



Financial Statement 2015

Year ended March 31, 2015

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 2015, the Bank operated a total of 82 branch offices, of which 49, 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 82

Foreign Exchange Offices 14

Securities and International Department

General Manager of Securities and International Department:

Hisanaga Maejima (As of July 2015)

11-2, Nihonbashi 3-chome, Chuo-ku, Tokyo 103-8238, Japan

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CONSOLIDATED BALANCE SHEETS

As of March 31, 2015 and 2014

	Millions of Yen		Thousands of U.S. Dollars (Note 2)
	2015	2014	2015
ASSETS			
Assets:			
Cash and Due from Banks	¥ 100,371	¥ 62,487	\$ 835,243
Call Loans	5,540	20,174	46,107
Investment Securities	416,644	374,719	3,467,125
Loans and Bills Discounted	1,555,551	1,473,488	12,944,595
Foreign Exchanges	545	1,224	4,543
Other Assets	7,792	7,426	64,842
Premises and Equipment	24,733	24,148	205,823
Intangible Fixed Assets	1,206	1,309	10,040
Deferred Tax Assets	690	3,244	5,746
Customers' Liabilities for Acceptances and Guarantees	2,147	2,011	17,871
Reserve for Possible Loan Losses	(10,497)	(9,465)	(87,352)
Total Assets	¥ 2,104,727	¥ 1,960,768	\$ 17,514,585
LIABILITIES AND NET ASSETS			
Liabilities:			
Deposits	¥ 1,848,666	¥ 1,779,505	\$ 15,383,758
Negotiable Certificates of Deposits	44,400	43,865	369,476
Borrowings	58,600	-	487,642
Other Liabilities	24,571	22,158	204,475
Reserve for Bonuses	891	888	7,421
Net Defined Benefit Liability	6,069	7,368	50,507
Other Reserves	426	418	3,550
Deferred Tax Liabilities for Land Revaluation	2,727	3,006	22,699
Acceptances and Guarantees	2,147	2,011	17,871
Total Liabilities	¥ 1,988,501	¥ 1,859,222	\$ 16,547,402
Net Assets:			
Common Stock	¥ 38,300	¥ 38,300	\$ 318,715
Capital Surplus	24,601	24,600	204,719
Retained Earnings	37,751	30,551	314,151
Treasury Stock	(1,422)	(1,453)	(11,835)
Total Shareholders' Equity	99,230	91,997	825,750
Net Unrealized Gains on Securities	11,335	5,200	94,330
Net Deferred Losses on Hedging Instruments	(363)	(462)	(3,025)
Land Revaluation Excess	5,445	5,166	45,318
Remeasurements of Defined Benefit Plans	181	(688)	1,506
Total Accumulated Other Comprehensive Income	16,599	9,216	138,129
Subscription Rights to Shares	176	144	1,471
Minority Interests	220	187	1,831
Total Net Assets	116,226	101,546	967,182
Total Liabilities and Net Assets	¥ 2,104,727	¥ 1,960,768	\$ 17,514,585

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 ¥120.17 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, 2015 and 2014

	Millions of Yen		Thousands of U.S. Dollars (Note 2)
	2015	2014	2015
Ordinary Income:			
Interest on Loans	¥ 28,032	¥ 28,648	\$ 233,274
Interest Dividends on Securities	3,487	2,830	29,017
Interest on Call Loans and Notes Purchased	19	16	163
Interest on Deposits with Banks	12	5	101
Other Interest	20	17	167
Income from Service Transactions	3,578	3,412	29,780
Other Business Income	765	2,238	6,372
Other Ordinary Income	7,754	2,824	64,531
Total Ordinary Income	43,670	39,994	363,409
Ordinary Expenses:			
Interest on Deposits	1,250	1,343	10,409
Interest on Negotiable Deposits	36	64	302
Interest on Call Money and Notes Sold	1	1	10
Interest on Borrowings	19	0	160
Other Interest Expenses	451	443	3,759
Service Transaction Expenses	1,799	1,667	14,972
Other Business Expenses	8	216	69
Operating Expenses	23,924	23,379	199,090
Other Ordinary Expenses	3,092	2,899	25,732
Total Ordinary Expenses	30,584	30,016	254,507
Ordinary Profit	13,086	9,978	108,902
Extraordinary Losses:			
Loss on Disposal of Non-Current Assets	94	132	784
Total Extraordinary Losses	94	132	784
Income before Income Taxes	12,992	9,846	108,117
Income Taxes-Current	4,937	2,285	41,089
Income Taxes-Deferred	(545)	1,967	(4,542)
Minority Interests in Income	32	47	273
Net Income	¥ 8,567	¥ 5,545	\$ 71,295

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the year ended March 31, 2015

Millions of Yen							Net Unrealized Gains on Securities
Shareholders' Equity							
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity		
Balance at March 31, 2014	¥ 38,300	¥ 24,600	¥ 30,551	¥ (1,453)	¥ 91,997	¥ 5,200	
Cumulative Effects of Changes in Accounting Policies			46		46		
Restated Balance at April 1, 2014	38,300	24,600	30,597	(1,453)	92,043	5,200	
Changes during the Period:							
Purchase of Treasury Stock				(5)	(5)		
Disposal of Treasury Stock		0		37	38		
Net Income			8,567		8,567		
Cash Dividends			(1,413)		(1,413)		
Net Changes of Items other than Shareholders' Equity						6,135	
Total Changes during the Period	—	0	7,154	31	7,186	6,135	
Balance at March 31, 2015	¥ 38,300	¥ 24,601	¥ 37,751	¥ (1,422)	¥ 99,230	¥ 11,335	

Thousands of U.S. Dollars (Note 2)							Net Unrealized Gains on Securities
Shareholders' Equity							
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity		
Balance at March 31, 2014	\$ 318,715	\$ 204,712	\$ 254,231	\$ (12,098)	\$ 765,560	\$ 43,275	
Cumulative Effects of Changes in Accounting Policies			386		386		
Restated Balance at April 1, 2014	318,715	204,712	254,618	(12,098)	765,947	43,275	
Changes during the Period:							
Purchase of Treasury Stock				(48)	(48)		
Disposal of Treasury Stock		7		310	318		
Net Income			71,295		71,295		
Cash Dividends			(11,763)		(11,763)		
Net Changes of Items other than Shareholders' Equity						51,055	
Total Changes during the Period	—	7	59,532	262	59,802	51,055	
Balance at March 31, 2015	\$ 318,715	\$ 204,719	\$ 314,151	\$ (11,835)	\$ 825,750	\$ 94,330	

Millions of Yen

Accumulated Other Comprehensive Income				Subscription Rights to Shares	Minority Interests	Total Net Assets
Net Deferred Losses on Hedging Instruments	Land Revaluation Excess	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income			
¥ (462)	¥ 5,166	¥ (688)	¥ 9,216	¥ 144	¥ 187	¥ 101,546
						46
(462)	5,166	(688)	9,216	144	187	101,592
						(5)
						38
						8,567
						(1,413)
98	279	869	7,382	31	32	7,446
98	279	869	7,382	31	32	14,633
¥ (363)	¥ 5,445	¥ 181	¥ 16,599	¥ 176	¥ 220	¥ 116,226

Thousands of U.S. Dollars (Note 2)

Accumulated Other Comprehensive Income				Subscription Rights to Shares	Minority Interests	Total Net Assets
Net Deferred Losses on Hedging Instruments	Land Revaluation Excess	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income			
\$ (3,847)	\$ 42,995	\$ (5,725)	\$ 76,699	\$ 1,205	\$ 1,557	\$ 845,022
						386
(3,847)	42,995	(5,725)	76,699	1,205	1,557	845,409
						(48)
						318
						71,295
						(11,763)
821	2,322	7,231	61,430	265	273	61,970
821	2,322	7,231	61,430	265	273	121,772
\$ (3,025)	\$ 45,318	\$ 1,506	\$ 138,129	\$ 1,471	\$ 1,831	\$ 967,182

CORPORATE DATA

Founded	April 1924
Paid-in Capital	¥38,300 million
Number of Employees	1,430 (As of March 31, 2015)

BOARD OF DIRECTORS

Chairman	Norifusa Kagami	Audit & Supervisory	Shigetaka Ichihara
President	Michito Ishii	Board Members	Masaru Ono
Senior Managing Director	Seiji Ogura		Keiichiro Hashimoto
Managing Directors	Tomoo Ookanda		Noriko Koike
	Kenichi Kato		
	Osamu Honda		
Directors	Isamu Koguchi		
	Kenji Suda		
	Ken Inoue		
	Mitsuhiro Usui		

(As of July 2015)



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