

ひめぎん

Annual Report 2014



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.

It has been a year and half since the Abe Administration's implementation of its "Abenomics" plan, and the Japanese economy has begun taking major steps toward revitalization. We are seeing strong activity in capital investment, and at this point the economy has been stronger on a year-on-year basis for four straight quarters, while corporate earnings are also improving. These are clear indicators of economic recovery.

Looking at the regional economy, in Ehime Prefecture the decreased spending since the April 1 consumption tax rise was within an expected range, and consumer spending and business production are continuing to rally. In general, we see a gradual recovery taking place as economic policies also continue to have an effect.

Under such conditions, the Ehime Bank has been providing a wide range of financial services for the region as a "hometown" bank based on the spirit of the mutual loan business, where our roots lie, embodying thoughtfulness and community cooperation—ideals we have held since our founding in 1915.

In the last fiscal year we invested aggressively in growth areas and gave support to small- and medium-sized enterprises to strengthen operations. We thus worked to expand lending to SMEs and raise our share in regional financing.

We also participated in a key initiative of Ehime Prefecture, the support of "senary industry" (integration between primary, secondary, and tertiary industries), via value-added processing and marketing intended to stimulate the primary industries that constitute the prefecture's industrial base. Additionally, we established the Ehime Venture Fund 2013 to support the efforts of entrepreneurs and venture firms.

In other areas, we continued to work with the Himegin Furusato Watch Corps to provide safe, secure living conditions for children and for senior citizens living alone. The bank also supported activities related to animal protection to raise public awareness about the preciousness of life.

The bank will be celebrating its centennial anniversary in 2015 and through our community-building efforts we are establishing the Ehime Bank brand as the bank you talk to first.

We trust that this publication will help you to better understand the current state of affairs at the Ehime Bank, and hope that you continue to honor us with 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 2014

Looking first at revenue, interest income increased 194 million yen compared to the previous consolidated fiscal year, and income from service transactions and the like increased over the same period by 396 million yen. Income from other operations increased by 1,102 million yen. As a result, ordinary income rose 1,592 million yen year-on-year to 43,188 million yen.

Turning to expenses, the cost of credit decreased, affected by improvements in business performance, resulting in a decline in ordinary expenses of 1,168 million yen year-on-year to 33,249 million yen.

Ordinary profit as a result rose 2,759 million yen from the previous consolidated fiscal year to 9,938 million yen, while current net income rose 764 million yen to a total of 4,572 million yen.

■ Management Vision

To execute our role and mission as a hometown bank, we aim to first boost our earning power and shore up our capital by accumulating stable profits, and so doing keep the foundations of our business solid.

Specific measures to increase revenue include actively financing companies in growth areas such as nursing care and healthcare, companies in typical local industries such as maritime shipping, shipbuilding, and the paper and pulp business, and companies in primary industries that are contributing to regional development, mainly in the southern part of Ehime. We are also working to strengthen our consumer loan and housing loan businesses, and to sell financial instruments.

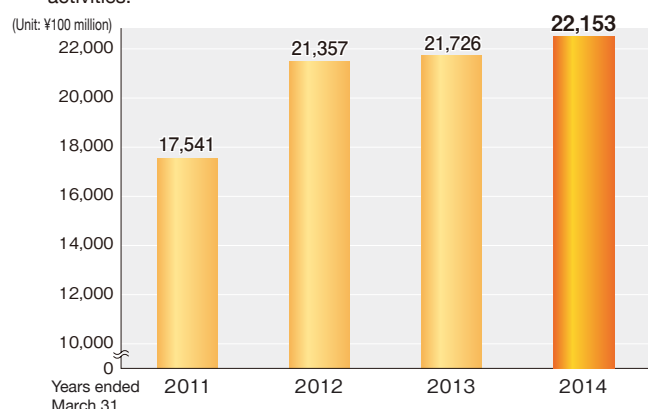
Meanwhile, the bank is also enhancing consulting capabilities, supporting business recovery and growth, and controlling credit costs. We are pursuing low-cost operations through a management structure that enables high productivity.

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

Business Overview

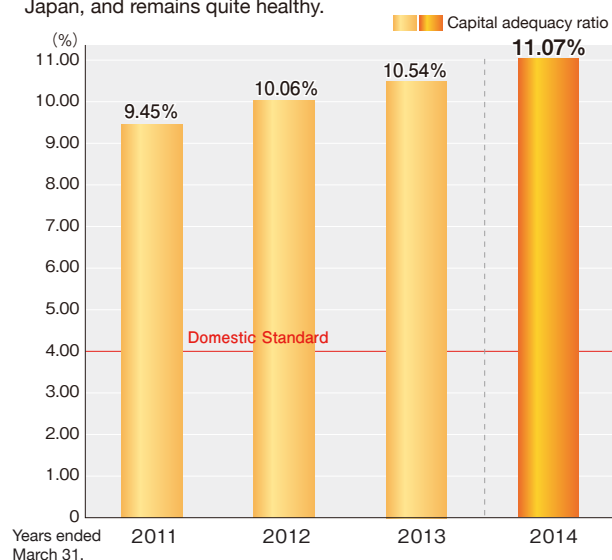
Changes in Deposits (Including NCDs) (Consolidated Basis)

Deposits rose by 42,700 million yen (2.0%) year-on-year thanks to a bolstering in personal deposits as a result of our aggressive sales activities.



Capital Adequacy Ratio (Consolidated Basis)

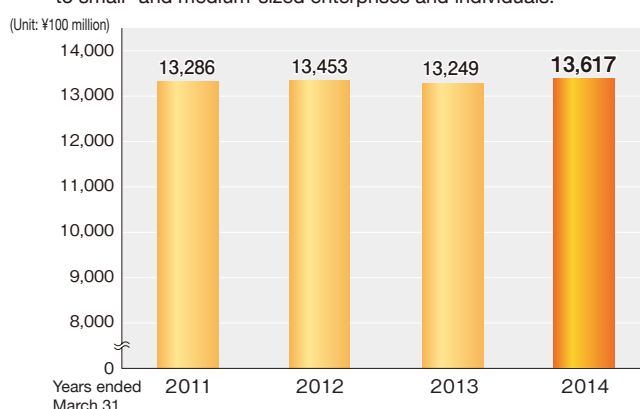
The capital adequacy ratio as of March 31, 2014, stood at 10.85% (0.43% up year-on-year). This is considerably higher than the domestic standard (4% or more) for banks that have branches only in Japan, and remains quite healthy.



Note: Capital adequacy ratios for years ended Mar. 2011, Mar. 2012, and Mar. 2013 were calculated according to a previous domestic standard. The capital adequacy ratio for the year ended March 31, 2014 was calculated according to the new domestic standard conforming to the Basel Accords.

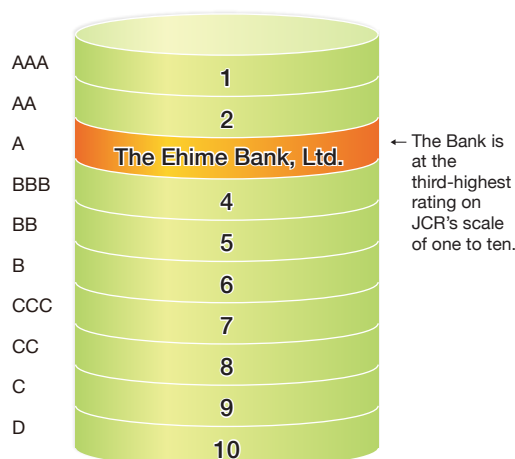
Changes in Loans (Consolidated Basis)

The balance of loans increased 38,700 million yen (+2.9%) year-on-year as a result of aggressive lending efforts, with a focus on loans to small- and medium-sized enterprises and individuals.



Credit Rating

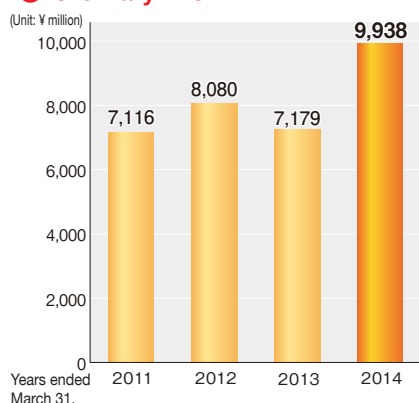
The Ehime Bank has earned an A- credit rating from the Japan Credit Rating Agency (JCR) for its long-term preferred debt. A is defined as "a high level of capacity to honor the financial commitment on the obligation."



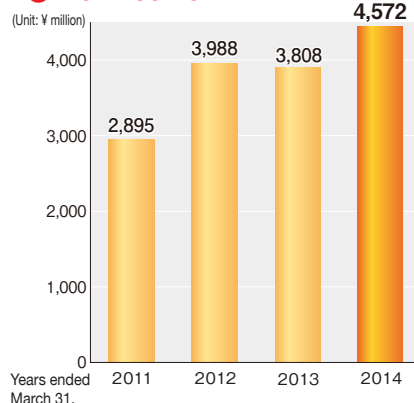
Changes in Income (Consolidated Basis)

The business environment in which companies operate showed clear signs of economic recovery and corporate earnings improved. Under these conditions 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, adhering to our basic policy, to build and strengthen our organizational structure so that it may respond swiftly to changes in the surrounding environment.

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 discuss issues related to the execution of important business matters. One external director is currently active on the board.

The Ehime Bank employs a corporate auditor system. The Board of Auditors is comprised of four corporate auditors, two of whom are external auditors. They 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 on each board.

To oversee 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.

We believe that these systems will ensure proper corporate governance at the bank.

Current Status of Internal Control System

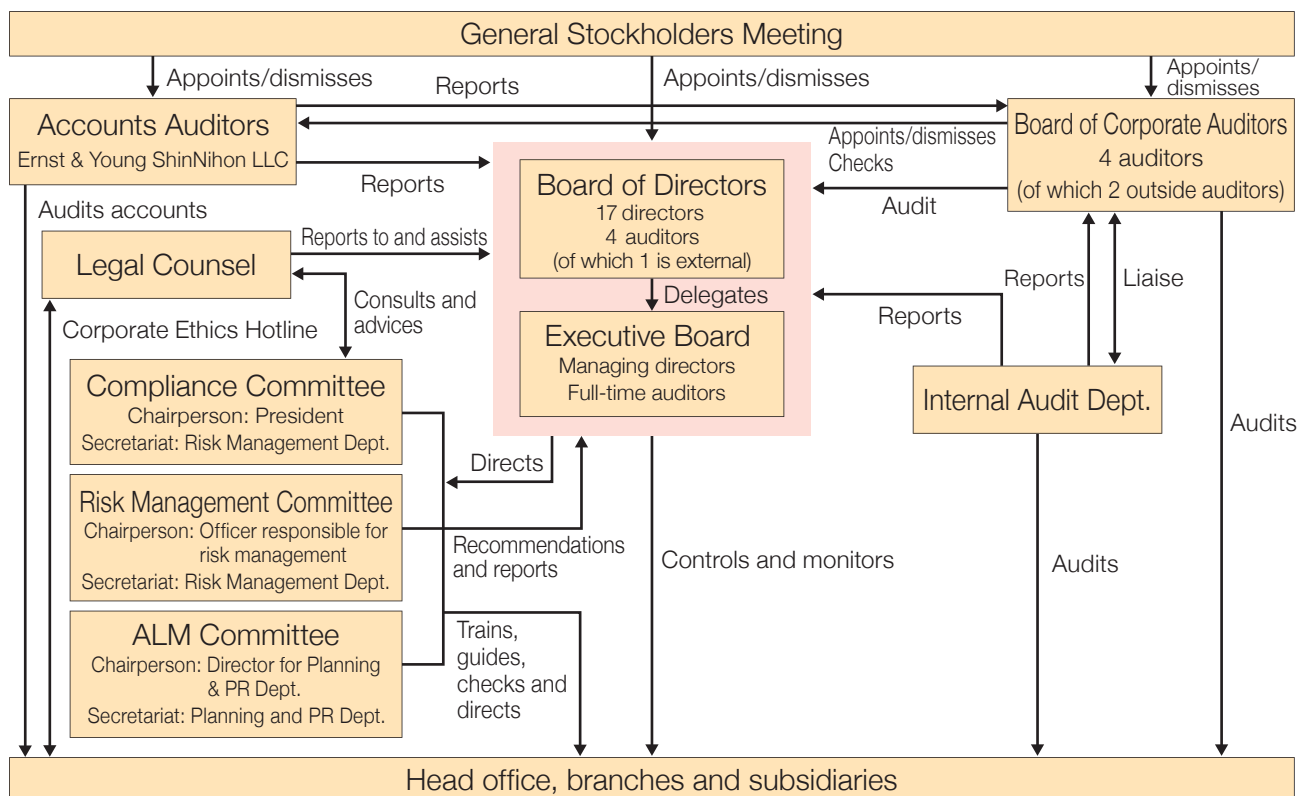
The Ehime Bank is a regional financial institution with high visibility. It is an important responsibility and our mission to contribute broadly to the economy and society. In order to carry out such social responsibilities, we have worked hard to develop an internal management and compliance system that conforms to our "Basic Policy on the Construction of an Internal Control System."

To ensure that the execution of duties by the Board of Directors and employees complies with laws and regulations and the bank's articles of association, compliance is positioned as a matter of top priority for management. Furthermore, the director of the Risk Management Department is the bank's Chief Compliance Officer. The department carries out education, provides guidance, and conducts investigations regarding compliance matters for the entire group, including subsidiaries.

We have also set up a Compliance Committee chaired by the President to develop and strengthen our compliance systems. The Compliance Committee discusses matters related to legal compliance and reports to the Board of Directors, bringing up matters for further discussion.

The bank has also set up a "Corporate Ethics Hotline" that is connected both to the Risk Management Department and to a law firm outside the bank as a measure for preventing or rapidly discovering any illegal conduct by executives or employees.

(Corporate Governance Structure)



(As of July 1, 2014)

Corporate Governance

■ Current Status of Risk Management System

The bank has created a Risk Management Department charged with assessing risk throughout the bank and overseeing and assessing risk management readiness efforts. The President designates a Representative Director as the bank's Risk Management Officer. To assist the Risk Management Officer, the Risk Management Department Director also serves as Assistant Risk Management Officer.

The Ehime Bank has established Basic Standards for Risk Management and management policies and rules for each risk category in order to grasp quantitatively all risk types related to the execution of business to the extent possible, and to conduct business operations within a suitable range of risk. In order to assess, identify, and manage risk throughout the bank we have established a Risk Management Committee chaired by the Risk Management Officer. The committee provides a system for receiving regular reports on risk conditions from each department responsible for managing its own risk. We have also created a separate Asset-Liability Management Committee for addressing market risks. Chaired by the Director for Planning and Advertising, this committee analyzes and identifies risks and reports them to the Executive Board. This structure also provides a system through which departments responsible for managing their own risk report to the Board of Directors on the results of regularly conducted self-evaluations on risk management readiness in order to assure the effectiveness of risk management.

To ensure that the bank's consolidated subsidiaries carry out business within acceptable limits of risk, the bank seconds executives to oversee the execution of duties. The system stipulates that an independent auditing department from the bank's operations division carry out internal audits as well, the results of which are reported to the Board of Directors and Board of Auditors.

Stock Information

Breakdown of Stockholders

(As of March 31, 2014)

(As of March 31, 2017)

	(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	31	973	69	5	6,017	7,145	—
Number of shares owned (trading unit)	—	65,166	1,582	56,961	7,508	19	45,362	176,598	1,219,664
Ratio of shares owned (%)	—	36.902	0.89	32.25	4.25	0.01	25.68	100.00	—

Notes: 1. The 626,957 treasury shares include 626 units of shares under "Individuals and others," and 957 individual shares under "Less under trading unit share." The figure of 626,957 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, 2014)

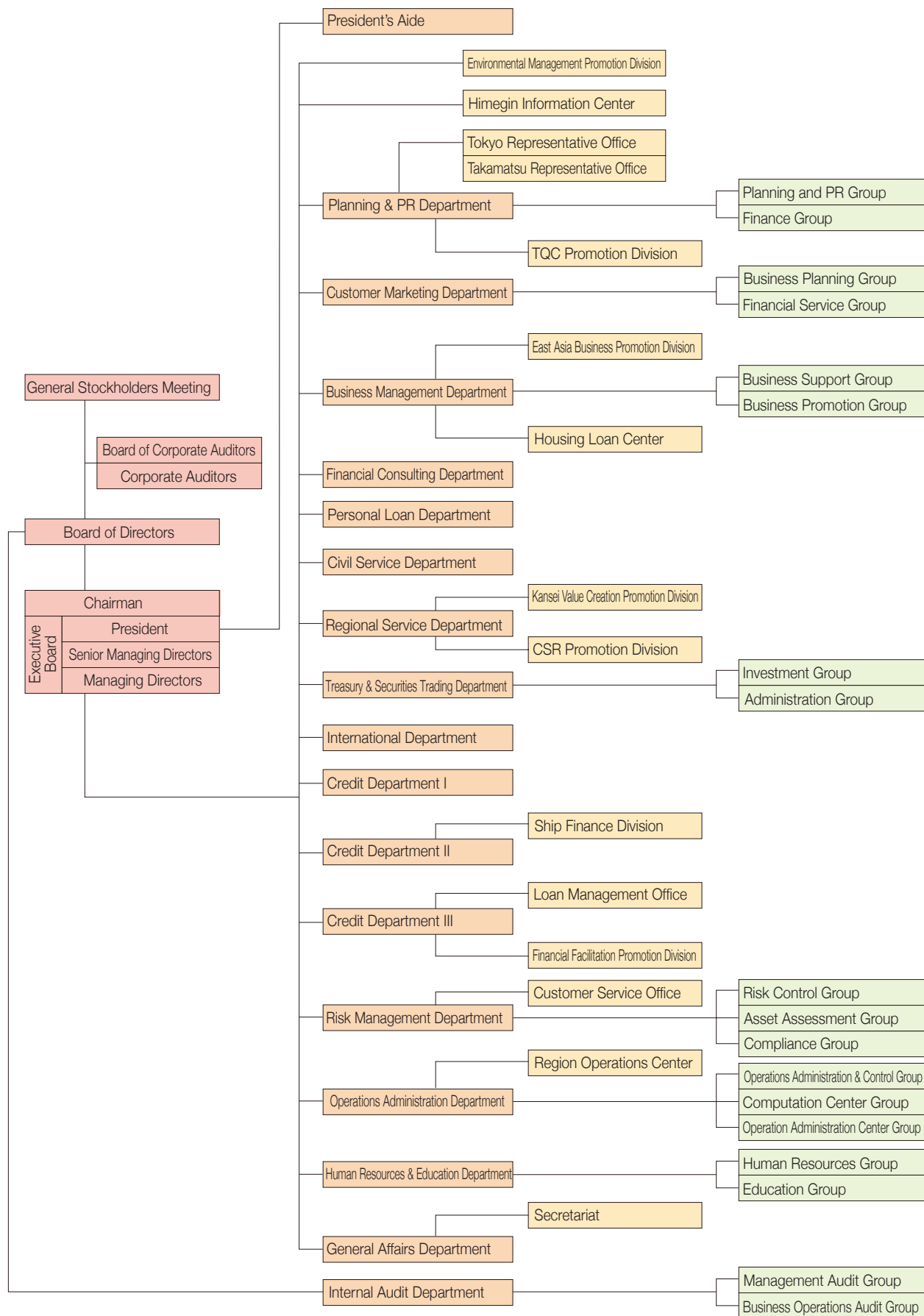
Name	Address	Shareholdings (thousands)	Percentage of total shares outstanding (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	1-8-11, Harumi, Chuo-ku, Tokyo	16,258	9.14
Japan Trustee Services Bank, Ltd. (Trust Account 4)	1-8-11, Harumi, Chuo-ku, Tokyo	9,297	5.22
Mizuho Corporate Bank, Ltd.	1-3-3, Marunouchi, Chiyoda-ku, Tokyo	7,391	4.15
The Ehime Bank, Ltd., Employee Stock Ownership Association	2-1, Katsuyama-cho, Matsuyama-shi, Ehime	5,911	3.32
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
Daiwa Securities Group Inc.	1-9-1, Marunouchi, Chiyoda-ku, Tokyo	2,292	1.28
Imabari Shipbuilding Co., Ltd.	1-4-52, Koura-cho, Imabari-shi, Ehime	2,150	1.20
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)	2,091	1.17
Total	—	55,140	31.00

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): 25,555,000 shares

Organization

Management Structure



(As of Jun 30, 2014)

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, 2014)

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
(Non-Consolidated Subsidiaries Subject to the Equity Method)					
Ehime Venture Fund 2004 Corporation Limited	(secretariat) 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	—
Ehime Gaiya Fund Growth industry support fund Limited partnership for investment	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 	March 29, 2013	4	—
Limited partnership for investment Ehime Venture Fund 2013	(secretariat) 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 30, 2013	150	—

Consolidated Financial Statements

Consolidated Balance Sheets

● Assets

(Unit: million yen)

	Previous FY (As of March 31, 2013)	Current FY (As of March 31, 2014)
Assets		
Cash and due from banks	201,393	458,723
Call loans and bills bought	231,286	15,000
Monetary claims bought	23	27,184
Trading account securities	240	143
Securities	524,085	475,055
Loans and bills discounted	1,324,987	1,361,788
Foreign exchanges	7,368	9,586
Long-term leases and lease investments	4,763	6,595
Other assets	13,274	8,503
Tangible fixed assets	30,701	30,847
Buildings	7,023	7,137
Land	22,203	22,195
Lease assets	262	250
Construction in progress	100	121
Other tangible fixed assets	1,111	1,141
Intangible fixed assets	682	650
Software	386	406
Lease assets	108	72
Other intangible fixed assets	186	171
Deferred tax assets	3,130	3,162
Customers' liabilities for acceptances and guarantees	7,333	7,730
Allowance for loan losses	(18,400)	(17,674)
Total assets	2,330,868	2,387,298

● Liabilities and Net Assets

(Unit: million yen)

	Previous FY (As of March 31, 2013)	Current FY (As of March 31, 2014)
Liabilities		
Deposits	1,771,868	1,823,191
Negotiable certificates of deposits	400,795	392,168
Borrowed money	27,975	28,838
Foreign exchanges	12	3
Bonds payable	13,000	13,000
Warrant bonds	—	8,000
Other liabilities	13,241	14,691
Reserve for directors' bonuses	42	50
Reserve for retirement benefits	527	—
Retirement benefit obligations	—	1,063
Reserve for directors' retirement benefits	322	385
Reserve for loss due to returning interests	53	45
Reserve for reimbursement of deposits	160	143
Deferred tax liabilities for land revaluation	4,876	4,835
Acceptances and guarantees	7,333	7,730
Total liabilities	2,240,208	2,294,149
Net Assets		
Capital stock	19,078	19,078
Capital surplus	13,213	13,213
Retained earnings	41,487	45,068
Treasury stock	(222)	(227)
Total stockholders' equity	73,556	77,133
Valuation difference on available-for-sale securities	9,010	8,118
Deferred gains or losses on hedging	—	5
Revaluation reserve for land	7,455	7,383
Remeasurements of defined benefit plans	—	(179)
Valuation and translation adjustments	16,466	15,328
Minority interests	636	688
Total net assets	90,659	93,149
Total liabilities and net assets	2,330,868	2,387,298

Consolidated Financial Statements

Consolidated Statements of Income

(Unit: million yen)

	Previous FY (April 1, 2012 to) (March 31, 2013)	Current FY (April 1, 2013 to) (March 31, 2014)
Ordinary income	41,596	43,188
Interest income	31,245	31,439
Interest on loans and discounts	26,942	26,159
Interest and dividends on securities	3,570	3,179
Interest on call loans and bills bought	312	156
Interest due from banks	31	137
Other interest income	389	1,806
Fees and commissions	4,135	4,531
Other ordinary income	5,043	6,145
Other income	1,172	1,071
Bad debt recovered	178	2
Other	994	1,069
Ordinary expenses	34,417	33,249
Interest expenses	3,217	2,908
Interest on deposits	2,241	2,028
Interest on negotiable certificates of deposit	392	316
Interest on call money and bills sold	0	0
Interest on borrowings and rediscounts	247	228
Interest on bonds	291	292
Warrant bond interest payments	—	3
Other interest expenses	44	39
Fees and commissions payments	2,407	3,086
Other ordinary expenses	99	349
General and administrative expenses	23,214	23,303
Other expenses	5,478	3,601
Provision of allowance for loan losses	3,795	1,294
Other	1,683	2,307
Ordinary profit	7,179	9,938
Extraordinary income	283	3
Gain on disposal of noncurrent assets	283	3
Extraordinary losses	187	271
Loss on disposal of noncurrent assets	97	105
Impairment loss	90	166
Income before income taxes	7,275	9,669
Income taxes—current	2,568	4,009
Income taxes—deferred	868	1,044
Total taxes and adjustments	3,437	5,053
Income before minority interests	3,838	4,615
Minority interests in income	29	43
Net income	3,808	4,572
Minority interests in income	29	43
Income before minority interests	3,838	4,615
Other comprehensive income	4,238	(877)
Net unrealized gains(losses) on other securities	4,238	(883)
Revaluation reserve for land	—	5
Comprehensive income	8,076	3,737
Of which:		
Comprehensive income attributable to owners of the parent	8,044	3,685
Comprehensive income attributable to minority interests	31	51

Consolidated Financial Statements

Consolidated Statements of Changes in Net Assets

Previous FY (April 1, 2012 to March 31, 2013)

(Unit: million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at start of fiscal year	19,078	13,213	38,687	(218)	70,760
Changes in the fiscal year					
Dividends from surplus			(1,063)		(1,063)
Net income			3,808		3,808
Purchase of treasury stock				(3)	(3)
Disposal of treasury stock			(0)	0	0
Reversal of land revaluation excess			54		54
Net changes in items other than shareholders' equity in the fiscal year					
Net changes in the fiscal year			2,800	(3)	2,796
Balance at the end of the fiscal year	19,078	13,213	41,487	(222)	73,556

(Unit: million yen)

	Accumulated other comprehensive income					Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Land revaluation excess	Accumulated adjustments for retirement benefits	Total accumulated other comprehensive income		
Balance at start of fiscal year	4,775	—	7,510	—	12,285	605	83,650
Changes in the fiscal year							
Dividends from surplus							(1,063)
Net income							3,808
Purchase of treasury stock							(3)
Disposal of treasury stock							0
Reversal of land revaluation excess							54
Net changes in items other than shareholders' equity in the fiscal year	4,235	—	(54)	—	4,181	31	4,212
Net changes in the fiscal year	4,235	—	(54)	—	4,181	31	7,009
Balance at the end of the fiscal year	9,010	—	7,455	—	16,466	636	90,659

Current FY (April 1, 2013 to March 31, 2014)

(Unit: million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at start of fiscal year	19,078	13,213	41,487	(222)	73,556
Changes in the fiscal year					
Dividends from surplus			(1,063)		(1,063)
Net income			4,572		4,572
Purchase of treasury stock				(4)	(4)
Disposal of treasury stock					
Reversal of land revaluation excess			71		71
Net changes in items other than shareholders' equity in the fiscal year					
Net changes in the fiscal year			3,580	(4)	3,576
Balance at the end of the fiscal year	19,078	13,213	45,068	(227)	77,133

(Unit: million yen)

	Accumulated other comprehensive income					Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Land revaluation excess	Accumulated adjustments for retirement benefits	Total accumulated other comprehensive income		
Balance at start of fiscal year	9,010	—	7,455	—	16,466	636	90,659
Changes in the fiscal year							
Dividends from surplus							(1,063)
Net income							4,572
Purchase of treasury stock							(4)
Disposal of treasury stock							
Reversal of land revaluation excess							71
Net changes in items other than shareholders' equity in the fiscal year	(892)	5	(71)	(179)	(1,138)	51	(1,086)
Net changes in the fiscal year	(892)	5	(71)	(179)	(1,138)	51	2,489
Balance at the end of the fiscal year	8,118	5	7,383	(179)	15,328	688	93,149

Consolidated Financial Statements

Consolidated Statements of Cash Flows

(Unit: million yen)

	Previous FY (April 1, 2012 to) (March 31, 2013)	Current FY (April 1, 2013 to) (March 31, 2014)
Cash Flows from Operating Activities		
Income (loss) before income taxes and minority interests	7,275	9,669
Depreciation	905	820
Losses on impairment of fixed assets	90	166
Increase (decrease) in reserve for possible loan losses	2,600	(726)
Increase (decrease) in reserve for directors' bonuses	(15)	7
Increase (decrease) in reserve for retirement benefits	322	—
Increase (decrease) in retirement benefit obligations	—	257
Increase (decrease) in reserve for directors' retirement benefits	(111)	63
Increase (decrease) in reserve for reimbursement deposits	40	(16)
Increase (decrease) in reserve for loss due to returning interests	(4)	(8)
Interest income	(31,245)	(31,439)
Interest expenses	3,217	2,908
Securities losses (gains), net	(2,456)	(3,132)
Foreign exchange losses (gains), net	(6)	(4)
Losses (gains) on disposition of fixed assets	(185)	102
Net decrease (increase) in trading securities	(23)	97
Net decrease (increase) in loans and bills discounted	20,401	(36,801)
Net increase (decrease) in deposits	(170,512)	51,322
Net increase (decrease) in negotiable certificates of deposits	207,434	(8,626)
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	65	863
Net decrease (increase) in due from banks (excluding due from central banks)	(2,122)	2,668
Net decrease (increase) in call loans	161,481	189,124
Net decrease (increase) in foreign exchange assets	1,571	(2,217)
Net increase (decrease) in foreign exchange liabilities	2	(8)
Interest and dividend income	32,036	32,378
Interest expenses	(3,337)	(3,334)
Other—net	(9)	2,870
Subtotal	227,413	207,005
Cash refunded (paid) in income taxes	(2,232)	(2,675)
Net cash provided by (used in) operating activities	225,180	204,329
Cash Flows from Investing Activities		
Payments for purchase of securities	(523,634)	(514,626)
Proceeds from sale of securities	129,615	293,577
Proceeds from redemption of securities	336,025	270,952
Payments for purchase of tangible fixed assets	(939)	(1,112)
Proceeds from sale of tangible fixed assets	836	96
Payments for purchase of intangible fixed assets	(310)	(155)
Proceeds from sale of intangible fixed assets	0	—
Net cash provided by investing activities	(58,405)	48,732
Cash Flows from Financing Activities		
Repayments of subordinated loans	(1,000)	—
Revenue from issuance of warrant bonds	—	8,000
Cash dividends paid	(1,061)	(1,062)
Cash dividends paid to minority shareholders	(0)	(0)
Payments for repurchase of treasury stock	(3)	(4)
Proceeds from sale of treasury stock	0	—
Net cash provided by (used in) financing activities	(2,066)	6,932
Foreign currency translation adjustments	6	4
Net increase (decrease) in cash and cash equivalents	164,715	259,999
Cash and cash equivalents at the beginning of the fiscal year	32,624	197,340
Cash and cash equivalents at the end of the fiscal year	197,340	457,339

THE EHIME BANK, LTD.

■ Year of Foundation	1915
■ Paid in Capital	¥19,078 million
■ Number of Branches	103 (including 8 sub-branches)
■ Number of Employees	1,359
■ Stock Listings	Tokyo Stock Exchange Osaka Securities Exchange

■ Directory

Head Office

1, Katsuyama-cho 2-chome, Matsuyama, Ehime 790-8580, Japan
Phone: +81-(0)89-933-1111 <http://www.himegin.co.jp/>

International Department

Phone: +81-(0)89-947-6090 Fax: +81-(0)89-947-6099
SWIFT: HIMEJPJT E-mail: intl@himegin.co.jp

Foreign Exchange Offices

Head Office (Business Department)

1, Katsuyama-cho 2-chome, Matsuyama, Ehime 790-8580, Japan
Phone: +81-(0)89-933-1111

Tokyo Branch

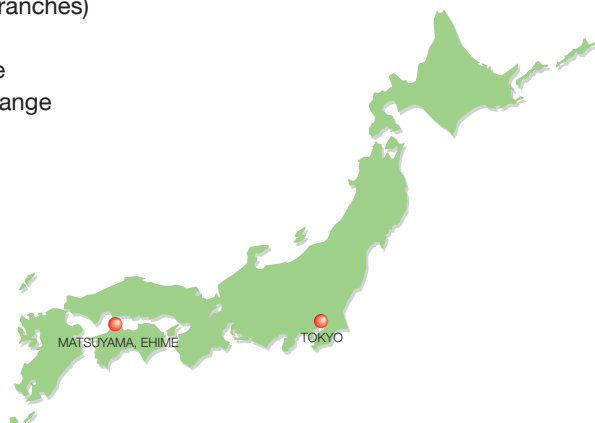
2-4, Iwamoto-cho 3-chome, Chiyoda-ku, Tokyo 101-0032, Japan
Phone: +81-(0)3-3861-8151

Osaka Branch

13th floor Urban Ace Kitahama Bldg., 3-7, Hirano-machi 2-chome,
Chuo-ku, Osaka 541-0046, Japan
Phone: +81-(0)6-6203-5841

Mishima Branch

6-7, Mishima-chuo 3-chome, Shikoku-chuo, Ehime 799-0405, Japan
Phone: +81-(0)896-23-2530



Imabari Branch

2-10, Taisho-cho 1-chome, Imabari, Ehime 794-0025, Japan
Phone: +81-(0)898-32-4470

Hashihama Branch

2-1, Jibori 1-chome, Imabari, Ehime 799-2117, Japan
Phone: +81-(0)898-41-9500

Hakata Branch

3508-1, Kinoura Ko, Hakata-cho, Imabari, Ehime 794-2305, Japan
Phone: +81-(0)897-72-1155

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, 2014)

Chairman

Kojiro Nakayama

President

Motohiro Honda

Senior Managing Directors

Masato Kono
Mitsuo Harada

Managing Directors

Akihiro Endo
Masahiko Wakimizu
Keizou Yamamoto
Osamu Fukutomi

Directors

Morinobu Kihara	Mitsuru Hino	Yuzou Ojuku
Yoshinori Nishikawa	Hideaki Arimitsu	Shinzi Kadota
Takashi Sogabe	Ryuzi Oue	

Outside Directors

Naomitsu Yoshinouchi

Corporate Auditors

Takeshi Yamashita
Tatsuro Sekiya

Outside Corporate Auditors

Kunihiro Morita
Koichi Nishizawa