

Financial Statements 2013

Year ended March 31, 2013



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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 2013, the Bank operated a total of 79 branch offices, of which 46, 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 79

Foreign Exchange Offices 14

Securities and International Department

General Manager of Securities and International Department:
Hisanaga Maejima (As of July 2013)
11-2, Nihonbashi 3-chome, Chuo-ku, Tokyo 103-8238, Japan
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CONSOLIDATED BALANCE SHEETS

As of March 31, 2013 and 2012

	Millions of Yen		Thousands of U.S. Dollars (Note 2)
	2013	2012	2013
ASSETS			
Cash and Due from Banks	¥ 43,334	¥ 82,664	\$ 460,756
Call Loans.....	15,159	25,246	161,189
Investment Securities.....	386,557	352,994	4,110,131
Loans and Bills Discounted.....	1,437,265	1,371,093	15,281,931
Foreign Exchanges.....	869	738	9,246
Other Assets.....	8,198	8,949	87,171
Premises and Equipment	20,396	19,949	216,869
Intangible Fixed Assets	795	894	8,453
Deferred Income Taxes.....	4,706	6,973	50,041
Customers' Liabilities for Acceptances and Guarantees	2,541	2,451	27,022
Reserve for Possible Loan Losses	(13,008)	(14,755)	(138,310)
Total Assets	¥ 1,906,817	¥ 1,857,201	\$ 20,274,504
LIABILITIES AND NET ASSETS			
Liabilities:			
Deposits	¥ 1,716,844	¥ 1,718,630	\$ 18,254,588
Negotiable Certificates of Deposits.....	53,326	—	567,000
Other Liabilities.....	25,213	34,395	268,081
Reserve for Bonuses	846	844	9,005
Reserve for Retirement Benefits.....	6,399	6,462	68,040
Other Reserves.....	3,445	3,675	36,638
Acceptances and Guarantees	2,541	2,451	27,022
Total Liabilities	¥ 1,808,616	¥ 1,766,459	\$ 19,230,376
Net Assets:			
Common Stock	¥ 38,300	¥ 38,300	\$ 407,230
Capital Surplus	24,600	24,600	261,565
Retained Earnings	26,418	23,249	280,897
Treasury Stock.....	(1,450)	(1,448)	(15,425)
Total Shareholders' Equity	¥ 87,867	¥ 84,701	\$ 934,267
Net Unrealized Gains on Securities.....	5,550	1,357	59,018
Net Deferred Losses on Hedging Instruments	(584)	(576)	(6,210)
Land Revaluation Excess	5,166	5,166	54,936
Total Valuation and Translation Adjustment	¥ 10,133	¥ 5,948	\$ 107,745
Subscription Rights to Shares.....	59	—	630
Minority Interests.....	139	92	1,484
Total Net Assets	¥ 98,200	¥ 90,742	\$ 1,044,127
Total Liabilities and Net Assets	¥ 1,906,817	¥ 1,857,201	\$ 20,274,504

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 ¥94.05 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, 2013 and 2012

	Millions of Yen		Thousands of U.S. Dollars (Note 2)
	2013	2012	2013
Ordinary Income			
Interest on Loans.....	¥ 28,996	¥ 29,653	\$ 308,311
Interest Dividends on Securities.....	2,709	3,029	28,812
Interest on Call Loans and Notes Purchased.....	45	62	485
Interest on Deposits.....	18	14	200
Other Interest.....	24	23	264
Income from Service Transactions.....	3,203	2,934	34,065
Other Business Income.....	3,309	1,906	35,192
Other Ordinary Income.....	574	3,782	6,104
Total Ordinary Income.....	38,883	41,406	413,436
Ordinary Expenses			
Interest on Deposits.....	1,819	2,297	19,348
Interest on Negotiable Deposits.....	35	—	380
Interest on Call Money and Notes Sold.....	0	0	7
Interest on Borrowings.....	6	11	67
Other Interest Payable.....	445	501	4,736
Service Transaction Expenses.....	1,636	1,644	17,402
Other Business Expenses.....	0	168	6
Operating Expenses.....	23,108	23,207	245,708
Other Ordinary Expenses.....	3,885	1,752	41,310
Total Ordinary Expenses.....	30,939	29,583	328,969
Ordinary Profit.....	7,944	11,823	84,467
Extraordinary Income			
Profit on Disposition of Personal and Real Property.....	0	—	5
Total Extraordinary Income.....	0	—	5
Extraordinary Expenses			
Losses on Disposition of Personal and Real Property.....	134	163	1,425
Impairment Losses.....	—	138	—
Total Extraordinary Expenses.....	134	301	1,425
Pre-Tax Net Income.....	7,810	11,521	83,047
Corporate Tax, Residence Tax, Enterprise Tax.....	3,223	709	34,269
Corporate Tax Adjustments.....	(41)	4,962	(440)
Minority Shareholder Profit.....	47	16	505
Net Income.....	¥ 4,581	¥ 5,832	\$ 48,712

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended March 31, 2013

(Millions of Yen)

	Total Shareholders' Equity					Total Valuation and Translation Adjustments				Subscription Rights to Shares	Minority Interests	Total Net Assets
	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			
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
Changes During the Period												
Purchase of Treasury Stock				(2)	(2)							(2)
Net Income			4,581		4,581							4,581
Cash Dividends			(1,413)		(1,413)							(1,413)
Net Changes of Other Than Shareholders' Equity						4,193	(8)		4,185	59	47	4,291
Total Changes During the Period	—	—	3,168	(2)	3,166	4,193	(8)	—	4,185	59	47	7,458
Balance at March 31, 2013	¥ 38,300	¥ 24,600	¥ 26,418	¥ (1,450)	¥ 87,867	¥ 5,550	¥ (584)	¥ 5,166	¥ 10,133	¥ 59	¥ 139	¥ 98,200

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

	Total Shareholders' Equity					Total Valuation and Translation Adjustments				Subscription Rights to Shares	Minority Interests	Total Net Assets
	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			
Balance at March 31, 2012	\$407,230	\$261,565	\$247,208	\$(15,402)	\$900,601	\$ 14,435	\$ (6,125)	\$ 54,936	\$ 63,246	\$ —	\$ 979	\$964,828
Changes During the Period												
Purchase of Treasury Stock				(22)	(22)							(22)
Net Income			48,712		48,712							48,712
Cash Dividends			(15,024)		(15,024)							(15,024)
Net Changes of Other Than Shareholders' Equity						44,583	(85)		44,498	630	505	45,633
Total Changes During the Period	—	—	33,688	(22)	33,665	44,583	(85)	—	44,498	630	505	79,299
Balance at March 31, 2013	\$407,230	\$261,565	\$280,897	\$(15,425)	\$934,267	\$ 59,018	\$ (6,210)	\$ 54,936	\$107,745	\$ 630	\$ 1,484	\$1,044,127

CORPORATE DATA

Founded	April 1924
Paid-in Capital	¥38,300 million
Number of Employees	1,417 (As of March 31, 2013)

BOARD OF DIRECTORS

Chairman	Norifusa Kagami	Auditors	Hiroshi Ohtani
President	Michitoo Ishii		Shigetaka Ichihara
Senior Managing Director	Toshio Mizuta		Katsuto Ohno
Managing Directors	Katsumi Osakabe		Masaru Ono
	Seiji Ogura		
	Hitoshi Ito		
	Tomoo Ookanda		
Directors	Isamu Koguchi		
	Kenji Suda		
	Masatoshi Ojima		
	Kenichi Kato		
	Osamu Honda		
	Ken Inoue		

(As of July 2013)



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