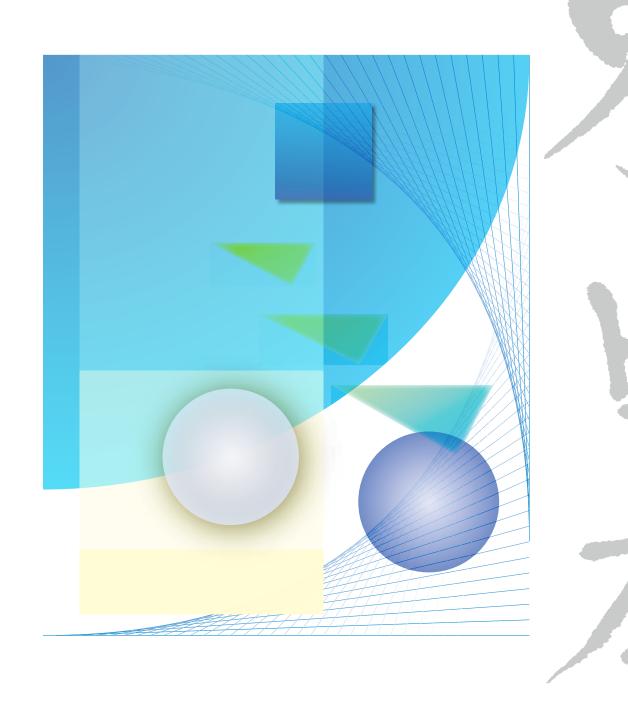
Financial Statements 2012 Year ended March 31, 2012





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 2012, 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 2012)

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, 2012 and 2011

		Million	s of '	Yen		housands of U.S. Dollars (Note 2)
		2012		2011		2012
ASSETS					-	
Cash and Due from Banks	¥	82,664	¥	68,522	\$	1,005,773
Call Loans		25,246		161		307,173
Commercial Paper and Other Debt Purchased		_		0		_
Investment Securities		352,994		374,105		4,294,862
Loans and Bills Discounted		1,371,093		1,339,057		16,682,001
Foreign Exchanges		738		787		8,984
Other Assets		8,949		9,003		108,892
Premises and Equipment		19,949		19,691		242,726
Intangible Fixed Assets		894		798		10,886
Deferred Income Taxes		6,973		11,421		84,845
Customers' Liabilities for Acceptances and Guarantees		2,451		2,786		29,822
Reserve for Possible Loan Losses		(14,755)	_	(22,620)	_	(179,529)
Total Assets	¥	1,857,201	¥	1,803,716	\$	22,596,438
Liabilities: Deposits	¥	1,718,630	¥	1,675,030	\$	20,910,460
Other Liabilities		34,395		26,652		418,483
Reserve for Bonuses		844		842		10,272
Reserve for Retirement Benefits		6,462		6,327		78,629
Other Reserves		3,675		4,208		44,717
Acceptances and Guarantees		2,451	_	2,786		29,822
Total Liabilities	¥	1,766,459	¥	1,715,848	\$	21,492,386
Net Assets:						
Common Stock	¥	38,300	¥	38,300	\$	465,993
Capital Surplus		24,600		24,600		299,309
Retaind Earnings		23,249		18,811		282,880
Treasury Stock		(1,448)		(142)		(17,625)
Total Shareholders' Equity	¥	84,701	¥	81,568	\$	1,030,558
Net Unrealized Gains on Securities		1,357		1,902		16,518
Net Deferred Losses on Hedging Instruments		(576)		(468)		(7,008)
Land Revaluation Excess		5,166		4,789		62,864
Total Valuation and Translation Adjustment	¥	5,948	¥	6,223	\$	72,373
Minority Interests		92		75		1,120
Total Net Assets	¥	90,742	¥	87,867	\$	1,104,052
Total Liabilities and Net Assets	¥	1,857,201	¥	1,803,716	\$	22,596,438

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 ¥82.19 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, 2012 and 2011

Ordinaly Income Interest on Loans ¥ 29,653 ¥ 30,759 \$ 36 Interest Dividends on Securities 3,029 3,040 3 Interest on Call Loans and Notes Purchased 62 40 Interest on Deposits 14 13 Other Interest 2,334 2,373 Income from Service Transactions 2,934 2,975 3 Other Drinary Income 1,906 2,729 2 2 Other Ordinary Income 3,782 906 4 Total Ordinary Income 41,406 40,487 50 Ordinary Expenses 1 0 0 0 Interest on Deposits 2,297 2,781 2 2 1 2 2 7		Millio	Millions of Yen		
Interest on Loans		2012	2011	2012	
Interest Dividends on Securities	Ordinay Income				
Interest Dividends on Securities. 3,029 3,040 3 Interest on Call Loars and Notes Purchased. 62 40 11 13 1 14 13 13 15 15 15 15 15 15		¥ 29.653	¥ 30.759	\$ 360,795	
Interest on Call Loans and Notes Purchased		.,	,	36,856	
Interest on Deposits		•	•	760	
Other Interest. 23 23 Income from Service Transactions 2,934 2,975 3 Other Business Income 1,906 2,729 2 Other Ordinary Income 3,782 906 4 Total Ordinary Income 41,406 40,487 50 Ordinary Expenses Interest on Deposits 2,297 2,781 2 Interest on Deposits 2,297 2,781 2 Interest on Deposits 11 1 1 Interest on Deposits 11 1 1 1 Other Call Money and Notes Sold 0 0 0 1 2 2 1 1				171	
Income from Service Transactions 2,934 2,975 3 Other Business Income 1,906 2,729 2 Other Ordinary Income 3,782 906 4 Total Ordinary Income 41,406 40,487 50 Ordinary Expenses 1,406 40,487 50 Ordinary Expenses 1,644 1,752 2 Interest on Deposits 11 1 1 Other Interest Payable 501 518 Service Transaction Expenses 1,644 1,752 2 Other Business Expenses 1,644 1,752 2 Other Business Expenses 1,644 1,752 2 Other Operating Expenses 23,207 22,817 28 Other Ordinary Expenses 23,207 22,817 28 Other Ordinary Expenses 2,752 4,951 2 Total Ordinary Expenses 2,9583 33,077 35 Ordinary Profit 11,823 7,409 14 Extraordinary Income - 395 Profit from Collection of Credit Redemptions - 0 Total Extraordinary Income - 396 Extraordinary Losses 138 - Other Extraordinary Losses 138 - Other Extraordinary Expenses 301 126 Fer-Tax Net Income 11,521 7,678 14 Corporate Tax, Residence Tax, Enterprise Tax 709 46 Corporate Tax, Residence Tax, Enterprise Tax 709 46 Corporate Tax Adjustments 4,962 3,357 6 Minority Shareholder Profit 16 6	•			283	
Other Business Income 1,906 2,729 2 Other Ordinary Income 3,782 906 4 Total Ordinary Income 41,406 40,487 50 Ordinary Expenses Interest on Deposits 2,297 2,781 2 Interest on Call Money and Notes Sold 0 0 0 Interest on Borrowings 11 1 1 Other Interest Payable 501 518 55 Service Transaction Expenses 168 254 55 Other Business Expenses 168 254 56 Operating Expenses 168 254 22 Other Ordinary Expenses 23,207 22,817 28 Other Ordinary Expenses 29,583 33,077 35 Ordinary Profit 11,823 7,409 14 Extraordinary Income - 395 Profit from Collection of Credit Redemptions - 395 Profit from Collection of Personal and Real Property 163 69 Impairment Losses - </td <td></td> <td></td> <td></td> <td>35,706</td>				35,706	
Other Ordinary Income 3,782 906 4 Total Ordinary Income 41,406 40,487 50 Ordinary Expenses Interest on Deposits 2,297 2,781 2 Interest on Deposits 2,297 2,781 2 Interest on Berrowings 11 1 1 Other Business on Berrowings 501 518 518 Service Transaction Expenses 1,644 1,752 2 Other Business Expenses 168 254 2 Operating Expenses 23,207 22,817 28 Other Ordinary Expenses 29,583 33,077 35 Ordinary Profit 11,823 7,409 14 Extraordinary Income - 395 Reversal of Allowance for Doubtful Receivables - 396 Extraordinary Losses - 396 Losses on Disposition of Personal and Real Property 163 69 Impairment Losses 138 - Losses on Disposition of Personal and Real Property 138		•		23,196	
Ordinary Expenses 2,297 2,781 2 Interest on Deposits 2,297 2,781 2 Interest on Deposits 0 0 0 Interest on Borrowings 11 1 1 Other Interest Payable 501 518 5 Service Transaction Expenses 1,644 1,752 2 Other Business Expenses 168 254 2 Operating Expenses 23,207 22,817 28 Other Ordinary Expenses 23,207 22,817 28 Other Ordinary Expenses 29,583 33,077 35 Total Ordinary Expenses 29,583 33,077 35 Ordinary Profit 11,823 7,409 14 Extraordinary Income - 395 Profit from Collection of Credit Redemptions - 396 Extraordinary Losses - 396 Extraordinary Losses - 57 Total Extraordinary Losses - 57 Total Extraordinary Expenses		•		46,022	
Ordinary Expenses 2,297 2,781 2 Interest on Deposits 2,297 2,781 2 Interest on Call Money and Notes Sold 0 0 0 Other Interest Payable 501 518 5 Other Interest Payable 501 518 5 Service Transaction Expenses 1,644 1,752 2 Other Business Expenses 168 254 2 Operating Expenses 23,207 22,817 28 Other Ordinary Expenses 23,207 22,817 28 Other Ordinary Expenses 1,752 4,951 2 Total Ordinary Expenses 29,583 33,077 35 Ordinary Profit 11,823 7,409 14 Extraordinary Income - 395 Profit from Collection of Credit Redemptions - 396 Extraordinary Losses - 396 Extraordinary Losses - 57 Total Extraordinary Expenses 1188 - Other Extraordinary			40.497	503,793	
Interest on Deposits	iotal Ordinary income	41,400	40,467	503,793	
Interest on Call Money and Notes Sold					
Interest on Borrowings		•	•	27,956	
Other Interest Payable 501 518 Service Transaction Expenses 1,644 1,752 2 Other Business Expenses 168 254 0 Operating Expenses 23,207 22,817 28 Other Ordinary Expenses 1,752 4,951 2 Total Ordinary Expenses 29,583 33,077 35 Ordinary Profit 11,823 7,409 14 Extraordinary Income - 395 Profit from Collection of Credit Redemptions - 0 Total Extraordinary Income - 396 Extraordinary Losses - 396 Losses on Disposition of Personal and Real Property 163 69 Impairment Losses - 57 Total Extraordinary Expenses 301 126 Pre-Tax Net Income 11,521 7,678 14 Corporate Tax, Residence Tax, Enterprise Tax 709 46 Corporate Tax Adjustments 4,962 3,357 6 Minority Shareholder Profit 16			0	2	
Service Transaction Expenses 1,644 1,752 2 Other Business Expenses 168 254 Operating Expenses 23,207 22,817 28 Other Ordinary Expenses 1,752 4,951 2 Total Ordinary Expenses 29,583 33,077 35 Ordinary Profit 11,823 7,409 14 Extraordinary Income - 395 Profit from Collection of Credit Redemptions - 0 Total Extraordinary Income - 396 Extraordinary Losses - 396 Losses on Disposition of Personal and Real Property 163 69 Impairment Losses - 57 Total Extraordinary Losses - 57 Total Extraordinary Expenses 301 126 Pre-Tax Net Income 11,521 7,678 14 Corporate Tax, Residence Tax, Enterprise Tax 709 46 Corporate Tax Adjustments 4,962 3,357 6 Minority Shareholder Profit 16 6 </td <td>3</td> <td></td> <td>•</td> <td>142</td>	3		•	142	
Other Business Expenses 168 254 Operating Expenses 23,207 22,817 28 Other Ordinary Expenses 1,752 4,951 2 Total Ordinary Expenses 29,583 33,077 35 Ordinary Profit 11,823 7,409 14 Extraordinary Income — 395 Profit from Collection of Credit Receivables — 0 Total Extraordinary Income — 396 Extraordinary Losses — 396 Losses on Disposition of Personal and Real Property 163 69 Impairment Losses — 57 Total Extraordinary Losses — 57 Total Extraordinary Expenses 301 126 Pre-Tax Net Income 11,521 7,678 14 Corporate Tax, Residence Tax, Enterprise Tax 709 46 Corporate Tax Adjustments 4,962 3,357 6 Minority Shareholder Profit 16 6	Other Interest Payable	501	518	6,098	
Operating Expenses 23,207 22,817 28 Other Ordinary Expenses 1,752 4,951 2 Total Ordinary Expenses 29,583 33,077 35 Ordinary Profit 11,823 7,409 14 Extraordinary Income - 395 Profit from Collection of Credit Redemptions - 0 Total Extraordinary Income - 396 Extraordinary Losses - 396 Losses on Disposition of Personal and Real Property 163 69 Impairment Losses 138 - Other Extraordinary Losses - 57 Total Extraordinary Expenses 301 126 Pre-Tax Net Income 11,521 7,678 14 Corporate Tax, Residence Tax, Enterprise Tax 709 46 Corporate Tax Adjustments 4,962 3,357 6 Minority Shareholder Profit 16 6	Service Transaction Expenses	1,644	1,752	20,009	
Other Ordinary Expenses 1,752 4,951 2 Total Ordinary Expenses 29,583 33,077 35 Ordinary Profit 11,823 7,409 14 Extraordinary Income - 395 Profit from Collection of Credit Redemptions - 0 Total Extraordinary Income - 396 Extraordinary Losses - 396 Losses on Disposition of Personal and Real Property 163 69 Impairment Losses - 57 Other Extraordinary Losses - 57 Total Extraordinary Expenses 301 126 Pre-Tax Net Income 11,521 7,678 14 Corporate Tax, Residence Tax, Enterprise Tax 709 46 Corporate Tax Adjustments 4,962 3,357 6 Minority Shareholder Profit 16 6	Other Business Expenses	168	254	2,049	
Total Ordinary Expenses 29,583 33,077 35 Ordinary Profit 11,823 7,409 14 Extraordinary Income — 395 Profit from Collection of Credit Redemptions — 0 Total Extraordinary Income — 396 Extraordinary Losses — 396 Losses on Disposition of Personal and Real Property 163 69 Impairment Losses — 57 Total Extraordinary Losses — 57 Total Extraordinary Expenses 301 126 Pre-Tax Net Income 11,521 7,678 14 Corporate Tax, Residence Tax, Enterprise Tax 709 46 Corporate Tax Adjustments 4,962 3,357 6 Minority Shareholder Profit 16 6	Operating Expenses	23,207	22,817	282,362	
Ordinary Profit 11,823 7,409 14 Extraordinary Income — 395 Profit from Collection of Credit Redemptions — 0 Total Extraordinary Income — 396 Extraordinary Losses — 396 Losses on Disposition of Personal and Real Property 163 69 Impairment Losses — 57 Other Extraordinary Losses — 57 Total Extraordinary Expenses 301 126 Pre-Tax Net Income 11,521 7,678 14 Corporate Tax, Residence Tax, Enterprise Tax 709 46 Corporate Tax Adjustments 4,962 3,357 6 Minority Shareholder Profit 16 6	Other Ordinary Expenses	1,752	4,951	21,316	
Extraordinary Income — 395 Reversal of Allowance for Doubtful Receivables	Total Ordinary Expenses	29,583	33,077	359,938	
Reversal of Allowance for Doubtful Receivables - 395 Profit from Collection of Credit Redemptions - 0 Total Extraordinary Income - 396 Extraordinary Losses - 396 Losses on Disposition of Personal and Real Property 163 69 Impairment Losses 138 - Other Extraordinary Losses - 57 Total Extraordinary Expenses 301 126 Pre-Tax Net Income 11,521 7,678 14 Corporate Tax, Residence Tax, Enterprise Tax 709 46 Corporate Tax Adjustments 4,962 3,357 6 Minority Shareholder Profit 16 6	Ordinary Profit	11,823	7,409	143,854	
Profit from Collection of Credit Redemptions — 0 Total Extraordinary Income — 396 Extraordinary Losses — 163 69 Impairment Losses — 138 — Other Extraordinary Losses — 57 Total Extraordinary Expenses 301 126 Pre-Tax Net Income 11,521 7,678 14 Corporate Tax, Residence Tax, Enterprise Tax 709 46 Corporate Tax Adjustments 4,962 3,357 6 Minority Shareholder Profit 16 6	Extraordinary Income				
Profit from Collection of Credit Redemptions — 0 Total Extraordinary Income — 396 Extraordinary Losses — 163 69 Impairment Losses — 138 — Other Extraordinary Losses — 57 Total Extraordinary Expenses 301 126 Pre-Tax Net Income 11,521 7,678 14 Corporate Tax, Residence Tax, Enterprise Tax 709 46 Corporate Tax Adjustments 4,962 3,357 6 Minority Shareholder Profit 16 6	Reversal of Allowance for Doubtful Receivables	_	395	_	
Extraordinary Losses Losses on Disposition of Personal and Real Property 163 69 Impairment Losses 138 – Other Extraordinary Losses – 57 Total Extraordinary Expenses 301 126 Pre-Tax Net Income 11,521 7,678 14 Corporate Tax, Residence Tax, Enterprise Tax 709 46 Corporate Tax Adjustments 4,962 3,357 6 Minority Shareholder Profit 16 6		_		_	
Losses on Disposition of Personal and Real Property 163 69 Impairment Losses 138 — Other Extraordinary Losses — 57 Total Extraordinary Expenses 301 126 Pre-Tax Net Income 11,521 7,678 14 Corporate Tax, Residence Tax, Enterprise Tax 709 46 Corporate Tax Adjustments 4,962 3,357 6 Minority Shareholder Profit 16 6	Total Extraordinary Income		396		
Losses on Disposition of Personal and Real Property 163 69 Impairment Losses 138 — Other Extraordinary Losses — 57 Total Extraordinary Expenses 301 126 Pre-Tax Net Income 11,521 7,678 14 Corporate Tax, Residence Tax, Enterprise Tax 709 46 Corporate Tax Adjustments 4,962 3,357 6 Minority Shareholder Profit 16 6	Extraordinary Losses				
Impairment Losses 138 — 57 Other Extraordinary Losses 301 126 Pre-Tax Net Income 11,521 7,678 14 Corporate Tax, Residence Tax, Enterprise Tax 709 46 Corporate Tax Adjustments 4,962 3,357 6 Minority Shareholder Profit 16 6		160	60	1,990	
Other Extraordinary Losses — 57 Total Extraordinary Expenses 301 126 Pre-Tax Net Income 11,521 7,678 14 Corporate Tax, Residence Tax, Enterprise Tax 709 46 Corporate Tax Adjustments 4,962 3,357 6 Minority Shareholder Profit 16 6			09	•	
Pre-Tax Net Income 11,521 7,678 14 Corporate Tax, Residence Tax, Enterprise Tax 709 46 Corporate Tax Adjustments 4,962 3,357 6 Minority Shareholder Profit 16 6	•	-	 57	1,680 —	
Corporate Tax, Residence Tax, Enterprise Tax	Total Extraordinary Expenses	301	126	3,670	
Corporate Tax, Residence Tax, Enterprise Tax	Dro Toy Not Income	44 504	7 670	140 104	
Corporate Tax Adjustments	Pre- lax Net income	11,521		140,184	
Corporate Tax Adjustments	Corporate Tax, Residence Tax, Enterprise Tax	709	46	8,633	
Minority Shareholder Profit	·			60,382	
	,	•		206	
Net Income ¥ 5,832 ¥ 4,268 \$ 7	Net Income	¥ 5,832	¥ 4,268	\$ 70,961	

The Higashi-Nippon Bank, Limited and Consolidated Subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended March 31, 2012

(Millions of Yen)

	Total Shareholders' Equity						ation and Tra				
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity	Net Unrealized Gains on Securities	Net Deferred Losses on Hedging Instruments	Land Revaluation Excess	Total Valuation and Translation Adjustments	Minority Interests	Total Net Assets
Balance at March 31, 2011	¥ 38,300	¥ 24,600	¥ 18,811	¥ (142)	¥ 81,568	¥ 1,902	¥ (468)	¥ 4,789	¥ 6,223	¥ 75	¥ 87,867
Changes During the Period											
Purchase of Treasury Stock				(1,305)	(1,305)						(1,305)
Net Income			5,832		5,832						5,832
Cash Dividends			(1,443)		(1,443)						(1,443)
Net Changes of Other Than Shareholders' Equity						(544)	(107)	376	(275)	16	(258)
Difference in Revaluation of Land			50		50						50
Total Changes During the Period	-	_	4,438	(1,305)	3,132	(544)	(107)	376	(275)	16	2,874
Balance at March 31, 2012	¥ 38,300	¥ 24,600	¥ 23,249	¥ (1,448)	¥ 84,701	¥ 1,357	¥ (576)	¥ 5,166	¥ 5,948	¥ 92	¥ 90,742

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

	(11000a1100 01 0101 Deliate (11010 2))										
	Total Shareholders' Equity						ation and Tra				
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity	Net Unrealized Gains on Securities	Net Deferred Losses on Hedging Instruments	Land Revaluation Excess	Total Valuation and Translation Adjustments	Minority Interests	Total Net Assets
Balance at March 31, 2011	\$465,993	\$299,309	\$228,874	\$ (1,736)	\$992,440	\$ 23,144	\$ (5,698)	\$ 58,278	\$ 75,724	\$ 914	\$1,069,079
Changes During the Period											
Purchase of Treasury Stock				(15,888)	(15,888)						(15,888)
Net Income			70,961		70,961						70,961
Cash Dividends			(17,566)		(17,566)						(17,566)
Net Changes of Other Than Shareholders' Equity						(6,626)	(1,310)	4,586	(3,350)	206	(3,144)
Difference in Revaluation of Land			610		610						610
Total Changes During the Period	_	_	54,006	(15,888)	38,117	(6,626)	(1,310)	4,586	(3,350)	206	34,973
Balance at March 31, 2012	\$465,993	\$299,309	\$282,880	\$(17,625)	\$1,030,558	\$ 16,518	\$ (7,008)	\$ 62,864	\$ 72,373	\$ 1,120	\$1,104,052

CORPORATE DATA

Founded April 1924
Paid-in Capital ¥38,300 million

Number of Employees 1,397 (As of March 31, 2012)

BOARD OF DIRECTORS

ChairmanNorifusa KagamiPresidentMichitoo Ishii

Managing Directors Toshio Mizuta

Katsumi Osakabe

Seiji Ogura

Hitoshi Ito
Directors Tomoo Ookanda

Isamu Koguchi Kenji Suda

Masatoshi Ojima Kenichi Kato Osamu Honda

Ken Inoue (As of July 2012)

Takeshi Fujioka

Hiroshi Ohtani

Hideki Oonomi

Katsuto Ohno

Auditors



THE HIGASHI-NIPPON BANK, LIMITED

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