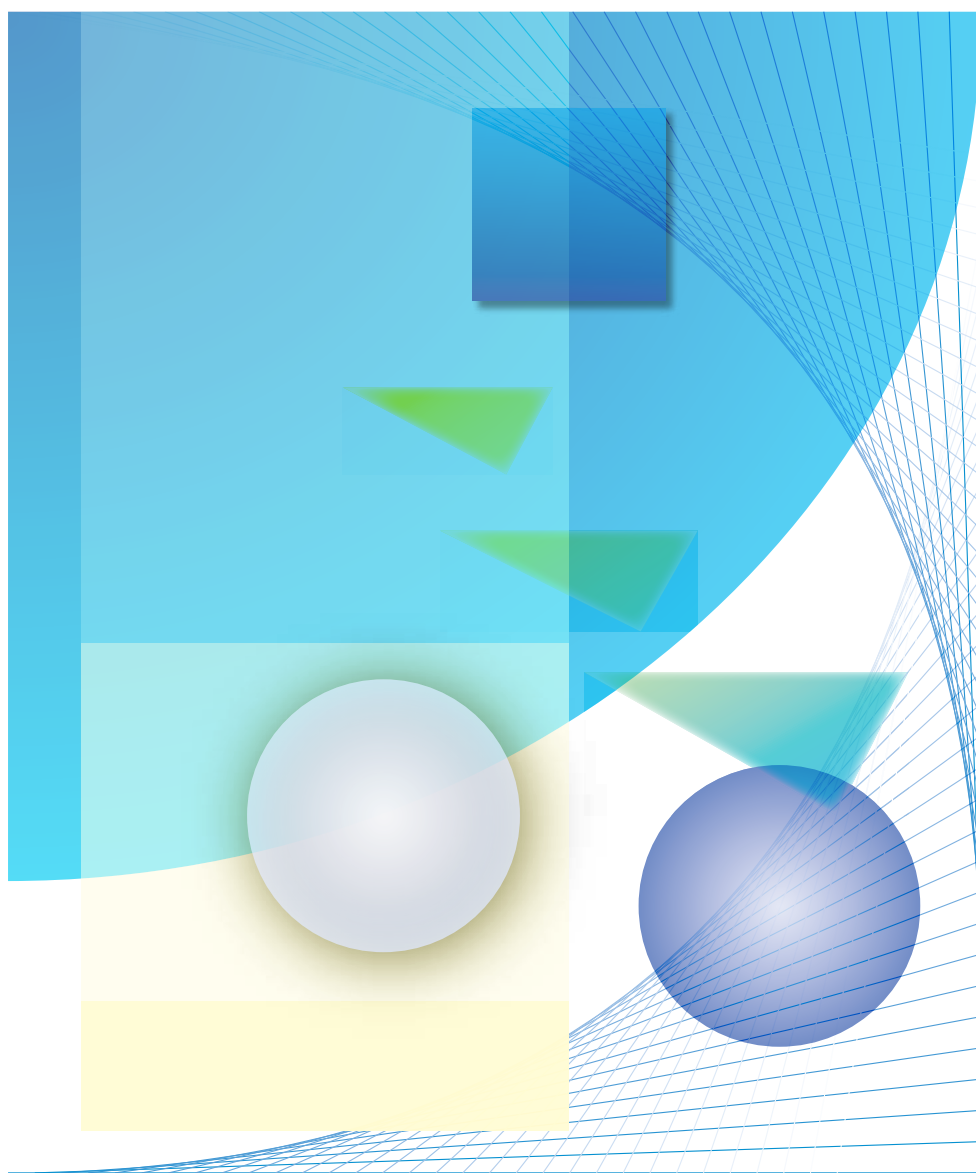


# Financial Statements 2012

Year ended March 31, 2012



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THE HIGASHI-NIPPON BANK, LIMITED



## CORPORATE PROFILE

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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

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**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](mailto:syoukenkokusaibu@higashi-nipponbank.jp)

**CONSOLIDATED BALANCE SHEETS**

As of March 31, 2012 and 2011

	Millions of Yen		Thousands of U.S. Dollars (Note 2)
	2012	2011	2012
<b>ASSETS</b>			
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)
<b>Total Assets.....</b>	<b>¥ 1,857,201</b>	<b>¥ 1,803,716</b>	<b>\$ 22,596,438</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Liabilities:</b>			
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
<b>Total Liabilities.....</b>	<b>¥ 1,766,459</b>	<b>¥ 1,715,848</b>	<b>\$ 21,492,386</b>
<b>Net Assets:</b>			
Common Stock .....	¥ 38,300	¥ 38,300	\$ 465,993
Capital Surplus .....	24,600	24,600	299,309
Retained Earnings .....	23,249	18,811	282,880
Treasury Stock.....	(1,448)	(142)	(17,625)
<b>Total Shareholders' Equity.....</b>	<b>¥ 84,701</b>	<b>¥ 81,568</b>	<b>\$ 1,030,558</b>
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
<b>Total Valuation and Translation Adjustment .....</b>	<b>¥ 5,948</b>	<b>¥ 6,223</b>	<b>\$ 72,373</b>
Minority Interests.....	92	75	1,120
<b>Total Net Assets.....</b>	<b>¥ 90,742</b>	<b>¥ 87,867</b>	<b>\$ 1,104,052</b>
<b>Total Liabilities and Net Assets.....</b>	<b>¥ 1,857,201</b>	<b>¥ 1,803,716</b>	<b>\$ 22,596,438</b>

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

	Millions of Yen		Thousands of U.S. Dollars (Note 2)
	2012	2011	2012
<b>Ordinary Income</b>			
Interest on Loans.....	¥ 29,653	¥ 30,759	\$ 360,795
Interest Dividends on Securities.....	3,029	3,040	36,856
Interest on Call Loans and Notes Purchased.....	62	40	760
Interest on Deposits.....	14	13	171
Other Interest.....	23	23	283
Income from Service Transactions.....	2,934	2,975	35,706
Other Business Income.....	1,906	2,729	23,196
Other Ordinary Income.....	3,782	906	46,022
<b>Total Ordinary Income.....</b>	<b>41,406</b>	<b>40,487</b>	<b>503,793</b>
<b>Ordinary Expenses</b>			
Interest on Deposits.....	2,297	2,781	27,956
Interest on Call Money and Notes Sold.....	0	0	2
Interest on Borrowings.....	11	1	142
Other Interest Payable.....	501	518	6,098
Service Transaction Expenses.....	1,644	1,752	20,009
Other Business Expenses.....	168	254	2,049
Operating Expenses.....	23,207	22,817	282,362
Other Ordinary Expenses.....	1,752	4,951	21,316
<b>Total Ordinary Expenses.....</b>	<b>29,583</b>	<b>33,077</b>	<b>359,938</b>
<b>Ordinary Profit.....</b>	<b>11,823</b>	<b>7,409</b>	<b>143,854</b>
<b>Extraordinary Income</b>			
Reversal of Allowance for Doubtful Receivables.....	—	395	—
Profit from Collection of Credit Redemptions.....	—	0	—
<b>Total Extraordinary Income.....</b>	<b>—</b>	<b>396</b>	<b>—</b>
<b>Extraordinary Losses</b>			
Losses on Disposition of Personal and Real Property.....	163	69	1,990
Impairment Losses.....	138	—	1,680
Other Extraordinary Losses.....	—	57	—
<b>Total Extraordinary Expenses.....</b>	<b>301</b>	<b>126</b>	<b>3,670</b>
<b>Pre-Tax Net Income.....</b>	<b>11,521</b>	<b>7,678</b>	<b>140,184</b>
Corporate Tax, Residence Tax, Enterprise Tax.....	709	46	8,633
Corporate Tax Adjustments.....	4,962	3,357	60,382
Minority Shareholder Profit.....	16	6	206
<b>Net Income.....</b>	<b>¥ 5,832</b>	<b>¥ 4,268</b>	<b>\$ 70,961</b>

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

Year ended March 31, 2012

(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 Gains on Securities	Net Deferred Losses on Hedging Instruments	Land Revaluation Excess	Total Valuation and Translation Adjustments		
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
<b>Balance at March 31, 2012</b>	<b>¥ 38,300</b>	<b>¥ 24,600</b>	<b>¥ 23,249</b>	<b>¥ (1,448)</b>	<b>¥ 84,701</b>	<b>¥ 1,357</b>	<b>¥ (576)</b>	<b>¥ 5,166</b>	<b>¥ 5,948</b>	<b>¥ 92</b>	<b>¥ 90,742</b>

(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 Gains on Securities	Net Deferred Losses on Hedging Instruments	Land Revaluation Excess	Total Valuation and Translation Adjustments		
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
<b>Balance at March 31, 2012</b>	<b>\$465,993</b>	<b>\$299,309</b>	<b>\$282,880</b>	<b>\$ (17,625)</b>	<b>\$1,030,558</b>	<b>\$ 16,518</b>	<b>\$ (7,008)</b>	<b>\$ 62,864</b>	<b>\$ 72,373</b>	<b>\$ 1,120</b>	<b>\$1,104,052</b>

## CORPORATE DATA

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<b>Founded</b>	April 1924
<b>Paid-in Capital</b>	¥38,300 million
<b>Number of Employees</b>	1,397 (As of March 31, 2012)

## BOARD OF DIRECTORS

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<b>Chairman</b>	Norifusa Kagami	<b>Auditors</b>	Takeshi Fujioka
<b>President</b>	Michitoo Ishii		Hiroshi Ohtani
<b>Managing Directors</b>	Toshio Mizuta		Hideki Oonomi
	Katsumi Osakabe		Katsuto Ohno
	Seiji Ogura		
	Hitoshi Ito		
<b>Directors</b>	Tomoo Ookanda		
	Isamu Koguchi		
	Kenji Suda		
	Masatoshi Ojima		
	Kenichi Kato		
	Osamu Honda		
	Ken Inoue		

(As of July 2012)



**THE HIGASHI-NIPPON BANK, LIMITED**

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