

ひめぎん

Annual Report 2016



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.

Looking to the Japanese economy, after a period of improvement until the end of last year, economic growth has been in a protracted phase of stagnation since the beginning of 2016. Under the impact of sluggish personal consumption, industrial production has been in a see-sawing pattern, with the economy left vulnerable to a downturn amid mounting uncertainty over the outlook for foreign exchange rates and share prices after the UK referendum for Brexit.

The economy of Ehime Prefecture has been seeing residential investment and industrial production shifting to a slower pace but the overall moderate recovery trend in facility investment, personal consumption and other aspects, remains intact.

The operating environment of the financial services industry has turned increasingly adverse owing to the introduction of a negative interest rate. Ehime Bank, which last year celebrated its 100th founding anniversary, holds fast to a corporate philosophy and ethics rooted in the spirit of reciprocity, consideration for others, and mutual support that the Bank has been following since its founding. The Bank will continue to offer a wide range of financial products and services, and in so doing contribute to the advancement of the economy of Ehime Prefecture as a true "hometown" bank.

In this environment, Ehime Bank has continued to provide growth sectors with loan funds based on business appraisal and has been proactively working to support small- and medium-sized companies in strengthening their business structures.

Moreover, through the Ehime Gaiya Fund Growth Industry Support Fund Limited Partnership for Investment and the Ehime Agri Fund Limited Liability Investment Association, the Bank has been striving to invigorate the region's primary industries, the backbone of the industry of Ehime Prefecture.

In other activities, the Bank has been aiding the effective implementation of measures for local enterprise creation such as by aiding the technology development of small- and medium-sized manufacturers through proactive support together with external experts in filing applications for subsidies and grants with central and local governments.

The Bank has also been engaged in efforts to invigorate the region's traditional culture as well as environmental initiatives, and has been proactively promoting information campaigns highlighting the preciousness of life through animal protection activities.

This year, the 101st founding anniversary marks the start of a new century for the Bank. Coinciding with this, the 15th medium-term management plan calls on the Bank to "Persist in its 100-year history of transformation to respond to the challenges of the future." Untrammelled by habit and convention, Ehime Bank will continue to live up to new challenges and together with customers will aim to create a bright future for the local community.

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 is in the midst of a difficult phase 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 2016

Consolidated financial results reflect 141 million yen lower income from fees and commissions compared with the previous fiscal year. Due to a decrease in gains on sales of bonds, other ordinary income fell 435 million yen. However, interest income rose 161 million yen compared with the previous fiscal year while other income increased 760 million yen. As a result, ordinary income rose 344 million yen compared with the previous fiscal year to 43,478 million yen.

Costs benefited from reduced cost of credit thanks to improvements in corporate earnings, but higher fees and commission payments connected to a 753 million yen rise in ordinary expenses compared with the previous fiscal year to 33,718 million yen.

As a result of these developments, ordinary income decreased 408 million yen compared with the previous fiscal year to 9,760 million yen. Due to the lowering of the corporate income tax rate, etc., net income attributable to owners of the parent rose 256 million yen compared with the previous fiscal year to 5,814 million yen, marking the highest net result on record.

■ Management Vision

For Ehime Bank to fulfill its role and mission as a hometown bank, strengthening the Bank's earning power, operating efficiency, and financial soundness are top priorities.

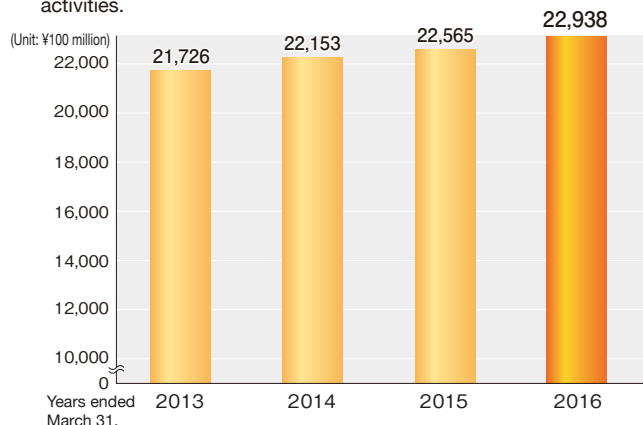
Specific measures for reinforcing earning power include proactive lending to industries that contribute to the development and advancement of the regional economy. Examples are growing business fields such as nursing care and medical care, but also the region's prominent industries in marine transport, shipbuilding, paper and pulp, as well as primary industries centered in the south of Ehime prefecture. Moreover, we will work to step up the banking business with individuals in consumer loans and mortgage loans, and in sales of deposit products.

Another field that we will emphasize further is our consulting function. Along with corporate restructuring and aiding business expansion, we will cooperate closely with local bodies aiming for "Vitalizing Local Economy," and constructively support regional invigoration.

Business Overview

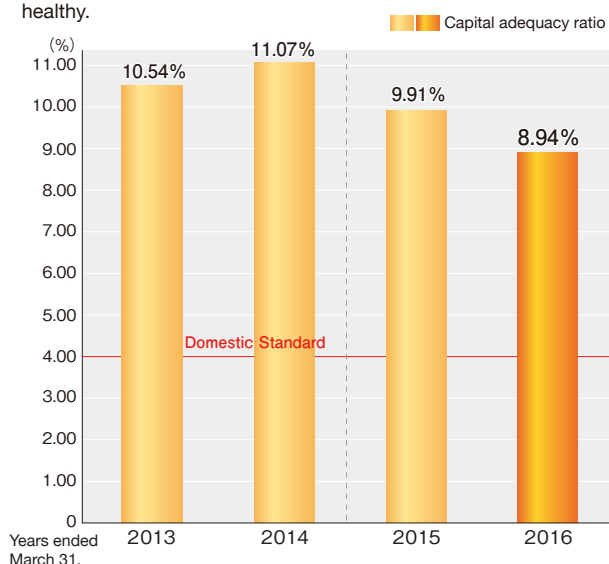
Changes in Deposits (Including NCDs) (Consolidated Basis)

Deposits rose by 37,300 million yen (1.6%) 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, 2016, stood at 8.94%. This is considerably higher than the domestic standard (4% or more) for banks that have branches only in Japan, and remains quite healthy.

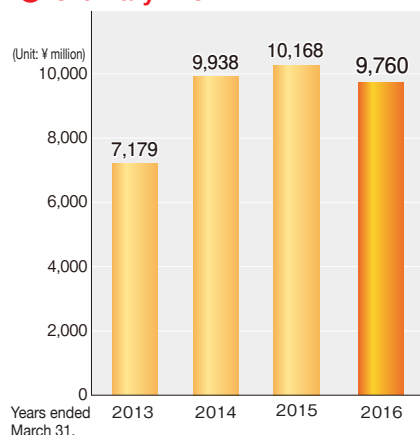


Note: The capital adequacy ratio for the year ended Mar. 2013 was calculated according to a previous domestic standard.
The capital adequacy ratio for the year ended March 31, 2014 was calculated according to the new domestic standard conforming to the Basel Accords.

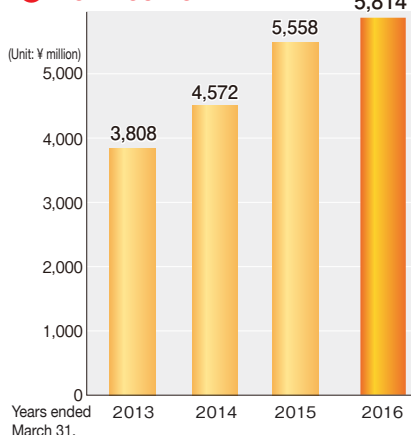
Changes in Income (Consolidated Basis)

The business environment in which companies operate showed a gradual underlying economic upswing and corporate earnings improved. Under these conditions our efforts to manage funds and credit efficiently produced the performance outlined below.

Ordinary Profit

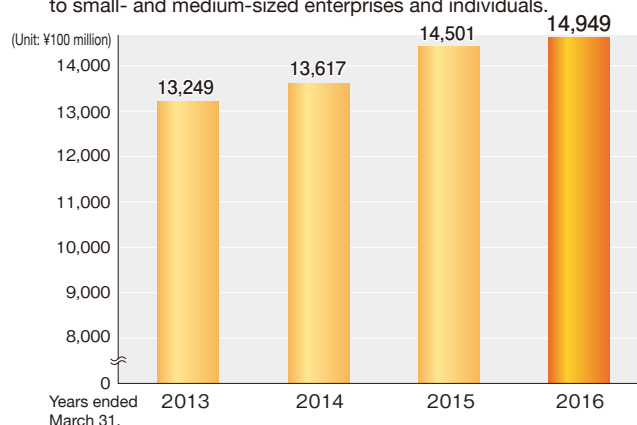


Net Income



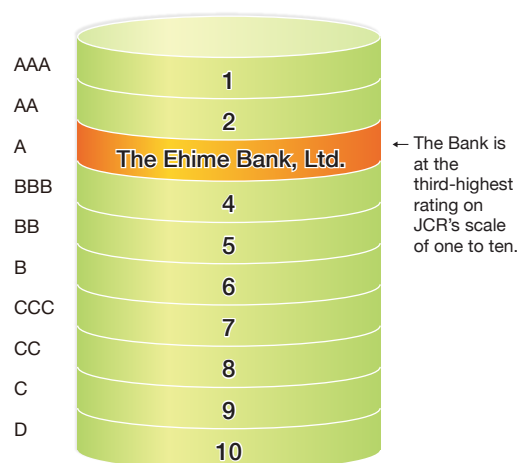
Changes in Loans (Consolidated Basis)

The balance of loans increased 44,700 million yen (+3.0%) 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."



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. Two external directors are 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.

Current Status of Internal Control System

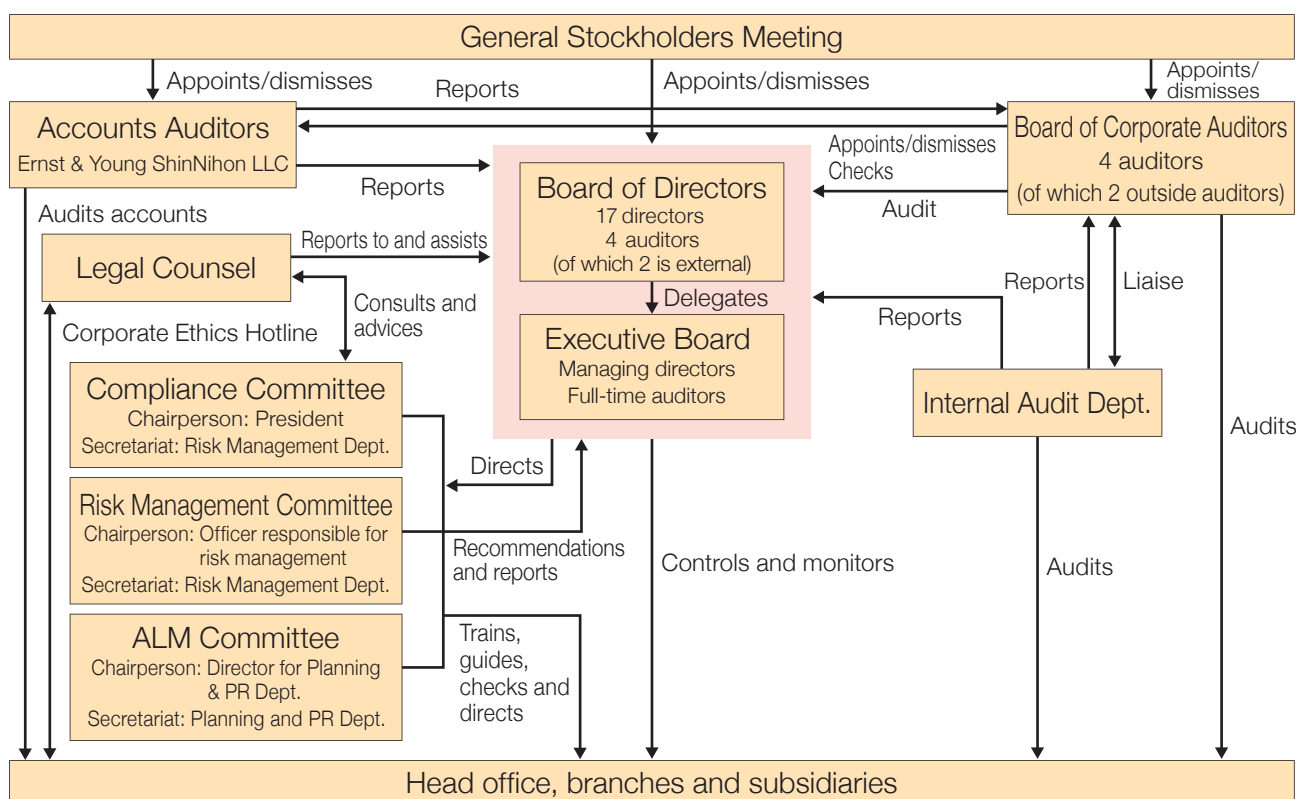
The Ehime Bank is a regional financial institution with high visibility. It is an important responsibility and our mission to contribute broadly to the economy and society. In order to carry out such social responsibilities, we have worked hard to develop an internal management and compliance system 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, 2016)

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, 2016)

(As of March 31, 2019)

	(1 trading unit = 1,000 shares)								Less under trading unit share
	National and local governments	Financial institutions	Financial instrument business operators	Other companies	Foreign corporations and other foreign investors		Individuals and others	Total	
					Others	Individuals			
Number of stockholders	—	45	20	969	81	4	5,405	6,524	—
Number of shares owned (trading unit)	—	63,822	1,281	62,328	6,969	15	42,554	176,969	1,152,459
Ratio of shares owned (%)	—	36.06	0.72	35.21	3.93	0.00	24.04	100.00	—

Notes: 1. The 663,736 treasury shares include 663 units of shares under "Individuals and others," and 736 individual shares under "Less under trading unit share." The figure of 663,736 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, 2016)

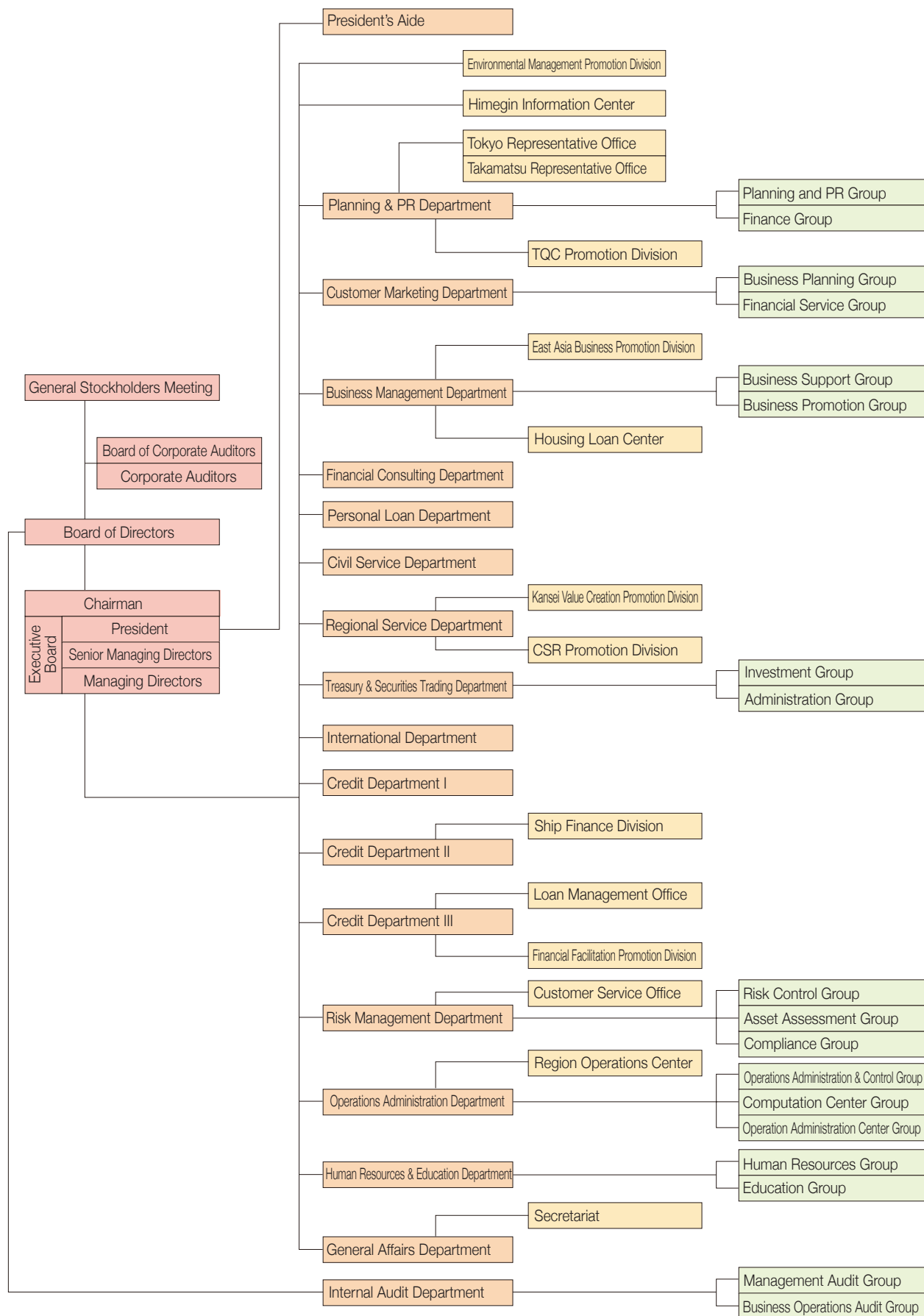
Name	Address	Shareholdings (thousands)	Percentage of total shares outstanding (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	1-8-11, Harumi, Chuo-ku, Tokyo	16,009	8.98
Japan Trustee Services Bank, Ltd. (Trust Account 4)	1-8-11, Harumi, Chuo-ku, Tokyo	9,427	5.29
The Ehime Bank, Ltd., Employee Stock Ownership Association	2-1, Katsuyama-cho, Matsuyama-shi, Ehime	6,242	3.50
Mizuho Bank, Ltd.	1-5-5, Otemachi, Chiyoda-ku, Tokyo	4,380	2.45
Daio Paper Corporation	2-60, Mishima Kamiya-cho, Shikoku-chuo-shi, Ehime	3,753	2.10
Sumitomo Insurance Company, Limited	7-18-24, Tsukiji, Chuo-ku, Tokyo	2,999	1.68
Sompo Japan Nipponkoa Insurance Inc.	1-26-1, Nishi-shinjuku, Shinjuku-ku, Tokyo	2,995	1.68
Japan Trustee Services Bank, Ltd. (Trust Account 9)	1-8-11, Harumi, Chuo-ku, Tokyo	2,953	1.65
The Master Trust Bank of Japan, Ltd. (Trust Account)	2-11-3, Hamamatsu-cho, Minato-ku, Tokyo	2,368	1.32
Daiwa Securities Group Inc.	1-9-1, Marunouchi, Chiyoda-ku, Tokyo	2,292	1.28
Total	—	53,420	29.99

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, Trust Account 4 and Trust Account 9): 28,389,000 shares
- The Master Trust Bank of Japan, Ltd. (Trust Account): 2,368,000 shares

Organization

Management Structure



(As of July 1, 2016)

Outline of the Ehime Bank Group

Overview of Group Companies

THE EHIME BANK, LTD.

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

Subsidiaries

(As of March 31, 2016)

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 	December 6, 1984	30	50
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 Gaiya Fund Growth industry support fund Limited partnership for investment	2-1, Katsuyama-cho, 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	10	—
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	—
Ehime Agri Fund Limited Liability Investment Association	2-1, Katsuyama-cho, Matsuyama, Ehime 790-8580, Japan +81-(0)89-933-1111	<ul style="list-style-type: none"> Operations for investments in agricultural entities 	September 4, 2014	10	—

Consolidated Financial Statements

Consolidated Balance Sheets

● Assets

(Unit: million yen)

	Previous FY (As of March 31, 2015)	Current FY (As of March 31, 2016)
Assets		
Cash and due from banks	358,415	239,067
Call loans and bills bought	5,000	120,000
Monetary claims bought	62,878	59,399
Trading account securities	168	224
Securities	523,407	499,751
Loans and bills discounted	1,450,148	1,494,933
Foreign exchanges	11,774	9,449
Long-term leases and lease investments	6,643	6,978
Other assets	8,027	10,995
Tangible fixed assets	30,683	31,690
Buildings	6,880	7,318
Land	22,527	22,855
Lease assets	213	451
Construction in progress	47	1
Other tangible fixed assets	1,013	1,063
Intangible fixed assets	703	1,224
Software	494	1,049
Lease assets	53	25
Other intangible fixed assets	154	149
Deferred tax assets	673	507
Customers' liabilities for acceptances and guarantees	6,742	5,232
Allowance for loan losses	(18,144)	(17,972)
Total assets	2,447,121	2,461,481

● Liabilities and Net Assets

(Unit: million yen)

	Previous FY (As of March 31, 2015)	Current FY (As of March 31, 2016)
Liabilities		
Deposits	1,860,848	1,900,602
Negotiable certificates of deposits	395,663	393,288
Payables under securities lending transactions	20,034	—
Borrowed money	24,666	25,437
Foreign exchanges	1	1
Bonds payable	7,000	—
Warrant bonds	7,943	7,928
Other liabilities	12,960	12,143
Reserve for directors' bonuses	58	58
Retirement benefit obligations	1,162	1,015
Reserve for directors' retirement benefits	385	504
Reserve for loss due to returning interests	42	52
Reserve for reimbursement of deposits	158	191
Deferred tax liabilities	684	1,434
Deferred tax liabilities for land revaluation	4,430	4,076
Acceptances and guarantees	6,742	5,232
Total liabilities	2,342,780	2,351,966
Net Assets		
Capital stock	19,107	19,114
Capital surplus	13,241	13,249
Retained earnings	49,676	54,145
Treasury stock	(232)	(236)
Total stockholders' equity	81,793	86,273
Valuation difference on available-for-sale securities	14,425	14,580
Revaluation reserve for land	7,614	7,857
Remeasurements of defined benefit plans	(267)	(51)
Valuation and translation adjustments	21,772	22,386
Non-controlling interests	774	855
Total net assets	104,340	109,515
Total liabilities and net assets	2,447,121	2,461,481

Consolidated Financial Statements

Consolidated Statements of Income

(Unit: million yen)

	Previous FY (April 1, 2014 to) (March 31, 2015)	Current FY (April 1, 2015 to) (March 31, 2016)
Ordinary income	43,134	43,478
Interest income	32,923	33,085
Interest on loans and discounts	26,257	25,956
Interest and dividends on securities	4,005	4,375
Interest on call loans and bills bought	73	45
Interest due from banks	143	135
Other interest income	2,444	2,572
Fees and commissions	4,614	4,472
Other ordinary income	4,420	3,984
Other income	1,176	1,936
Bad debt recovered	2	516
Other	1,174	1,419
Ordinary expenses	32,965	33,718
Interest expenses	2,775	2,772
Interest on deposits	1,983	2,064
Interest on negotiable certificates of deposit	273	219
Interest on call money and bills sold	—	0
Interest on payables under securities lending transactions	5	15
Interest on borrowings and rediscounts	213	196
Interest on bonds	233	49
Warrant bond interest payments	11	11
Other interest expenses	54	214
Fees and commissions payments	3,850	4,468
Other ordinary expenses	45	123
General and administrative expenses	23,300	23,802
Other expenses	2,993	2,551
Provision of allowance for loan losses	1,702	1,348
Other	1,291	1,203
Ordinary profit	10,168	9,760
Extraordinary income	5	15
Gain on disposal of noncurrent assets	5	15
Extraordinary losses	187	159
Loss on disposal of noncurrent assets	36	95
Impairment loss	151	63
Income before income taxes	9,986	9,616
Income taxes—current	3,595	2,699
Income taxes—deferred	787	1,044
Total taxes and adjustments	4,383	3,744
Net income	5,603	5,872
Of which:		
Net income attributable to owners of parent	5,558	5,814
Net income attributable to non-controlling interests	45	57
Other comprehensive income	6,578	712
Net unrealized gains(losses) on other securities	6,327	179
Revaluation reserve for land	(5)	—
Land revaluation excess	343	317
Retirement benefits adjustment	(87)	216
Comprehensive income	12,181	6,585
Of which:		
Comprehensive income attributable to owners of the parent	12,115	6,502
Comprehensive income attributable to minority interests	66	82

Consolidated Financial Statements

Consolidated Statements of Changes in Net Assets

Previous FY (April 1, 2014 to March 31, 2015)

(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	45,068	(227)	77,133
Changes in the fiscal year					
New stock issuance	28	28			57
Dividends from surplus			(1,063)		(1,063)
Net income attributable to owners of parent			5,558		5,558
Purchase of treasury stock				(5)	(5)
Disposal of treasury stock			(0)	0	0
Reversal of land revaluation excess			112		112
Net changes in items other than shareholders' equity in the fiscal year					
Net changes in the fiscal year	28	28	4,607	(4)	4,660
Balance at the end of the fiscal year	19,107	13,241	49,676	(232)	81,793

(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	8,118	5	7,383	(179)	15,328	688	93,149
Changes in the fiscal year							
New stock issuance							57
Dividends from surplus							(1,063)
Net income attributable to owners of parent							5,558
Purchase of treasury stock							(5)
Disposal of treasury stock							0
Reversal of land revaluation excess							112
Net changes in items other than shareholders' equity in the fiscal year	6,306	(5)	230	(87)	6,444	86	6,531
Net changes in the fiscal year	6,306	(5)	230	(87)	6,444	86	11,191
Balance at the end of the fiscal year	14,425	—	7,614	(267)	21,772	774	104,340

Current FY (April 1, 2015 to March 31, 2016)

(Unit: million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at start of fiscal year	19,107	13,241	49,676	(232)	81,793
Changes in the fiscal year					
New stock issuance	7	7			15
Dividends from surplus			(1,419)		(1,419)
Net income attributable to owners of parent			5,814		5,814
Purchase of treasury stock				(4)	(4)
Reversal of land revaluation excess			74		74
Net changes in items other than shareholders' equity in the fiscal year					
Net changes in the fiscal year	7	7	4,469	(4)	4,480
Balance at the end of the fiscal year	19,114	13,249	54,145	(236)	86,273

(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	14,425	—	7,614	(267)	21,772	774	104,340
Changes in the fiscal year							
New stock issuance							15
Dividends from surplus							(1,419)
Net income attributable to owners of parent							5,814
Purchase of treasury stock							(4)
Reversal of land revaluation excess							74
Net changes in items other than shareholders' equity in the fiscal year	154	—	242	(216)	613	80	694
Net changes in the fiscal year	154	—	242	(216)	613	80	5,174
Balance at the end of the fiscal year	14,580	—	7,857	(51)	22,386	855	109,515

Consolidated Financial Statements

Consolidated Statements of Cash Flows

(Unit: million yen)

	Previous FY (April 1, 2014 to) (March 31, 2015)	Current FY (April 1, 2015 to) (March 31, 2016)
Cash Flows from Operating Activities		
Income (loss) before income taxes and minority interests	9,986	9,616
Depreciation	778	831
Losses on impairment of fixed assets	151	63
Increase (decrease) in reserve for possible loan losses	470	(172)
Increase (decrease) in reserve for directors' bonuses	8	–
Increase (decrease) in retirement benefit obligations	(39)	38
Increase (decrease) in reserve for directors' retirement benefits	(0)	118
Increase (decrease) in reserve for reimbursement deposits	15	33
Increase (decrease) in reserve for loss due to returning interests	(3)	9
Interest income	(32,923)	(33,085)
Interest expenses	2,775	2,772
Securities losses (gains), net	(1,550)	(1,537)
Foreign exchange losses (gains), net	(4)	(3)
Losses (gains) on disposition of fixed assets	41	80
Net decrease (increase) in trading securities	(25)	(55)
Net decrease (increase) in loans and bills discounted	(88,360)	(44,784)
Net increase (decrease) in deposits	37,656	39,753
Net increase (decrease) in negotiable certificates of deposits	3,494	(2,374)
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	(4,172)	771
Net decrease (increase) in due from banks (excluding due from central banks)	(8,980)	(172)
Net decrease (increase) in call loans	(25,693)	(111,521)
Increase (decrease) in payables under securities lending transactions	20,034	(20,034)
Net decrease (increase) in foreign exchange assets	(2,188)	2,325
Net increase (decrease) in foreign exchange liabilities	(2)	0
Interest and dividend income	32,968	33,358
Interest expenses	(2,917)	(2,912)
Other—net	196	(3,217)
Subtotal	(58,283)	(130,099)
Cash refunded (paid) in income taxes	(4,762)	(3,219)
Net cash provided by (used in) operating activities	(63,045)	(133,318)
Cash Flows from Investing Activities		
Payments for purchase of securities	(497,954)	(238,044)
Proceeds from sale of securities	68,942	47,333
Proceeds from redemption of securities	390,661	215,414
Payments for purchase of tangible fixed assets	(691)	(1,873)
Proceeds from sale of tangible fixed assets	97	148
Payments for purchase of intangible fixed assets	(255)	(758)
Income from sale of equity in subsidiaries	19	–
Net cash provided by investing activities	(39,180)	22,220
Cash Flows from Financing Activities		
Redemption of subordinated bonds	(6,000)	(7,000)
Cash dividends paid	(1,061)	(1,420)
Cash dividends paid to non-controlling interests	(0)	(2)
Payments for repurchase of treasury stock	(5)	(4)
Proceeds from sale of treasury stock	0	–
Net cash provided by (used in) financing activities	(7,067)	(8,426)
Foreign currency translation adjustments	4	3
Net increase (decrease) in cash and cash equivalents	(109,288)	(119,520)
Cash and cash equivalents at the beginning of the fiscal year	457,339	348,050
Cash and cash equivalents at the end of the fiscal year	348,050	228,529

THE EHIME BANK, LTD.

■ Year of Foundation	1915
■ Paid in Capital	¥19,114 million
■ Number of Branches	103 (including 8 sub-branches)
■ Number of Employees	1,348
■ Stock Listings	Tokyo Stock 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: HIMEJPT 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

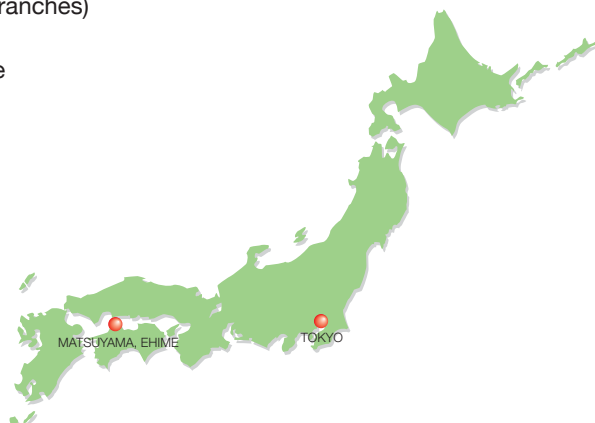
2-4, Iwamoto-cho 3-chome, Chiyoda-ku, Tokyo 101-0032, Japan
Phone: +81-(0)3-3861-8151

Osaka Branch

13th floor Urban Ace Kitahama Bldg., 3-7, Hirano-machi 2-chome,
Chuo-ku, Osaka 541-0046, Japan
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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, 2016)

President

Motohiro Honda

Senior Managing Directors

Masato Kono

Managing Directors

Akihiro Endo
Keizou Yamamoto
Mitsuru Hino
Osamu Fukutomi
Yuzou Ojuku

Directors

Morinobu Kihara
Shoichi Chikami
Shuichiro Hirao
Yoshinori Nishikawa
Muneo Tsubouchi
Masamitsu Toyoda
Ryuzi Oue
Yasuhiro Kataoka

Outside Directors

Naomitsu Yoshinouchi
Minenori Takeda

Corporate Auditors

Takeshi Yamashita
Toshiharu Yoshioka

Outside Corporate Auditors

Koichi Nishizawa
Katsuhiro Aono