

Consolidated Financial Results
for the 1st Quarter of Fiscal 2012

August 1, 2012



Consolidated Financial Results
for the 1st Quarter of Fiscal 2012 ended June 30, 2012
[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 1st Quarter of Fiscal 2012 Ended June 30, 2012

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

	For the three months ended	
	June 30, 2012	June 30, 2011
Ordinary income	17,084	19,132
Change from the previous period	(10.7)%	12.7%
Ordinary profit	4,786	3,402
Change from the previous period	40.6%	17.1%
Net income	2,925	1,839
Change from the previous period	59.0%	11.3%
Net income per common share (yen)	4,179.85	2,627.28
Diluted net income per common share (yen)	-	-

Note: Comprehensive income for the three months ended :

June 30, 2012 :	2,985 million yen	29.5 %
June 30, 2011 :	2,304 million yen	17.1 %

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

	As of	
	June 30, 2012	March 31, 2012
Total assets	2,353,448	2,327,089
Net assets	100,038	97,560
Ratio of net assets to total assets	4.2%	4.1%

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

June 30, 2012 :	99,888 million yen
March 31, 2012 :	97,410 million yen

2. Ratio of net assets to total assets

$$= (\text{Net assets} - \text{Stock acquisition rights} - \text{Minority interests}) / \text{Total assets} \times 100$$

2. Others

(1) Significant Change in the Scope of Consolidation : No

**(2) Application of Special Accounting Methods
for Quarterly Consolidated Financial Statements** : No

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

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

② Changes in accounting policies other than ① above : No

③ Changes in accounting estimates : No

④ Correction of prior period errors : No

(4) Number of Shares Outstanding (Common stock)

① Number of Shares Outstanding as of :

June 30, 2012 : 700,000 shares

March 31, 2012 : 700,000 shares

② Number of Treasury Shares Outstanding as of :

June 30, 2012 : - shares

March 31, 2012 : - shares

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

June 30, 2012 : 700,000 shares

June 30, 2011 : 700,000 shares

FINANCIAL STATEMENTS

1. Consolidated Balance Sheets

(in millions of yen)	As of March 31, 2012	As of June 30, 2012
Assets:		
Cash and due from banks	69,256	114,672
Call loans	92,737	97,035
Monetary claims bought	17,869	17,074
Money held in trust	2,242	2,186
Securities	558,072	557,885
Loans and bills discounted	1,568,805	1,543,138
Foreign exchanges	1,097	4,099
Other assets	32,333	33,122
Tangible fixed assets	6,966	6,454
Intangible fixed assets	3,060	3,031
Deferred tax assets	16,460	16,078
Customers' liabilities for acceptances and guarantees	19,378	18,806
Allowance for loan losses	(61,191)	(60,135)
Total assets	2,327,089	2,353,448
Liabilities:		
Deposits	2,069,960	2,084,471
Negotiable certificate of deposits	-	200
Borrowed money	49,700	47,420
Foreign exchanges	1	34
Bonds payable	32,800	34,900
Other liabilities	55,452	66,633
Provision for bonuses	1,772	538
Provision for directors' bonuses	250	190
Provision for directors' retirement benefits	42	44
Provision for losses on dormant deposit repayments	136	136
Provision for possible losses on refund of interest	34	34
Acceptances and guarantees	19,378	18,806
Total liabilities	2,229,529	2,253,410
Net assets:		
Capital stock	26,000	26,000
Capital surplus	24,000	24,000
Retained earnings	43,840	46,266
Total shareholders' equity	93,840	96,266
Valuation difference on available-for-sale securities	1,929	2,772
Deferred gains or losses on hedges	1,640	849
Total accumulated other comprehensive income	3,569	3,621
Minority interests	150	150
Total net assets	97,560	100,038
Total liabilities and net assets	2,327,089	2,353,448

2. Consolidated Statements of Income

(in millions of yen)	For the three months ended	
	June 30, 2011	June 30, 2012
Ordinary income:	19,132	17,084
Interest income and dividends	11,598	11,036
<i>Interest on loans and discounts</i>	9,750	9,229
<i>Interest and dividends on securities</i>	1,370	1,434
Fees and commissions	2,952	3,153
Other ordinary income	3,911	1,508
Other income	670	1,385
Ordinary expenses:	15,729	12,298
Interest expenses	3,575	3,144
<i>Interest on deposits</i>	3,205	2,760
Fees and commissions payments	1,465	1,442
Other ordinary expenses	630	53
General and administrative expenses	7,968	7,133
Other expenses	2,089	523
Ordinary profit	3,402	4,786
Extraordinary income	-	29
Extraordinary loss	53	7
Income before income taxes and minority interests	3,349	4,808
Income taxes-current	—	1,626
Income taxes-deferred	—	249
Total income taxes	1,509	1,875
Income before minority interests	1,839	2,933
Minority interests in income	-	7
Net income	1,839	2,925

3. Consolidated Statements of Comprehensive Income

(in millions of yen)	For the three months ended	
	June 30, 2011	June 30, 2012
Income before minority interests	1,839	2,933
Other comprehensive income	465	51
Valuation difference on available- for-sale securities	762	842
Deferred gains or losses on hedges	(297)	(790)
Comprehensive income	2,304	2,985
Comprehensive income attributable to owners of the parent	2,304	2,977
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 1st Quarter Results

1. Operating Results

(1) Consolidated

(in millions of yen)

	For the three months ended June 30,		Increase/ (Decrease) (A)-(B)
	2012 (A)	2011 (B)	
Gross Operating Profit (Note 1)	11,057	12,790	(1,733)
Net Interest Income	7,891	8,022	(131)
Net Fees and Commissions	1,710	1,486	224
Net Other Ordinary Income	1,454	3,280	(1,826)
General and Administrative Expenses	7,133	7,968	(835)
Net Operating Income before General Allowance and Goodwill (Note 2)	3,923	4,821	(898)
Provision for General Allowance for Loan Losses	(1,771)	(2,551)	780
Net Operating Income (Note 3)	5,695	7,372	(1,677)
Other Income and Expenses	(909)	(3,970)	3,061
Net Gain and Loss on Stocks and Other Securities	-	(1)	1
Problem Claims related Costs	2,267	4,603	(2,336)
Written-offs of Loans	14	25	(11)
Provision for Specific Allowance for Loan Losses	2,253	4,577	(2,324)
Net Gain and Loss on Sales of Loans	-	-	-
Reversal of Allowance for Loan Losses	-	-	-
Recoveries of Written-off Claims	25	51	(26)
Other	1,332	583	749
Ordinary Profit	4,786	3,402	1,384
Extraordinary Income and Loss	22	(53)	75
Net Gain and Loss on Disposal of Noncurrent Assets	22	(53)	75
Gain on Disposal of Noncurrent Assets	29	-	29
Loss on Disposal of Noncurrent Assets	7	53	(46)
Other	-	-	-
Income before Income Taxes and Minority Interests	4,808	3,349	1,459
Income Taxes	1,875	1,509	366
Income Taxes - Current	1,626		
Income Taxes - Deferred	249		
Income before Minority Interests	2,933	1,839	1,094
Minority Interests in Income	7	-	7
Net Income	2,925	1,839	1,086

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 before General Allowance and Goodwill = Gross Operating Profit - General and Administrative Expenses

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

Credit Costs (Note 4)	745	2,296	(1,551)
excluding Recoveries of Written-off Claims	771	2,348	(1,577)

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 three months ended June 30,		Increase/ (Decrease) (A)-(B)
	2012 (A)	2011 (B)	
Gross Operating Profit	10,230	11,528	(1,298)
Net Interest Income	7,787	7,895	(108)
Net Fees and Commissions	987	352	635
Net Other Ordinary Income	1,454	3,280	(1,826)
of which Net Gain and Loss on Bonds	513	781	(268)
General and Administrative Expenses	6,998	7,767	(769)
Personnel Expenses	2,693	2,802	(109)
Nonpersonnel Expenses	3,937	4,580	(643)
Taxes	367	383	(16)
Net Operating Income before General Allowance and Goodwill	3,231	3,761	(530)
Core Net Operating Income (excluding Net Gain and Loss on Bonds)	2,718	2,980	(262)
Provision for General Allowance for Loan Losses	(1,509)	(2,478)	969
Amortization of Goodwill	-	-	-
Net Operating Income	4,740	6,240	(1,500)
Other Income and Expenses	(616)	(3,630)	3,014
Net Gain and Loss on Stocks and Other Securities	-	(1)	1
Problem Claims related Costs	1,998	4,189	(2,191)
Written-offs of Loans	-	3	(3)
Provision for Specific Allowance for Loan Losses	1,998	4,185	(2,187)
Net Gain and Loss on Sales of Loans	-	-	-
Reversal of Allowance for Loan Losses	-	-	-
Recoveries of Written-off Claims	5	15	(10)
Other	1,376	545	831
Ordinary Profit	4,124	2,609	1,515
Extraordinary Income and Loss	(3)	(3)	0
Net Gain and Loss on Disposal of Noncurrent Assets	(3)	(3)	0
Gain on Disposal of Noncurrent Assets	-	-	-
Loss on Disposal of Noncurrent Assets	3	3	0
Other	-	-	-
Income before Income Taxes	4,121	2,606	1,515
Income Taxes	1,616	1,111	505
Income Taxes - Current	1,507		
Income Taxes - Deferred	108		
Net Income	2,504	1,495	1,009

(3) Combined (The Bank & TSBSP)

(in millions of yen)

	For the three months ended June 30,		Increase/ (Decrease) (A)-(B)
	2012 (A)	2011 (B)	
Gross Operating Profit	10,240	11,578	(1,338)
Net Interest Income	7,798	7,945	(147)
Net Fees and Commissions	987	352	635
Net Other Ordinary Income	1,454	3,280	(1,826)
of which Net Gain and Loss on Bonds	513	781	(268)
General and Administrative Expenses	7,049	7,831	(782)
Personnel Expenses	2,701	2,810	(109)
Nonpersonnel Expenses	3,978	4,634	(656)
Taxes	369	385	(16)
Net Operating Income before General Allowance and Goodwill	3,191	3,747	(556)
Core Net Operating Income (excluding Net Gain and Loss on Bonds)	2,677	2,966	(289)
Provision for General Allowance for Loan Losses	(1,509)	(2,478)	969
Amortization of Goodwill	-	-	-
Net Operating Income	4,700	6,226	(1,526)
Other Income and Expenses	(551)	(3,524)	2,973
Net Gain and Loss on Stocks and Other Securities	-	(1)	1
Problem Claims related Costs	1,998	4,082	(2,084)
Written-offs of Loans	-	3	(3)
Provision for Specific Allowance for Loan Losses	1,998	4,079	(2,081)
Net Gain and Loss on Sales of Loans	-	-	-
Reversal of Allowance for Loan Losses	-	-	-
Recoveries of Written-off Claims	5	15	(10)
Other	1,441	545	896
Ordinary Profit	4,148	2,702	1,446
Extraordinary Income and Loss	(3)	(3)	0
Net Gain and Loss on Disposal of Noncurrent Assets	(3)	(3)	0
Gain on Disposal of Noncurrent Assets	-	-	-
Loss on Disposal of Noncurrent Assets	3	3	0
Other	-	-	-
Income before Income Taxes	4,145	2,698	1,447
Income Taxes	1,628	1,217	411
Income Taxes - Current	1,508		
Income Taxes - Deferred	120		
Net Income	2,516	1,481	1,035

Note: "Combined" means simple aggregate on a non-consolidated of the Tokyo Star Bank, Ltd. ("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 June 30,		Increase/ (Decrease) (A)-(B)	As of March 31, 2012
	2012 (A)	2011 (B)		
Bankruptcy and Quasi-Bankruptcy	22,411	31,283	(8,872)	23,852
Doubtful	42,020	66,731	(24,711)	41,938
Sub-standard	19,345	2,626	16,719	18,258
Sub-Total (a)	83,777	100,642	(16,865)	84,049
Normal	1,457,465	1,439,674	17,791	1,478,835
Total (b)	1,541,243	1,540,317	926	1,562,885
Ratio of Problem Loans to Total Claims (a / b × 100)	5.43%	6.53%	(1.10)%	5.37%

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

(in millions of yen except percentages)

	As of June 30,		Increase/ (Decrease) (A)-(B)	As of March 31, 2012
	2012 (A)	2011 (B)		
Bankruptcy and Quasi-Bankruptcy	49,584	61,320	(11,736)	52,528
Doubtful	42,020	66,731	(24,711)	41,938
Sub-standard	19,345	2,626	16,719	18,258
Sub-Total (a)	110,950	130,679	(19,729)	112,726
Normal	1,457,465	1,439,674	17,791	1,478,835
Total (b)	1,568,416	1,570,354	(1,938)	1,591,561
Ratio of Problem Loans to Total Claims (a / b × 100)	7.07%	8.32%	(1.25)%	7.08%

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 June 30, 2012 (A)			As of June 30, 2011 (B)			As of March 31, 2012		
	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	14,275	13,333	(942)	-	-	-	14,794	13,658	(1,136)
Total	14,275	13,333	(942)	-	-	-	14,794	13,658	(1,136)

Available-for-sale securities

(in millions of yen)

	As of June 30, 2012 (A)			As of June 30, 2011 (B)			As of March 31, 2012		
	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	—	—	—	—	—	—	—	—	—
Domestic bonds	419,906	416,284	3,622	340,054	338,707	1,347	425,477	423,097	2,380
Government bonds	330,625	327,934	2,691	232,819	232,034	785	327,620	326,193	1,427
Municipal bonds	104	103	1	105	103	2	105	103	2
Corporate bonds	89,176	88,246	930	107,129	106,570	559	97,752	96,800	952
Others	133,501	132,801	700	151,702	151,575	127	127,658	127,040	618
Total	553,408	549,086	4,322	491,756	490,282	1,474	553,136	550,138	2,998

4. Derivatives (Consolidated)

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

① Interest Rate Derivatives

(in millions of yen)

	As of June 30, 2012 (A)			As of June 30, 2011 (B)			As of March 31, 2012		
	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	1,064,203	563	563	814,748	622	622	1,020,130	617	617
Interest Rate Options	87,710	-	176	87,211	-	226	83,494	-	175
Other	-	-	-	-	-	-	-	-	-
Total		563	740		622	848		617	792

② Currency Derivatives

(in millions of yen)

	As of June 30, 2012 (A)			As of June 30, 2011 (B)			As of March 31, 2012		
	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	12,011	(81)	(81)	-	-	-	8,040	218	218
Forward Foreign Exchange Contracts	54,084	(182)	(182)	86,890	337	337	58,144	(313)	(313)
Currency Options	177,337	-	4,300	147,525	-	3,361	179,150	-	4,244
Other	-	-	-	-	-	-	-	-	-
Total		(263)	4,036		337	3,699		(94)	4,150

③ Commodity Derivatives

(in millions of yen)

	As of June 30, 2012 (A)			As of June 30, 2011 (B)			As of March 31, 2012		
	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	9,069	-	-	11,568	-	-	11,074	-	-
Total		-	-		-	-		-	-

④ Credit Derivatives

(in millions of yen)

	As of June 30, 2012 (A)			As of June 30, 2011 (B)			As of March 31, 2012		
	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	17,718	(1)	-	18,579	(6)	-	17,948	(2)	-
Total		(1)	-		(6)	-		(2)	-

⑤ Other

(in millions of yen)

	As of June 30, 2012 (A)			As of June 30, 2011 (B)			As of March 31, 2012		
	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	-	-	-	607	-	-	79	-	-
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 June 30,				As of	
			2012 (A)		2011 (B)		March 31, 2012	
			Notional amounts	Fair value	Notional amounts	Fair value	Notional amounts	Fair value
Deferral hedge accounting method	Interest Rate Swaps	Loans, Available-for-sale Securities(Bonds), Deposits	337,039	1,619	346,900	4,726	318,297	3,021
Exceptional accrual method	Interest Rate Swaps	Loans	1,893	-	-	-	1,962	-
Total				1,619		4,726		3,021

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

5. Balances of Loans and Deposits (Consolidated)

(in millions of yen)

	As of June 30,		As of March 31, 2012
	2012 (A)	2011 (B)	
Total deposits	2,084,471	2,008,964	2,069,960
Individuals	1,851,567	1,822,211	1,847,032
Corporations	206,470	165,944	203,851
Public entities	25,446	16,603	17,963
Financial institutions	986	4,205	1,112
Loans and Bills Discounted	1,543,138	1,544,764	1,568,805