

Consolidated Financial Results
for the First Half of Fiscal 2021 ended September 30, 2021
[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 2021 ended September 30, 2021

(1) Operating Results

(Millions of yen except per share data and percentages)

	For the six months ended	
	September 30, 2021	September 30, 2020
Ordinary income	21,295	22,012
Change from the previous period	(3.2)%	(23.6)%
Ordinary profit(loss)	536	(100)
Change from the previous period	635.2%	-
Net income(loss) attributable to owners of the parent	440	(263)
Change from the previous period	266.8%	-
Net income(loss) per common share (yen)	628.84	(376.95)
Diluted net income per common share (yen)	-	-

Note: Comprehensive income for the six months ended :

September 30, 2021 : 1,088 million yen (67.9) %
 September 30, 2020 : 3,392 million yen (52.6) %

(2) Financial Conditions

(Millions of yen except percentages)

	As of	
	September 30, 2021	March 31, 2021
Total assets	2,128,762	2,317,753
Net assets	164,228	163,590
Ratio of net assets to total assets	7.7%	7.0%

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

September 30, 2021 : 164,228 million yen
 March 31, 2021 : 163,590 million yen

2. Ratio of net assets to total assets = Net assets / 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. : Yes

Application of Accounting Standards for Revenue Recognition

The Tokyo Star Bank, Limited (the "Bank") applied "Accounting Standards for Revenue Recognition"(Accounting Standards Board of Japan("ASBJ") Statement No.29, March 31, 2020) etc. from the beginning of the fiscal year ended March 31,2022, and has recognized revenue in an amount expected to be earned in exchange for goods or services at the time when controls of the promised goods or services are transferred to customers.

As for the application of Accounting standards for Revenue Recognition etc, in accordance with transitional treatment stipulated in the proviso of Paragraph 84 of "Accounting Standard for Revenue Recognition", there is no cumulative effects arising from retroactive application of these new accounting policies to the previous periods in Retained earnings as of April 1, 2021.

Also, the impact on the consolidated financial statements for the first half of fiscal 2021 ended September 30, 2021 is immaterial.

Application of Accounting Standards for Fair Value Measurement

The Bank has applied "Accounting Standards for Fair Value Measurement" (ASBJ Statement No.30, July 4, 2019) and "Implementation 'Guidance on Accounting Standards for Fair Value Measurement" (ASBJ Guidance No.31, July 4, 2019) from the beginning of the fiscal year ended March 31,2022.

In accordance with Article 8 of "Accounting Standards for Fair Value Measurement", the Bank has reviewed the fair value adjustment method for calculating the market value of derivative transactions to a method that maximizes the use of observable inputs estimated from derivatives traded in the market.

In accordance with Article 20 of "Accounting Standards for Fair Value Measurement", the Bank has reflected the cumulative effects arising from retroactive application of these new accounting policies to the previous periods in Retained earnings as of April 1, 2021.

As a result, Retained earnings decreased by 450 million yen, Other assets decreased by 743 million yen, Other liabilities decreased by 82 million yen, and Allowance for loan losses decreased by 11 million yen, Deferred tax assets increased by 198 million yen, and Net assets per share decreased by 643.91 yen at the beginning of the fiscal year ended March 31, 2022.

(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, 2021	:	700,000 shares
March 31, 2021	:	700,000 shares
(b) Number of Treasury Shares Outstanding as of :		
September 30, 2021	:	— shares
March 31, 2021	:	— shares
(c) Average Number of Shares Outstanding for the six months ended :		
September 30, 2021	:	700,000 shares
September 30, 2020	:	700,000 shares

(Reference)

**1. Summary of Non-Consolidated Financial Results
for the First Half of Fiscal 2021 ended September 30, 2021**

(1) Operating Results

(Millions of yen except per share data and percentages)

	For the six months ended	
	September 30, 2021	September 30, 2020
Ordinary income	21,218	21,915
Change from the previous period	(3.1)%	(24.5)%
Ordinary profit(loss)	99	(731)
Change from the previous period	113.6%	-
Net income(loss)	113	(716)
Change from the previous period	115.8%	-
Net income(loss) per common share (yen)	162.68	(1,023.42)

(2) Financial Conditions

(Millions of yen except percentages)

	As of	
	September 30, 2021	March 31, 2021
Total assets	2,125,504	2,313,981
Net assets	156,091	155,780
Ratio of net assets to total assets	7.3%	6.7%

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

September 30, 2021 : 156,091 million yen

March 31, 2021 : 155,780 million yen

2. Ratio of net assets to total assets = Net assets / Total assets X 100

Consolidated Financial Statements

1. Consolidated balance sheets

(Millions of yen)	As of	
	March 31, 2021	September 30, 2021
Assets		
Cash and due from banks	390,579	410,748
Call loans	65,500	34,500
Monetary claims bought	5,785	5,633
Securities	191,602	149,253
Loans and bills discounted	1,574,291	1,451,650
Foreign exchanges	6,513	11,269
Other assets	70,248	55,041
Tangible fixed assets	4,164	3,687
Intangible fixed assets	7,634	7,492
Deferred tax assets	4,119	4,316
Customers' liabilities for acceptances and guarantees	11,591	10,914
Allowance for loan losses	(14,277)	(15,744)
Total assets	2,317,753	2,128,762
Liabilities		
Deposits	1,737,253	1,675,574
Negotiable certificates of deposits	327,421	237,900
Call money	31,071	—
Borrowed money	774	783
Foreign exchanges	60	95
Other liabilities	44,358	37,526
Provision for bonuses	960	1,275
Provision for directors' bonuses	147	79
Provision for directors' retirement benefits	102	137
Provision for losses on dormant deposit repayments	71	52
Provision for possible losses on refund of interest	4	4
Provision for business restructuring	343	190
Acceptances and guarantees	11,591	10,914
Total liabilities	2,154,162	1,964,534
Net assets		
Capital stock	26,000	26,000
Capital surplus	24,000	24,000
Retained earnings	113,722	113,711
Total shareholders' equity	163,722	163,711
Valuation difference on available-for-sale securities	(131)	516
Total accumulated other comprehensive income	(131)	516
Total net assets	163,590	164,228
Total liabilities and net assets	2,317,753	2,128,762

2. Consolidated statements of income

(Millions of yen)	For six months ended	
	September 30, 2020	September 30, 2021
Ordinary income	22,012	21,295
Interest income	16,874	15,229
Interest on loans and discounts	15,161	13,900
Interest and dividends on securities	1,510	1,136
Fees and commissions	3,521	3,661
Other ordinary income	996	1,217
Other income	621	1,187
Ordinary expenses	22,113	20,758
Interest expenses	1,099	851
Interest on deposits	902	835
Fees and commissions payments	1,987	1,854
Other ordinary expenses	897	137
General and administrative expenses	15,927	15,037
Other expenses	2,201	2,877
Ordinary profit (loss)	(100)	536
Extraordinary income	76	—
Extraordinary loss	10	18
Income (Loss) before income taxes	(34)	517
Income taxes-current	314	361
Income taxes-deferred	(84)	(283)
Total income taxes	229	77
Net income (loss)	(263)	440
Net income(loss) attributable to non-controlling interests	—	—
Net income(loss) attributable to owners of the parent	(263)	440

3. Consolidated statements of comprehensive income

(Millions of yen)	For six months ended	
	September 30, 2020	September 30, 2021
Net income (loss)	(263)	440
Other comprehensive income	3,656	647
Valuation difference on available-for-sale securities	3,656	647
Comprehensive income	3,392	1,088
Comprehensive income attributable to owners of the parent	3,392	1,088
Comprehensive income attributable to non-controlling interests	—	—

4. Consolidated statements of changes in net assets

For six months ended September 30, 2020

(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	Total	
Balance at the beginning of current period	26,000	24,000	116,063	166,063	(3,528)	(3,528)	162,535
Changes of items during the period							
Net income(loss) attributable to owners of the parent	—	—	(263)	(263)	—	—	(263)
Net changes of items other than shareholders' equity	—	—	—	—	3,656	3,656	3,656
Total changes of items during the period	—	—	(263)	(263)	3,656	3,656	3,392
Balance at the end of current period	26,000	24,000	115,799	165,799	127	127	165,927

For six months ended September 30, 2021

(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	Total	
Balance at the beginning of current period	26,000	24,000	113,722	163,722	(131)	(131)	163,590
Cumulative effects of changes in accounting policies	—	—	(450)	(450)	—	—	(450)
Restated balance	26,000	24,000	113,271	163,271	(131)	(131)	163,139
Changes of items during the period							
Net income(loss) attributable to owners of the parent	—	—	440	440	—	—	440
Net changes of items other than shareholders' equity	—	—	—	—	647	647	647
Total changes of items during the period	—	—	440	440	647	647	1,088
Balance at the end of current period	26,000	24,000	113,711	163,711	516	516	164,228

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, 2021	September 30, 2021
Assets		
Cash and due from banks	389,585	409,744
Call loans	65,500	34,500
Monetary claims bought	5,785	5,633
Securities	195,916	153,565
Loans and bills discounted	1,570,700	1,448,665
Foreign exchanges	6,513	11,269
Other assets	70,217	55,010
Tangible fixed assets	4,110	3,639
Intangible fixed assets	7,587	7,454
Deferred tax assets	3,481	3,786
Customers' liabilities for acceptances and guarantees	5,496	5,086
Allowance for loan losses	(10,913)	(12,851)
Total assets	2,313,981	2,125,504
Liabilities		
Deposits	1,747,443	1,686,183
Negotiable certificates of deposits	327,421	237,900
Call money	31,071	—
Borrowed money	774	783
Foreign exchanges	60	95
Other liabilities	44,308	37,632
Provision for bonuses	958	1,271
Provision for directors' bonuses	147	79
Provision for directors' retirement benefits	102	137
Provision for losses on dormant deposit repayments	71	52
Provision for business restructuring	343	190
Acceptances and guarantees	5,496	5,086
Total liabilities	2,158,200	1,969,412
Net assets		
Capital stock	26,000	26,000
Capital surplus	24,000	24,000
Legal capital surplus	24,000	24,000
Retained earnings	105,912	105,575
Legal retained earnings	2,000	2,000
Other retained earnings	103,912	103,575
Retained earnings brought forward	103,912	103,575
Total shareholders' equity	155,912	155,575
Valuation difference on available-for-sale securities	(131)	516
Total valuation and translation adjustments	(131)	516
Total net assets	155,780	156,091
Total liabilities and net assets	2,313,981	2,125,504

2. Non-consolidated statements of income

(Millions of yen)	For six months ended	
	September 30, 2020	September 30, 2021
Ordinary income	21,915	21,218
Interest income	16,817	15,195
Interest on loans and discounts	15,113	13,870
Interest and dividends on securities	1,501	1,132
Fees and commissions	3,471	3,623
Other ordinary income	996	1,217
Other income	630	1,183
Ordinary expenses	22,646	21,119
Interest expenses	1,099	854
Interest on deposits	902	837
Fees and commissions payments	2,885	2,788
Other ordinary expenses	897	137
General and administrative expenses	15,897	14,863
Other expenses	1,865	2,475
Ordinary profit (loss)	(731)	99
Extraordinary income	76	—
Extraordinary loss	10	17
Income (Loss) before income taxes	(665)	82
Income taxes-current	212	360
Income taxes-deferred	(161)	(391)
Total income taxes	51	(31)
Net income (loss)	(716)	113

3. Non-consolidated statements of changes in net assets

For six months ended September 30, 2020

(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	104,760	106,760	156,760
Changes of items during the period							
Net income(loss)	—	—	—	—	(716)	(716)	(716)
Net changes of items other than shareholders' equity	—	—	—	—	—	—	—
Total changes of items during the period	—	—	—	—	(716)	(716)	(716)
Balance at the end of current period	26,000	24,000	24,000	2,000	104,043	106,043	156,043

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at the beginning of current period	(3,528)	(3,528)	153,231
Changes of items during the period			
Net income(loss)	—	—	(716)
Net changes of items other than shareholders' equity	3,656	3,656	3,656
Total changes of items during the period	3,656	3,656	2,939
Balance at the end of current period	127	127	156,171

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

For six months ended September 30, 2021

(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	103,912	105,912	155,912
Cumulative effects of changes in accounting policies	—	—	—	—	(450)	(450)	(450)
Restated balance	26,000	24,000	24,000	2,000	103,461	105,461	155,461
Changes of items during the period							
Net income(loss)	—	—	—	—	113	113	113
Net changes of items other than shareholders' equity	—	—	—	—	—	—	—
Total changes of items during the period	—	—	—	—	113	113	113
Balance at the end of current period	26,000	24,000	24,000	2,000	103,575	105,575	155,575

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at the beginning of current period	(131)	(131)	155,780
Cumulative effects of changes in accounting policies	—	—	(450)
Restated balance	(131)	(131)	155,330
Changes of items during the period			
Net income(loss)	—	—	113
Net changes of items other than shareholders' equity	647	647	647
Total changes of items during the period	647	647	761
Balance at the end of current period	516	516	156,091

4. Going concern assumption

There is no applicable information.