

**Consolidated Financial Results**  
*for the 3rd Quarter of Fiscal 2012*

**February 6, 2013**



**Consolidated Financial Results**  
**for the 3rd Quarter of Fiscal 2012 ended December 31, 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 3rd Quarter of Fiscal 2012 Ended December 31, 2012**

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

	For the nine months ended	
	December 31, 2012	December 31, 2011
Ordinary income	49,909	57,482
Change from the previous period	(13.1)%	0.1%
Ordinary profit	8,021	12,016
Change from the previous period	(33.2)%	829.3%
Net income	4,663	4,948
Change from the previous period	(5.7)%	-
Net income per common share (yen)	6,661.59	7,069.85
Diluted net income per common share (yen)	-	-

Note: Comprehensive income for the nine months ended :

December 31, 2012 : 6,436 million yen 62.9 %  
 December 31, 2011 : 3,950 million yen - %

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

	As of	
	December 31, 2012	March 31, 2012
Total assets	2,360,678	2,327,089
Net assets	103,489	97,560
Ratio of net assets to total assets	4.3%	4.1%

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

December 31, 2012 : 103,339 million yen  
 March 31, 2012 : 97,410 million yen

2. Ratio of net assets to total assets

= (Net assets - Stock acquisition rights - Minority interests) / Total assets X 100

## 2. Notes

**(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 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

**(4) Number of Shares Outstanding (Common stock)**

① Number of Shares Outstanding as of :

December 31, 2012 : 700,000 shares

March 31, 2012 : 700,000 shares

② Number of Treasury Shares Outstanding as of :

December 31, 2012 : - shares

March 31, 2012 : - shares

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

December 31, 2012 : 700,000 shares

December 31, 2011 : 700,000 shares

## FINANCIAL STATEMENTS

### 1. Consolidated Balance Sheets

(in millions of yen)	As of March 31, 2012	As of December 31, 2012
<b>Assets:</b>		
Cash and due from banks	69,256	55,314
Call loans	92,737	53,000
Monetary claims bought	17,869	15,918
Money held in trust	2,242	2,069
Securities	558,072	708,035
Loans and bills discounted	1,568,805	1,506,664
Foreign exchanges	1,097	5,584
Other assets	32,333	29,354
Tangible fixed assets	6,966	5,897
Intangible fixed assets	3,060	4,157
Deferred tax assets	16,460	14,534
Customers' liabilities for acceptances and guarantees	19,378	17,343
Allowance for loan losses	(61,191)	(57,196)
<b>Total assets</b>	<b>2,327,089</b>	<b>2,360,678</b>
<b>Liabilities:</b>		
Deposits	2,069,960	2,111,920
Negotiable certificates of deposit	-	1,260
Borrowed money	49,700	22,250
Foreign exchanges	1	35
Bonds payable	32,800	47,400
Other liabilities	55,452	55,302
Provision for bonuses	1,772	1,244
Provision for directors' bonuses	250	210
Provision for directors' retirement benefits	42	51
Provision for losses on dormant deposit repayments	136	136
Provision for possible losses on refund of interest	34	34
Acceptances and guarantees	19,378	17,343
<b>Total liabilities</b>	<b>2,229,529</b>	<b>2,257,188</b>
<b>Net assets:</b>		
Capital stock	26,000	26,000
Capital surplus	24,000	24,000
Retained earnings	43,840	48,003
<b>Total shareholders' equity</b>	<b>93,840</b>	<b>98,003</b>
Valuation difference on available-for-sale securities	1,929	4,507
Deferred gains or losses on hedges	1,640	828
<b>Total accumulated other comprehensive income</b>	<b>3,569</b>	<b>5,336</b>
Minority interests	150	150
<b>Total net assets</b>	<b>97,560</b>	<b>103,489</b>
<b>Total liabilities and net assets</b>	<b>2,327,089</b>	<b>2,360,678</b>

## 2. Consolidated Statements of Income

( in millions of yen)	For the nine months ended	
	December 31, 2011	December 31, 2012
<b>Ordinary income:</b>	57,482	49,909
Interest income and dividends	34,918	33,160
<i>Interest on loans and discounts</i>	29,224	27,057
<i>Interest and dividends on securities</i>	4,283	4,960
Fees and commissions	9,569	8,963
Other ordinary income	9,463	5,259
Other income	3,530	2,525
<b>Ordinary expenses:</b>	45,465	41,888
Interest expenses	10,768	10,044
<i>Interest on deposits</i>	9,571	8,754
Fees and commissions payments	4,453	4,169
Other ordinary expenses	3,113	419
General and administrative expenses	23,198	22,055
Other expenses	3,930	5,198
<b>Ordinary profit (loss)</b>	12,016	8,021
Extraordinary income	0	67
Extraordinary loss	59	58
<b>Income (Loss) before income taxes and minority interests</b>	11,957	8,031
Income taxes - current and deferred	7,000	3,360
<b>Income (Loss) before minority interests</b>	4,956	4,670
Minority interests in income	7	7
<b>Net income (loss)</b>	4,948	4,663

### 3. Consolidated Statements of Comprehensive Income

( in millions of yen)	For the nine months ended	
	December 31, 2011	December 31, 2012
Income (Loss) before minority interests	4,956	4,670
Other comprehensive income	(1,005)	1,766
Valuation difference on available-for-sale securities	(229)	2,577
Deferred gains or losses on hedges	(775)	(811)
<b>Comprehensive income</b>	<b>3,950</b>	<b>6,436</b>
Comprehensive income attributable to owners of the parent	3,943	6,429
Comprehensive income attributable to minority interests	7	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)
	2012 (A)	2011 (B)	
<b>Gross Operating Profit</b> (Note 1)	<b>32,750</b>	<b>35,614</b>	<b>(2,864)</b>
Net Interest Income	23,116	24,150	(1,034)
Net Fees and Commissions	4,794	5,115	(321)
Net Other Ordinary Income	4,840	6,349	(1,509)
General and Administrative Expenses	22,055	23,198	(1,142)
<b>Net Operating Income (Loss) before General Allowance and Goodwill</b> (Note 2)	<b>10,694</b>	<b>12,416</b>	<b>(1,721)</b>
Provision for General Allowance for Loan Losses	(4,912)	(3,682)	(1,229)
<b>Net Operating Income (Loss)</b> (Note 3)	<b>15,606</b>	<b>16,098</b>	<b>(492)</b>
Other Income and Expenses	(7,585)	(4,082)	(3,502)
Net Gain and Loss on Stocks and Other Securities	11	(1)	13
Problem Claims related Costs	9,724	6,624	3,099
Written-offs of Loans	292	228	64
Provision for Specific Allowance for Loan Losses	9,451	7,024	2,427
Net Gain and Loss on Sales of Loans	(19)	(627)	607
Reversal of Allowance for Loan Losses	-	-	-
Recoveries of Written-off Claims	99	208	(109)
Other	2,028	2,335	(306)
<b>Ordinary Profit (Loss)</b>	<b>8,021</b>	<b>12,016</b>	<b>(3,994)</b>
Extraordinary Income and Loss	9	(59)	68
Net Gain and Loss on Disposal of Noncurrent Assets	9	(51)	61
Gain on Disposal of Noncurrent Assets	67	0	67
Loss on Disposal of Noncurrent Assets	58	52	5
Other	-	(7)	7
<b>Income (Loss) before Income Taxes and Minority Interests</b>	<b>8,031</b>	<b>11,957</b>	<b>(3,925)</b>
Income Taxes	3,360	7,000	(3,640)
Income Taxes - Current	2,539	3,575	(1,036)
Income Taxes - Deferred	821	3,425	(2,603)
<b>Income (Loss) before Minority Interests</b>	<b>4,670</b>	<b>4,956</b>	<b>(285)</b>
Minority Interests in Income (Loss)	7	7	-
<b>Net Income (Loss)</b>	<b>4,663</b>	<b>4,948</b>	<b>(285)</b>

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)	5,354	3,434	1,919
excluding Recoveries of Written-off Claims	5,453	3,643	1,809

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)
	2012 (A)	2011 (B)	
<b>Gross Operating Profit</b>	<b>30,307</b>	<b>32,068</b>	<b>(1,760)</b>
Net Interest Income	22,769	23,773	(1,004)
Net Fees and Commissions	2,699	1,945	754
Net Other Ordinary Income	4,839	6,349	(1,510)
of which Net Gain and Loss on Bonds	861	(132)	994
General and Administrative Expenses	21,365	22,196	(830)
Personnel Expenses	8,842	8,587	255
Nonpersonnel Expenses	11,661	12,554	(893)
Taxes	861	1,054	(192)
<b>Net Operating Income (Loss) before General Allowance and Goodwill</b>	<b>8,942</b>	<b>9,871</b>	<b>(929)</b>
<b>Core Net Operating Income (Loss) (excluding Net Gain and Loss on Bonds)</b>	<b>8,080</b>	<b>10,004</b>	<b>(1,923)</b>
Provision for General Allowance for Loan Losses	(2,884)	(3,559)	674
Amortization of Goodwill	-	-	-
<b>Net Operating Income (Loss)</b>	<b>11,827</b>	<b>13,430</b>	<b>(1,603)</b>
Other Income and Expenses	(7,011)	(3,535)	(3,476)
Net Gain and Loss on Stocks and Other Securities	11	(1)	13
Problem Claims related Costs	8,962	5,488	3,473
Written-offs of Loans	64	14	49
Provision for Specific Allowance for Loan Losses	8,917	6,104	2,813
Net Gain and Loss on Sales of Loans	(19)	(630)	610
Reversal of Allowance for Loan Losses	-	-	-
Recoveries of Written-off Claims	15	80	(64)
Other	1,923	1,874	48
<b>Ordinary Profit (Loss)</b>	<b>4,815</b>	<b>9,895</b>	<b>(5,080)</b>
Extraordinary Income and Loss	(6)	0	(6)
Net Gain and Loss on Disposal of Noncurrent Assets	(6)	0	(6)
Gain on Disposal of Noncurrent Assets	-	0	0
Loss on Disposal of Noncurrent Assets	6	0	5
Other	-	-	-
<b>Income (Loss) before Income Taxes</b>	<b>4,808</b>	<b>9,895</b>	<b>(5,086)</b>
Income Taxes	2,120	5,990	(3,870)
Income Taxes - Current	2,089	3,042	(952)
Income Taxes - Deferred	30	2,948	(2,917)
<b>Net Income (Loss)</b>	<b>2,688</b>	<b>3,905</b>	<b>(1,216)</b>



(3) Combined (The Bank & TSBSP)

(in millions of yen)

	For the nine months ended December 31,		Increase/ (Decrease) (A)-(B)
	2012 (A)	2011 (B)	
<b>Gross Operating Profit</b>	<b>30,379</b>	<b>32,194</b>	<b>(1,815)</b>
Net Interest Income	22,841	23,900	(1,058)
Net Fees and Commissions	2,699	1,945	754
Net Other Ordinary Income	4,839	6,349	(1,510)
of which Net Gain and Loss on Bonds	861	(132)	994
General and Administrative Expenses	21,568	22,397	(828)
Personnel Expenses	8,867	8,610	257
Nonpersonnel Expenses	11,830	12,724	(893)
Taxes	870	1,062	(192)
<b>Net Operating Income (Loss) before General Allowance and Goodwill</b>	<b>8,811</b>	<b>9,797</b>	<b>(986)</b>
<b>Core Net Operating Income (Loss) (excluding Net Gain and Loss on Bonds)</b>	<b>7,949</b>	<b>9,930</b>	<b>(1,980)</b>
Provision for General Allowance for Loan Losses	(2,890)	(3,558)	668
Amortization of Goodwill	-	-	-
<b>Net Operating Income (Loss)</b>	<b>11,701</b>	<b>13,356</b>	<b>(1,655)</b>
Other Income and Expenses	(6,776)	(3,340)	(3,436)
Net Gain and Loss on Stocks and Other Securities	11	(1)	13
Problem Claims related Costs	9,207	5,296	3,910
Written-offs of Loans	64	14	49
Provision for Specific Allowance for Loan Losses	9,162	5,909	3,253
Net Gain and Loss on Sales of Loans	(19)	(627)	607
Reversal of Allowance for Loan Losses	-	-	-
Recoveries of Written-off Claims	15	83	(67)
Other	2,403	1,874	528
<b>Ordinary Profit (Loss)</b>	<b>4,924</b>	<b>10,016</b>	<b>(5,092)</b>
Extraordinary Income and Loss	(6)	0	(6)
Net Gain and Loss on Disposal of Noncurrent Assets	(6)	0	(6)
Gain on Disposal of Noncurrent Assets	-	0	0
Loss on Disposal of Noncurrent Assets	6	0	5
Other	-	-	-
<b>Income (Loss) before Income Taxes</b>	<b>4,917</b>	<b>10,016</b>	<b>(5,098)</b>
Income Taxes	2,173	6,194	(4,021)
Income Taxes - Current	2,090	3,043	(952)
Income Taxes - Deferred	83	3,151	(3,068)
<b>Net Income (Loss)</b>	<b>2,744</b>	<b>3,821</b>	<b>(1,077)</b>

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, 2012
	2012 (A)	2011 (B)		
Bankruptcy and Quasi-Bankruptcy	13,616	39,310	(25,694)	23,988
Doubtful	45,406	37,937	7,468	51,681
Sub-standard	16,335	801	15,533	14,288
<b>Sub-Total (A)</b>	<b>75,357</b>	<b>78,049</b>	<b>(2,691)</b>	<b>89,959</b>
Normal	1,436,402	1,501,063	(64,660)	1,434,990
Total (B)	1,511,760	1,579,112	(67,352)	1,524,949
<b>Ratio of Problem Loans to Total Claims (A / B × 100)</b>	<b>4.98%</b>	<b>4.94%</b>	<b>0.04%</b>	<b>5.89%</b>

### <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, 2012
	2012 (A)	2011 (B)		
Bankruptcy and Quasi-Bankruptcy	33,492	71,023	(37,530)	44,774
Doubtful	45,406	37,937	7,468	51,681
Sub-standard	16,335	801	15,533	14,288
<b>Sub-Total (A)</b>	<b>95,234</b>	<b>109,762</b>	<b>(14,528)</b>	<b>110,745</b>
Normal	1,436,402	1,501,063	(64,660)	1,434,990
Total (B)	1,531,636	1,610,825	(79,188)	1,545,736
<b>Ratio of Problem Loans to Total Claims (A / B × 100)</b>	<b>6.21%</b>	<b>6.81%</b>	<b>(0.59)%</b>	<b>7.16%</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 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, 2012 (A)			As of December 31, 2011 (B)			As of September 30, 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	15,584	15,543	(40)	13,993	12,096	(1,897)	13,968	13,579	(389)
Total	15,584	15,543	(40)	13,993	12,096	(1,897)	13,968	13,579	(389)

### Available-for-sale securities

(in millions of yen)

	As of December 31, 2012 (A)			As of December 31, 2011 (B)			As of September 30, 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	-	-	-	-	-	-	39	39	-
Domestic bonds	516,803	512,574	4,228	385,824	384,173	1,651	413,836	409,717	4,118
Government bonds	432,208	429,529	2,679	273,029	271,790	1,239	322,016	319,010	3,005
Municipal bonds	104	103	0	105	103	1	104	103	1
Corporate bonds	84,491	82,942	1,549	112,690	112,279	410	91,716	90,603	1,112
Others	185,699	182,910	2,788	122,164	124,000	(1,835)	143,116	141,329	1,787
Total	702,503	695,485	7,017	507,989	508,173	(183)	556,993	551,086	5,906

#### 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, 2012 (A)			As of December 31, 2011 (B)			As of September 30, 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	1,069,065	449	449	920,618	527	527	1,096,544	449	449
Interest Rate Options	76,939	-	160	86,576	-	176	86,089	-	171
Other	-	-	-	-	-	-	-	-	-
Total		449	609		527	704		449	620

###### ② Currency Derivatives

(in millions of yen)

	As of December 31, 2012 (A)			As of December 31, 2011 (B)			As of September 30, 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	14,555	1,035	1,035	-	-	-	8,040	(211)	(211)
Forward Foreign Exchange Contracts	47,742	(1,288)	(1,288)	59,813	61	61	28,316	150	150
Currency Options	193,013	-	4,749	154,336	-	3,635	181,519	-	4,443
Other	-	-	-	-	-	-	-	-	-
Total		(253)	4,495		61	3,696		(61)	4,382

###### ③ Commodity Derivatives

(in millions of yen)

	As of December 31, 2012 (A)			As of December 31, 2011 (B)			As of September 30, 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	7,366	-	-	11,039	-	-	7,504	-	-
Total		-	-		-	-		-	-

###### ④ Credit Derivatives

(in millions of yen)

	As of December 31, 2012 (A)			As of December 31, 2011 (B)			As of September 30, 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	-	-	-	18,115	(3)	-	-	-	-
Total		-	-		(3)	-		-	-

###### ⑤ Other

(in millions of yen)

	As of December 31, 2012 (A)			As of December 31, 2011 (B)			As of September 30, 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	-	-	-	287	-	-	-	-	-
Total		-	-		-	-		-	-

\*Equity Derivatives and Bond Derivatives : Not applicable.

#### 4. Derivatives (Consolidated)

##### (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	
			2012 (A)		2011 (B)		September 30, 2012	
			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	336,094	1,612	346,298	3,638	336,184	1,650
Exceptional accrual method	Interest Rate Swaps	Loans	1,967	-	-	-	1,763	-
Total				1,612		3,638		1,650

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

#### 5. Balances of Loans and Deposits

(in millions of yen)

	As of December 31,		As of September 30, 2012
	2012 (A)	2011 (B)	
<b>Total deposits</b>	<b>2,111,920</b>	2,062,795	2,067,588
Individuals	1,874,079	1,849,612	1,843,167
Corporations	205,906	193,488	199,617
Public entities	28,331	18,265	23,796
Financial institutions	3,601	1,428	1,005
<b>Loans and Bills Discounted</b>	<b>1,506,664</b>	1,587,322	1,520,077