

Consolidated Financial Results
for the First Half of Fiscal 2018 ended September 30, 2018
[under Japanese GAAP]

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

Notes: - The financial results presented here are not subject to certified public accountant's or audit firm's audits.
 - The amounts are rounded down to the nearest million of yen.

1. Summary of Consolidated Financial Results
for the First Half of Fiscal 2018 ended September 30, 2018

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

	For the six months ended	
	September 30, 2018	September 30, 2017
Ordinary income	29,125	30,349
Change from the previous period	(4.0)%	(8.7)%
Ordinary profit	4,832	5,272
Change from the previous period	(8.3)%	(36.8)%
Net income attributable to owners of the parent	3,581	3,772
Change from the previous period	(5.0)%	(35.9)%
Net income per common share (yen)	5,117.12	5,388.60
Diluted net income per common share (yen)	-	-

Note: Comprehensive income for the six months ended :

September 30, 2018	3,146 million yen	(21.4) %
September 30, 2017	4,003 million yen	(14.9) %

(2) Financial Conditions (Millions of yen except percentages)

	As of	
	September 30, 2018	March 31, 2018
Total assets	2,553,329	2,608,103
Net assets	151,727	148,581
Ratio of net assets to total assets	5.9%	5.6%

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

September 30, 2018	151,727 million yen
March 31, 2018	148,581 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

(a) Changes in accounting policies
due to revision of accounting standards etc. : No

(b) Changes in accounting policies other than (a) above : No

(c) Changes in accounting estimates : No

(d) Correction of prior period errors : No

(3) Number of Shares Outstanding (Common stock)

(a) Number of Shares Outstanding as of :

September 30, 2018	:	700,000	shares
March 31, 2018	:	700,000	shares

(b) Number of Treasury Shares Outstanding as of :

September 30, 2018	:	—	shares
March 31, 2018	:	—	shares

(c) Average Number of Shares Outstanding for the six months ended :

September 30, 2018	:	700,000	shares
September 30, 2017	:	700,000	shares

(Reference)

1. Summary of Non-Consolidated Financial Results
for the First Half of Fiscal 2018 ended September 30, 2018

(1) Operating Results

(Millions of yen except per share data and percentages)

	For the six months ended	
	September 30, 2018	September 30, 2017
Ordinary income	29,493	30,590
Change from the previous period	(3.5)%	(9.1)%
Ordinary profit	4,875	4,987
Change from the previous period	(2.2)%	(38.2)%
Net income	3,675	3,644
Change from the previous period	0.8%	(36.7)%
Net income per common share (yen)	5,250.01	5,206.04

(2) Financial Conditions

(Millions of yen except percentages)

	As of	
	September 30, 2018	March 31, 2018
Total assets	2,547,120	2,601,299
Net assets	143,134	139,894
Ratio of net assets to total assets	5.6%	5.3%

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

September 30, 2018 : 143,134 million yen

March 31, 2018 : 139,894 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

(Millions of yen)	As of	
	March 31, 2018	September 30, 2018
Assets		
Cash and due from banks	374,979	432,966
Call loans	27,901	26,000
Monetary claims bought	4,755	4,290
Money held in trust	9,975	5,055
Securities	334,888	292,868
Loans and bills discounted	1,740,836	1,683,972
Foreign exchanges	8,112	9,870
Other assets	93,517	83,853
Tangible fixed assets	5,563	5,313
Intangible fixed assets	7,591	8,877
Deferred tax assets	4,126	3,801
Customers' liabilities for acceptances and guarantees	8,466	9,019
Allowance for loan losses	(12,610)	(12,560)
Total assets	2,608,103	2,553,329
Liabilities		
Deposits	1,878,581	1,839,725
Negotiable certificates of deposits	359,685	377,377
Call money	52,748	45,257
Payables under repurchase agreements	18,537	—
Payables under securities lending transactions	77,567	77,517
Borrowed money	3,080	3,407
Foreign exchanges	16	39
Bonds payable	4,100	—
Other liabilities	53,600	47,587
Provision for bonuses	2,822	1,397
Provision for directors' bonuses	198	157
Provision for losses on dormant deposit repayments	107	107
Provision for possible losses on refund of interest	9	9
Acceptances and guarantees	8,466	9,019
Total liabilities	2,459,522	2,401,602
Net assets		
Capital stock	26,000	26,000
Capital surplus	24,000	24,000
Retained earnings	98,997	102,579
Total shareholders' equity	148,997	152,579
Valuation difference on available-for-sale securities	(616)	(851)
Deferred gains or losses on hedges	200	—
Total accumulated other comprehensive income	(416)	(851)
Total net assets	148,581	151,727
Total liabilities and net assets	2,608,103	2,553,329

2. Consolidated statements of income

(Millions of yen)	For six months ended	
	September 30, 2017	September 30, 2018
Ordinary income	30,349	29,125
Interest income	20,364	19,667
Interest on loans and discounts	15,969	16,481
Interest and dividends on securities	4,172	2,927
Fees and commissions	5,225	4,970
Other ordinary income	2,800	2,994
Other income	1,959	1,492
Ordinary expenses	25,076	24,292
Interest expenses	3,441	2,301
Interest on deposits	2,050	1,798
Fees and commissions payments	2,475	2,422
Other ordinary expenses	832	1,098
General and administrative expenses	17,485	17,783
Other expenses	842	686
Ordinary profit	5,272	4,832
Extraordinary income	—	—
Extraordinary loss	90	44
Income before income taxes	5,181	4,788
Income taxes-current	1,058	689
Income taxes for prior periods	(259)	—
Income taxes-deferred	611	517
Total income taxes	1,409	1,206
Net income	3,772	3,581
Net income attributable to non-controlling interests	—	—
Net income attributable to owners of the parent	3,772	3,581

3. Consolidated statements of comprehensive income

(Millions of yen)	For six months ended	
	September 30, 2017	September 30, 2018
Net income	3,772	3,581
Other comprehensive income	231	(435)
Valuation difference on available-for-sale securities	462	(235)
Deferred gains or losses on hedges	(231)	(200)
Comprehensive income	4,003	3,146
Comprehensive income attributable to owners of the parent	4,003	3,146
Comprehensive income attributable to non-controlling interests	—	—

4. Consolidated statements of changes in net assets

For six months ended September 30, 2017

(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	86,513	136,513	75	—	75	136,589
Changes of items during the period								
Net income attributable to owners of the parent	—	—	3,772	3,772	—	—	—	3,772
Net changes of items other than shareholders' equity	—	—	—	—	462	(231)	231	231
Total changes of items during the period	—	—	3,772	3,772	462	(231)	231	4,003
Balance at the end of current period	26,000	24,000	90,285	140,285	538	(231)	307	140,592

For six months ended September 30, 2018

(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	98,997	148,997	(616)	200	(416)	148,581
Changes of items during the period								
Net income attributable to owners of the parent	—	—	3,581	3,581	—	—	—	3,581
Net changes of items other than shareholders' equity	—	—	—	—	(235)	(200)	(435)	(435)
Total changes of items during the period	—	—	3,581	3,581	(235)	(200)	(435)	3,146
Balance at the end of current period	26,000	24,000	102,579	152,579	(851)	—	(851)	151,727

5. Going concern assumption

There is no applicable information.

Non-consolidated Financial Statements

1. Non-consolidated balance sheets

(Millions of yen)	As of	
	March 31, 2018	September 30, 2018
Assets		
Cash and due from banks	374,361	432,310
Call loans	27,901	26,000
Monetary claims bought	4,755	4,290
Money held in trust	9,975	5,055
Securities	339,456	297,566
Loans and bills discounted	1,733,918	1,676,813
Foreign exchanges	8,112	9,870
Other assets	93,455	83,806
Tangible fixed assets	5,479	5,223
Intangible fixed assets	7,509	8,819
Deferred tax assets	3,590	3,210
Customers' liabilities for acceptances and guarantees	1,557	2,558
Allowance for loan losses	(8,774)	(8,403)
Total assets	2,601,299	2,547,120
Liabilities		
Deposits	1,887,387	1,848,600
Negotiable certificates of deposits	359,685	377,377
Call money	52,748	45,257
Payables under repurchase agreements	18,537	—
Payables under securities lending transactions	77,567	77,517
Borrowed money	3,080	3,407
Foreign exchanges	16	39
Bonds payable	4,100	—
Other liabilities	53,616	47,574
Provision for bonuses	2,802	1,389
Provision for directors' bonuses	198	157
Provision for losses on dormant deposit repayments	107	107
Acceptances and guarantees	1,557	2,558
Total liabilities	2,461,405	2,403,985
Net assets		
Capital stock	26,000	26,000
Capital surplus	24,000	24,000
Legal capital surplus	24,000	24,000
Retained earnings	90,311	93,986
Legal retained earnings	2,000	2,000
Other retained earnings	88,311	91,986
Retained earnings brought forward	88,311	91,986
Total shareholders' equity	140,311	143,986
Valuation difference on available-for-sale securities	(616)	(851)
Deferred gains or losses on hedges	200	—
Total valuation and translation adjustments	(416)	(851)
Total net assets	139,894	143,134
Total liabilities and net assets	2,601,299	2,547,120

2. Non-consolidated statements of income

(Millions of yen)	For six months ended	
	September 30, 2017	September 30, 2018
Ordinary income	30,590	29,493
Interest income	20,189	19,673
Interest on loans and discounts	15,797	16,332
Interest and dividends on securities	4,167	3,081
Fees and commissions	5,078	4,854
Other ordinary income	2,800	2,994
Other income	2,522	1,970
Ordinary expenses	25,602	24,618
Interest expenses	3,441	2,301
Interest on deposits	2,050	1,798
Fees and commissions payments	3,299	3,145
Other ordinary expenses	832	1,098
General and administrative expenses	17,249	17,572
Other expenses	780	500
Ordinary profit	4,987	4,875
Extraordinary income	—	—
Extraordinary loss	90	38
Income before income taxes	4,897	4,836
Income taxes-current	924	589
Income taxes for prior periods	(259)	—
Income taxes-deferred	587	572
Total income taxes	1,252	1,161
Net income	3,644	3,675

3. Non-consolidated statements of changes in net assets

For six months ended September 30, 2017

(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	76,169	78,169	128,169
Changes of items during the period							
Net income	—	—	—	—	3,644	3,644	3,644
Net changes of items other than shareholders' equity	—	—	—	—	—	—	—
Total changes of items during the period	—	—	—	—	3,644	3,644	3,644
Balance at the end of current period	26,000	24,000	24,000	2,000	79,813	81,813	131,813

	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	75	—	75	128,244
Changes of items during the period				
Net income	—	—	—	3,644
Net changes of items other than shareholders' equity	462	(231)	231	231
Total changes of items during the period	462	(231)	231	3,875
Balance at the end of current period	538	(231)	307	132,120

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

For six months ended September 30, 2018

(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	88,311	90,311	140,311
Changes of items during the period							
Net income	—	—	—	—	3,675	3,675	3,675
Net changes of items other than shareholders' equity	—	—	—	—	—	—	—
Total changes of items during the period	—	—	—	—	3,675	3,675	3,675
Balance at the end of current period	26,000	24,000	24,000	2,000	91,986	93,986	143,986

	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	(616)	200	(416)	139,894
Changes of items during the period				
Net income	—	—	—	3,675
Net changes of items other than shareholders' equity	(235)	(200)	(435)	(435)
Total changes of items during the period	(235)	(200)	(435)	3,239
Balance at the end of current period	(851)	—	(851)	143,134

4. Going concern assumption

There is no applicable information.