



Annual Report 2013



THE EHIME BANK,LTD.

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Message from the President

I wish first to extend my thanks to all of you on behalf of everyone at Ehime Bank for your continued patronage and support.

The Japanese economy has seen enormous improvements in consumer outlook and a sense of hopefulness return to business sentiment owing to the rise in stock prices and depreciation of the yen since last autumn due to the effects of Abenomics, as Prime Minister Abe's economic stimulus policies have been dubbed.

When it comes to the economy of the region closer at hand, however, while conditions are continuing to improve for certain industrial sectors thanks to the cheaper yen, there are others where the high cost of raw materials and fuel cannot be shifted to the prices of products and services, putting pressure on their earnings. They continue to face conditions that demand for constant vigilance.

The government is being called upon to use the stable political foundation it has obtained thanks to the results of the House of Councilors election to implement a growth strategy in the near term and put the real economy of the region back on a track to genuine recovery.

It was under such conditions that this financial institution once again undertook various activities during this past fiscal year befitting our role as a hometown bank. Among our major initiatives, we were commissioned by the Ministry of Agriculture, Forestry, and Fisheries to carry out a "sixth-order industry promotion and sponsorship project." Working in concert with the central government, we engaged in initiatives intended to stimulate the primary industries that constitute Ehime Prefecture's industrial base. We also organized the Himegin Furusato Watch Corps, whose efforts are meant to enable senior citizens who are on their own and children to lead lives that are safe and secure. The bank further worked actively to raise public awareness about the preciousness of all life through activities related to animal protection.

As a regional financial institution, we will continue in the future to discharge our social responsibilities and public duty to contribute to the community, strive wholeheartedly to improve customer service, and establish unshakeable reliability through good management practices.

We trust that this publication will help you to better understand the current state of affairs at the Ehime Bank, and hope to continue to enjoy the gift of your business in the future.



■ The Founding Spirit

The Ehime Bank has endeavored since its founding in 1915 to contribute to the community's development by never forgetting the spirit of the mutual loan business from which it originated.

The underlying philosophy of the mutual loan business is thoughtfulness; the objective in this business is mutual assistance, as encapsulated by such ideas as helping one another and working together with one another.

This approach to mutual aid came to Japan with Buddhism some 1,500 years ago. It marks the starting point for consumer financing in this country and represents the roots of our bank.

We still treasure today the spirit of our founders, who believed that putting the customer first and treating our employees well are the foundations for success.

■ Our Role and Mission as a Regional Financial Institution

It is our duty as a regional financial institution to be of service for the development of the local community.

Times such as these when our community stands face-to-face with harsh realities put to the test our true worth as a financial institution whose aim is to be the bank you talk to first.

As a hometown bank, we naturally seek to robustly shore up the local economy through our support of medium and small enterprises. We also wish to steadily continue in our low-profile way our varied activities to contribute to the community in the realms of culture, sports, and the environment. We furthermore will continue with such regular community activities as our cleanup and outreach efforts.

■ Financial Performance for the Fiscal Year Ended March 2013

Looking first at revenue, while interest income fell 20 million yen compared to the previous consolidated fiscal year, income from service transactions and the like increased over the same period by 519 million yen. As a result, ordinary income rose 219 million yen year-on-year to 41,596 million yen.

Turning to expenses, because we have actively worked to make getting financing easier while generating contingency reserves, ordinary expenses rose 1,120 million yen year-on-year to 34,417 million yen.

Ordinary profit as a result fell 901 million yen from the previous consolidated fiscal year to 7,179 million yen, while current net income totaled 3,808 million yen.

■ Management Vision

To creditably execute our role and mission as a hometown bank, the Ehime Bank must keep the foundations of its business on a sound footing.

Accordingly, we aim first of all to improve our equity ratio and Tier 1 capital ratio—which are indicators of financial health—by accumulating steady profits and building up our capital.

Also, with earnings potentially small due to the flagging demand for capital and the decline in the market interest rate, we are working to make operations more efficient and cut costs as we strive to become a low-cost operation at all levels of this institution.

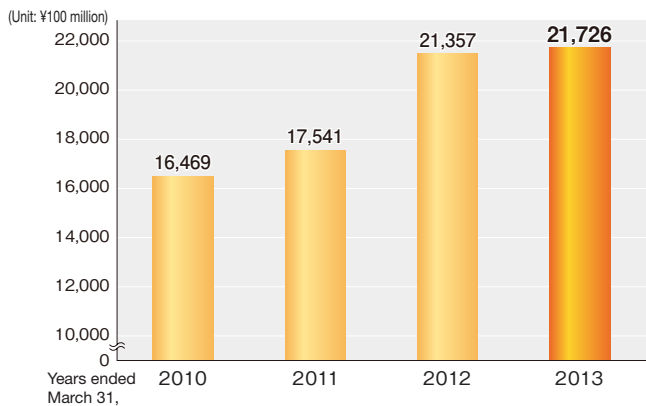
Concretely speaking, in terms of revenues we are directing our energies toward (1) actively trying to assist growth areas such as nursing care and healthcare; such typically local industries as merchant shipping, shipbuilding, and the paper and pulp business; and primary industries mainly in the southern part of Ehime; (2) strengthening our housing and consumer loan businesses; (3) raising service charge revenues; and (4) increasing bond investment profits. Meanwhile, we are also working to give further display to our consulting capabilities and control credit costs.

I believe that through such efforts we will steadily accumulate profits and further increase the overall health of the bank.

Business Overview

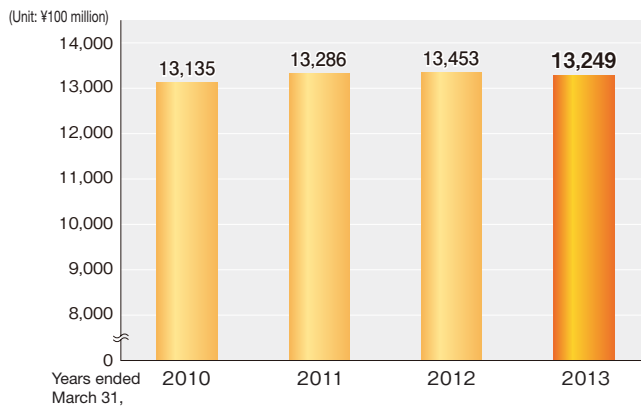
Changes in Deposits (Including NCDs) (Consolidated Basis)

Deposits rose by 36,900 million yen (1.7%) year-on-year thanks to a bolstering in personal deposits as a result of our aggressive sales activities.



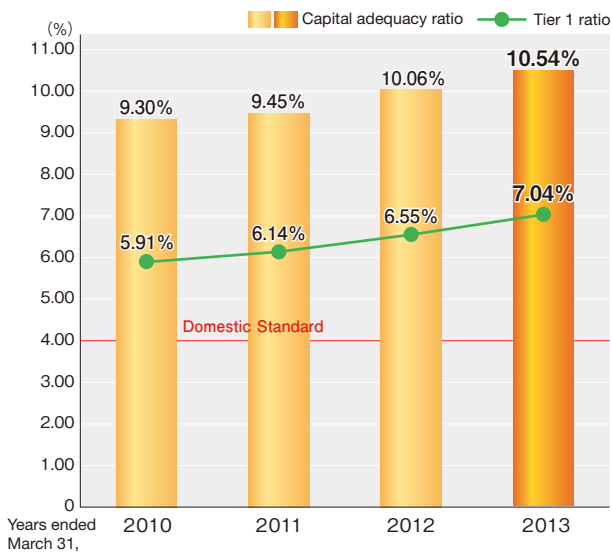
Changes in Loans (Consolidated Basis)

The balance of loans fell 20,400 million yen (-1.5%) year-on-year, despite being driven by housing loans amid a slump in demand for capital among corporations.



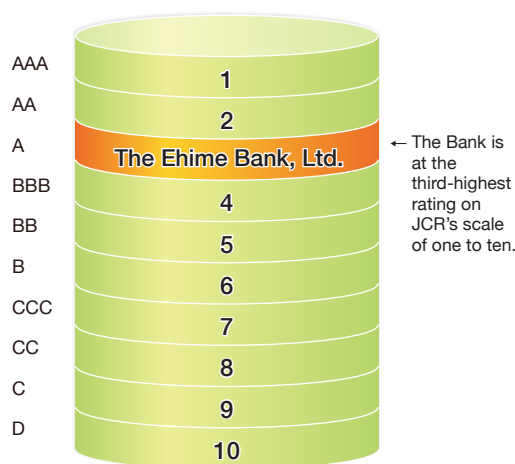
Capital Adequacy Ratio (Consolidated Basis)

The capital adequacy ratio as of March 31, 2013, stood at 10.54% (0.48% up year-on-year). This is considerably higher than the domestic standard (4% or more) for banks that have branches only in Japan, and remains quite healthy.



Credit Rating

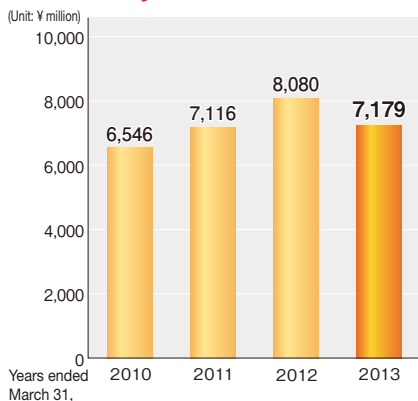
The Ehime Bank has earned an A- credit rating from the Japan Credit Rating Agency (JCR) for its long-term preferred debt. A is defined as "a high level of capacity to honor the financial commitment on the obligation."



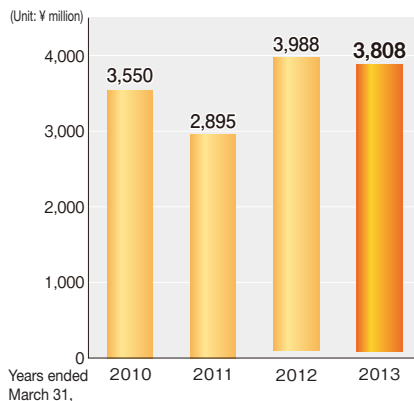
Changes in Income (Consolidated Basis)

While the sluggishness of the business environment in which companies operate continued, our efforts to manage funds and credit efficiently produced the performance outlined below.

Ordinary Profit



Net Income



Corporate Governance

Corporate Governance Framework

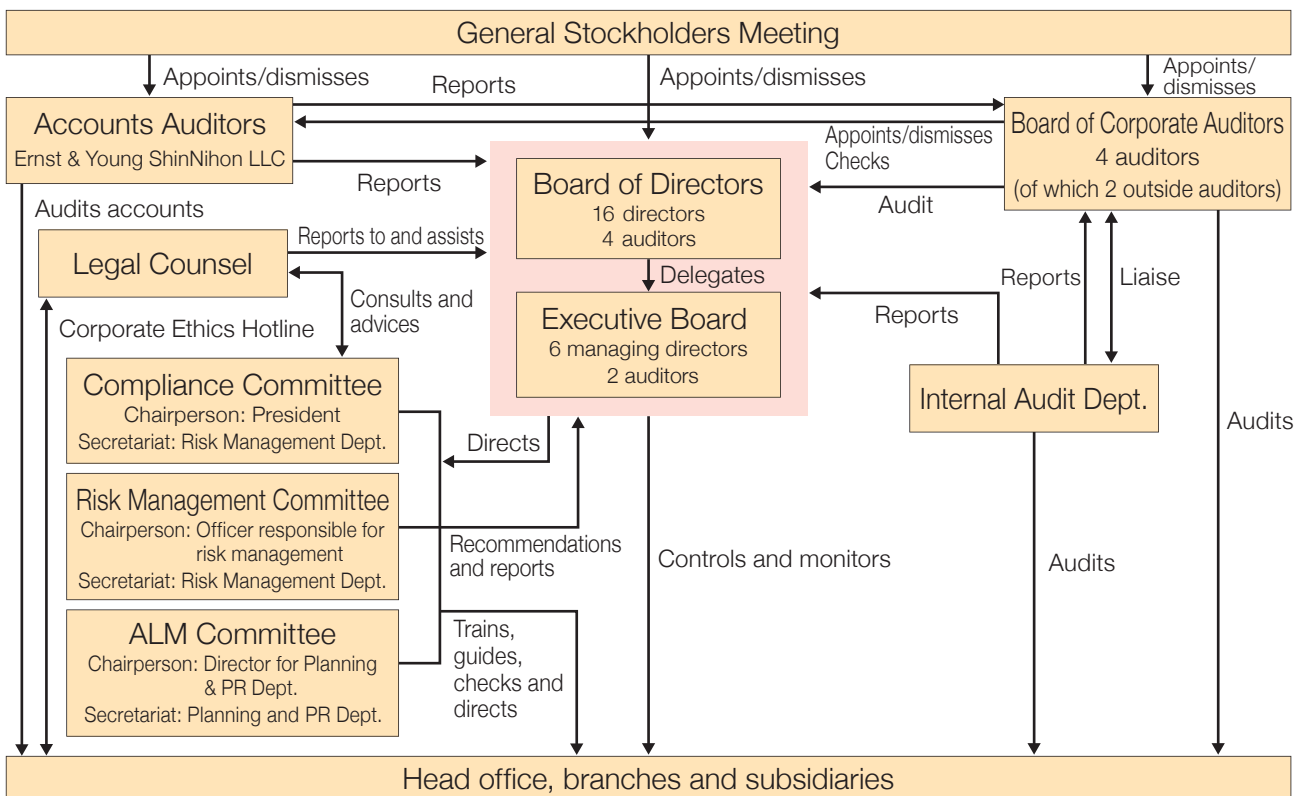
The goals of corporate governance for the Ehime Bank are transparency in management and the maximization of corporate value. We are working in the following ways as our basic policy for the purpose of building and strengthening an organizational structure that can respond swiftly to changes in the environment surrounding management.

The Board of Directors meets once a month in principle to decide on important matters and monitor conditions regarding the execution of corporate business. Additionally, in accordance with the basic policies decided upon by the Board of Directors with the goals of speeding up decision making and improving the efficiency of business operations, an Executive Board composed chiefly of executive officers generally meets once a week to consider matters related to the execution of important corporate business.

With respect to business operations, the bank has created a Compliance Committee and a Risk Management Committee. Internal auditors also participate in committee meetings to monitor the status of operations.

The Ehime Bank operates under a corporate auditor system. Corporate auditors attend meetings of the Board of the Directors, and standing corporate auditors also attend meetings of the Executive Board. Auditors audit the execution of the duties in each. We believe that through these systems our bank can insure appropriate corporate governance.

(Corporate Governance Structure)



(As of July 1, 2013)

Maintaining an Internal Control System and Risk Management System

We have a high degree of public nature as a regional financial institution as well as the important responsibility and mission to contribute broadly to the economy and society. For that reason, in order to carry out our social responsibilities and our mission appropriately, we have worked hard to fully develop a compliance system and an internal management system that conforms to our “Basic Policy on the Construction of an Internal Control System.” We also want to make unshakeable the trust that our business partners, shareholders, and everyone in the local community have in the bank by actively disclosing business information in order to create management that is highly transparent.

Corporate Governance

■ Maintaining Compliance Framework

The declaration on compliance the President issued in October 1999 ordained the bank's "Compliance Manual". To maintain our compliance systems, we are working to develop and enhance them through various measures. These include the establishment of a "Compliance Program" to assess implementation, systematically providing training to make the program known as widely as possible, and internal audits conducted by the Internal Audit Department to identify issues and provide guidance.

To bring all aspects of compliance together, we have created a Risk Management Department that carries out education, provides guidance, and conducts investigations regarding compliance matters for the entire group including its subsidiaries. The director of this department is the bank's Chief Compliance Officer.

We have appointed a Compliance Committee chaired by the President in order to develop and strengthen our compliance systems. The Compliance Committee reports to and brings matters up for discussion with the Board of Directors based on consultations regarding matters connected to legal compliance.

The bank has also created the "Corporate Ethics Hotline" to the Risk Management Department inside the bank and to a law firm outside the bank as measures for prevention and rapid discovery of illegal activities by executives and regular employees.

■ Maintaining Risk Management System

The Ehime Bank has established Basic Standards for Risk Management and management policies and rules for each risk category in order to both quantitatively grasp to the extent possible all types of risk related to the execution of business, and to conduct business operations within a range that is suitably allowable.

The President designates a Representative Director as the bank's Risk Management Officer. To provide assistance to the Risk Management Officer, the Risk Management Department Director also serves as Assistant Risk Management Officer. The bank has also created a Risk Management Department that is charged with assessing risk throughout the bank and overseeing and assessing that risk management readiness is being handled appropriately.

We have established a Risk Management Committee chaired by the Risk Management Officer in order to assess, manage, and identify risk throughout the bank. The committee provides a system for receiving regular reports regarding risk conditions from each risk management department. We have also created a separate Asset-Liability Management (ALM) Committee for addressing market risks. Chaired by the Director for Planning and Advertising, this committee analyzes and identifies risks and reports on them to the Executive Board.

This structure also provides a system through which each risk management department reports to the Board of Directors on the results of regularly conducted self-evaluations on risk management readiness in order to guarantee the effectiveness of risk management.

Stock Information

Breakdown of Stockholders

(As of March 31, 2013)

	(1 trading unit = 1,000 shares)							Less under trading unit share	
	National and local governments	Financial institutions	Securities firms and other financial institutions	Other companies	Foreign corporations and other foreign investors		Individuals and others		Total
					Others	Individuals			
Number of stockholders	—	50	32	981	80	2	5,930	7,075	—
Number of shares owned (trading unit)	—	69,091	1,327	54,463	8,831	10	42,863	176,585	1,232,664
Ratio of shares owned (%)	—	39.12	0.75	30.84	5.00	0.00	24.27	100.00	—

Notes: 1. The 607,228 treasury shares include 607 units of shares under "Individuals and others," and 228 individual shares under "Less under trading unit share." The figure of 607,228 shares is the actual number of treasury shares as of the last day of the fiscal year under review.

2. The "Other companies" column includes one unit of shares on the ledger of a security storage and transfer organization.

Principal Stockholders

(As of March 31, 2013)

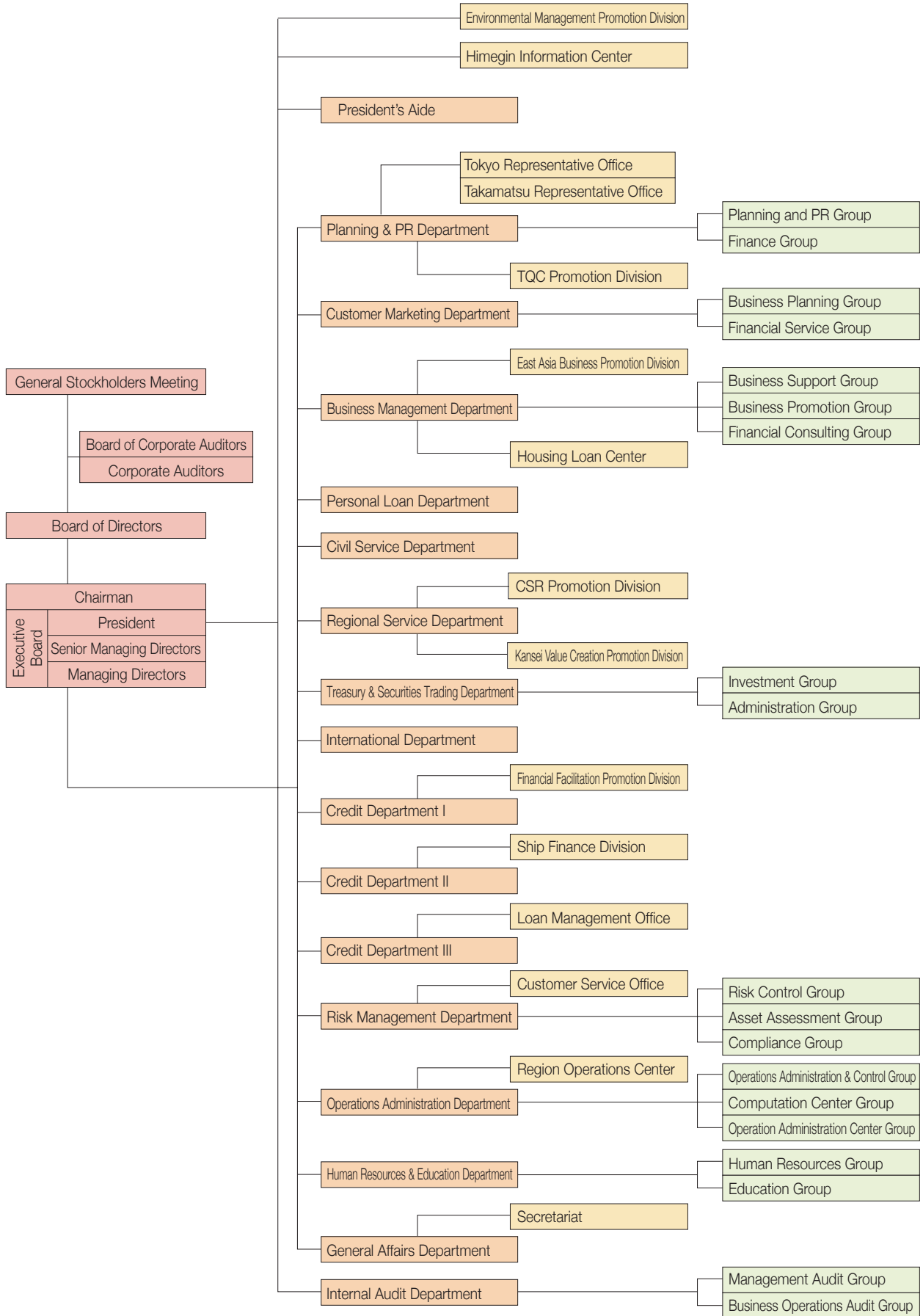
Name	Address	Shareholdings (thousands)	Percentage of total shares outstanding (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	1-8-11, Harumi, Chuo-ku, Tokyo	16,671	9.37
Japan Trustee Services Bank, Ltd. (Trust Account 4)	1-8-11, Harumi, Chuo-ku, Tokyo	9,477	5.32
The Ehime Bank, Ltd., Employee Stock Ownership Association	2-1, Katsuyama-cho, Matsuyama-shi, Ehime	5,619	3.16
Mizuho Corporate Bank, Ltd.	1-3-3, Marunouchi, Chiyoda-ku, Tokyo	5,394	3.03
Daio Paper Corporation	2-60, Mishima Kamiya-cho, Shikoku-chuo-shi, Ehime	3,753	2.11
Sumitomo Insurance Company, Limited	7-18-24, Tsukiji, Chuo-ku, Tokyo	2,999	1.68
Sompo Japan Insurance Inc.	1-26-1, Nishi-shinjuku, Shinjuku-ku, Tokyo	2,995	1.68
The Master Trust Bank of Japan, Ltd. (Trust Account)	2-11-3, Hamamatsu-cho, Minato-ku, Tokyo	2,654	1.49
Daiwa Securities Group Inc.	1-9-1, Marunouchi, Chiyoda-ku, Tokyo	2,292	1.28
CBNY DFA Intl. Small Cap Value Portfolio (Standing proxy Citibank Bank, Ltd.)	388 Greenwich St, New York, NY 10013, USA (3-14 Higashi-Shinagawa 2-chome, Shinagawa-ku, Tokyo)	2,267	1.27
Total	—	54,123	30.43

Note: Of the number of shares held by credit unions as listed above, the number of shares used in said banks' trust banking activities is as follows.

- Japan Trustee Services Bank, Ltd. (total of Trust Account and Trust Account 4): 26,148,000 shares
- The Master Trust Bank of Japan, Ltd. (Trust Account): 2,654,000 shares

Organization

Management Structure



(As of July 1, 2013)

Outline of the Ehime Bank Group

Overview of Group Companies

THE EHIME BANK, LTD.

103 branches (including 8 sub-branches), 9 subsidiaries

Subsidiaries

(As of March 31, 2013)

Name	Address/ Telephone	Services	Foundation	Capital or Investment to Capital (millions of yen)	Share (%)
(Consolidated Subsidiaries)					
Himegin Business Service Co., Ltd.	5-6-1, Chifunemachi, Matsuyama, Ehime 790-0011, Japan +81-(0)89-932-3486	<ul style="list-style-type: none"> Detailed check & disposition of cash, etc. Money collection for specific clients Maintenance and Management of ATM facilities Pickup and delivery services of documents, etc., and traffic control of delivery vehicles 	July 2, 1984	10	100
Himegin Soft Co., Ltd.	27-1, Minami-mochidamachi, Matsuyama, Ehime 790-0878, Japan +81-(0)89-943-7767	<ul style="list-style-type: none"> Development of computer software Information processing by computers Management and administration of computer systems Sales of ancillary equipment associated with computer software Management of FB terminals 	December 6, 1984	30	60
HIMEGIN Lease Co., Ltd.	2-1, Katsuyama-cho, Matsuyama, Ehime 790-0878, Japan +81-(0)89-933-8383	<ul style="list-style-type: none"> Leasing Investment 	May 10, 1986	30	75
Ehime-JCB Co., Ltd.	2-4-7, Katsuyama-cho Matsuyama, Ehime 790-0878, Japan +81-(0)89-921-2303	<ul style="list-style-type: none"> Credit card services Credit guarantee services 	January 29, 1987	50	90
Himegin Staff Support Co., Ltd.	Office: 1-13-4, Katsuyama-cho, Matsuyama, Ehime 790-0878, Japan +81-(0)89-908-5010	<ul style="list-style-type: none"> Operations related to personnel dispatch (temporary labor and paid introduction of workplaces) Educational and training operations and administrative services to the Ehime Bank Group such as payroll calculation and employee benefits 	April 8, 2008	30	100
Ehime Investment Co., Ltd.	27-1, Minami-mochidamachi, Matsuyama, Ehime 790-0878, Japan +81-(0)89-943-7767	<ul style="list-style-type: none"> Information services and consulting on corporate management Business restructuring support Advising and consulting on business transfer Investment in stocks and bonds for M&A purposes 	April 8, 2008	30	100
(Non-Consolidated Subsidiaries Subject to the Equity Method)					
Ehime Venture Fund 2004 Corporation Limited	2-1, Katsuyama-cho, Matsuyama, Ehime 790-8580, Japan +81-(0)89-933-1111	<ul style="list-style-type: none"> Investment in venture companies 	August 31, 2004	500	—
Ehime Gaiya Fund Corporation Limited	2-1, Katsuyamacho, Matsuyama, Ehime 790-8580, Japan +81-(0)89-933-1111	<ul style="list-style-type: none"> Investment in agriculture, forestry and fisheries 	November 28, 2006	500	—
Anonymous association* operated by Ehime Ship Finance Corporation Limited	3-1-1, Marunouchi, Chiyoda-ku, Tokyo	<ul style="list-style-type: none"> Special-purpose company 	January 14, 2005	10	—

Note: Regarding this special-purpose company, the Bank regards it as a subsidiary although the Bank has no voting right nor legal control thereof. This is because all profits and losses of this anonymous association are attributable to the Bank.

Consolidated Financial Statements

Consolidated Balance Sheets

● Assets

(Unit: million yen)

	Previous FY (As of March 31, 2012)	Current FY (As of March 31, 2013)
Assets		
Cash and due from banks	34,554	201,393
Call loans and bills bought	392,753	231,286
Monetary claims bought	37	23
Trading account securities	216	240
Securities	458,530	524,085
Loans and bills discounted	1,345,389	1,324,987
Foreign exchanges	8,939	7,368
Long-term leases and lease investments	5,109	4,763
Other assets	11,665	13,274
Tangible fixed assets	31,133	30,701
Buildings	6,724	7,023
Land	22,335	22,203
Lease assets	303	262
Construction in progress	276	100
Other tangible fixed assets	1,492	1,111
Intangible fixed assets	609	682
Software	323	386
Lease assets	103	108
Other intangible fixed assets	182	186
Deferred tax assets	5,952	3,130
Customers' liabilities for acceptances and guarantees	6,888	7,333
Allowance for loan losses	(15,800)	(18,400)
Total assets	2,285,979	2,330,868

● Liabilities and Net Assets

(Unit: million yen)

	Previous FY (As of March 31, 2012)	Current FY (As of March 31, 2013)
Liabilities		
Deposits	1,942,381	1,771,868
Negotiable certificates of deposits	193,360	400,795
Borrowed money	28,910	27,975
Foreign exchanges	10	12
Bonds payable	13,000	13,000
Other liabilities	11,997	13,241
Reserve for directors' bonuses	57	42
Reserve for retirement benefits	205	527
Reserve for directors' retirement benefits	433	322
Reserve for loss due to returning interests	57	53
Reserve for reimbursement of deposits	119	160
Deferred tax liabilities for land revaluation	4,906	4,876
Acceptances and guarantees	6,888	7,333
Total liabilities	2,202,328	2,240,208
Net Assets		
Capital stock	19,078	19,078
Capital surplus	13,213	13,213
Retained earnings	38,687	41,487
Treasury stock	(218)	(222)
Total stockholders' equity	70,760	73,556
Valuation difference on available-for-sale securities	4,775	9,010
Revaluation reserve for land	7,510	7,455
Valuation and translation adjustments	12,285	16,466
Minority interests	605	636
Total net assets	83,650	90,659
Total liabilities and net assets	2,285,979	2,330,868

Consolidated Financial Statements

Consolidated Statements of Income

(Unit: million yen)

	Previous FY (April 1, 2011 to) (March 31, 2012)	Current FY (April 1, 2012 to) (March 31, 2013)
Ordinary income	41,377	41,596
Interest income	31,265	31,245
Interest on loans and discounts	27,437	26,942
Interest and dividends on securities	3,157	3,570
Interest on call loans and bills bought	265	312
Interest due from banks	37	31
Other interest income	367	389
Fees and commissions	3,616	4,135
Other ordinary income	5,305	5,043
Other income	1,190	1,172
Bad debt recovered	19	178
Other	1,171	994
Ordinary expenses	33,297	34,417
Interest expenses	3,130	3,217
Interest on deposits	2,204	2,241
Interest on negotiable certificates of deposit	290	392
Interest on call money and bills sold	–	0
Interest on borrowings and rediscounts	294	247
Interest on bonds	292	291
Other interest expenses	47	44
Fees and commissions payments	1,972	2,407
Other ordinary expenses	249	99
General and administrative expenses	23,899	23,214
Other expenses	4,045	5,478
Provision of allowance for loan losses	668	3,795
Other	3,376	1,683
Ordinary profit	8,080	7,179
Extraordinary income	22	283
Gain on disposal of noncurrent assets	22	283
Extraordinary losses	462	187
Loss on disposal of noncurrent assets	121	97
Impairment loss	22	90
Other	319	–
Income before income taxes	7,640	7,275
Income taxes—current	2,275	2,568
Income taxes—deferred	1,335	868
Total taxes and adjustments	3,610	3,437
Income before minority interests	4,029	3,838
Minority interests in income	40	29
Net income	3,988	3,808
Minority interests in income	40	29
Income before minority interests	4,029	3,838
Other comprehensive income	3,231	4,238
Net unrealized gains (losses) on other securities	2,529	4,238
Revaluation reserve for land	701	–
Comprehensive income	7,261	8,076
Of which:		
Comprehensive income attributable to owners of the parent	7,218	8,044
Comprehensive income attributable to minority interests	43	31

Consolidated Financial Statements

Consolidated Statements of Changes in Net Assets

(Unit: million yen)

	Previous FY (April 1, 2011 to March 31, 2012)	Current FY (April 1, 2012 to March 31, 2013)		Previous FY (April 1, 2011 to March 31, 2012)	Current FY (April 1, 2012 to March 31, 2013)
Stockholders' equity			Total accumulated other comprehensive income:		
Capital stock			Net unrealizes gains(losses) on other securities:		
Balance at start of fiscal year	19,078	19,078	Balance at start of fiscal year	2,247	4,775
Changes in the fiscal year			Changes in the fiscal year		
Net changes in the fiscal year	—	—	Net changes in items other than stockholders' equity in the fiscal year	2,527	4,235
Balance at the end of the fiscal year	19,078	19,078	Net changes in the fiscal year	2,527	4,235
Capital surplus			Balance at the end of the fiscal year	4,775	9,010
Balance at start of fiscal year	13,213	13,213	Land revaluation excess		
Changes in the fiscal year			Balance at start of fiscal year	6,808	7,510
Net changes in the fiscal year	—	—	Changes in the fiscal year		
Balance at the end of the fiscal year	13,213	13,213	Net changes in items other than stockholders' equity in the fiscal year	701	(54)
Retained earnings			Net changes in the fiscal year	701	(54)
Balance at start of fiscal year	35,762	38,687	Balance at the end of the fiscal year	7,510	7,455
Changes in the fiscal year			Total accumulated other comprehensive income:		
Cash dividends	(1,063)	(1,063)	Balance at start of fiscal year	9,056	12,285
Net income	3,988	3,808	Changes in the fiscal year		
Disposal of treasury stock	(0)	(0)	Net changes in items other than stockholders' equity in the fiscal year	3,229	4,181
Reversal of land revaluation excess	—	54	Net changes in the fiscal year	3,229	4,181
Net changes in the fiscal year	2,925	2,800	Balance at the end of the fiscal year	12,285	16,466
Balance at the end of the fiscal year	38,687	41,487	Minority interests		
Treasury stock			Balance at start of fiscal year	562	605
Balance at start of fiscal year	(215)	(218)	Changes in the fiscal year		
Changes in the fiscal year			Net changes in items other than stockholders' equity in the fiscal year	42	31
Purchase of treasury stock	(3)	(3)	Net changes in the fiscal year	42	31
Disposal of treasury stock	0	0	Balance at the end of the fiscal year	605	636
Net changes in the fiscal year	(3)	(3)	Total net assets		
Balance at the end of the fiscal year	(218)	(222)	Balance at start of fiscal year	77,457	83,650
Total stockholders' equity			Changes in the fiscal year		
Balance at start of fiscal year	67,838	70,760	Cash dividends	(1,063)	(1,063)
Changes in the fiscal year			Net income	3,988	3,808
Cash dividends	(1,063)	(1,063)	Purchase of treasury stock	(3)	(3)
Net income	3,988	3,808	Disposal of treasury stock	0	0
Purchase of treasury stock	(3)	(3)	Reversal of land revaluation excess	—	54
Disposal of treasury stock	0	0	Net changes in items other than stockholders' equity in the fiscal year	3,271	4,212
Reversal of land revaluation excess	—	54	Net changes in the fiscal year	6,193	7,009
Net changes in the fiscal year	2,921	2,796	Balance at the end of the fiscal year	83,650	90,659
Balance at the end of the fiscal year	70,760	73,556			

Consolidated Financial Statements

Consolidated Statements of Cash Flows

(Unit: million yen)

	Previous FY (April 1, 2011 to March 31, 2012)	Current FY (April 1, 2012 to March 31, 2013)
Cash Flows from Operating Activities		
Income (loss) before income taxes and minority interests	7,640	7,275
Depreciation	974	905
Losses on impairment of fixed assets	22	90
Increase (decrease) in reserve for possible loan losses	(1,676)	2,600
Increase (decrease) in reserve for directors' bonuses	2	(15)
Increase (decrease) in reserve for retirement benefits	163	322
Increase (decrease) in reserve for directors' retirement benefits	71	(111)
Increase (decrease) in reserve for reimbursement deposits	61	40
Increase (decrease) in reserve for loss due to returning interests	(21)	(4)
Interest income	(31,265)	(31,245)
Interest expenses	3,130	3,217
Securities losses (gains), net	(1,082)	(2,456)
Foreign exchange losses (gains), net	(8)	(6)
Losses (gains) on disposition of fixed assets	98	(185)
Net decrease (increase) in trading securities	(106)	(23)
Net decrease (increase) in loans and bills discounted	(16,781)	20,401
Net increase (decrease) in deposits	291,177	(170,512)
Net increase (decrease) in negotiable certificates of deposits	90,387	207,434
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	(5,763)	65
Net decrease (increase) in due from banks (excluding due from central banks)	(502)	(2,122)
Net decrease (increase) in call loans	(267,632)	161,481
Net decrease (increase) in foreign exchange assets	(3,204)	1,571
Net increase (decrease) in foreign exchange liabilities	3	2
Interest and dividend income	31,249	32,036
Interest expenses	(2,969)	(3,337)
Other-net	(2,915)	(9)
Subtotal	91,052	227,413
Cash refunded (paid) in income taxes	(3,135)	(2,232)
Net cash provided by (used in) operating activities	87,916	225,180
Cash Flows from Investing Activities		
Payments for purchase of securities	(605,418)	(523,634)
Proceeds from sale of securities	117,591	129,615
Proceeds from redemption of securities	371,969	336,025
Payments for purchase of tangible fixed assets	(1,690)	(939)
Proceeds from sale of tangible fixed assets	288	836
Payments for purchase of intangible fixed assets	(151)	(310)
Proceeds from sale of intangible fixed assets	—	0
Net cash provided by investing activities	(117,411)	(58,405)
Cash Flows from Financing Activities		
Proceeds from issuance of subordinated loans	4,000	—
Repayments of subordinated loans	(3,800)	(1,000)
Cash dividends paid	(1,064)	(1,061)
Cash dividends paid to minority shareholders	(0)	(0)
Payments for repurchase of treasury stock	(3)	(3)
Proceeds from sale of treasury stock	0	0
Net cash provided by (used in) financing activities	(868)	(2,066)
Foreign currency translation adjustments	8	6
Net increase (decrease) in cash and cash equivalents	(30,353)	164,715
Cash and cash equivalents at the beginning of the fiscal year	62,977	32,624
Cash and cash equivalents at the end of the fiscal year	32,624	197,340

THE EHIME BANK, LTD.

■ Year of Foundation	1915
■ Paid in Capital	¥19,078 million
■ Number of Branches	102 (including 8 sub-branches)
■ Number of Employees	1,405
■ Stock Listings	Tokyo Stock Exchange Osaka Securities Exchange

■ Directory

Head Office

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Phone: +81-(0)89-933-1111 <http://www.himegin.co.jp/>

International Department

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SWIFT: HIMEJPJT E-mail: intl@himegin.co.jp

Foreign Exchange Offices

Head Office (Business Department)

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Phone: +81-(0)89-933-1111

Tokyo Branch

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Phone: +81-(0)3-3861-8151

Osaka Branch

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Chuo-ku, Osaka 541-0046, Japan
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Mishima Branch

6-7, Mishima-chuo 3-chome, Shikoku-chuo, Ehime 799-0405, Japan
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Hashihama Branch

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Hakata Branch

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Uwajima Branch

7-15, Sakaemachi-Minato 3-chome, Uwajima, Ehime 798-0031, Japan
Phone: +81-(0)895-22-5730

■ Board of Directors & Corporate Auditors (as of July 1, 2013)

Chairman

Kojiro Nakayama

President

Motohiro Honda

Senior Managing Directors

Eiki Shimizu
Mitsuo Harada

Managing Directors

Yujiro Shimada
Osamu Fukutomi
Akihiro Endo

Directors

Akira Morimoto
Mitsuru Hino
Keizou Yamamoto

Masahiko Wakimizu
Takeshi Yamashita
Yuzou Ojuku

Morinobu Kihara
Tamaki Kidou
Yoshinori Nishikawa

Corporate Auditors

Masato Kono
Tatsuro Sekiya

Outside Corporate Auditors

Kunihiro Morita
Koichi Nishizawa