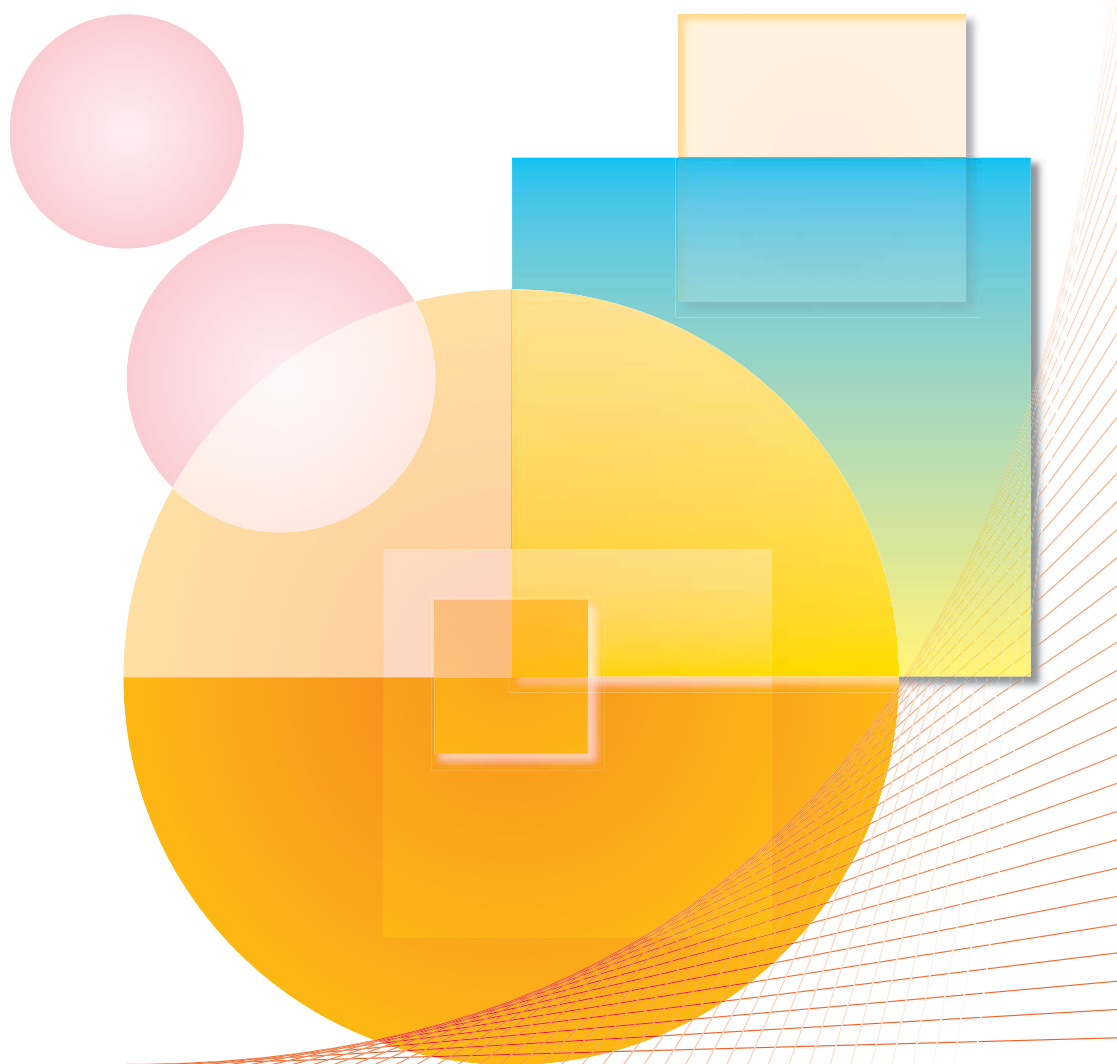


Financial Statements 2011

Year ended March 31, 2011



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THE HIGASHI-NIPPON BANK, LIMITED



CORPORATE PROFILE

Since its conception in 1924, Higashi-Nippon Bank has been deeply committed to the fundamental business philosophy of working to cultivate a prosperous regional community through sound banking practices and constructive contributions as a responsible corporation. As a regional financial institution devoted to this vital mission, the Bank has dynamically carried out the supply of top-caliber financial products and services designed to support the development and prosperity of the region where it does business.

Higashi-Nippon Bank's main operating territory is the greater metropolitan area made up of Tokyo and the five surrounding prefectures. As of July 2011, the Bank operated a total of 77 branch offices, of which 45, including the head office, are located in the Tokyo area.

SERVICE NETWORK

Head Office 11-2, Nihonbashi 3-chome, Chuo-ku, Tokyo 103-8238, Japan
Phone: 03-3273-6221

Number of Branches 77

Foreign Exchange Offices 14

Securities and International Department

General Manager of Securities and International Department:
Hisanaga Maejima (As of July 2011)
11-2, Nihonbashi 3-chome, Chuo-ku, Tokyo 103-8238, Japan
Phone: 03-3273-6225
Fax: 03-3278-9658
Swift: HNPBJPJT
E-mail: syoukenkokusaibu@higashi-nipponbank.jp

CONSOLIDATED BALANCE SHEETS

As of March 31, 2011 and 2010

	Millions of Yen		Thousands of U.S. Dollars (Note 2)
	2011	2010	2011
ASSETS			
Cash and Due from Banks	¥ 68,522	¥ 80,330	\$ 824,079
Call Loans.....	161	10,158	1,940
Commercial Paper and Other Debt Purchased.....	0	8	11
Investment Securities.....	374,105	335,881	4,499,164
Loans and Bills Discounted.....	1,339,057	1,337,850	16,104,123
Foreign Exchanges.....	787	808	9,469
Other Assets.....	9,003	9,564	108,279
Premises and Equipment	19,691	19,086	236,819
Intangible Fixed Assets	798	949	9,597
Deferred Income Taxes.....	11,421	14,907	137,362
Customers' Liabilities for Acceptances and Guarantees	2,786	2,461	33,510
Reserve for Possible Loan Losses	(22,620)	(35,842)	(272,039)
Total Assets.....	¥ 1,803,716	¥ 1,776,162	\$ 21,692,317
LIABILITIES AND NET ASSETS			
Liabilities:			
Deposits	¥ 1,675,030	¥ 1,630,286	\$ 20,144,682
Call Money	—	31	—
Other Liabilities.....	26,652	27,086	320,538
Reserve for Bonuses	842	658	10,132
Reserve for Retirement Benefits.....	6,327	6,214	76,099
Other Reserves.....	4,208	4,299	50,617
Acceptances and Guarantees.....	2,786	2,461	33,510
Total Liabilities.....	¥ 1,715,848	¥ 1,671,037	\$ 20,635,581
Net Assets:			
Common Stock	¥ 38,300	¥ 38,300	\$ 460,613
Capital Surplus.....	24,600	34,600	295,853
Retained Earnings	18,811	26,260	226,232
Treasury Stock.....	(142)	(140)	(1,716)
Total Shareholders' Equity.....	¥ 81,568	¥ 99,020	\$ 980,982
Net Unrealized Gains on Securities.....	1,902	1,615	22,877
Net Deferred Losses on Hedging Instruments	(468)	(370)	(5,632)
Land Revaluation Excess	4,789	4,789	57,605
Total Valuation and Translation Adjustment	¥ 6,223	¥ 6,034	\$ 74,849
Minority Interests.....	75	68	903
Total Net Assets.....	¥ 87,867	¥ 105,124	\$ 1,056,736
Total Liabilities and Net Assets.....	¥ 1,803,716	¥ 1,776,162	\$ 21,692,317

Notes: 1. Japanese yen figures are expressed with amounts under one million omitted. Accordingly, breakdown figures may not add up to the sum totals given.

2. U.S. dollar amounts represent translations of Japanese yen at the exchange rate of ¥83.15 to U.S. \$1.00, the prevailing rate at the end of fiscal year.

3. These financial statements were prepared in accordance with Japanese accounting standards.

CONSOLIDATED STATEMENTS OF INCOME

For the years ended March 31, 2011 and 2010

	Millions of Yen		Thousands of U.S. Dollars (Note 2)
	2011	2010	2011
Ordinary Income			
Interest on Loans.....	¥ 30,759	¥ 32,178	\$ 369,923
Interest Dividends on Securities.....	3,040	3,005	36,566
Interest on Call Loans and Notes Purchased.....	40	32	484
Interest on Deposits	13	14	164
Other Interest.....	23	24	277
Income from Service Transactions	2,975	2,957	35,779
Other Business Income	2,729	3,047	32,824
Other Ordinary Income.....	906	1,051	10,898
Total Ordinary Income	40,487	42,312	486,918
Ordinary Expenses			
Interest on Deposits	2,781	4,175	33,451
Interest on Call Money and Notes Sold.....	0	0	1
Interest on Borrowings	1	0	21
Other Interest Payable.....	518	477	6,232
Service Transaction Expenses	1,752	1,883	21,076
Other Business Expenses	254	34	3,060
Operating Expenses	22,817	21,925	274,418
Transfer to Reserve for Possible Loan Losses	—	3,257	—
Other Ordinary Expenses	4,951	2,114	59,544
Total Ordinary Expenses	33,077	33,869	397,806
Ordinary Profit	7,409	8,443	89,111
Extraordinary Income			
Reversal of Allowance for Doubtful Receivables.....	395	—	4,755
Profit from Collection of Credit Redemptions	0	3	9
Total Extraordinary Income	396	3	4,765
Extraordinary Losses			
Losses on Disposition of Personal and Real Property	69	203	833
Other Extraordinary Losses.....	57	—	693
Total Extraordinary Expenses	126	203	1,527
Pre-Tax Net Income	7,678	8,242	92,349
Corporate Tax, Residence Tax, Enterprise Tax.....	46	48	562
Corporate Tax Adjustments.....	3,357	3,653	40,373
Minority Shareholder (Loss) Profit.....	6	(71)	76
Net Income	¥ 4,268	¥ 4,611	\$ 51,338

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended March 31, 2011

(Millions of Yen)

	Total Shareholders' Equity					Total Valuation and Translation Adjustments				Minority Interests	Total Net Assets
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity	Net Unrealized Losses on Securities	Net Deferred Losses on Hedging Instruments	Land Revaluation Excess	Total Valuation and Translation Adjustments		
Balance at March 31, 2010	¥ 38,300	¥ 34,600	¥ 26,260	¥ (140)	¥ 99,020	¥ 1,615	¥ (370)	¥ 4,789	¥ 6,034	¥ 68	¥105,124
Changes During the Period											
Purchase of Treasury Stock				(20,100)	(20,100)						(20,100)
Cancellation of Treasury Stock		(20,097)		20,097							
Net Income			4,268		4,268						4,268
Cash Dividends			(1,620)		(1,620)						(1,620)
Transfer from Retained Earnings to Capital Surplus		10,097	(10,097)								
Net Changes of Other Than Shareholders' Equity						286	(97)		188	6	195
Total Changes During the Period	—	(10,000)	(7,449)	(2)	(17,451)	286	(97)	—	188	6	(17,256)
Balance at March 31, 2011	¥ 38,300	¥ 24,600	¥ 18,811	¥ (142)	¥ 81,568	¥ 1,902	¥ (468)	¥ 4,789	¥ 6,223	¥ 75	¥ 87,867

(Thousands of U.S. Dollars (Note 2))

	Total Shareholders' Equity					Total Valuation and Translation Adjustments				Minority Interests	Total Net Assets
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity	Net Unrealized Losses on Securities	Net Deferred Losses on Hedging Instruments	Land Revaluation Excess	Total Valuation and Translation Adjustments		
Balance at March 31, 2010	\$460,613	\$416,118	\$315,818	\$ (1,684)	\$1,190,865	\$19,430	\$ (4,458)	\$ 57,605	\$ 72,576	\$ 827	\$1,264,270
Changes During the Period											
Purchase of Treasury Stock				(241,735)	(241,735)						(241,735)
Cancellation of Treasury Stock		(241,703)		241,703							
Net Income			51,338		51,338						51,338
Cash Dividends			(19,485)		(19,485)						(19,485)
Transfer from Retained Earnings to Capital Surplus		121,438	(121,438)								
Net Changes of Other Than Shareholders' Equity						3,446	(1,173)		2,272	76	2,349
Total Changes During the Period	—	(120,264)	(89,586)	(31)	(209,883)	3,446	(1,173)	—	2,272	76	(207,534)
Balance at March 31, 2011	\$460,613	\$295,853	\$226,232	\$ (1,716)	\$ 980,982	\$ 22,877	\$ (5,632)	\$ 57,605	\$ 74,849	\$ 903	\$1,056,736

CORPORATE DATA

Founded	April 1924
Paid-in Capital	¥38,300 million
Number of Employees	1,406 (As of March 31, 2011)

BOARD OF DIRECTORS

Chairman	Norifusa Kagami	Auditors	Takeshi Fujioka
President	Michitoo Ishii		Hiroshi Ohtani
Managing Directors	Toshio Mizuta		Hideki Oonomi
	Katsumi Osakabe		Katsuto Ohno
	Seiji Ogura		
	Hitoshi Ito		
Directors	Kazunori Yokosuka		
	Masaki Takayasu		
	Tomoo Ookanda		
	Isamu Koguchi		
	Kenji Suda		

(As of July 2011)



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