



Financial Statement 2014

Year ended March 31, 2014

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 2014, 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 2014)

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CONSOLIDATED BALANCE SHEETS

As of March 31, 2014 and 2013

	Millions of Yen		Thousands of U.S. Dollars (Note 2)
	2014	2013	2014
ASSETS			
Assets:			
Cash and Due from Banks	¥ 62,487	¥ 43,334	\$ 607,145
Call Loans	20,174	15,159	196,025
Investment Securities	374,719	386,557	3,640,881
Loans and Bills Discounted	1,473,488	1,437,265	14,316,834
Foreign Exchanges	1,224	869	11,900
Other Assets	7,426	8,198	72,153
Premises and Equipment	24,148	20,396	234,629
Intangible Fixed Assets	1,309	795	12,719
Deferred Tax Assets	3,244	4,706	31,527
Customers' Liabilities for Acceptances and Guarantees	2,011	2,541	19,540
Reserve for Possible Loan Losses	(9,465)	(13,008)	(91,970)
Total Assets	¥ 1,960,768	¥ 1,906,817	\$ 19,051,388
LIABILITIES AND NET ASSETS			
Liabilities:			
Deposits	¥ 1,779,505	¥ 1,716,844	\$ 17,290,181
Negotiable Certificates of Deposits	43,865	53,326	426,204
Other Liabilities	22,158	25,213	215,296
Reserve for Bonuses	888	846	8,628
Net Defined Benefit Liability	7,368	6,399	71,595
Other Reserves	418	438	4,070
Deferred Tax Liabilities for Land Revaluation	3,006	3,006	29,216
Acceptances and Guarantees	2,011	2,541	19,540
Total Liabilities	¥ 1,859,222	¥ 1,808,616	\$ 18,064,734
Net Assets:			
Common Stock	¥ 38,300	¥ 38,300	\$ 372,133
Capital Surplus	24,600	24,600	239,022
Retained Earnings	30,551	26,418	296,842
Treasury Stock	(1,453)	(1,450)	(14,125)
Total Shareholders' Equity	91,997	87,867	893,873
Net Unrealized Gains on Securities	5,200	5,550	50,529
Net Deferred Losses on Hedging Instruments	(462)	(584)	(4,492)
Land Revaluation Excess	5,166	5,166	50,202
Remeasurements of Defined Benefit Plans	(688)	—	(6,684)
Total Valuation and Translation Adjustments	9,216	10,133	89,554
Subscription Rights to Shares	144	59	1,407
Minority Interests	187	139	1,818
Total Net Assets	101,546	98,200	986,653
Total Liabilities and Net Assets	¥ 1,960,768	¥ 1,906,817	\$ 19,051,388

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 ¥102.92 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, 2014 and 2013

	Millions of Yen		Thousands of U.S. Dollars (Note 2)
	2014	2013	2014
Ordinary Income:			
Interest on Loans	¥ 28,648	¥ 28,996	\$ 278,357
Interest Dividends on Securities	2,830	2,709	27,497
Interest on Call Loans and Notes Purchased	16	45	158
Interest on Deposits with Banks	5	18	56
Other Interest	17	24	172
Income from Service Transactions	3,412	3,203	33,160
Other Business Income	2,238	3,309	21,747
Other Ordinary Income	2,824	574	27,446
Total Ordinary Income	39,994	38,883	388,597
Ordinary Expenses:			
Interest on Deposits	1,343	1,819	13,049
Interest on Negotiable Deposits	64	35	626
Interest on Call Money and Notes Sold	1	0	10
Interest on Borrowings	0	6	8
Other Interest Expenses	443	445	4,310
Service Transaction Expenses	1,667	1,636	16,200
Other Business Expenses	216	0	2,105
Operating Expenses	23,379	23,108	227,158
Other Ordinary Expenses	2,899	3,885	28,176
Total Ordinary Expenses	30,016	30,939	291,646
Ordinary Profit	9,978	7,944	96,951
Extraordinary Income:			
Gain on Disposal of Non-Current Assets	—	0	—
Total Extraordinary Income	—	0	—
Extraordinary Losses:			
Loss on Disposal of Non-Current Assets	132	134	1,283
Total Extraordinary Expenses	132	134	1,283
Income before Income Taxes	9,846	7,810	95,667
Income Taxes-Current	2,285	3,223	22,211
Income Taxes-Deferred	1,967	(41)	19,113
Minority Interests in Income	47	47	461
Net Income	¥ 5,545	¥ 4,581	\$ 53,882

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended March 31, 2014

Millions of Yen							
Shareholders' Equity							Net Unrealized Gains on Securities
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity		
Balance at March 31, 2013	¥ 38,300	¥ 24,600	¥ 26,418	¥ (1,450)	¥ 87,867	¥	5,550
Changes during the Period:							
Purchase of Treasury Stock				(3)	(3)		
Net Income			5,545		5,545		
Cash Dividends			(1,412)		(1,412)		
Net Changes of Items other than Shareholders' Equity							(350)
Total Changes during the Period	—	—	4,132	(3)	4,129		(350)
Balance at March 31, 2014	¥ 38,300	¥ 24,600	¥ 30,551	¥ (1,453)	¥ 91,997	¥	5,200

Thousands of U.S. Dollars (Note 2)							
Shareholders' Equity							Net Unrealized Gains on Securities
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity		
Balance at March 31, 2013	\$ 372,133	\$ 239,022	\$ 256,688	\$ (14,096)	\$ 853,749	\$	53,932
Changes during the Period:							
Purchase of Treasury Stock				(29)	(29)		
Net Income			53,882		53,882		
Cash Dividends			(13,728)		(13,728)		
Net Changes of Items other than Shareholders' Equity							(3,403)
Total Changes during the Period	—	—	40,154	(29)	40,124		(3,403)
Balance at March 31, 2014	\$ 372,133	\$ 239,022	\$ 296,842	\$ (14,125)	\$ 893,873	\$	50,529

Millions of Yen

Valuation and Translation Adjustments				Subscription Rights to Shares	Minority Interests	Total Net Assets
Net Deferred Losses on Hedging Instruments	Land Revaluation Excess	Remeasurements of Defined Benefit Plans	Total Valuation and Translation Adjustments			
¥ (584)	¥ 5,166	¥ —	¥ 10,133	¥ 59	¥ 139	¥ 98,200
						(3)
						5,545
						(1,412)
121	—	(688)	(916)	85	47	(783)
121	—	(688)	(916)	85	47	3,346
¥ (462)	¥ 5,166	¥ (688)	¥ 9,216	¥ 144	¥ 187	¥ 101,546

Thousands of U.S. Dollars (Note 2)

Valuation and Translation Adjustments				Subscription Rights to Shares	Minority Interests	Total Net Assets
Net Deferred Losses on Hedging Instruments	Land Revaluation Excess	Remeasurements of Defined Benefit Plans	Total Valuation and Translation Adjustments			
\$ (5,675)	\$ 50,202	\$ —	\$ 98,459	\$ 575	\$ 1,356	\$ 954,141
						(29)
						53,882
						(13,728)
1,183	—	(6,684)	(8,904)	831	461	(7,611)
1,183	—	(6,684)	(8,904)	831	461	32,512
\$ (4,492)	\$ 50,202	\$ (6,684)	\$ 89,554	\$ 1,407	\$ 1,818	\$ 986,653

CORPORATE DATA

Founded	April 1924
Paid-in Capital	¥38,300 million
Number of Employees	1,424 (As of March 31, 2014)

BOARD OF DIRECTORS

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

(As of July 2014)



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