

Consolidated Financial Results

for the Fiscal Year ended March 31, 2019

[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 Fiscal Year ended March 31, 2019

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

	For the year ended March 31	
	2019	2018
Ordinary income	60,102	70,388
Change from the previous period	(14.6)%	(1.0)%
Ordinary profit	10,640	17,863
Change from the previous period	(40.4)%	11.3%
Net income attributable to owners of the parent	8,068	12,483
Change from the previous period	(35.3)%	9.4%
Net income per common share (yen)	11,526.08	17,833.67
Diluted net income per common share (yen)	-	-
Return on equity	5.2%	8.7%
Ratio of ordinary profit to total assets	0.4%	0.6%
Ratio of ordinary profit to ordinary income	17.7%	25.3%

Note: Comprehensive income for the year ended :

March 31, 2019 :	9,480 million yen	(20.9) %
March 31, 2018 :	11,991 million yen	17.1 %

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

	As of March 31	
	2019	2018
Total assets	2,460,480	2,608,103
Net assets	158,061	148,581
Ratio of net assets to total assets	6.4%	5.6%
Net assets per common share (yen)	225,802.74	212,258.58

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

March 31, 2019 :	158,061 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 :

March 31, 2019 : 700,000 shares

March 31, 2018 : 700,000 shares

(b) Number of Treasury Shares Outstanding as of :

March 31, 2019 : — shares

March 31, 2018 : — shares

(c) Average Number of Shares Outstanding for the fiscal year ended :

March 31, 2019 : 700,000 shares

March 31, 2018 : 700,000 shares

(Reference)

**1. Summary of Non-Consolidated Financial Results
for the Fiscal Year ended March 31, 2019**

(1) Operating Results

(Millions of yen except per share data and percentages)

	For the year ended March 31	
	2019	2018
Ordinary income	59,784	70,315
Change from the previous period	(14.9)%	(0.8)%
Ordinary profit	10,430	17,286
Change from the previous period	(39.6)%	13.9%
Net income	7,924	12,141
Change from the previous period	(34.7)%	12.6%
Net income per common share (yen)	11,320.72	17,345.23
Diluted net income per common share (yen)	-	-

(2) Financial Conditions

(Millions of yen except percentages)

	As of March 31	
	2019	2018
Total assets	2,454,427	2,601,299
Net assets	149,231	139,894
Ratio of net assets to total assets	6.0%	5.3%
Net assets per common share (yen)	213,188.44	199,849.65

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

March 31, 2019 : 149,231 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	March 31, 2019
Assets		
Cash and due from banks	374,979	412,822
Call loans	27,901	17,000
Monetary claims bought	4,755	7,091
Money held in trust	9,975	4,949
Securities	334,888	231,389
Loans and bills discounted	1,740,836	1,670,433
Foreign exchanges	8,112	6,427
Other assets	93,517	96,373
Tangible fixed assets	5,563	5,542
Intangible fixed assets	7,591	8,763
Deferred tax assets	4,126	3,362
Customers' liabilities for acceptances and guarantees	8,466	9,139
Allowance for loan losses	(12,610)	(12,815)
Total assets	2,608,103	2,460,480
Liabilities		
Deposits	1,878,581	1,713,328
Negotiable certificates of deposits	359,685	429,326
Call money	52,748	22,000
Payables under repurchase agreements	18,537	—
Payables under securities lending transactions	77,567	37,075
Borrowed money	3,080	28,329
Foreign exchanges	16	23
Bonds payable	4,100	—
Other liabilities	53,600	61,978
Provision for bonuses	2,822	928
Provision for directors' bonuses	198	175
Provision for losses on dormant deposit repayments	107	99
Provision for possible losses on refund of interest	9	11
Acceptances and guarantees	8,466	9,139
Total liabilities	2,459,522	2,302,418
Net assets		
Capital stock	26,000	26,000
Capital surplus	24,000	24,000
Retained earnings	98,997	107,065
Total shareholders' equity	148,997	157,065
Valuation difference on available-for-sale securities	(616)	996
Deferred gains or losses on hedges	200	—
Total accumulated other comprehensive income	(416)	996
Total net assets	148,581	158,061
Total liabilities and net assets	2,608,103	2,460,480

2. Consolidated statements of income

(Millions of yen)	For the year ended	
	March 31, 2018	March 31, 2019
Ordinary income	70,388	60,102
Interest income	41,042	39,202
Interest on loans and discounts	32,488	33,164
Interest and dividends on securities	8,072	5,560
Interest on call loans	62	31
Interest on deposits with banks	304	304
Other interest income	113	140
Fees and commissions	11,505	10,578
Other ordinary income	9,602	7,127
Other income	8,238	3,194
Ordinary expenses	52,524	49,462
Interest expenses	6,278	4,527
Interest on deposits	3,680	3,688
Interest on negotiable certificates of deposit	17	24
Interest on call money	29	305
Interest on payables under repurchase agreements	542	78
Interest on payables under securities lending transactions	1,166	314
Interest on borrowed money	40	79
Interest on bonds	396	25
Other interest expenses	405	9
Fees and commissions payments	4,865	4,675
Other ordinary expenses	4,584	2,237
General and administrative expenses	34,875	35,189
Other expenses	1,921	2,832
Provision of allowance for loan losses	—	885
Others	1,921	1,947
Ordinary profit	17,863	10,640
Extraordinary income	0	—
Extraordinary loss	198	201
Loss on disposal of non-current assets	198	201
Income before income taxes	17,665	10,438
Income taxes-current	5,248	2,230
Income taxes for prior periods	(259)	—
Income taxes-deferred	192	140
Total income taxes	5,181	2,370
Net income	12,483	8,068
Net income attributable to non-controlling interests	—	—
Net income attributable to owners of the parent	12,483	8,068

3. Consolidated statements of comprehensive income

(Millions of yen)	For the year ended	
	March 31, 2018	March 31, 2019
Net income	12,483	8,068
Other comprehensive income	(491)	1,412
Valuation difference on available-for-sale securities	(691)	1,612
Deferred gains or losses on hedges	200	(200)
Comprehensive income	11,991	9,480
Comprehensive income attributable to owners of the parent	11,991	9,480
Comprehensive income attributable to non-controlling interests	—	—

4. Consolidated statements of changes in net assets

For the year ended March 31, 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	86,513	136,513	75	—	75	136,589
Changes of items during the period								
Net income attributable to owners of the parent	—	—	12,483	12,483	—	—	—	12,483
Net changes of items other than shareholders' equity	—	—	—	—	(691)	200	(491)	(491)
Total changes of items during the period	—	—	12,483	12,483	(691)	200	(491)	11,991
Balance at the end of current period	26,000	24,000	98,997	148,997	(616)	200	(416)	148,581

For the year ended March 31, 2019

(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	—	—	8,068	8,068	—	—	—	8,068
Net changes of items other than shareholders' equity	—	—	—	—	1,612	(200)	1,412	1,412
Total changes of items during the period	—	—	8,068	8,068	1,612	(200)	1,412	9,480
Balance at the end of current period	26,000	24,000	107,065	157,065	996	—	996	158,061

5. Going concern assumption

There is no applicable information.

6. Notes to consolidated financial statements

There is no applicable information.

7. Segment Information

Since our group operates solely within a banking segment, this information is omitted.

8. Per share data

	(yen)
Net assets per common share	225,802.74
Net income per common share	11,526.08

(notes)

(a) Net assets per share is calculated based on the followings:

(Millions of yen except number of shares)

Net assets	158,061
Deduction from net assets	—
Net assets attributable to common stock at the fiscal year-end	158,061
Number of shares of common stock outstanding at the fiscal year-end used for the calculation of net assets per share	700,000

(b) Net income per share is calculated based on the followings:

(Millions of yen except number of shares)

Net income	8,068
Amount not attributable to common stockholders	—
Net income attributable to owners of the parent to common stock	8,068
Average number of shares of common stock during the period	700,000

9. Subsequent events

There is no applicable information.

Non-consolidated Financial Statements

1. Non-consolidated balance sheets

(Millions of yen)	As of	
	March 31, 2018	March 31, 2019
Assets		
Cash and due from banks	374,361	412,095
Call loans	27,901	17,000
Monetary claims bought	4,755	7,091
Money held in trust	9,975	4,949
Securities	339,456	236,054
Loans and bills discounted	1,733,918	1,663,690
Foreign exchanges	8,112	6,427
Other assets	93,455	96,316
Tangible fixed assets	5,479	5,441
Intangible fixed assets	7,509	8,723
Deferred tax assets	3,590	2,723
Customers' liabilities for acceptances and guarantees	1,557	2,741
Allowance for loan losses	(8,774)	(8,828)
Total assets	2,601,299	2,454,427
Liabilities		
Deposits	1,887,387	1,722,520
Negotiable certificates of deposits	359,685	429,326
Call money	52,748	22,000
Payables under repurchase agreements	18,537	—
Payables under securities lending transactions	77,567	37,075
Borrowed money	3,080	28,329
Foreign exchanges	16	23
Bonds payable	4,100	—
Other liabilities	53,616	61,978
Provision for bonuses	2,802	924
Provision for directors' bonuses	198	175
Provision for losses on dormant deposit repayments	107	99
Acceptances and guarantees	1,557	2,741
Total liabilities	2,461,405	2,305,195
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	98,235
Legal retained earnings	2,000	2,000
Other retained earnings	88,311	96,235
Retained earnings brought forward	88,311	96,235
Total shareholders' equity	140,311	148,235
Valuation difference on available-for-sale securities	(616)	996
Deferred gains or losses on hedges	200	—
Total valuation and translation adjustments	(416)	996
Total net assets	139,894	149,231
Total liabilities and net assets	2,601,299	2,454,427

2. Non-consolidated statements of income

(Millions of yen)	For the year ended	
	March 31, 2018	March 31, 2019
Ordinary income	70,315	59,784
Interest income	40,702	39,077
Interest on loans and discounts	32,154	32,885
Interest and dividends on securities	8,067	5,715
Interest on call loans	62	31
Interest on deposits with banks	304	304
Interest on interest swaps	—	0
Other interest income	113	139
Fees and commissions	11,224	10,362
Fees and commissions on domestic and foreign exchanges	1,335	1,355
Other fees and commissions	9,889	9,006
Other ordinary income	9,602	7,127
Gain on foreign exchange transactions	2,782	979
Gain on sales of bonds	1,194	577
Gain on redemption of bonds	89	40
Income from derivatives other than for trading or hedging	3,398	2,345
Others	2,137	3,183
Other income	8,785	3,217
Reversal of allowance for loan losses	1,395	9
Recoveries of written-off claims	0	—
Gain on sales of stocks and other securities	1,855	272
Loan purchase revenue	1,419	1,112
Others	4,115	1,823
Ordinary expenses	53,028	49,354
Interest expenses	6,278	4,527
Interest on deposits	3,680	3,688
Interest on negotiable certificates of deposit	17	24
Interest on call money	29	305
Interest on payables under repurchase agreements	542	78
Interest on payables under securities lending transactions	1,166	314
Interest on borrowed money	40	79
Interest on bonds	396	25
Interest on interest swaps	398	—
Other interest expenses	6	9
Fees and commissions payments	6,451	6,124
Fees and commissions on domestic and foreign exchanges	218	247
Other fees and commissions	6,233	5,877
Other ordinary expenses	4,584	2,237
Loss on sales of bonds	4,110	2,216
Loss on redemption of bonds	473	20
Others	0	—
General and administrative expenses	34,434	34,847
Other expenses	1,280	1,616
Written-off of loans	6	—
Loss on sales of stocks and other securities	494	1,049
Loss on money held in trust	55	27
Provision for losses on dormant deposit repayments	76	81
Others	646	457
Ordinary profit	17,286	10,430

2. Non-consolidated statements of income (continued)

(Millions of yen)	For the year ended	
	March 31, 2018	March 31, 2019
Extraordinary income	—	—
Extraordinary loss	198	193
Loss on disposal of non-current assets	198	193
Income before income taxes	17,088	10,237
Income taxes-current	5,114	2,068
Income taxes for prior periods	(259)	—
Income taxes-deferred	92	243
Total income taxes	4,946	2,312
Net income	12,141	7,924

3. Non-consolidated statements of changes in net assets

For the year ended March 31, 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	76,169	78,169	128,169
Changes of items during the period							
Net income	—	—	—	—	12,141	12,141	12,141
Net changes of items other than shareholders' equity	—	—	—	—	—	—	—
Total changes of items during the period	—	—	—	—	12,141	12,141	12,141
Balance at the end of current period	26,000	24,000	24,000	2,000	88,311	90,311	140,311

	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	—	—	—	12,141
Net changes of items other than shareholders' equity	(691)	200	(491)	(491)
Total changes of items during the period	(691)	200	(491)	11,649
Balance at the end of current period	(616)	200	(416)	139,894

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

For the year ended March 31, 2019

(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	—	—	—	—	7,924	7,924	7,924
Net changes of items other than shareholders' equity	—	—	—	—	—	—	—
Total changes of items during the period	—	—	—	—	7,924	7,924	7,924
Balance at the end of current period	26,000	24,000	24,000	2,000	96,235	98,235	148,235

	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	—	—	—	7,924
Net changes of items other than shareholders' equity	1,612	(200)	1,412	1,412
Total changes of items during the period	1,612	(200)	1,412	9,337
Balance at the end of current period	996	—	996	149,231

4. Going concern assumption

There is no applicable information.