provision for Specific Allowance for Loan Losses	9,322	9,777	(455)
Net Gain & Loss on Sales of Loans	-	8	(8)
Other	1,733	3,525	(1,792)
<b>Ordinary Profit (Loss)</b>	<b>(5,586)</b>	<b>1,270</b>	<b>(6,856)</b>
Extraordinary Income & Loss	(45)	(9,429)	9,384
Net Gain and Loss on Disposal of Noncurrent Assets	(34)	(16)	(18)
Gain on Disposal of Noncurrent Assets	-	-	-
Loss on Disposal of Noncurrent Assets	34	16	18
Recoveries of Written-off Claims	27	117	(90)
Other	(38)	(9,530)	9,492
<b>Income (Loss) before Income Taxes</b>	<b>(5,631)</b>	<b>(8,159)</b>	<b>2,528</b>
Income Taxes (Current & Deferred)	(1,424)	(3,407)	1,983
<b>Net Income (Loss)</b>	<b>(4,206)</b>	<b>(4,751)</b>	<b>545</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 nine months ended December 31, 2009	For the nine months ended December 31, 2008	Increase/ (Decrease)
<b>Loan Purchase Revenue</b>	<b>3,216</b>	<b>2,960</b>	<b>256</b>
Amortization included in Interest Income (A)	1,562	1,473	89
Amortization of Unearned Loan Purchase Revenue	2,030	1,473	557
Offset of Provision for General Allowance for Loan Losses	(467)	-	(467)
Amortization included in Fees and Commissions (B)	52	56	(4)
Revenue included in Other Ordinary Income	1,134	1,430	(296)
Add-back of Offset of Provision for General Allowance for Loan Losses	467	-	467

### (2) Gross Operating Profit

(in millions of yen)

	For the nine months ended December 31, 2009	For the nine months ended December 31, 2008	Increase/ (Decrease)
<b>Gross Operating Profit</b> (including Loan Purchase Revenue)	<b>28,004</b>	<b>35,524</b>	<b>(7,520)</b>
Net Interest Income	26,066	29,156	(3,090)
Organic Revenue (C)	24,503	27,683	(3,180)
Loan Purchase Revenue (=A)	1,562	1,473	89
Net Fees and Commissions	4,699	5,698	(999)
Organic Revenue (D)	4,647	5,641	(994)
Loan Purchase Revenue (=B)	52	56	(4)
Net Other Ordinary Income (E)	(2,761)	668	(3,429)
<b>Gross Operating Profit related to Organic Revenue</b> <b>(C+D+E)</b>	<b>26,389</b>	<b>33,994</b>	<b>(7,605)</b>

## Credit Costs (Consolidated)

(in millions of yen)

	For the nine months ended December 31, 2009	For the nine months ended December 31, 2008	Increase/ (Decrease)
Provision for General Allowance for Loan Losses	(1,384)	(690)	(694)
Provision for Specific Allowance for Loan Losses	9,581	11,827	(2,246)
Written-offs of Loans	2,323	1,663	660
Net Gain & Loss on Sales of Loans	-	16	(16)
Credit Costs excluding Offset of Provision for General Allowance for Loan Losses with respect to Purchased Loans against Loan Purchase Revenue	10,521	12,815	(2,294)
Offset of Provision for General Allowance for Loan Losses with respect to Purchased Loans against Loan Purchase Revenue	467	-	467
Credit Costs before offsetting Recoveries of Written-off Claims	10,989	12,815	(1,826)
Offset of Recoveries of Written-off Claims	(356)	(368)	12
<b>Credit Costs (Adjusted)</b>	<b>10,632</b>	<b>12,447</b>	<b>(1,815)</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 December 31, 2009	As of December 31, 2008	As of September 30, 2009
	Bankruptcy and Quasi-Bankruptcy	21,582	26,447	20,716
	Doubtful	18,462	15,685	27,640
	Sub-standard	11,270	6,967	6,535
	<b>Sub-Total (A)</b>	<b>51,314</b>	<b>49,100</b>	<b>54,893</b>
	Normal	1,274,035	1,195,169	1,267,660
Total (B)		1,325,349	1,244,270	1,322,553
<b>Ratio of Problem Loans to Total Claims (A / B × 100)</b>		<b>3.87%</b>	<b>3.94%</b>	<b>4.15%</b>

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

(in millions of yen except percentages)

		As of December 31, 2009	As of December 31, 2008	As of September 30, 2009
	Bankruptcy and Quasi-Bankruptcy	45,968	44,226	42,088
	Doubtful	18,462	15,685	27,640
	Sub-standard	11,270	6,967	6,535
	<b>Sub-Total (A)</b>	<b>75,700</b>	<b>66,879</b>	<b>76,265</b>
	Normal	1,274,035	1,195,169	1,267,660
Total (B)		1,349,736	1,262,049	1,343,925
<b>Ratio of Problem Loans to Total Claims (A / B × 100)</b>		<b>5.60%</b>	<b>5.29%</b>	<b>5.67%</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 December 31,						As of September 30, 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	31	8	64	50	(14)	23	58	35
Domestic bonds	375,207	375,200	(6)	205,592	204,751	(840)	375,239	374,978	(260)
Others	52,891	52,337	(553)	68,067	64,723	(3,344)	59,485	57,997	(1,487)
<b>Total</b>	<b>428,121</b>	<b>427,569</b>	<b>(552)</b>	<b>273,724</b>	<b>269,524</b>	<b>(4,199)</b>	<b>434,747</b>	<b>433,034</b>	<b>(1,712)</b>



#### 4. Derivatives (Consolidated)

##### (1) Interest Rate Derivatives

(in millions of yen)

	As of December 31,						As of		
	2009			2008			September 30, 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	467,459	(485)	(485)	756,906	(980)	(980)	530,972	(787)	(787)
Interest Rate Options	49,343	-	97	67,026	-	53	43,862	-	35
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>			<b>(387)</b>			<b>(926)</b>			<b>(751)</b>

##### (2) Currency Derivatives

(in millions of yen)

	As of December 31,						As of		
	2009			2008			September 30, 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	40,821	716	716	18,311	(68)	(68)	26,356	59	59
Currency Options	56,403	-	476	25,412	-	133	42,662	-	327
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>			<b>1,192</b>			<b>65</b>			<b>387</b>

##### (3) Commodity Derivatives

(in millions of yen)

	As of December 31,						As of		
	2009			2008			September 30, 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	8,902	-	-	5,094	-	-	7,857	-	-
<b>Total</b>			<b>-</b>			<b>-</b>			<b>-</b>

##### (4) Credit Derivatives

(in millions of yen)

	As of December 31,						As of		
	2009			2008			September 30, 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:									
Other	20,121	13	-	20,935	18	-	20,309	14	-
<b>Total</b>			<b>-</b>			<b>-</b>			<b>-</b>

##### (5) Other

(in millions of yen)

	As of December 31,						As of		
	2009			2008			September 30, 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	693	-	-	678	-	-	674	-	-
<b>Total</b>			<b>-</b>			<b>-</b>			<b>-</b>

\*Equity Derivatives and Bond Derivatives : Not applicable.

#### 5. Balances of Loans and Deposits (Consolidated)

(in millions of yen)

	As of December 31,		As of
	2009	2008	
	September 30, 2009		
<b>Total deposits</b>	<b>1,862,176</b>	<b>1,619,582</b>	<b>1,805,162</b>
Individuals	1,675,136	1,424,860	1,625,609
Corporations	178,478	179,111	170,614
Public entities	4,467	11,673	4,339
Financial institutions	4,093	3,937	4,598
<b>Loans and Bills Discounted</b>	<b>1,318,894</b>	<b>1,257,198</b>	<b>1,312,250</b>