

**Consolidated Financial Results**  
*for the 3rd Quarter of Fiscal 2020*

**February 5, 2021**



---

**東京スター銀行**

**Consolidated Financial Results**  
**for the 3rd Quarter of Fiscal 2020 ended December 31, 2020**  
**[ 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 3rd Quarter of Fiscal 2020 ended December 31, 2020**

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

	For the nine months ended	
	December 31, 2020	December 31, 2019
Ordinary income	<b>33,301</b>	41,677
Change from the previous period	<b>(20.0)%</b>	(9.4)%
Ordinary profit(loss)	<b>(2,895)</b>	8,048
Change from the previous period	-	(1.0)%
Net income(loss) attributable to owners of the parent	<b>(2,844)</b>	7,797
Change from the previous period	-	33.2%
Net income(loss) per common share (yen)	<b>(4,063.52)</b>	11,139.90
Diluted net income(loss) per common share (yen)	-	-

Note: Comprehensive income for the nine months ended :

December 31, 2020 : 1,301 million yen (82.5) %  
December 31, 2019 : 7,465 million yen 12.2 %

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

	As of	
	December 31, 2020	March 31, 2020
Total assets	<b>2,350,019</b>	2,419,895
Net assets	<b>163,836</b>	162,535
Ratio of net assets to total assets	<b>6.9%</b>	6.7%

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

December 31, 2020 163,836 million yen  
March 31, 2020 : 162,535 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) 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**

(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

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

(a) Number of Shares Outstanding as of :

December 31, 2020 : 700,000 shares

March 31, 2020 : 700,000 shares

(b) Number of Treasury Shares Outstanding as of :

December 31, 2020 : — shares

March 31, 2020 : — shares

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

December 31, 2020 : 700,000 shares

December 31, 2019 : 700,000 shares

## Consolidated Financial Statements

### 1. Consolidated Balance Sheets

(Millions of yen)	As of	
	March 31, 2020	December 31, 2020
<b>Assets:</b>		
Cash and due from banks	409,923	445,975
Call loans	29,000	21,500
Monetary claims bought	6,298	5,844
Money held in trust	0	—
Securities	220,904	199,441
Loans and bills discounted	1,641,575	1,587,678
Foreign exchanges	9,449	3,487
Other assets	84,273	73,223
Tangible fixed assets	4,600	4,282
Intangible fixed assets	8,168	7,639
Deferred tax assets	4,471	4,431
Customers' liabilities for acceptances and guarantees	11,127	10,852
Allowance for loan losses	(9,900)	(14,336)
<b>Total assets</b>	<b>2,419,895</b>	<b>2,350,019</b>
<b>Liabilities:</b>		
Deposits	1,853,240	1,838,521
Negotiable certificate of deposits	198,263	241,180
Call money	57,649	49,155
Payables under securities lending transactions	48,320	4,618
Borrowed money	36,420	724
Foreign exchanges	229	70
Other liabilities	50,925	38,174
Provision for bonuses	933	2,555
Provision for directors' bonuses	164	265
Provision for losses on dormant deposit repayments	76	56
Provision for possible losses on refund of interest	8	8
Acceptances and guarantees	11,127	10,852
<b>Total liabilities</b>	<b>2,257,360</b>	<b>2,186,183</b>
<b>Net assets:</b>		
Capital stock	26,000	26,000
Capital surplus	24,000	24,000
Retained earnings	116,063	113,219
Total shareholders' equity	166,063	163,219
Valuation difference on available-for-sale securities	(3,528)	616
Total accumulated other comprehensive income	(3,528)	616
<b>Total net assets</b>	<b>162,535</b>	<b>163,836</b>
<b>Total liabilities and net assets</b>	<b>2,419,895</b>	<b>2,350,019</b>

## 2. Consolidated Statements of Income

(Millions of yen)	For the nine months ended	
	December 31, 2019	December 31, 2020
<b>Ordinary income:</b>	41,677	33,301
Interest income and dividends	29,048	24,917
Interest on loans and discounts	24,927	22,494
Interest and dividends on securities	3,780	2,127
Fees and commissions	7,695	5,367
Other ordinary income	3,818	1,374
Other income	1,115	1,641
<b>Ordinary expenses:</b>	33,629	36,196
Interest expenses	2,586	1,539
Interest on deposits	2,319	1,293
Fees and commissions payments	3,130	2,970
Other ordinary expenses	56	823
General and administrative expenses	26,607	24,623
Other expenses	1,248	6,239
<b>Ordinary profit (loss)</b>	8,048	(2,895)
Extraordinary income	3,188	76
Extraordinary loss	170	817
<b>Income (Loss) before income taxes</b>	11,066	(3,637)
Income taxes-current	3,521	997
Income taxes-deferred	(253)	(1,789)
Total income taxes	3,268	(792)
<b>Net income (loss)</b>	7,797	(2,844)
Net income(loss) attributable to non-controlling interests	—	—
Net income(loss) attributable to owners of the parent	7,797	(2,844)

**3. Consolidated Statements of Comprehensive Income**

(Millions of yen)	For the nine months ended	
	December 31, 2019	December 31, 2020
Net income (loss)	7,797	(2,844)
Other comprehensive income	(332)	4,145
Valuation difference on available-for-sale securities	(332)	4,145
<b>Comprehensive income</b>	<b>7,465</b>	<b>1,301</b>
Comprehensive income attributable to owners of the parent	7,465	1,301
Comprehensive income attributable to non-controlling interests	—	—

**4. Going Concern Assumption**

There is no applicable information.

## Selected Financial Information of 3rd Quarter Results

## 1. Operating Results

## (1) Consolidated

(Millions of yen)

	For the nine months ended December 31,		Increase/ (Decrease) (A)-(B)
	2020 (A)	2019 (B)	
<b>Gross operating profit</b> (Note 1)	<b>26,327</b>	<b>34,789</b>	<b>(8,462)</b>
Net interest income	23,378	26,462	(3,084)
Net fees and commissions	2,397	4,564	(2,166)
Net other ordinary income	551	3,762	(3,211)
General and administrative expenses	24,623	26,607	(1,983)
<b>Net operating income before general allowance and goodwill</b> (Note 2)	<b>1,703</b>	<b>8,182</b>	<b>(6,478)</b>
Provision for general allowance for loan losses	1,524	368	1,155
<b>Net operating income</b> (Note 3)	<b>179</b>	<b>7,813</b>	<b>(7,634)</b>
Non-recurring income and expenses	(3,074)	234	(3,309)
Net gain and loss on stocks and other securities	—	—	—
Problem claims related costs	3,659	241	3,418
Written-off of loans	112	73	39
Provision for specific allowance for loan losses	3,523	(244)	3,768
Net loss on sales of loans	23	412	(389)
Reversal of allowance for loan losses	—	—	—
Recoveries of written-off claims	1	0	0
Others	583	475	108
<b>Ordinary profit (loss)</b>	<b>(2,895)</b>	<b>8,048</b>	<b>(10,943)</b>
Extraordinary income and loss	(741)	3,018	(3,759)
<b>Income (Loss) before income taxes</b>	<b>(3,637)</b>	<b>11,066</b>	<b>(14,703)</b>
Income taxes	(792)	3,268	(4,061)
Income taxes - current	997	3,521	(2,524)
Income taxes - deferred	(1,789)	(253)	(1,536)
<b>Net income (loss)</b>	<b>(2,844)</b>	<b>7,797</b>	<b>(10,642)</b>
Net income(loss) attributable to non-controlling interests	—	—	—
Net income(loss) attributable to owners of the parent	(2,844)	7,797	(10,642)

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)	5,239	721	4,517
Excluding recoveries of written-off claims	5,240	722	4,518

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

(Millions of yen)

	For the nine months ended December 31,		Increase/ (Decrease) (A)-(B)
	2020 (A)	2019 (B)	
<b>Gross operating profit</b>	<b>24,878</b>	<b>33,322</b>	<b>(8,443)</b>
Net interest income	23,343	26,323	(2,979)
Net fees and commissions	983	3,235	(2,251)
Net other ordinary income	551	3,763	(3,212)
of which net gain and loss on bonds	(40)	1,230	(1,270)
General and administrative expenses (excluding non-recurring expenses)	24,254	26,175	(1,921)
Personnel expenses	12,282	12,978	(695)
Nonpersonnel expenses	10,837	11,915	(1,077)
Taxes	1,133	1,281	(147)
<b>Net operating income before general allowance and goodwill</b>	<b>624</b>	<b>7,147</b>	<b>(6,522)</b>
<b>Core net operating income (excluding net gain and loss on bonds)</b>	<b>664</b>	<b>5,916</b>	<b>(5,252)</b>
<b>Excluding gain and loss on cancellation of investment trusts</b>	<b>664</b>	<b>5,916</b>	<b>(5,252)</b>
Provision for general allowance for loan losses	1,662	—	1,662
Amortization of goodwill	—	—	—
<b>Net operating income(loss)</b>	<b>(1,037)</b>	<b>7,147</b>	<b>(8,184)</b>
Non-recurring income and expenses	(2,604)	390	(2,995)
Net gain and loss on stocks and other securities	—	—	—
Problem claims related costs	2,914	2	2,912
Written-off of loans	17	—	17
Provision for specific allowance for loan losses	2,896	—	2,896
Net gain and loss on sales of loans	0	2	(1)
Reversal of allowance for loan losses	—	155	(155)
Recoveries of written-off claims	0	—	0
Others	309	237	71
<b>Ordinary profit (loss)</b>	<b>(3,642)</b>	<b>7,537</b>	<b>(11,180)</b>
Extraordinary income and loss	(722)	3,026	(3,749)
<b>Income (Loss) before income taxes</b>	<b>(4,364)</b>	<b>10,564</b>	<b>(14,929)</b>
Income taxes	(1,020)	3,214	(4,234)
Income taxes - current	829	3,454	(2,625)
Income taxes - deferred	(1,849)	(240)	(1,609)
<b>Net income (loss)</b>	<b>(3,344)</b>	<b>7,349</b>	<b>(10,694)</b>



## 2. Disclosed Claims under Financial Revitalization Law

## (1) Consolidated

## &lt;Disclosed Claims under Financial Revitalization Law after writing-off Category IV Claims&gt;

(Millions of yen except percentages)

		As of December 31,		Increase/ (Decrease) (A)-(B)	As of September 30, 2020
		2020 (A)	2019 (B)		
	Bankruptcy and Quasi-Bankruptcy	4,297	4,333	(36)	4,317
	Doubtful	13,785	4,808	8,976	5,409
	Sub-standard	1,980	437	1,542	4,533
	<b>Sub-Total (a)</b>	<b>20,063</b>	<b>9,579</b>	<b>10,483</b>	<b>14,260</b>
	Normal	1,580,422	1,669,974	(89,551)	1,584,286
	<b>Total (b)</b>	<b>1,600,485</b>	<b>1,679,554</b>	<b>(79,068)</b>	<b>1,598,547</b>
	<b>Ratio of Problem Loans to Total Claims (a / b × 100)</b>	<b>1.25%</b>	<b>0.57%</b>	<b>0.68%</b>	<b>0.89%</b>

## &lt;Disclosed Claims under Financial Revitalization Law including Category IV Claims&gt;

(Millions of yen except percentages)

		As of December 31,		Increase/ (Decrease) (A)-(B)	As of September 30, 2020
		2020 (A)	2019 (B)		
	Bankruptcy and Quasi-Bankruptcy	7,510	8,811	(1,300)	7,426
	Doubtful	13,785	4,808	8,976	5,409
	Sub-standard	1,980	437	1,542	4,533
	<b>Sub-Total (a)</b>	<b>23,276</b>	<b>14,057</b>	<b>9,218</b>	<b>17,368</b>
	Normal	1,580,422	1,669,974	(89,551)	1,584,286
	<b>Total (b)</b>	<b>1,603,698</b>	<b>1,684,032</b>	<b>(80,333)</b>	<b>1,601,655</b>
	<b>Ratio of Problem Loans to Total Claims (a / b × 100)</b>	<b>1.45%</b>	<b>0.83%</b>	<b>0.62%</b>	<b>1.08%</b>

## (2) Non-consolidated

## &lt;Disclosed Claims under Financial Revitalization Law after writing-off Category IV Claims&gt;

(Millions of yen except percentages)

		As of December 31,		Increase/ (Decrease) (A)-(B)	As of September 30, 2020
		2020 (A)	2019 (B)		
	Bankruptcy and Quasi-Bankruptcy	2,526	2,405	121	2,543
	Doubtful	13,694	4,731	8,963	5,325
	Sub-standard	1,980	437	1,542	4,533
	<b>Sub-Total (a)</b>	<b>18,201</b>	<b>7,574</b>	<b>10,627</b>	<b>12,403</b>
	Normal	1,574,079	1,662,646	(88,566)	1,577,708
	<b>Total (b)</b>	<b>1,592,281</b>	<b>1,670,220</b>	<b>(77,938)</b>	<b>1,590,111</b>
	<b>Ratio of Problem Loans to Total Claims (a / b × 100)</b>	<b>1.14%</b>	<b>0.45%</b>	<b>0.69%</b>	<b>0.78%</b>

## &lt;Disclosed Claims under Financial Revitalization Law including Category IV Claims&gt;

(Millions of yen except percentages)

		As of December 31,		Increase/ (Decrease) (A)-(B)	As of September 30, 2020
		2020 (A)	2019 (B)		
	Bankruptcy and Quasi-Bankruptcy	4,004	5,433	(1,428)	4,003
	Doubtful	13,694	4,731	8,963	5,325
	Sub-standard	1,980	437	1,542	4,533
	<b>Sub-Total (a)</b>	<b>19,679</b>	<b>10,602</b>	<b>9,077</b>	<b>13,862</b>
	Normal	1,574,079	1,662,646	(88,566)	1,577,708
	<b>Total (b)</b>	<b>1,593,759</b>	<b>1,673,248</b>	<b>(79,489)</b>	<b>1,591,571</b>
	<b>Ratio of Problem Loans to Total Claims (a / b × 100)</b>	<b>1.23%</b>	<b>0.63%</b>	<b>0.60%</b>	<b>0.87%</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)

## Available-for-sale securities

(Millions of yen)

	As of December 31, 2020			As of December 31, 2019			As of September 30, 2020		
	Balance sheet amount	Cost	Net unrealized gain/(loss)	Balance sheet amount	Cost	Net unrealized gain/(loss)	Balance sheet amount	Cost	Net unrealized gain/(loss)
Bonds	41,232	40,965	267	53,314	53,241	73	40,208	39,909	299
Government bonds	18,516	18,540	(23)	30,182	30,401	(219)	18,531	18,562	(30)
Corporate bonds	22,715	22,424	291	23,132	22,839	292	21,677	21,347	330
Others	161,229	160,608	621	187,094	186,210	883	151,074	151,190	(115)
Total	202,462	201,573	889	240,408	239,451	956	191,283	191,099	183

## 4. Derivatives (Consolidated)

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

## (a) Interest Rate Derivatives

(Millions of yen)

		As of December 31, 2020			As of December 31, 2019			As of September 30, 2020		
		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 Swaps	421,440	(249)	(249)	613,486	(444)	(444)	472,608	(259)	(259)
	Others	56,527	—	194	60,662	—	183	57,577	—	194
Total			(249)	(55)		(444)	(260)		(259)	(64)

## (b) Currency Derivatives

(Millions of yen)

		As of December 31, 2020			As of December 31, 2019			As of September 30, 2020		
		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	66,117	274	274	95,218	(1,191)	(1,191)	67,076	172	172
	Forward Foreign Exchange Contracts	31,530	(175)	(175)	27,593	10	10	33,807	300	300
	Currency Options	996,129	—	16,385	1,156,882	—	18,065	1,026,053	2	16,158
Total			98	16,484		(1,180)	16,884		474	16,630

## (c) Bond Derivatives

(Millions of yen)

		As of December 31, 2020			As of December 31, 2019			As of September 30, 2020		
		Notional amounts	Fair value	Net unrealized gain (loss)	Notional amounts	Fair value	Net unrealized gain (loss)	Notional amounts	Fair value	Net unrealized gain (loss)
Listed	Bond Futures	—	—	—	21,154	(7)	(7)	4,879	1	1
Total			—	—		(7)	(7)		1	1

## (d) Commodity Derivatives

(Millions of yen)

		As of December 31, 2020			As of December 31, 2019			As of September 30, 2020		
		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 Swaps	4,307	—	—	6,255	—	—	3,976	—	—
Total			—	—		—	—		—	—

\*Equity Derivatives, Credit Derivatives : Not applicable.

## (2) Derivative transactions to which hedge accounting is applied

## Interest Rate Derivatives

(Millions of yen)

Treatments	Products	Major hedged items	As of December 31,				As of September 30, 2020	
			2020		2019		Notional amounts	Fair value
			Notional amounts	Fair value	Notional amounts	Fair value		
Exceptional accrual method	Interest Rate Swaps	Loans	—	—	343	—	—	—
Total				—	—		—	—

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

5. Balances of Loans and Deposits (Consolidated)

(Millions of yen)

	As of December 31,		As of September 30, 2020
	2020	2019	
<b>Total deposits</b>	<b>2,079,702</b>	2,005,771	2,089,606
Deposits	1,838,521	1,719,008	1,880,725
Individuals	1,250,540	1,310,053	1,248,672
Corporations	424,920	333,474	371,175
Public entities	94,659	3,626	96,273
Financial institutions	68,400	71,853	164,604
Negotiable certificates of deposit	241,180	286,763	208,880
<b>Loans and bills discounted</b>	<b>1,587,678</b>	1,665,795	1,581,425