

Consolidated Financial Results for the Fiscal Year ended March 31, 2010

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, 2010

(1) Operating Results

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

	For the year ended March 31,	
	2010	2009
Ordinary income	67,296	74,334
Change from the previous year	(9.4)%	(3.5)%
Ordinary profit	(2,266)	10,134
Change from the previous year	-	(43.8)%
Net income	(2,780)	345
Change from the previous year	-	(97.5)%
Net income per common share (yen)	(3,971.68)	493.60
Diluted net income per common share (yen)	-	-
Return on equity	(2.8)%	0.3 %
Ratio of ordinary profit to total assets	(0.1)%	0.5 %
Ratio of ordinary profit to ordinary income	(3.3)%	13.6 %

(2) Financial Conditions

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

	As of March 31,	
	2010	2009
Total assets	2,126,379	1,781,939
Net assets	93,545	102,079
Ratio of net assets to total assets	4.3 %	5.7 %
Net assets per common share (yen)	133,635.96	145,827.82
Capital adequacy ratio (based on the domestic standards)	(Preliminary) 8.54 %	9.02 %

Notes:

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

March 31, 2010 : 93,545 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.	:		Yes
2.changes other than 1.above	:		No
(3) Number of shares outstanding as of			
March 31, 2010 (Common stock)	:	700,000	shares
March 31, 2009 (Common stock)	:	700,000	shares

(Reference)

1. Summary of Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2010

(1) Operating Results

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

	For the year ended March 31,	
	2010	2009
Ordinary income	66,762	73,734
Change from the previous year	(9.4)%	(3.3)%
Ordinary profit	(5,148)	7,834
Change from the previous year	-	(56.5)%
Net income	(5,465)	(1,110)
Change from the previous year	-	-
Net income per common share (yen)	(7,808.46)	(1,586.72)
Diluted net income per common share (yen)	-	-

(2) Financial Conditions

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

	As of March 31,	
	2010	2009
Total assets	2,101,644	1,755,607
Net assets	87,454	98,674
Ratio of net assets to total assets	4.1 %	5.6 %
Net asset per common share (yen)	124,935.08	140,963.20
Capital adequacy ratio (based on the domestic standards)	(Preliminary) 8.46 %	8.91 %

Notes:

- Net assets, excluding Stock acquisition rights, as of
 March 31, 2010 : 87,454 million yen
 March 31, 2009 : 98,674 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 Accounting Changes in Consolidated Financial Statements

(1) Change of accounting policy regarding financial instruments

From the year ended March 31, 2010, the Tokyo Star Bank (“the Bank”) and its subsidiaries have applied “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, March 10, 2008) and “Guidance on Disclosures about Fair Value of Financial Instruments” (ASBJ Guidance No. 19, March 10, 2008).

This change resulted in a 48 million yen decrease in “Monetary claims bought”, a 693 million yen increase in “Securities”, a 262 million yen decrease in “Deferred tax assets”, a 382 million yen increase in “Valuation difference on available-for-sale securities” and a 1,160 million yen decrease in “Ordinary loss” and “Loss before income taxes”, as compared with the amounts which would have been recorded under the previous method.

2. Additional Information

(1) Investment and rental property

From the year ended March 31, 2010, the Bank and its subsidiaries have applied “Accounting Standard for Disclosures about Fair Value of Investment and Rental Property” (ASBJ Statement No. 20, November 28, 2008) and “Guidance on Accounting Standard for Disclosures about Fair Value of Investment and Rental Property” (ASBJ Guidance No. 23, November 28, 2008).

3. Going Concern Assumption

There is no applicable information.

4. Consolidated balance sheets

(in millions of yen)	As of March 31, 2009	As of March 31, 2010
Assets		
Cash and due from banks	69,750	57,384
Call loans	66,147	62,190
Monetary claims bought	33,044	31,256
Money held in trust	1	3,084
Securities	323,879	500,574
Loans and bills discounted	1,244,449	1,439,861
Foreign exchanges	372	476
Other assets	24,865	24,122
Tangible fixed assets	5,498	7,863
Intangible fixed assets	3,650	2,492
Deferred tax assets	15,566	14,975
Customers' liabilities for acceptances and guarantees	30,195	26,423
Allowance for loan losses	(35,482)	(44,325)
Total assets	1,781,939	2,126,379
Liabilities		
Deposits	1,564,294	1,904,286
Foreign exchanges	1	4
Bonds payable	52,500	60,700
Other liabilities	30,779	37,871
Provision for bonuses	1,119	911
Provision for directors' bonuses	396	125
Provision for directors' retirement benefits	25	48
Provision for losses on dormant deposit repayments	526	629
Provision for possible losses on refund of interest	22	30
Provision for possible losses on business restructuring	—	1,803
Acceptances and guarantees	30,195	26,423
Total liabilities	1,679,859	2,032,834
Net assets		
Capital stock	21,000	21,000
Capital surplus	19,000	19,000
Retained earnings	64,444	51,080
Total shareholders' equity	104,444	91,080
Valuation difference on available-for-sale securities	(3,583)	473
Deferred gains or losses on hedges	1,218	1,990
Total valuation and translation adjustments	(2,365)	2,464
Total net assets	102,079	93,545
Total liabilities and net assets	1,781,939	2,126,379

5. Consolidated statements of income

(in millions of yen)	For year ended March 31, 2009	For year ended March 31, 2010
Ordinary income	74,334	67,296
Interest income	51,268	47,915
Interest on loans and discounts	41,047	40,423
Interest and dividends on securities	7,686	5,458
Interest on call loans	1,051	125
Interest on deposits with banks	9	0
Other interest income	1,474	1,906
Fees and commissions	13,226	12,398
Other ordinary income	4,452	3,806
Other income	5,386	3,176
Ordinary expenses	64,199	69,562
Interest expenses	13,004	13,677
Interest on deposits	12,035	12,757
Interest on negotiable certificates of deposit	4	—
Interest on call money	0	—
Interest on bonds	963	918
Other interest expenses	0	1
Fees and commissions payments	5,518	5,348
Other ordinary expenses	57	5,874
General and administrative expenses	30,760	29,549
Other expenses	14,857	15,112
Provision of allowance for loan losses	10,883	11,045
Other	3,974	4,067
Ordinary profit (loss)	10,134	(2,266)
Extraordinary income	446	585
Recoveries of written-off claims	446	585
Extraordinary loss	9,839	2,950
Loss on disposal of noncurrent assets	42	48
Impairment loss on noncurrent assets	—	1,038
Loss on business restructuring	—	1,863
Other	9,796	—
Income (Loss) before income taxes	741	(4,631)
Income taxes-current	1,096	871
Income taxes-deferred	(700)	(2,721)
Total income taxes	396	(1,850)
Net income (loss)	345	(2,780)

6. Consolidated statements of changes in net assets

(in millions of yen)	For year ended March 31, 2009	For year ended March 31, 2010
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	74,389	64,444
Changes of items during the period		
Dividends from surplus	(10,290)	(10,584)
Net income (loss)	345	(2,780)
Total changes of items during the period	(9,944)	(13,364)
Balance at the end of current period	64,444	51,080
Total shareholders' equity		
Balance at the end of previous period	114,389	104,444
Changes of items during the period		
Dividends from surplus	(10,290)	(10,584)
Net income (loss)	345	(2,780)
Total changes of items during the period	(9,944)	(13,364)
Balance at the end of current period	104,444	91,080
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	(4,759)	(3,583)
Changes of items during the period		
Net changes of items other than shareholders' equity	1,176	4,057
Total changes of items during the period	1,176	4,057
Balance at the end of current period	(3,583)	473
Deferred gains or losses on hedges		
Balance at the end of previous period	699	1,218
Changes of items during the period		
Net changes of items other than shareholders' equity	519	772
Total changes of items during the period	519	772
Balance at the end of current period	1,218	1,990
Total valuation and translation adjustments		
Balance at the end of previous period	(4,060)	(2,365)
Changes of items during the period		
Net changes of items other than shareholders' equity	1,695	4,829
Total changes of items during the period	1,695	4,829
Balance at the end of current period	(2,365)	2,464
Total net assets		
Balance at the end of previous period	110,328	102,079
Changes of items during the period		
Dividends from surplus	(10,290)	(10,584)
Net income (loss)	345	(2,780)
Net changes of items other than shareholders' equity	1,695	4,829
Total changes of items during the period	(8,249)	(8,534)
Balance at the end of current period	102,079	93,545

Non-Consolidated Financial Statements

1. Non-consolidated balance sheets

	As of March 31, 2009	As of March 31, 2010
Assets		
Cash and due from banks	69,674	57,287
Call loans	66,147	62,190
Monetary claims bought	33,044	31,256
Money held in trust	1	3,084
Securities	328,529	505,297
Loans and bills discounted	1,232,431	1,427,563
Foreign exchanges	372	476
Other assets	24,563	23,936
Tangible fixed assets	5,454	5,849
Intangible fixed assets	3,546	2,348
Deferred tax assets	13,276	12,653
Customers' liabilities for acceptances and guarantees	1,713	1,452
Allowance for loan losses	(23,148)	(31,754)
Total assets	1,755,607	2,101,644
Liabilities		
Deposits	1,570,181	1,907,838
Borrowed money	—	3,000
Foreign exchanges	1	4
Bonds payable	52,500	60,700
Other liabilities	30,488	37,694
Provision for bonuses	1,100	900
Provision for directors' bonuses	396	125
Provision for directors' retirement benefits	25	48
Provision for losses on dormant deposit repayments	526	629
Provision for possible losses on business restructuring	—	1,795
Acceptances and guarantees	1,713	1,452
Total liabilities	1,656,933	2,014,189
Net assets		
Capital stock	21,000	21,000
Capital surplus	19,000	19,000
Legal capital surplus	19,000	19,000
Retained earnings	61,039	44,989
Legal retained earnings	2,000	2,000
Other retained earnings	59,039	42,989
Retained earnings brought forward	59,039	42,989
Total shareholders' equity	101,039	84,989
Valuation difference on available-for-sale securities	(3,583)	474
Deferred gains or losses on hedges	1,218	1,990
Total valuation and translation adjustments	(2,365)	2,464
Total net assets	98,674	87,454
Total liabilities and net assets	1,755,607	2,101,644

2. Non-consolidated statements of income

	For year ended March 31, 2009	For year ended March 31, 2010
Ordinary income	73,734	66,762
Interest income	50,736	47,564
Interest on loans and discounts	40,515	40,077
Interest and dividends on securities	7,686	5,453
Interest on call loans	1,051	125
Interest on deposits with banks	9	0
Interest on interest swaps	293	920
Other interest income	1,180	986
Fees and commissions	13,142	12,339
Fees and commissions on domestic and foreign exchanges	4,212	3,758
Other fees and commissions	8,930	8,580
Other ordinary income	4,450	3,806
Gain on foreign exchange transactions	198	1,060
Gain on sales of bonds	921	250
Income from derivatives other than for trading or hedging	789	691
Other	2,540	1,805
Other income	5,404	3,052
Gain on money held in trust	614	55
Loan purchase revenue	1,813	1,687
Other	2,976	1,309
Ordinary expenses	65,899	71,911
Interest expenses	13,006	13,683
Interest on deposits	12,036	12,762
Interest on negotiable certificates of deposit	4	—
Interest on call money	0	—
Interest on borrowed money	—	0
Interest on bonds	963	918
Other interest expenses	0	1
Fees and commissions payments	12,471	11,814
Fees and commissions on domestic and foreign exchanges	219	200
Other fees and commissions	12,251	11,613
Other ordinary expenses	57	5,874
Loss on trading account securities transactions	0	—
Loss on sales of bonds	57	1,810
Loss on devaluation of bonds	—	3,962
Amortization of bond issuance cost	—	100
General and administrative expenses	30,050	28,984
Other expenses	10,314	11,555
Provision of allowance for loan losses	8,937	10,828
Written-off of loans	336	286
Loss on devaluation of stocks and other securities	203	0
Loss on money held in trust	0	—
Other	837	439
Ordinary profit (loss)	7,834	(5,148)
Extraordinary income	132	16
Recoveries of written-off claims	132	16
Extraordinary loss	9,838	2,941
Loss on disposal of noncurrent assets	42	48
Impairment loss on noncurrent assets	—	1,038
Loss on business restructuring	—	1,854
Other	9,796	—
Income (Loss) before income taxes	(1,872)	(8,073)
Income taxes-current	41	82
Refund of income taxes for prior periods	(62)	—
Income taxes-deferred	(739)	(2,690)
Total income taxes	(761)	(2,607)
Net income (loss)	(1,110)	(5,465)

3. Non-consolidated statements of changes in net assets

	For year ended March 31, 2009	For year ended March 31, 2010
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	70,440	59,039
Changes of items during the period		
Dividends from surplus	(10,290)	(10,584)
Net income (loss)	(1,110)	(5,465)
Total changes of items during the period	(11,400)	(16,049)
Balance at the end of current period	59,039	42,989
Total retained earnings		
Balance at the end of previous period	72,440	61,039
Changes of items during the period		
Dividends from surplus	(10,290)	(10,584)
Net income (loss)	(1,110)	(5,465)
Total changes of items during the period	(11,400)	(16,049)
Balance at the end of current period	61,039	44,989
Total shareholders' equity		
Balance at the end of previous period	112,440	101,039
Changes of items during the period		
Dividends from surplus	(10,290)	(10,584)
Net income (loss)	(1,110)	(5,465)
Total changes of items during the period	(11,400)	(16,049)
Balance at the end of current period	101,039	84,989
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	(4,760)	(3,583)
Changes of items during the period		
Net changes of items other than shareholders' equity	1,177	4,057
Total changes of items during the period	1,177	4,057
Balance at the end of current period	(3,583)	474
Deferred gains or losses on hedges		
Balance at the end of previous period	699	1,218
Changes of items during the period		
Net changes of items other than shareholders' equity	519	772
Total changes of items during the period	519	772
Balance at the end of current period	1,218	1,990
Total valuation and translation adjustments		
Balance at the end of previous period	(4,061)	(2,365)
Changes of items during the period		
Net changes of items other than shareholders' equity	1,696	4,830
Total changes of items during the period	1,696	4,830
Balance at the end of current period	(2,365)	2,464
Total net assets		
Balance at the end of previous period	108,378	98,674
Changes of items during the period		
Dividends from surplus	(10,290)	(10,584)
Net income (loss)	(1,110)	(5,465)
Net changes of items other than shareholders' equity	1,696	4,830
Total changes of items during the period	(9,704)	(11,219)
Balance at the end of current period	98,674	87,454

4. Going Concern Assumption

There is no applicable information.