

November 15, 2016

**Consolidated Financial Results**  
**for the First Half of Fiscal 2016 ended September 30, 2016**  
*[ under Japanese GAAP ]*

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

Headquarters : Tokyo

Notes: - 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 First Half of Fiscal 2016 ended September 30, 2016**

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

	For the six months ended	
	September 30, 2016	September 30, 2015
Ordinary income	<b>33,273</b>	35,982
Change from the previous period	<b>(7.5)%</b>	(9.8)%
Ordinary profit	<b>8,346</b>	9,978
Change from the previous period	<b>(16.3)%</b>	(32.7)%
Net income attributable to owners of the parent	<b>5,889</b>	6,716
Change from the previous period	<b>(12.3)%</b>	(31.6)%
Net income per common share (yen)	<b>8,412.89</b>	9,595.58
Diluted net income per common share (yen)	-	-

Note: Comprehensive income for the six months ended :

September 30, 2016	4,706 million yen	4.6 %
September 30, 2015	4,495 million yen	(48.9) %

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

	As of	
	September 30, 2016	March 31, 2016
Total assets	<b>2,684,866</b>	2,738,786
Net assets	<b>131,063</b>	126,356
Ratio of net assets to total assets	<b>4.8%</b>	4.6%

Notes: 1. Net assets, excluding Stock acquisition rights and Non-controlling interests, as of :

September 30, 2016	131,063 million yen
March 31, 2016	126,356 million yen

2. Ratio of net assets to total assets

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

## 2. Notes

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

There is no changes in material subsidiaries accompanying significant change in the scope of consolidation.

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

① Changes accounting policies  
due to revision of accounting standards etc. : Yes

The Tokyo Star Bank and its consolidated subsidiaries ("the Group") have applied " Practical Solution on a change in depreciation method due to Tax Reform 2016" (ASBJ Practical Issues Task Force No.32, June 17, 2016) and changed the depreciation method for buildings and accompanying facilities and structures acquired on or after April 1, 2016 from the declining-balance method to the straight-line method, from the first half of fiscal 2016. Effects of this change are immaterial.

(Additional information)

The Group has applied "Implementation Guidance on Recoverability of Deferred Tax (ASBJ Guidance No.26, March 28, 2016) from the first half of fiscal 2016.

② Changes accounting policies other than ① above : No

③ Changes in accounting estimates : No

④ Correction of prior period errors : No

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

① Number of Shares Outstanding as of :

September 30, 2016	:	700,000 shares
March 31, 2016	:	700,000 shares

② Number of Treasury Shares Outstanding as of :

September 30, 2016	:	- shares
March 31, 2016	:	- shares

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

September 30, 2016	:	700,000 shares
September 30, 2015	:	700,000 shares

(Reference)

1. Summary of Non-Consolidated Financial Results  
for the First Half of Fiscal 2016 ended September 30, 2016

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

	For the six months ended	
	September 30, 2016	September 30, 2015
Ordinary income	33,666	36,383
Change from the previous period	(7.4)%	(9.3)%
Ordinary profit	8,083	9,577
Change from the previous period	(15.6)%	(32.7)%
Net income	5,761	6,442
Change from the previous period	(10.5)%	(31.5)%
Net income per common share (yen)	8,230.41	9,203.89

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

	As of	
	September 30, 2016	March 31, 2016
Total assets	2,676,376	2,729,348
Net assets	123,221	118,642
Ratio of net assets to total assets	4.6%	4.3%

Notes: 1. Net assets, excluding Stock acquisition rights, as of :  
September 30, 2016 : 123,221 million yen  
March 31, 2016 : 118,642 million yen

2. Ratio of net assets to total assets  
= (Net assets - Stock acquisition rights) / Total assets X 100

## Consolidated Financial Statements

### 1. Consolidated balance sheets

(in millions of yen)	As of March 31, 2016	As of September 30, 2016
<b>Assets</b>		
Cash and due from banks	339,010	413,201
Call loans	39,612	14,434
Monetary claims bought	4,854	3,877
Money held in trust	11,863	75
Securities	568,895	508,537
Loans and bills discounted	1,703,229	1,655,368
Foreign exchanges	6,062	3,925
Other assets	56,636	77,004
Tangible fixed assets	5,868	5,588
Intangible fixed assets	8,550	8,092
Deferred tax assets	4,874	5,081
Customers' liabilities for acceptances and guarantees	10,741	9,439
Allowance for loan losses	(21,414)	(19,760)
<b>Total assets</b>	<b>2,738,786</b>	<b>2,684,866</b>
<b>Liabilities</b>		
Deposits	2,072,187	1,986,570
Negotiable certificates of deposit	294,770	284,044
Call money	-	15,100
Payables under repurchase agreements	32,222	15,208
Payables under securities lending transactions	87,056	152,122
Borrowed money	44,400	17,200
Foreign exchanges	-	28
Bonds payable	22,500	16,300
Other liabilities	45,787	56,236
Provision for bonuses	2,398	1,281
Provision for directors' bonuses	241	149
Provision for losses on dormant deposit repayments	115	115
Provision for possible losses on refund of interest	3	3
Provision for loyalty program	5	3
Acceptances and guarantees	10,741	9,439
<b>Total liabilities</b>	<b>2,612,429</b>	<b>2,553,802</b>
<b>Net assets</b>		
Capital stock	26,000	26,000
Capital surplus	24,000	24,000
Retained earnings	75,106	80,995
<b>Total shareholders' equity</b>	<b>125,106</b>	<b>130,995</b>
Valuation difference on available-for-sale securities	1,189	462
Deferred gains or losses on hedges	60	(394)
<b>Total accumulated other comprehensive income</b>	<b>1,250</b>	<b>67</b>
<b>Total net assets</b>	<b>126,356</b>	<b>131,063</b>
<b>Total liabilities and net assets</b>	<b>2,738,786</b>	<b>2,684,866</b>

## 2. Consolidated statements of income

(in millions of yen)	For six months ended September 30, 2015	For six months ended September 30, 2016
<b>Ordinary income</b>	35,982	33,273
Interest income	20,525	20,363
Interest on loans and discounts	16,304	16,244
Interest and dividends on securities	3,809	3,871
Fees and commissions	5,409	4,723
Other ordinary income	4,070	5,440
Other income	5,976	2,745
<b>Ordinary expenses</b>	26,003	24,927
Interest expenses	3,762	3,423
Interest on deposits	2,876	2,295
Fees and commissions payments	2,334	2,450
Other ordinary expenses	1,545	714
General and administrative expenses	18,148	17,981
Other expenses	212	357
<b>Ordinary profit (loss)</b>	9,978	8,346
Extraordinary income	-	-
Extraordinary loss	363	12
<b>Income (Loss) before income taxes</b>	9,615	8,334
Income taxes-current	1,909	2,447
Income taxes for prior periods	-	(317)
Income taxes-deferred	988	314
Total income taxes	2,898	2,445
<b>Net income (loss)</b>	6,716	5,889
Net income attributable to non-controlling interests	-	-
Net income attributable to owners of the parent	6,716	5,889

### 3. Consolidated statements of comprehensive income

(in millions of yen)	For six months ended September 30, 2015	For six months ended September 30, 2016
Net income	6,716	5,889
Other comprehensive income	(2,221)	(1,182)
Valuation difference on available-for-sale securities	(2,520)	(726)
Deferred gains or losses on hedges	298	(455)
<b>Comprehensive income</b>	<b>4,495</b>	<b>4,706</b>
Comprehensive income attributable to owners of the parent	4,495	4,706
Comprehensive income attributable to non- controlling interests	-	-

#### 4. Consolidated statements of changes in net assets

For six months ended September 30, 2015

(in millions of yen)

	Shareholders' equity				Accumulated other comprehensive income			Total net assets
	Capital stock	Capital surplus	Retained earnings	Total	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total	
Balance at the beginning of current period	26,000	24,000	64,014	114,014	4,041	(282)	3,758	117,773
Changes of items during the period								
Net income attributable to owners of the parent	-	-	6,716	6,716	-	-	-	6,716
Net changes of items other than shareholders' equity	-	-	-	-	(2,520)	298	(2,221)	(2,221)
Total changes of items during the period	-	-	6,716	6,716	(2,520)	298	(2,221)	4,495
Balance at the end of current period	26,000	24,000	70,731	120,731	1,521	15	1,537	122,268

For six months ended September 30, 2016

(in millions of yen)

	Shareholders' equity				Accumulated other comprehensive income			Total net assets
	Capital stock	Capital surplus	Retained earnings	Total	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total	
Balance at the beginning of current period	26,000	24,000	75,106	125,106	1,189	60	1,250	126,356
Changes of items during the period								
Net income attributable to owners of the parent	-	-	5,889	5,889	-	-	-	5,889
Net changes of items other than shareholders' equity	-	-	-	-	(726)	(455)	(1,182)	(1,182)
Total changes of items during the period	-	-	5,889	5,889	(726)	(455)	(1,182)	4,706
Balance at the end of current period	26,000	24,000	80,995	130,995	462	(394)	67	131,063

#### 5. Going Concern Assumption

There is no applicable information.

## Non-consolidated Financial Statements

### 1. Non-consolidated balance sheets

(in millions of yen)	As of March 31, 2016	As of September 30, 2016
<b>Assets</b>		
Cash and due from banks	338,885	412,896
Call loans	39,612	14,434
Monetary claims bought	4,854	3,877
Money held in trust	11,863	75
Securities	573,655	513,307
Loans and bills discounted	1,694,688	1,647,250
Foreign exchanges	6,062	3,925
Other assets	56,569	76,937
Tangible fixed assets	5,804	5,509
Intangible fixed assets	8,388	7,949
Deferred tax assets	4,131	4,360
Customers' liabilities for acceptances and guarantees	1,300	838
Allowance for loan losses	(16,469)	(14,985)
<b>Total assets</b>	<b>2,729,348</b>	<b>2,676,376</b>
<b>Liabilities</b>		
Deposits	2,079,930	1,994,546
Negotiable certificates of deposit	294,770	284,044
Call money	-	15,100
Payables under repurchase agreements	32,222	15,208
Payables under securities lending transactions	87,056	152,122
Borrowed money	44,400	17,200
Foreign exchanges	-	28
Bonds payable	22,500	16,300
Other liabilities	45,787	56,227
Provision for bonuses	2,377	1,272
Provision for directors' bonuses	241	149
Provision for losses on dormant deposit repayments	115	115
Provision for loyalty program	5	3
Acceptances and guarantees	1,300	838
<b>Total liabilities</b>	<b>2,610,706</b>	<b>2,553,155</b>
<b>Net assets</b>		
Capital stock	26,000	26,000
Capital surplus	24,000	24,000
Legal capital surplus	24,000	24,000
Retained earnings	67,392	73,153
Legal retained earnings	2,000	2,000
Other retained earnings	65,392	71,153
Retained earnings brought forward	65,392	71,153
Total shareholders' equity	117,392	123,153
Valuation difference on available-for-sale securities	1,189	462
Deferred gains or losses on hedges	60	(394)
Total valuation and translation adjustments	1,250	67
<b>Total net assets</b>	<b>118,642</b>	<b>123,221</b>
<b>Total liabilities and net assets</b>	<b>2,729,348</b>	<b>2,676,376</b>



## 2. Non-consolidated statements of income

(in millions of yen)	For six months ended September 30, 2015	For six months ended September 30, 2016
<b>Ordinary income</b>	36,383	33,666
Interest income	20,349	20,171
Interest on loans and discounts	16,132	16,055
Interest and dividends on securities	3,806	3,868
Fees and commissions	5,142	4,525
Other ordinary income	4,070	5,440
Other income	6,821	3,528
<b>Ordinary expenses</b>	26,805	25,583
Interest expenses	3,762	3,424
Interest on deposits	2,876	2,295
Fees and commissions payments	3,449	3,461
Other ordinary expenses	1,545	714
General and administrative expenses	17,901	17,709
Other expenses	146	274
<b>Ordinary profit (loss)</b>	9,577	8,083
Extraordinary income	-	-
Extraordinary loss	363	12
<b>Income (Loss) before income taxes</b>	9,214	8,070
Income taxes-current	1,702	2,334
Income taxes for prior periods	-	(317)
Income taxes-deferred	1,068	292
Total income taxes	2,771	2,309
<b>Net income (loss)</b>	6,442	5,761

## 3. Non-consolidated statements of changes in net assets

For six months ended September 30, 2015

(in millions of yen)

	Shareholders' equity						
	Capital stock	Capital surplus		Retained earnings			Total shareholders' equity
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	Total retained earnings	
Balance at the beginning of current period	26,000	24,000	24,000	2,000	54,758	56,758	106,758
Changes of items during the period							
Net income	-	-	-	-	6,442	6,442	6,442
Net changes of items other than shareholders' equity	-	-	-	-	-	-	-
Total changes of items during the period	-	-	-	-	6,442	6,442	6,442
Balance at the end of current period	26,000	24,000	24,000	2,000	61,201	63,201	113,201

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at the beginning of current period	4,041	(282)	3,758	110,517
Changes of items during the period				
Net income	-	-	-	6,442
Net changes of items other than shareholders' equity	(2,520)	298	(2,221)	(2,221)
Total changes of items during the period	(2,520)	298	(2,221)	4,221
Balance at the end of current period	1,521	15	1,537	114,738

**3. Non-consolidated statements of changes in net assets (Continued)**

For six months ended September 30, 2016

(in millions of yen)

	Shareholders' equity						
	Capital stock	Capital surplus		Retained earnings			Total shareholders' equity
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	Total retained earnings	
Balance at the beginning of current period	26,000	24,000	24,000	2,000	65,392	67,392	117,392
Changes of items during the period							
Net income	-	-	-	-	5,761	5,761	5,761
Net changes of items other than shareholders' equity	-	-	-	-	-	-	-
Total changes of items during the period	-	-	-	-	5,761	5,761	5,761
Balance at the end of current period	26,000	24,000	24,000	2,000	71,153	73,153	123,153

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at the beginning of current period	1,189	60	1,250	118,642
Changes of items during the period				
Net income	-	-	-	5,761
Net changes of items other than shareholders' equity	(726)	(455)	(1,182)	(1,182)
Total changes of items during the period	(726)	(455)	(1,182)	4,579
Balance at the end of current period	462	(394)	67	123,221

**4. Going Concern Assumption**

There is no applicable information.