

Consolidated Financial Results
for the 3rd Quarter of Fiscal 2011

February 8, 2012



Consolidated Financial Results
for the 3rd Quarter of Fiscal 2011 ended December 31, 2011
[under Japanese GAAP]

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

Note: - 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 2011 Ended December 31, 2011

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

	For the nine months ended	
	December 31, 2011	December 31, 2010
Ordinary income	57,482	57,414
Change from the previous period	0.1%	16.0%
Ordinary profit	12,016	1,293
Change from the previous period	829.3%	-
Net income	4,948	(695)
Change from the previous period	-	-
Net income per common share (yen)	7,069.85	(993.34)
Diluted net income per common share (yen)	-	-

Note: Comprehensive income for the nine months ended :

December 31, 2011 : 3,950 million yen - %
 December 31, 2010 : (471) million yen - %

(2) Financial Conditions (in millions of yen except percentages)

	As of	
	December 31, 2011	March 31, 2011
Total assets	2,324,819	2,188,598
Net assets	98,323	94,880
Ratio of net assets to total assets	4.2%	4.3%

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

December 31, 2011 : 98,173 million yen
 March 31, 2011 : 94,730 million yen

2. 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 Special Accounting Methods
for Quarterly Consolidated Financial Statements : Yes

- Application of special accounting methods
for quarterly consolidated financial statements to : Income taxes

(3) Changes in Accounting Policies, Changes in Accounting Estimates
and Correction of Prior Period Errors for Quarterly Consolidated Financial Statements

① Changes accounting policies
due to revision of accounting standards etc. : No

② Changes accounting policies other than ① above : No

③ Changes in accounting estimates : No

④ Correction of prior period errors : No

(Additional information)

Changes of accounting procedures and presentation

From the 1st quarter of this fiscal year, the Tokyo Star Bank, Limited ("the Bank") and its subsidiaries have applied "Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Statement No.24, December 4, 2009) and "Guidance on the Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Guidance No.24, December 4, 2009).

"Recoveries of Written-off Claims" is included in "Other income" in the consolidated statement of income for this quarter, according to "Practical Guidelines on Accounting Standards for Financial Instruments" (JICPA Accounting Practice Committee Statement No.14). However, the Bank and its subsidiaries have not applied a new accounting standard and a new guidance retroactively for the previous quarter ended December 31, 2010.

Effects of changes in the corporate income tax rate

"Reform Bill for Partial Revision of Income Tax Act, etc. in Response to the Changing Economic Structure" (Act No. 114 of 2011) and "Special Measures to Secure the Funds to Realize the Restoration of the Damages following the Great East Japan Earthquake" (Act No. 117 of 2011) were promulgated on December 2, 2011. In accordance with these acts, the corporate income tax rate will be lowered and the special restoration surtax will be imposed from the fiscal year beginning on or after April 1, 2012. As a result, the estimated effective income tax rate during this fiscal year has changed from 43.51% to 58.55%. This change resulted in a 1,636 million yen decrease in "Deferred tax assets", 9 million yen decrease in "Valuation difference on available-for-sale securities", 171 million yen decrease in "Deferred gains or losses on hedges" and 1,797 million yen increase in "Income taxes-current and deferred", respectively.

(4) Number of Shares Outstanding (Common stock)

① Number of Shares Outstanding as of :

December 31, 2011	:	700,000 shares
March 31, 2011	:	700,000 shares

② Number of Treasury Shares Outstanding as of :

December 31, 2011	:	- shares
March 31, 2011	:	- shares

③ Average Number of Shares Outstanding for the nine months ended :

December 31, 2011	:	700,000 shares
December 31, 2010	:	700,000 shares

FINANCIAL STATEMENTS

1. Consolidated Balance Sheets

(in millions of yen)	As of December 31, 2011	As of March 31, 2011
Assets:		
Cash and due from banks	64,600	150,068
Call loans	119,446	5,968
Monetary claims bought	18,367	19,801
Money held in trust	2,388	2,632
Securities	512,399	451,318
Loans and bills discounted	1,587,322	1,539,991
Foreign exchanges	746	885
Other assets	30,052	27,766
Tangible fixed assets	7,082	6,927
Intangible fixed assets	2,631	2,462
Deferred tax assets	17,661	20,124
Customers' liabilities for acceptances and guarantees	20,228	22,558
Allowance for loan losses	(58,110)	(61,906)
Total assets	2,324,819	2,188,598
Liabilities:		
Deposits	2,062,795	1,943,508
Borrowed money	40,000	6,800
Foreign exchanges	4	38
Bonds payable	45,300	68,100
Other liabilities	56,431	50,806
Provision for bonuses	1,324	899
Provision for directors' bonuses	188	173
Provision for directors' retirement benefits	56	86
Provision for losses on dormant deposit repayments	130	130
Provision for possible losses on refund of interest	36	36
Provision for office moving expenses	-	580
Acceptances and guarantees	20,228	22,558
Total liabilities	2,226,495	2,093,717
Net assets:		
Capital stock	26,000	26,000
Capital surplus	24,000	24,000
Retained earnings	46,112	41,663
Total shareholders' equity	96,112	91,663
Valuation difference on available-for-sale securities	(118)	111
Deferred gains or losses on hedges	2,179	2,955
Total accumulated other comprehensive income	2,061	3,066
Minority interests	150	150
Total net assets	98,323	94,880
Total liabilities and net assets	2,324,819	2,188,598

2. Consolidated Statements of Income

(in millions of yen)	For the nine months ended	
	December 31, 2011	December 31, 2010
Ordinary income:	57,482	57,414
Interest income and dividends	34,918	36,253
<i>Interest on loans and discounts</i>	29,224	30,671
<i>Interest and dividends on securities</i>	4,283	4,047
Fees and commissions	9,569	10,237
Other ordinary income	9,463	8,372
Other income	3,530	2,551
Ordinary expenses:	45,465	56,121
Interest expenses	10,768	10,228
<i>Interest on deposits</i>	9,571	9,233
Fees and commissions payments	4,453	4,076
Other ordinary expenses	3,113	582
General and administrative expenses	23,198	21,404
Other expenses	3,930	19,828
Ordinary profit (loss)	12,016	1,293
Extraordinary income	0	207
Extraordinary loss	59	263
Income (Loss) before income taxes and minority interests	11,957	1,237
Income taxes - current and deferred	7,000	1,932
Income (Loss) before minority interests	4,956	(695)
Minority interests in income	7	-
Net income (loss)	4,948	(695)

3. Consolidated Statements of Comprehensive Income

(in millions of yen)	For the nine months ended	
	December 31, 2011	December 31, 2010
Income (Loss) before minority interests	4,956	(695)
Other comprehensive income	(1,005)	224
Valuation difference on available-for-sale securities	(229)	(734)
Deferred gains or losses on hedges	(775)	958
Comprehensive income	3,950	(471)
Comprehensive income attributable to owners of the parent	3,943	(471)
Comprehensive income attributable to minority interests	7	-

4. Going Concern Assumption

There is no applicable information.

5. Remarkable Changes in Shareholders' Equity

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)
	2011 (A)	2010 (B)	
Gross Operating Profit (Note 1)	35,614	39,975	(4,361)
Net Interest Income	24,150	26,024	(1,874)
Net Fees and Commissions	5,115	6,161	(1,046)
Net Other Ordinary Income	6,349	7,789	(1,440)
General and Administrative Expenses	23,198	21,404	1,794
Net Operating Income (Loss) before General Allowance and Goodwill (Note 2)	12,416	18,570	(6,154)
Provision for General Allowance for Loan Losses	(3,682)	3,983	(7,665)
Net Operating Income (Loss) (Note 3)	16,098	14,587	1,511
Other Income and Expenses	(4,082)	(13,293)	9,211
Net Gain and Loss on Stocks and Other Securities	(1)	32	(33)
Problem Claims related Costs	6,624	14,764	(8,140)
Written-offs of Loans	228	367	(139)
Provision for Specific Allowance for Loan Losses	7,024	14,397	(7,373)
Net Gain and Loss on Sales of Loans	(627)	-	(627)
Reversal of Allowance for Loan Losses	-	-	-
Recoveries of Written-off Claims	208	-	208
Other	2,335	1,438	897
Ordinary Profit (Loss)	12,016	1,293	10,723
Extraordinary Income and Loss	(59)	(56)	(3)
Net Gain and Loss on Disposal of Noncurrent Assets	(51)	(56)	5
Gain on Disposal of Noncurrent Assets	0	32	(32)
Loss on Disposal of Noncurrent Assets	52	88	(36)
Reversal of Allowance for Loan Losses	-	-	-
Recoveries of Written-off Claims	-	121	121
Other	(7)	(121)	114
Income (Loss) before Income Taxes and Minority Interests	11,957	1,237	10,720
Income Taxes -Current and Deferred	7,000	1,932	5,068
Income (Loss) before Minority Interests	4,956	(695)	5,651
Minority Interests in Income (Loss)	7	-	7
Net Income (Loss)	4,948	(695)	5,643

Notes: 1. Gross Operating Profit = (Interest Income - Interest Expenses) + (Fees and Commissions - Fees and Commissions Payments)
+ (Other Ordinary Income - Other Ordinary Expenses)

2. Net Operating Income (Loss) before General Allowance and Goodwill = Gross Operating Profit - General and Administrative Expenses

3. Net Operating Income (Loss) = Gross Operating Profit - General and Administrative Expenses
- Provision for General Allowance for Loan Losses

Credit Costs (Note 4)	3,434	19,473	(16,039)
excluding Recoveries of Written-off Claims	3,643	19,594	(15,951)

Note: 4. Credit Costs = (Provision for General Allowance for Loan Losses + Problem Claims related Costs)
- (Reversal of Allowance for Loan Losses + Recoveries of Written-off Claims) + Adjustment on purchased loan

(2) Non-consolidated

(in millions of yen)

	For the nine months ended December 31,		Increase/ (Decrease) (A)-(B)
	2011 (A)	2010 (B)	
Gross Operating Profit	32,068	34,918	(2,850)
Net Interest Income	23,773	25,480	(1,707)
Net Fees and Commissions	1,945	1,648	297
Net Other Ordinary Income	6,349	7,789	(1,440)
of which Net Gain and Loss on Bonds	(132)	2,336	(2,468)
General and Administrative Expenses	22,196	20,455	1,741
Personnel Expenses	8,587	7,900	687
Nonpersonnel Expenses	12,554	11,695	859
Taxes	1,054	859	195
Net Operating Income (Loss) before General Allowance and Goodwill	9,871	14,463	(4,592)
Core Net Operating Income (Loss) (excluding Net Gain and Loss on Bonds)	10,004	12,127	(2,123)
Provision for General Allowance for Loan Losses	(3,559)	4,754	(8,313)
Amortization of Goodwill	-	-	-
Net Operating Income (Loss)	13,430	9,708	3,722
Other Income and Expenses	(3,535)	(8,398)	4,863
Net Gain and Loss on Stocks and Other Securities	(1)	32	(33)
Problem Claims related Costs	5,488	9,480	(3,992)
Written-offs of Loans	14	162	(148)
Provision for Specific Allowance for Loan Losses	6,104	9,318	(3,214)
Net Gain and Loss on Sales of Loans	(630)	-	(630)
Reversal of Allowance for Loan Losses	-	-	-
Recoveries of Written-off Claims	80	-	80
Other	1,874	1,049	825
Ordinary Profit (Loss)	9,895	1,309	8,586
Extraordinary Income and Loss	(0)	(154)	154
Net Gain and Loss on Disposal of Noncurrent Assets	(0)	(81)	81
Gain on Disposal of Noncurrent Assets	0	0	0
Loss on Disposal of Noncurrent Assets	0	81	(81)
Reversal of Allowance for Loan Losses	-	-	-
Recoveries of Written-off Claims	-	39	39
Other	-	(111)	111
Income (Loss) before Income Taxes	9,895	1,155	8,740
Income Taxes -Current and Deferred	5,990	685	5,305
Net Income (Loss)	3,905	469	3,436

(3) Combined (The Bank & TSBSP)

(in millions of yen)

	For the nine months ended December 31,		Increase/ (Decrease) (A)-(B)
	2011 (A)	2010 (B)	
Gross Operating Profit	32,194	35,204	(3,010)
Net Interest Income	23,900	25,766	(1,866)
Net Fees and Commissions	1,945	1,648	297
Net Other Ordinary Income	6,349	7,789	(1,440)
of which Net Gain and Loss on Bonds	(132)	2,336	(2,468)
General and Administrative Expenses	22,397	20,718	1,679
Personnel Expenses	8,610	7,917	693
Nonpersonnel Expenses	12,724	11,921	803
Taxes	1,062	879	183
Net Operating Income (Loss) before General Allowance and Goodwill	9,797	14,485	(4,688)
Core Net Operating Income (Loss) (excluding Net Gain and Loss on Bonds)	9,930	12,149	(2,219)
Provision for General Allowance for Loan Losses	(3,558)	4,758	(8,316)
Amortization of Goodwill	-	-	-
Net Operating Income (Loss)	13,356	9,726	3,630
Other Income and Expenses	(3,340)	(11,184)	7,844
Net Gain and Loss on Stocks and Other Securities	(1)	32	(33)
Problem Claims related Costs	5,296	12,265	(6,969)
Written-offs of Loans	14	162	(148)
Provision for Specific Allowance for Loan Losses	5,909	12,103	(6,194)
Net Gain and Loss on Sales of Loans	(627)	-	(627)
Reversal of Allowance for Loan Losses	-	-	-
Recoveries of Written-off Claims	83	-	83
Other	1,874	1,048	826
Ordinary Profit (Loss)	10,016	(1,457)	11,473
Extraordinary Income and Loss	(0)	(154)	154
Net Gain and Loss on Disposal of Noncurrent Assets	(0)	(81)	81
Gain on Disposal of Noncurrent Assets	0	0	0
Loss on Disposal of Noncurrent Assets	0	81	(81)
Reversal of Allowance for Loan Losses	-	-	-
Recoveries of Written-off Claims	-	39	39
Other	-	(111)	111
Income (Loss) before Income Taxes	10,016	(1,611)	11,627
Income Taxes -Current and Deferred	6,194	708	5,486
Net Income (Loss)	3,821	(2,319)	6,140

Note: "Combined" means simple aggregate on a non-consolidated of the Bank and TSB Strategic Partners, Ltd. ("TSBSP") which is one of its subsidiaries.

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,		Increase/ (Decrease) (A)-(B)	As of September 30, 2011
	2011 (A)	2010 (B)		
Bankruptcy and Quasi-Bankruptcy	39,310	16,965	22,345	39,227
Doubtful	37,937	41,937	(4,000)	47,779
Sub-standard	801	15,761	(14,960)	515
Sub-Total (A)	78,049	74,664	3,385	87,523
Normal	1,501,063	1,437,900	63,163	1,481,437
Total (B)	1,579,112	1,512,564	66,548	1,568,961
Ratio of Problem Loans to Total Claims (A / B × 100)	4.94%	4.93%	0.01%	5.57%

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

(in millions of yen except percentages)

	As of December 31,		Increase/ (Decrease) (A)-(B)	As of September 30, 2011
	2011 (A)	2010 (B)		
Bankruptcy and Quasi-Bankruptcy	71,023	46,933	24,090	67,400
Doubtful	37,937	41,937	(4,000)	47,779
Sub-standard	801	15,761	(14,960)	515
Sub-Total (A)	109,762	104,631	5,131	115,696
Normal	1,501,063	1,437,900	63,163	1,481,437
Total (B)	1,610,825	1,542,532	68,293	1,597,134
Ratio of Problem Loans to Total Claims (A / B × 100)	6.81%	6.78%	0.03%	7.24%

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 and its subsidiaries have 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. Securities at Fair Value (Consolidated)

Held-to-maturity securities

(in millions of yen)

	As of December 31, 2011 (A)			As of December 31, 2010 (B)			As of September 30, 2011		
	Balance sheet amount	Fair value	Net unrealized gain/(loss)	Balance sheet amount	Fair value	Net unrealized gain/(loss)	Balance sheet amount	Fair value	Net unrealized gain/(loss)
Government bonds	-	-	-	-	-	-	-	-	-
Municipal bonds	-	-	-	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-	-	-	-
Others	13,993	12,096	(1,897)	-	-	-	13,797	12,149	(1,648)
Total	13,993	12,096	(1,897)	-	-	-	13,797	12,149	(1,648)

Available-for-sale securities

(in millions of yen)

	As of December 31, 2011 (A)			As of December 31, 2010 (B)			As of September 30, 2011		
	Balance sheet amount	Cost	Net unrealized gain/(loss)	Balance sheet amount	Cost	Net unrealized gain/(loss)	Balance sheet amount	Cost	Net unrealized gain/(loss)
Domestic equities	-	-	-	18	23	(5)	-	-	-
Domestic bonds	385,824	384,173	1,651	306,004	306,230	(225)	398,241	397,060	1,181
Government bonds	273,029	271,790	1,239	203,941	204,129	(188)	288,946	288,104	841
Municipal bonds	105	103	1	105	103	2	105	103	2
Corporate bonds	112,690	112,279	410	101,958	101,997	(39)	109,190	108,852	337
Others	122,164	124,000	(1,835)	147,733	147,941	(208)	122,816	123,604	(788)
Total	507,989	508,173	(183)	453,756	454,195	(439)	521,058	520,665	392

4. Derivatives (Consolidated)

(1) Derivative transactions to which hedge accounting is not applied

① Interest Rate Derivatives

(in millions of yen)

	As of December 31, 2011 (A)			As of December 31, 2010 (B)			As of September 30, 2011		
	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	920,618	527	527	561,187	548	548	892,674	526	526
Interest Rate Options	86,576	-	176	78,443	-	252	95,339	-	230
Other	-	-	-	-	-	-	-	-	-
Total		527	704		548	801		526	757

② Currency Derivatives

(in millions of yen)

	As of December 31, 2011 (A)			As of December 31, 2010 (B)			As of September 30, 2011		
	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	59,813	61	61	58,470	803	803	34,693	(862)	(862)
Currency Options	154,336	-	3,635	130,342	-	2,050	153,604	-	3,520
Other	-	-	-	-	-	-	-	-	-
Total		61	3,696		803	2,854		(862)	2,657

③ Commodity Derivatives

(in millions of yen)

	As of December 31, 2011 (A)			As of December 31, 2010 (B)			As of September 30, 2011		
	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	11,039	-	-	9,400	-	-	10,262	-	-
Total									

④ Credit Derivatives

(in millions of yen)

	As of December 31, 2011 (A)			As of December 31, 2010 (B)			As of September 30, 2011		
	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	18,115	(3)	-	19,211	(8)	-	18,321	(4)	-
Total		(3)	-		(8)	-		(4)	-

⑤ Other

(in millions of yen)

	As of December 31, 2011 (A)			As of December 31, 2010 (B)			As of September 30, 2011		
	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	287	-	-	613	-	-	576	-	-
Total									

*Equity Derivatives and Bond Derivatives : Not applicable.

(2) Derivative transactions to which hedge accounting is applied

① Interest Rate Derivatives

(in millions of yen)

Treatments	Products	Major hedged items	As of December 31,				As of	
			2011 (A)		2010 (B)		September 30, 2011	
			Notional amounts	Fair value	Notional amounts	Fair value	Notional amounts	Fair value
Deferral hedge accounting	Interest Rate Swaps	Loans, Available-for-sale Securities(Bonds), Deposits	346,298	3,638	346,144	5,198	346,114	4,588
	Total			3,638		5,198		4,588

*Derivatives transactions other than Interest Rate Derivatives : Not applicable.

5. Balances of Loans and Deposits (Consolidated)

(in millions of yen)

	As of December 31,		As of September 30, 2011
	2011 (A)	2010 (B)	
Total deposits	2,062,795	1,900,711	2,037,446
Individuals	1,849,612	1,714,374	1,840,935
Corporations	193,488	175,283	175,307
Public entities	18,265	9,472	17,498
Financial institutions	1,428	1,581	3,704
Loans and Bills Discounted	1,587,322	1,515,466	1,572,941