

ANNUAL REPORT 2024

THE TOKYO HIGASHI SHINKIN BANK Fiscal Year Ended March 31, 2024





NON-CONSOLIDATED FINANCIAL HIGHLIGHTS

The Tokyo Higashi Shinkin Bank
Years ended March 31

	Millions of yen					Thousands of U.S. dollars
	2024	2023	2022	2021	2020	2024
For the Fiscal Year:						
Total Income	¥ 28,778	¥ 27,671	¥ 27,288	¥ 28,905	¥ 27,639	\$ 190,173
Total Expenses	24,219	23,353	23,818	26,499	24,561	160,043
Income Before Income Taxes	4,559	4,317	3,469	2,405	3,078	30,129
Net Income	3,843	3,642	3,259	2,219	2,753	25,395
At Year-End:						
Deposits	¥2,118,404	¥2,112,486	¥2,114,573	¥2,075,380	¥1,857,880	\$ 13,998,576
Loans and Bills Discounted	1,140,995	1,153,006	1,137,531	1,128,974	1,013,893	7,539,785
Securities	446,539	463,487	448,303	391,620	366,995	2,950,769
Total Assets	2,305,615	2,293,354	2,364,634	2,314,479	1,998,658	15,235,681
Total Net Assets	125,216	115,609	121,358	121,770	116,386	827,438

Notes: 1. Yen figures are rounded down to the nearest one million yen in this annual report.

2. Figures stated in U.S. dollars are translated solely for convenience at ¥151.33 to U.S.\$1, the rate prevailing on the last business day of the fiscal year, March 29, 2024.

3. Yen figures prior to 2021 are inclusive of consumption taxes.

LETTER FROM THE PRESIDENT

NETWORKING CAPABILITIES

Thank you very much for your ongoing support.

To facilitate greater understanding of the Bank, we again created our disclosure pamphlet this year, releasing it as “Annual Report 2024.”

I encourage you to look through it when you have time, as it reports the Bank’s management philosophy, details of its management and results of activities.

In the fiscal year ended March 31, 2024, the environment surrounding the Bank remained challenging due to such factors as the weak yen, high prices, labor shortages, and geopolitical risks. However, with the COVID-19 being reclassified as Class 5 under the Infectious Diseases Control Act, economic and social activities began to move toward normalization.

In addition, the Bank of Japan changed tactics and lifted its negative interest rate policy.

While our depositors will benefit from higher deposit interest rates, customers who need funds will face higher loan rates, which means returning to a “world with interest rates.”

However, whatever the situation, the Higashin has specified its own rule as one of standing by our customers, responding appropriately to changes, providing support in financial terms that exerts a stabilizing effect on local economies and the lives of our customers, and that subsequently leads to growth.

By effectively utilizing various data from both inside and outside the Bank and proactively incorporating digital technology, we will be able to provide higher-quality services and more user-friendly customer experience, so that even in a “world with interest rates,” we will live up to the trust placed in us by the local community and aim for sustainable local community development.

The fiscal year ending March 31, 2025 will mark the interim fiscal year of our three-year medium-term management plan, called “Networking Capabilities: Connecting and Being Connected.”

We would like to use our “Networking Capabilities” to provide not only financial support to local small- and medium-sized business

operators facing tough economic conditions, but also appropriate support tailored to their circumstances.

Tokyo Higashi Shinkin Bank requests your continuous support and understanding.



July 2024
Seishi Nakata
President

PROFILE

The Tokyo Higashi Shinkin Bank was established in 1945 as the Tobu Credit Association. With the Shinkin Bank Law of 1951, the Tobu Credit Association became the Tobu Shinkin Bank. This law established the *shinkin* bank system, which mandated the creation of financial institutions to serve the private citizens and the small-and medium-sized businesses of specified regions. For this reason, *shinkin* banks have closer regional ties than do other financial institutions, meeting the needs of those who want “financial services that stand by the region.” To offer better service to its customers, in January 1999 Tobu Shinkin Bank, Chuo Shinkin Bank, Kyowa Shinkin Bank, and Daito Shinkin Bank, combined the regional, economic, and historical resources of these institutions into the Tokyo Higashi Shinkin Bank. Then, in July 2003, Tokyo Higashi Shinkin Bank merged with Koiwa Shinkin Bank, retaining the name Tokyo Higashi Shinkin Bank.

At March 31, 2024, the Tokyo Higashi Shinkin Bank had a service network of 65 branches and 9 sub-branches, centered in the eastern Tokyo area. Through this network, the Bank provides exacting financial services to Tokyo’s 23 wards, as well as to parts of Saitama and Chiba prefectures. At March 31, 2024, the Bank had total assets of ¥2,305,615 million (US\$15,235 million). It also had deposits of ¥2,118,404 million (US\$13,998 million), the sixth largest deposit balance of any *shinkin* bank in Tokyo. This makes Tokyo Higashi Shinkin Bank one of the highest ranked among Japan’s 254 *shinkin* banks on the basis of deposit balance.

Higashin (the abbreviation for Tokyo Higashi Shinkin Bank) has set a goal of becoming regarded as a “home-owned bank.” Owned by the region, the region will come to need it. We will strive to progress in solidarity with the private citizens and the businesses of the region, and in concert with the society of the region.

MAIN SLOGAN

Creating a future for Higashin, local communities, and our customers through our **networking capabilities**

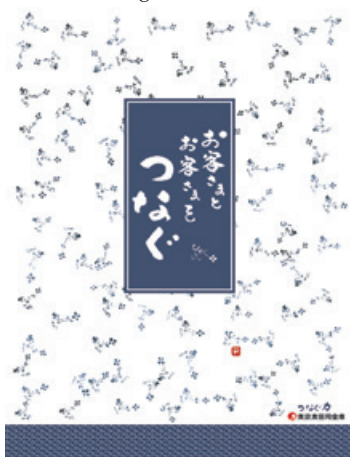
The environment in which Higashin operates is undergoing dramatic change, which include COVID-19, geopolitical risks, and abnormal weather. It is precisely at such times that we must engage in activities to contribute to local communities and resolve issues, and demonstrate Higashin's reason for existing by establishing the following three concepts as the basis of our behavior.

- (1) Adopt new ideas and methods, such as financial DX, based on a thorough understanding of our unchanging management philosophy
- (2) Be of service to local communities by prioritizing activities to contribute to them and resolve issues, and by not focusing only on short-term profits
- (3) Accumulate dependable knowledge in order to be of service to local communities

The new medium-term management plan was formulated based on these concepts, with the aim of becoming “the *shinkin* bank that helps make your dreams a reality,” and a *shinkin* bank that expresses the dreams of local communities, and to which customers express their own dreams.

SUB SLOGAN

I . Connecting customers



This design combines the traditional indigo of ancient Japan, which is considered a lucky color, with the phrase “Thank you” and a flower motif, expressing our intent to always remember our gratitude to customers, while seeking to connect customers and contribute to their mutual development.

II . Connecting communities, people, and work



This design combines the color red, which is associated with vitality and passion, and thought to protect against evil, with the phrase “Thanks to you” and a motif of dragonflies flying boldly into the sky, expressing our gratitude and the contribution we make by connecting communities, people, and work.

III . Connecting local communities to the future



This design combines the word “Bonds” in the color green to give an impression of grass being watered and putting forth shoots and leaves, expressing our intent to deepen our bonds with customers and with our officers and employees in order to create new value that connects communities to the future.

Basic strategy

Immutability and fluidity

Expand points of contact with customers and enhance the quality and breadth of customer value management

Relationships first and profit second

Build a sustainable business model that co-creates value by standing shoulder to shoulder with our clients to provide close support

Inseparability of knowledge and practice

Transform ourselves into a “value creation *shinkin*” that flexibly creates new added-value

Key strategy

Value co-creation strategy

Human capital management

Strategy for strengthening the business foundation

Business process reengineering (administration/sales)

Financial DX/digital strategy

SDGs and GX strategy

Internal control (internal controls system)

Enhance resilience and sustainability of operations

Vision

Becoming a *shinkin* bank that expresses the dreams of local communities and to which customers express their own dreams

The *shinkin* bank that helps make your dreams a reality

Contributing to local communities and resolving issues

[Immutability and fluidity] Maintaining an unchanging essence while adapting to new changes

[Relationships first and profit second] Those who put relationships first and profit second will prosper

[Inseparability of knowledge and practice] ... Knowledge and practice are inseparable, and knowledge is accompanied by action

HIGASHIN'S MANAGEMENT STANCE

RISK MANAGEMENT SYSTEM

Risk management is an important management issue at Higashin. Accordingly, the Bank has established an integrated risk management system that complies with the Bank of International Settlements' regulations (based on Basel III). We also strive to maintain balanced and healthy management and an appropriate level of revenues through exact understanding and proper management and control of wide-ranging risks.

To ensure comprehensive risk management, we have established the Risk Management Committee, which is composed of management personnel. This committee is charged with analysis and deliberation related to the state of risk management, based on information regarding various risks. In addition, the Asset-Liability Management (ALM) Committee has responsibility for analysis of market, management, and liquidity risks in connection with the acquisition and application of funds, as well as earnings forecasts, in an effort to ensure optimum utilization of assets. Furthermore, in response to the ever-increasing risks of money laundering, terrorist financing, and proliferation financing, we have established the Anti-Money Laundering and Terrorist Financing Committee to establish a system for combating money laundering, etc., as well as to identify, evaluate, and mitigate such risks.

To manage system risks, the Bank has formulated contingency plans for disasters and other types of damage, and has implemented systems for complete response to unforeseen events.

In addition, we have established CSIRT* to respond in the event of a security incident.

The Bank is also in compliance with all laws and regulations pertaining to the protection of personal information, has established related regulations, and has established a system for the appropriate and safe handling of personal information.

In addition to these internal risk-management systems, the Bank's accounts are audited by a firm of certified public accountants.

Higashin will continue to upgrade risk management to achieve even sounder and more responsible management.

*CSIRT: An abbreviation for "Computer Security Incident Response Team," pronounced "C-Sirt." This is a team that responds when computer security incidents occur as well as in peacetime. It collects information, implements countermeasures, and develops response procedures.

REGARDING THE FRAMEWORKS AND INITIATIVES TO COMBAT MONEY LAUNDERING, TERRORIST FINANCING, AND PROLIFERATION FINANCING

Money laundering, terrorist financing and proliferation financing (hereinafter referred to as "money laundering, etc.") refers to the act of making funds obtained through crimes or illicit transactions appear as legitimate transactions or by transferring funds through multiple financial institutions in order to obscure the source of those funds, the act of providing funds to terrorists, etc. for the purpose of supporting acts of terrorism, etc., and the act of providing funds to persons involved in the proliferation of nuclear weapons and other weapons of mass destruction.

As measures to combat money laundering, etc. are a top management priority for the Bank, the Bank has established a basic policy, and complies with the Act on Prevention of Transfer of Criminal Proceeds and other related laws and regulations. Furthermore, in accordance with the Financial Services Agency's "Guidelines for Anti-Money Laundering and Combating the Financing of Terrorism," we are working to strengthen our efforts, primarily focusing on the following points, to ensure the appropriateness of our operations.

1. As an "operation policy," we will establish a management system that will enable us to respond appropriately as an organization to threats such as money laundering, etc., and will formulate and implement policies, procedures, and plans related to measures to combat money laundering, etc., as well as carry out initiatives to identify, evaluate, and reduce risks.
2. As a "risk control framework," we will appoint a chief officer and a division in charge of measures to combat money laundering, etc., allocate appropriate resources, such as assigning specialized personnel and allocating necessary budgets, and promote cooperation between departments and staff involved in measures to combat money laundering, etc.
3. As a "risk-based approach," we will identify the money laundering, etc. risks faced by the Bank based on government risk assessments, etc., evaluate aspects such as transaction volume and the rate at which impacts occur due to business environment or management strategy, etc., and take mitigation measures commensurate with risk levels.

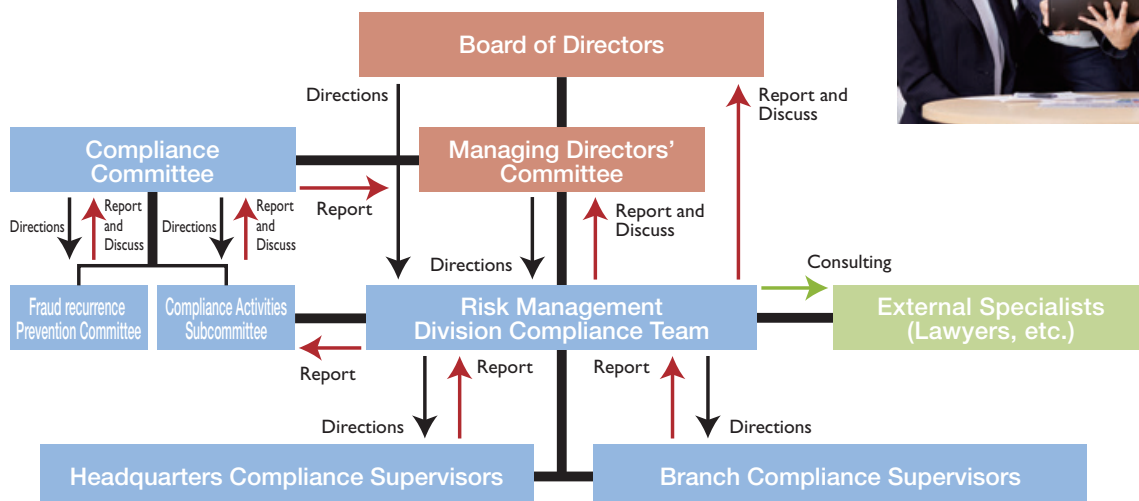
4. As a "customer management policy," we conduct customers' KYC and confirmation of the purpose of transactions, etc., both when starting a new transaction or on an ongoing basis as necessary.

We also conduct additional investigations or request the submission of evidentiary documents in the event that verification regarding a customer or transaction details is required.

5. If a suspicious transaction is detected or determined to be suspicious based on a report from a branch, detection through the transaction monitoring system, or an inquiry from an investigative agency, etc., we file a "suspicious transaction report" with the authorities.
6. For "economic sanctions and asset freezes," if a transaction with a sanctioned party is detected or determined to be occurring through a transaction filtering system or other means, we implement measures such as refusal of transactions and asset freezes.
7. As "training for officers and employees," we provide ongoing training to all officers and employees involved in measures to combat money laundering, etc. to help them acquire knowledge and raise their awareness, and we work to secure and cultivate employees with the expertise appropriate to their roles.



Compliance Framework Overview



HIGASHIN'S MANAGEMENT STANCE

COMPLIANCE SYSTEMS

To fulfill their social mission, *shinkin* banks must respond to the diverse needs of members and other customers, and provide thorough, detailed services. Further, to earn the trust of the public, all bank employees must display high standards of ethics and a sense of mission in the execution of their duties.

With appropriate business operations based on our management philosophy as the top priority, managers are responsible for the development of *shinkin* banks through these proactive initiatives.

Recognizing these responsibilities, Higashin has strengthened its compliance systems through the establishment of the Compliance Committee, chaired by the President, and its Compliance Activities Subcommittee, and will also establish as appropriate a Fraud Recurrence Prevention Committee chaired by the Vice President as a body to evaluate cross-sectional improvement policies against fraud.

The Compliance Division, which oversees such programs, regularly appoints compliance supervisors for every headquarters division and every branch, and has implemented compliance monitoring and reporting systems.

The Bank has produced a compliance manual, established ethics guidelines and other internal control regulations, and implements a comprehensive staff-training program.

The “Networking Capabilities: Connecting and Being Connected” medium-term management plan that Tokyo Higashi Shinkin Bank began in the fiscal year ended March 31, 2024 (running from fiscal 2024 to fiscal 2026) designates “compliance” under “internal control (internal controls system)” as one of

the important strategies, and we are working to further strengthen our compliance approach.

STRENGTHENING OUR MANAGEMENT SYSTEM FOR CUSTOMER PROTECTION

The Bank is continuously striving to protect customers’ legitimate interests and enhance their convenience, practicing strict regulatory and statutory compliance, closely adhering to social norms, and conducting fair business transactions in good faith.

For all transactions and products that require a customer explanation, we provide appropriate information and product explanations in line with the customer’s understanding, experience, and asset conditions.

We receive customer information using the appropriate, legal methods, and put in place the necessary and appropriate measures to prevent information loss and leakage.

We summarize the Bank’s basic policy on personal information (including personal information and personal numbers) protection and the purposes of information use in our “Privacy Policy (Statement of Personal Information Protection),” which is posted in our branches and on our website.

HANDLING ANTISOCIAL FORCES

Higashin has established and is complying with its Basic Policy on Preventing Transactions with Organized Crime Syndicates to ensure that it does not form any ties with organized criminal organizations, which represent a menace to social order and safety, and hinder the growth of a healthy economy and society.

1. The Bank will cut off all ties, including transactions, with antisocial forces and will firmly refuse any unjust demands made by them.

2. The Bank will deal with unjust demands made by antisocial forces as an entire organization while ensuring the safety of its employees and work to resolve the problem swiftly.

3. The Bank will not provide funds or engage in inappropriate or unusual transactions or provide conveniences to antisocial forces.

4. The Bank will develop close relationships with external specialist organizations, such as the police, the National Center for Removal of Criminal Organizations, and attorneys, in preparation for unjust demands made by antisocial forces.

5. The Bank will take a firm stance against unjust demands made by antisocial forces, including taking both civil and criminal legal action.

Higashin stipulates in its Articles of Incorporation that organized criminal organizations are not eligible for membership to ensure that no transactions with such organizations take place. Before concluding a contract for a loan, the Bank requires a written organized crime exclusion agreement. For deposit transactions, the Bank has added an organized crime exclusion clause to the terms and conditions for its deposit accounts, current accounts, and safe-deposit boxes, and when new applications are made, it requests all customers to declare and affirm that they are not associated with any antisocial forces.

BUSINESS REVIEW

Higashin serves eastern Tokyo, southeastern Saitama Prefecture, and northwestern Chiba Prefecture. *Shinkin* banks are cooperative financial organizations that operate on a membership system. Their highest decision-making bodies are their representative members’ meetings, which are attended by representatives selected from among all members. They are regional financial institutions tasked to respond to the intentions of their regional customers. They use the valuable deposits entrusted to them by the region’s people to meet the financing needs of the region, both to assist business and to better the region’s standard of living. At the same time, as citizens of local communities, they build ties and networks among the region’s residents and its small-and medium-sized businesses, and promote the sustained development of regional economies. In addition to the core activities of financial institutions, such as loans, deposits, and currency exchange, *shinkin* banks undertake initiatives to energize local communities and regional economies, and engage in numerous activities in pursuit of that objective, with a belief that these activities, in return, will lead to prosperity for the *shinkin* banks.

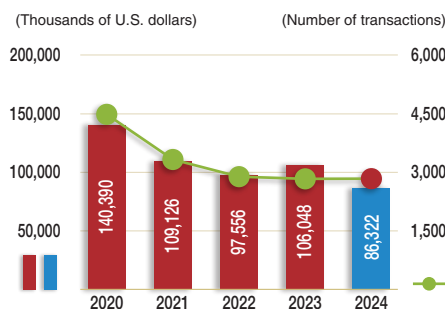
INTERNATIONAL OPERATIONS

Higashin has been supporting its clients with international banking services via direct ties with overseas banks since before the reform of the Foreign Exchange Law on April 1, 1998. The Bank’s lineup of foreign exchange and international transaction services includes export financing, import financing, international fund transfers, foreign-currency-denominated deposits, and foreign-currency exchange. Higashin’s network of overseas correspondent banks included 11 banks at March 31, 2024. In addition, the Bank gained permission to provide loans to its member firms’ overseas subsidiaries and other parties in August 2013, and so far it has provided such loans in Hong Kong and Thailand.

In September 2014, the Bank formed an operational alliance with an Incorporated Administrative Agency, Nippon Export and Investment Insurance (NEXI), and it has acted as an intermediary for small- and medium-sized business export indemnity insurance since November 2015, engaging in the purchase of non-L/C based export bills of exchange covered by this insurance.

In its foreign exchange operations, international trade transactions for the fiscal year totaled US\$86,322 thousand, and other foreign exchange transactions totaled US\$31,441 thousand. Total foreign exchange transactions were US\$117,764 thousand.

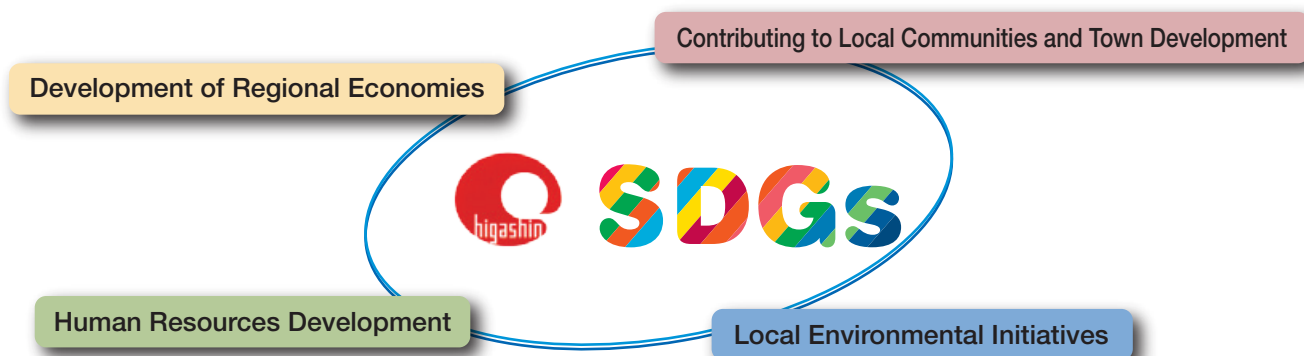
Trade-Related Foreign Exchange Transactions



Overseas Correspondent Network



Looking Toward the World in 2030 Higashin Group's SDG Initiatives



At Higashin Group, with Tokyo Higashi Shinkin Bank as the core organization, we engage in activities aimed at realizing a sustainable society in line with the philosophy of all six group companies acting as a cooperative organization based on the Sustainable Development Goals (SDGs).

INTRODUCING HIGASHIN GROUP'S SDG INITIATIVES

DEVELOPMENT OF REGIONAL ECONOMIES

Cooperation business among industry, academia, government, and financial institution

● Higashin holds the Higashin Business Fair



The 23rd Higashin Business Fair 2023 - "Networking Capabilities: Connecting and Being Connected for Creating a Future" - was held at Ryogoku Kokugikan, providing a wide range of opportunities for business matching.

157 companies, including business partners, exhibited at the event, which was attended by approximately 9,000 customers.

CONTRIBUTING TO LOCAL COMMUNITIES AND TOWN DEVELOPMENT

Creating bonds with local communities

● Launch of Higashin Arena



The Sumida City Gymnasium has been nicknamed “Higashin Arena.” Going forward, we will aim to maintain and improve our public functions and promote local sports, thereby contributing to improved health literacy, developing culture and the arts, and revitalizing the local community.



● Support for FUGADOR SUMIDA

We aim to create a vibrant town together with the local community by serving as the main sponsor of the F League futsal team “FUGADOR SUMIDA” based in Sumida-ku, and hosting the “Higashin DAY” event to watch their home games.



● Holding the “Higashin Cup Volleyball Tournament”

We held the 7th Higashin Cup Volleyball Tournament, a tournament featuring 12 teams recommended and selected from Sumida-ku, Taito-ku, Koto-ku, Adachi-ku, Katsushika-ku and Edogawa-ku.

We will continue to work to revitalize the local community by using the power of sports through volleyball.



Preparation for natural disasters

● Conclusion with Funabashi-shi of an “Agreement Concerning Support for People Stranded in the Event of a Disaster”

Following on from Koto-ku, Sumida-ku, Edogawa-ku, Katsushika-ku and Adachi-ku, we have now concluded an agreement with Funabashi-shi to accommodate people who are unable to return home in the event of a disaster.

This is the first time that the Bank has concluded an agreement with a local government in Chiba Prefecture.



HUMAN RESOURCES DEVELOPMENT

Nurturing the people responsible for the future of the community

● Holding of the “Shopping District + Student Dream Plan Contest”



We held a “Shopping District + Student Dream Plan Contest” for the formation of a bright future for shopping districts.

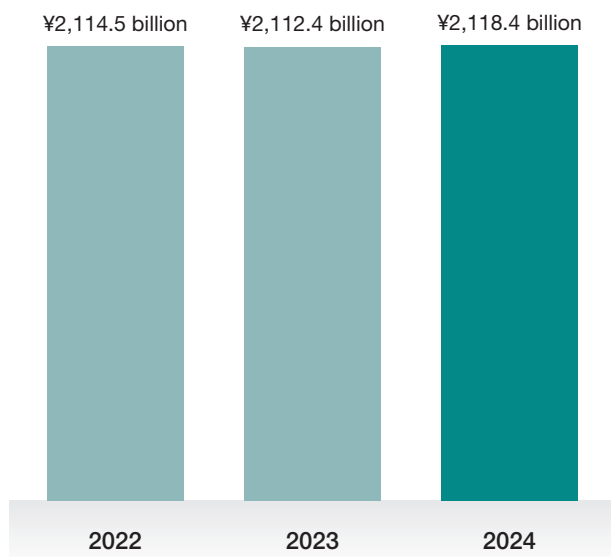
This event benefited from the participation of six educational institutions: Tachibana High School, Honjo High School, Chiba University, Chiba University of Commerce, Waseda University, and Professional University of Information and Management for Innovation. Chiba University was selected for the top award.



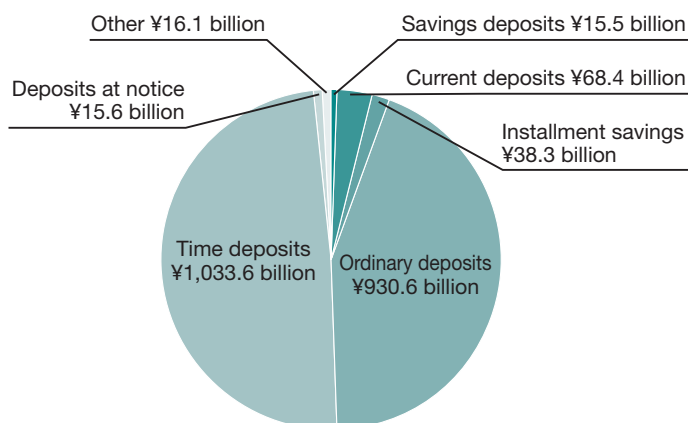
Top award Chiba University

Deposits **¥2,118.4 billion**

The balance of deposits reached ¥2,118.4 billion. Due to increased transactions with local customers, demand deposits have increased. Going forward, we will continue to work to ensure that local residents can deposit their important funds with confidence.

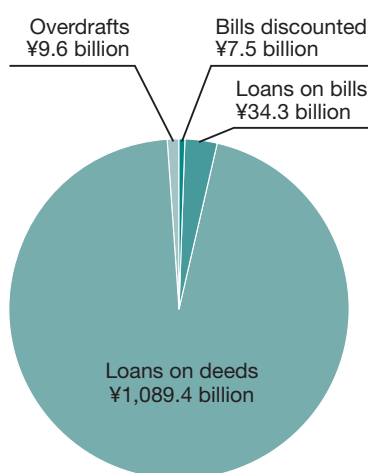
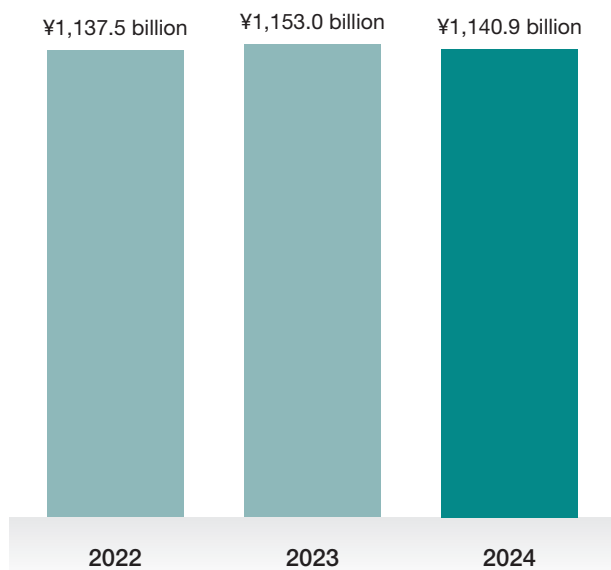


● Breakdown of deposits at March 31, 2024

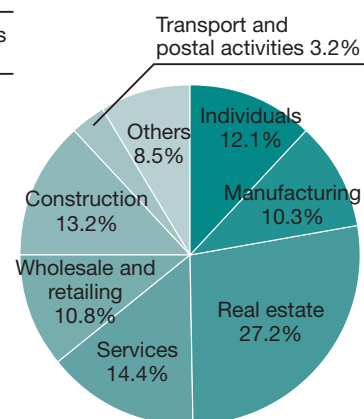


Loans and bills discounted **¥1,140.9 billion**

We took active steps to support business operators who have been affected by soaring prices for energy and other resources, and loans and bills discounted came to ¥1,140.9 billion. Going forward we will continue to respond promptly to the funding needs of the local community in order to help realize driving businesses and prosperous lives.



● Breakdown of loans and bills discounted at March 31, 2024



● Composition by industry of balance of loans and bills discounted in the fiscal year ended March 31, 2024

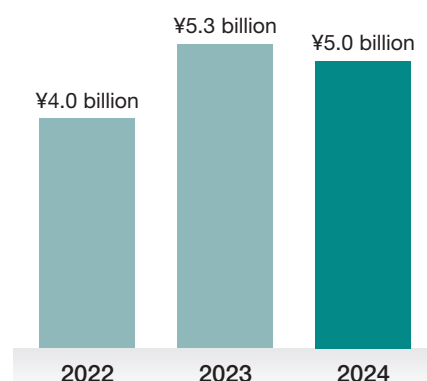
The figures published in this report have been rounded down to the nearest unit. Therefore, totals may not necessarily add up to their constituent figures.

REVENUE

Core business net income, which gives a more realistic indication of profitability, increased ¥0.4 billion year-on-year to ¥6.8 billion thanks to an increase in net interest income, including interest and dividends on securities. We will continue our efforts to develop a stable revenue base going forward.

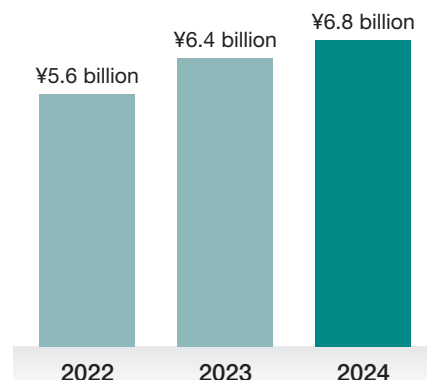
Business net income ¥5.0 billion

This item is calculated by subtracting operating and other expenses from operating income, and expresses the results from the basic business of a *shinkin* bank. This is the equivalent to “operating income” for an ordinary company.



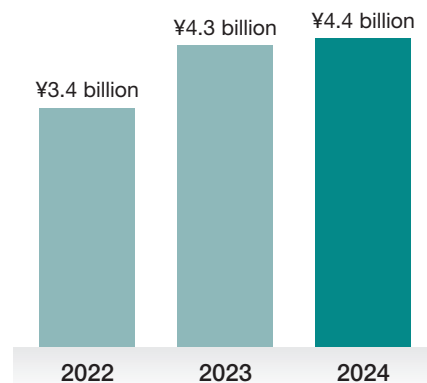
Core business net income ¥6.8 billion

This item is calculated by excluding special factors, such as gain or loss on sales of bonds including government bonds from business net income. As an expression of net income derived from the main operations of the *shinkin* banks, it gives a more realistic indication of profitability.



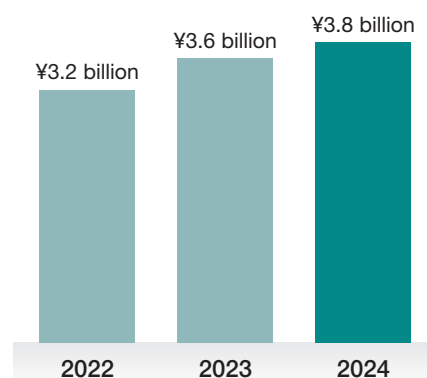
Ordinary income ¥4.4 billion

This item is calculated by adding or subtracting gain or loss on sale of securities, amortization, and expenses such as those required for the writing-off of non-performing loans, from business net income, and expresses the results of the ordinary business activities of a *shinkin* bank.



Net income ¥3.8 billion

This is the final stage of profit, and is calculated by adding or subtracting extraordinary gains and taxes, etc., from ordinary income.



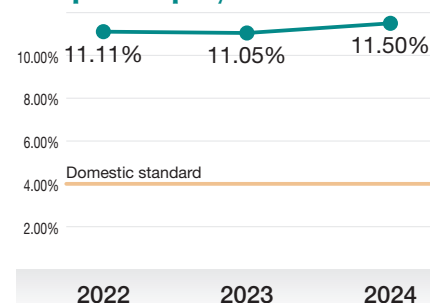
TOTAL CAPITAL AND CAPITAL ADEQUACY RATIO

We have maintained a high level of financial soundness.

Capital adequacy ratio **11.50%**

As a result of accumulated profits, total capital amounted to ¥129,811 million, providing the Bank with solid management fortitude. Our capital adequacy ratio was 11.50%, and well above the domestic standard of 4.00% required of *shinkin* banks, as we secured strong financial soundness.

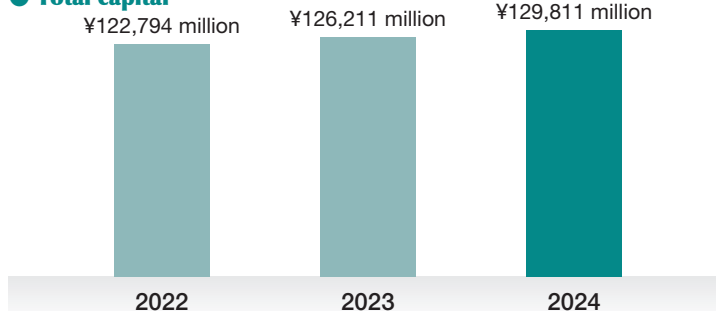
Capital adequacy ratio



*The capital adequacy ratio has been rounded down at the third decimal point.

$$\text{Capital adequacy ratio} = \frac{\text{Total capital (¥129,811 million)}}{\text{Total risk asset amount (¥1,128,505 million)}} \times 100 = \mathbf{11.50\%}$$

Total capital



LOANS DISCLOSED PURSUANT TO THE FINANCIAL RECONSTRUCTION ACT AND THE NON-PERFORMING LOAN RATIO

Every precaution has been taken.

Non-performing loan ratio **3.00%**

Loans disclosed pursuant to the Financial Reconstruction Act are what are generally known as non-performing loans, and are divided into three categories: bankrupt and quasi-bankrupt assets, doubtful assets, and substandard loans. They also include loans, etc. to debtors that are in the process of reconstruction.

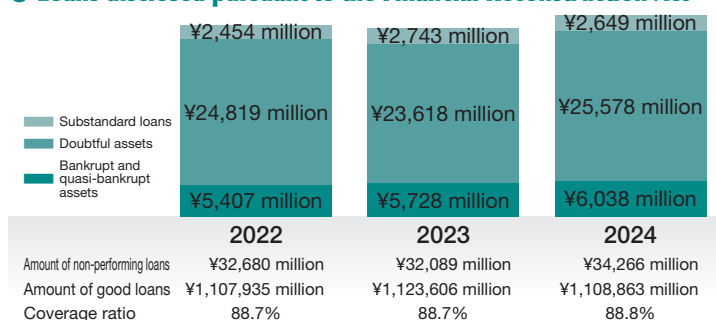
Our non-performing loans amounted to ¥34,266 million, and our non-performing loan ratio was 3.00%. We are working to cover these loans through a total of ¥30,453 million in collateral, guarantees, and the reserve for possible loan losses based on the individual risk, thus maintaining a high level of coverage at 88.8%. In addition, we have the special reserve of ¥80,426 million to prepare for unforeseen circumstances.

Non-performing loan ratio



*The non-performing loan ratio has been rounded at the third decimal point.

Loans disclosed pursuant to the Financial Reconstruction Act



Amount of non-performing loans	¥32,680 million	¥32,089 million	¥34,266 million
Amount of good loans	¥1,107,935 million	¥1,123,606 million	¥1,108,863 million
Coverage ratio	88.7%	88.7%	88.8%

NON-CONSOLIDATED BALANCE SHEETS

The Tokyo Higashi Shinkin Bank
As of March 31, 2024 and 2023

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2024	2023	2024
ASSETS			
Cash and Due from Banks (Notes 7 and 15)	¥ 658,063	¥ 610,705	\$ 4,348,529
Monetary Claims Purchased (Note 15)	4,890	11,379	32,315
Money Held in Trust	5,000	5,000	33,040
Trading Account Securities (Notes 15 and 16)	10	10	66
Securities (Notes 2, 7, 15 and 16)	446,539	463,487	2,950,769
Loans and Bills Discounted (Notes 3, 14 and 15)	1,140,995	1,153,006	7,539,785
Foreign Exchange (Note 4)	741	772	4,898
Tangible Fixed Assets (Note 5)	32,051	31,321	211,798
Intangible Fixed Assets (Note 5)	3,591	3,732	23,735
Other Assets (Notes 6)	15,846	12,773	104,715
Deferred Tax Assets (Note 1)	5,252	7,812	34,709
Customers' Liabilities for Acceptances and Guarantees (Note 10)	655	896	4,333
Reserve for Possible Loan Losses (Notes 1 and 15)	(8,023)	(7,541)	(53,017)
Total Assets	¥2,305,615	¥2,293,354	\$15,235,681
LIABILITIES AND NET ASSETS			
Liabilities:			
Deposits (Notes 7, 8 and 15)	¥2,118,404	¥2,112,486	\$13,998,576
Borrowed Money (Notes 7 and 15)	50,000	55,140	330,403
Other Liabilities (Note 9)	7,071	5,175	46,726
Reserve for Employee Bonuses	673	674	4,448
Reserve for Executive Bonuses	28	20	185
Reserve for Employee Retirement Benefit	763	754	5,047
Reserve for Executive Retirement Allowances	641	551	4,239
Reserve for Reimbursement of Dormant Deposits	19	11	131
Reserve for Contingencies	865	758	5,722
Deferred Tax Liabilities for Land Revaluation (Note 1)	1,275	1,275	8,427
Acceptances and Guarantees (Note 10)	655	896	4,333
Total Liabilities	¥2,180,399	¥2,177,744	\$14,408,242
NET ASSETS:			
Members' Equity:			
Shares Capital (Note 11)	¥ 23,694	¥ 24,016	\$ 156,578
Capital Surplus (Note 11)	2,040	2,040	13,480
Retained Earnings (Note 12)	103,100	99,477	681,297
Disposal of Outstanding Equities	(0)	(0)	(5)
Total Members' Equity	¥ 128,834	¥ 125,533	\$ 851,349
Valuation and Translation Adjustments:			
Unrealized Gains (Losses) of Other Securities	(6,910)	(13,216)	(45,667)
Land Revaluation Excess (Note 1)	3,292	3,292	21,756
Total Valuation and Translation Adjustments	(3,618)	(9,923)	(23,910)
Total Net Assets (Note 13)	¥ 125,216	¥ 115,609	\$ 827,438
Total Liabilities and Net Assets	¥2,305,615	¥2,293,354	\$15,235,681

The accompanying notes are an integral part of these financial statements.

NON-CONSOLIDATED STATEMENTS OF INCOME AND UNAPPROPRIATED RETAINED EARNINGS

The Tokyo Higashi Shinkin Bank
Years ended March 31, 2024 and 2023

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2024	2023	2024
Income:			
Interest on:	¥24,459	¥24,089	\$ 161,630
Loans and Bills Discounted	17,826	17,811	117,796
Securities	5,243	4,926	34,652
Others	1,389	1,350	9,180
Fees and Commissions	2,392	2,325	15,809
Other Operating Income	136	354	903
Other Income	1,790	901	11,829
Total Income	¥28,778	¥27,671	\$ 190,173
Expenses:			
Interest on:	¥ 327	¥ 339	\$ 2,164
Deposits	286	271	1,895
Borrowings and Rediscounts	36	63	242
Others	4	4	27
Fees and Commissions	1,125	1,103	7,434
Other Operating Expenses	2,106	1,364	13,921
General and Administrative Expenses	18,150	18,127	119,939
Other Expenses	2,509	2,419	16,581
Total Expenses	¥24,219	¥23,353	\$ 160,043
Income Before Income Taxes	¥ 4,559	¥ 4,317	\$ 30,129
Income Taxes:			
Current	599	452	3,959
Deferred	117	222	775
Net Income (Note 13)	¥ 3,843	¥ 3,642	\$ 25,395
Unappropriated Retained Earnings:			
Balance at Beginning of the Year	¥ 5,855	¥ 5,436	\$ 38,691
	¥ 9,698	¥ 9,078	\$ 64,087
Appropriations:			
Transfer to Legal Reserve	¥ 400	¥ 400	\$ 2,643
Dividends			
Common Shares (1.0% per year)	219	223	1,451
Transfer to Voluntary Reserves	3,000	2,600	19,824
Total Appropriations	¥ 3,619	¥ 3,223	\$ 23,919
Balance at End of the Year (Note 17)	¥ 6,078	¥ 5,855	\$ 40,167

The accompanying notes are an integral part of these financial statements.

NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS

The Tokyo Higashi Shinkin Bank

1. Significant Accounting Policies

a. Basis of presentation

The accompanying financial statements of The Tokyo Higashi Shinkin Bank (the Bank) are prepared in accordance with accounting principles and practices generally accepted in Japan under the requirements of the Japanese Company Law, the Shinkin Bank Law of 1951, and other applicable regulations.

In preparing these financial statements, certain reclassifications and rearrangements have been made to the financial statements issued in Japan. In addition, the accompanying notes include information that is not required under generally accepted accounting principles and practices in Japan but is presented herein as additional information. All yen figures have been rounded down to millions of yen by dropping the final six digits. For convenience only, U.S. dollar amounts presented in the accompanying financial statements have been translated from yen at the rate of ¥151.33 to US\$1, the exchange rate prevailing in Tokyo on the last business day of the fiscal year, March 29, 2024.

b. Valuation of trading account securities

Trading account securities which are held for the short term in anticipation of market gains are recorded at fair value. Realized gains and losses on sales of such securities are computed using the moving-average method.

c. Valuation of securities

As for securities other than those in trading portfolio, debt securities that the Bank has the intent and ability to hold to maturity (held-to-maturity securities) are carried at amortized cost using the moving-average method.

Investments in non-consolidated subsidiaries and affiliates that are not accounted for by the equity method are carried at cost using the moving-average method.

Securities excluding those classified as trading securities, held-to-maturity or investments in non-consolidated subsidiaries and affiliates are defined as other securities. Other securities are valued at market value, however, stocks etc. with no market price are carried at cost or amortized cost using the moving-average method. Unrealized gains and losses on other securities are carried at their fair values, with unrealized gains and losses reported on a net-of-tax basis within changes in equity from non-owner sources, which is a component of net assets.

Securities that are held as trust assets in individually managed money trusts with the principal objective of securities portfolio management are stated at fair value.

d. Valuation of derivatives for nontrading purposes

Derivative transactions, excluding those classified as trading derivatives, are carried at fair value.

e. Depreciation and amortization method

Tangible fixed assets (excluding leased assets) are stated at cost less accumulated depreciation. The Bank computes depreciation for buildings using the straight-line method over the estimated useful lives of the respective assets. The depreciation for other tangible fixed assets are computed using the declining-balance method over the estimated useful lives of the respective assets.

The estimated useful lives of major items are as follows:

Buildings	3 to 50 years
Other tangible fixed assets	2 to 60 years

The amortization of intangible fixed assets (excluding leased assets) is computed by the straight-line method. Capitalized software for internal use is amortized by the straight-line method based on useful life estimated by the Bank (primarily 5 to 10 years).

Leased assets for finance lease transactions that do not transfer ownership in tangible fixed assets and intangible fixed assets are depreciated using the straight-line method with zero residual value, unless residual value is guaranteed by the corresponding lease agreements.

f. Hedge accounting

1) Hedge of Interest Rate Risk

The deferred method of hedge accounting is applied to transactions to hedge against the interest rate risk with regard to financial assets and liabilities.

The effectiveness of a fair value hedge is assessed for each identified group of hedged items such as loans and deposits, and corresponding groups of hedging instruments such as interest rate swaps with the same maturity bucket.

For certain assets and liabilities, the short-cut method for interest rate swaps is applied.

2) Hedge of Foreign Exchange Fluctuation Risk

The Bank applies deferred hedge accounting stipulated in "Treatment of Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry" (JICPA Industry Audit Committee Report No. 25) to currency swap and foreign exchange swap transactions executed for the purpose of lending or borrowing funds in different currencies.

Pursuant to JICPA Industry Audit Committee Report No.25, the Bank assesses the effectiveness of currency swap and foreign exchange swap transactions executed for the purpose of offsetting the risk of changes in currency exchange rates by verifying that there are foreign-currency monetary claims and debts corresponding to the foreign-currency positions.

g. Foreign currency transactions

The financial statements of the Bank are maintained in or translated into Japanese yen. Foreign currency assets and liabilities held domestically are translated into yen at the prevailing rates on the Tokyo Foreign Exchange Market on the last business day of each fiscal year, and incorporated into the Bank's financial statements.

h. Reserve for possible loan losses

The reserve for possible loan losses of the Bank has been established based on the Bank's internal rules for establishing a reserve for possible loan losses.

For claims on borrowers whose businesses are legally bankrupt, such as declaration of bankruptcy, special liquidation or similar legal proceedings ("Bankrupt Borrowers") and claims on borrowers that are not legally or formally insolvent but are regarded as substantially in the same situation ("Effectively Bankrupt Borrowers"), the reserve for possible loan losses is provided based on the amount after deducting the estimated disposal value of collateral and the estimated amount collectible through guarantees from the book value, after the write-off of amount indicated in the last paragraph of this section.

For claims on borrowers who are not currently bankrupt, but highly likely to declare bankruptcy in the future ("Potentially Bankrupt Borrowers"), the reserve for possible loan losses is provided based on the amount deemed necessary considering the overall solvency of the borrowers, after deducting the estimated disposal value of collateral and the estimated amount collectible through guarantees from the claims.

For claims other than those stated above, the reserve for possible loan losses is provided based on the historical ratio of credit loss calculated over a certain period.

Furthermore, additional reserve for possible loan losses was recorded for claims for which credit risk is expected to deteriorate in association with the impact of COVID-19 and other factors, and the amount is ¥3,484 million (US \$23,026 thousand) for fiscal year ended March 31, 2024.

All claims are given an asset assessment by the Credit Supervision Division based on the Bank's internal rules for the self-assessment. The Audit Division, which is independent from the Credit Supervision Division, conducts audits of these assessments.

For collateralized or guaranteed claims on Bankrupt Borrowers and Effectively Bankrupt Borrowers, the amount exceeding the estimated value of collateral or guarantees is deemed to be uncollectible and written off against total amount of the claims. The write-off amount was ¥12,229 million (US\$80,816 thousand) for fiscal year ended March 31, 2024.

i. Reserve for employee bonuses

Reserve for employee bonuses is provided, in provision for payment of bonuses to employees, by the amount of estimated bonuses, which are attributable to this fiscal year.

j. Reserve for executive bonuses

Reserve for executive bonuses is provided, in provision for payment of bonuses to executives, by the amount of estimated bonuses, which are attributable to this fiscal year.

k. Reserve for employee retirement benefit

Under the terms of the Bank's retirement plan, substantially all employees are entitled to a lump-sum payment at the time of retirement. The amount of reserve for employee retirement benefit is, in general, based on length of service, basic salary at the time of retirement and reason for retirement.

In addition, the Bank has defined benefit pension plans which substantially cover all employees. Annual contributions, which consist of normal costs and amortization of prior service costs, are included in general and administrative expenses.

The reserve for employee retirement benefit is recorded based on an actuarial computation, which uses the present value of the projected benefit obligation and pension assets, due to employee's credited years of services at the balance sheet date.

Unrecognized net actuarial differences were amortized from the next fiscal year by the straight-line basis over the prescribed years within the average remaining service period (11 to 15 years) of active employees.

l. Reserve for executive retirement allowances

The reserve for executive retirement allowances is calculated according to regulations, and is equal to the amount that would be needed if all executives voluntarily retired at the end of the year.

m. Reserve for reimbursement of dormant deposits

The reserve for reimbursement of dormant deposits is provided for the deposits derecognized from the liabilities at the estimated amount of future claims for withdrawal.

n. Reserve for contingencies

The reserve for contingencies is maintained to provide against possible losses from contingencies, which are not covered by other specific reserves in off-balance transactions, trust transactions and others. The balance is an estimate of possible future losses, on an individual basis, considered to require a reserve.

o. Fees and commissions

Fees and commissions are revenue received as compensation for services rendered and is broken down into commissions on exchange transactions and other fees and commissions. Of these, commissions on exchange transactions are those received from exchange operations and includes commissions based on domestic exchange operations, including remittances and collections, and commissions based on foreign exchange operations, such as export and import fees and foreign exchange remittance fees.

Other fees and commissions are mainly fees for issuance of promissory notes and checks, account transfer fees, loan-related fees and commissions such as charges for handling real estate security, fees and commissions received related to securities/insurance sales operations such as investment trust sales fees and insurance sales agent fees, fees and commissions received related to safe deposit box operations, and others.

As performance obligations related to exchange operations and other fees and commissions are generally satisfied at the same time the compensation is received, income is recognized in principle at a single point in time. With respect to fixed usage fees related to internet banking and other fees, though contract liabilities are recorded as unearned income and allocated on a pro rata basis over the period of use, there are no transactions where the performance of obligations exceeds one year.

p. Income taxes

The provision for income taxes is computed based on the pretax income included in the non-consolidated statements of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities.

q. Consumption tax

National and local consumption taxes are accounted for using the tax exclusive method.

r. Significant accounting estimates

Items for which the amount was recorded in the financial statements for the current fiscal year based on accounting estimates, and which may have a material impact on the financial statements for the following fiscal year, are as follows.

1) Reserve for possible loan losses

	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Reserve for possible loan losses	¥8,023	¥7,541	\$53,017

The method for calculating reserve for possible loan losses is provided in h., above. The major assumption is "future business forecast of borrowers in judgment of debtor categories." "Future business forecast of borrowers in judgment of debtor categories" is given by individually assessing the revenue-earning ability of each debtor. The impact of the spread of COVID-19 is expected to continue for a certain period in the future. However, if assumptions used in the initial estimates change due to changes in operating performance of individual borrowers resulting from an unforeseen deterioration in the economic environment, among others, this may have a material impact on reserve for possible loan losses in the financial statements for the following fiscal year.

2) Deferred tax assets

	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Deferred tax assets	¥5,252	¥7,812	\$34,709

Recognition of deferred tax assets is estimated from timing and amount of taxable income based on a future business plan. This estimate may be affected by changes in future uncertain changes in economic conditions and other factors, and if the timing and amount of taxable income that actually arises are different from the estimates, this may have a material impact on the amount of deferred tax assets in the financial statements for the following fiscal year.

s. Land revaluation excess

The Bank revaluated the land used in its own business activities in accordance with the Law Concerning Land Revaluation (Law 34 of March 31, 1998, hereinafter, "the Law"). The income taxes corresponding to the net unrealized gains are deferred and reported in "Liabilities" as "Deferred Tax Liabilities for Land Revaluation," and the unrealized gains, net of deferred taxes, are reported as "Land Revaluation Excess" in "Net Assets."

Date of the revaluation: March 31, 1999

Method of revaluation (stipulated in Article 3-3 of the Law)

The amount is calculated according to appraisals by real-estate appraisers.

Total fair value of the land used in the Bank's own business activities whose book value had been revaluated pursuant to Article 10 of the Law at March 31, 2024 was ¥240 million (US\$1,592 thousand) higher than the book values at March 31, 2024.

t. "Presentation" according to the Accounting Standard for Revenue Recognition

Amounts of contract assets, receivables from contracts with customers, contract liabilities and revenue from contracts with customers based on the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) have not been presented separately. Amounts of contract assets, receivables from contracts with customers, contract liabilities, revenue and receivables from contracts with customers, at the end of the current fiscal year are respectively as follows.

Contract assets: ¥ - million (US\$ - thousand)

Receivables from contracts with customers: ¥41 million (US\$274 thousand)

Contract liabilities: ¥0 million (US\$5 thousand)

Revenue from contracts with customers: ¥2,179 million (US\$14,402 thousand)

2. Securities

Securities at March 31, 2024 and 2023, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
National Government Bonds	¥ 55,627	¥ 56,417	\$ 367,592
Local Government Bonds	2,507	1,920	16,567
Corporate Bonds	177,925	186,642	1,175,747
Stocks	10,760	9,455	71,103
Other Securities	199,719	209,051	1,319,758
Total	¥446,539	¥463,487	\$2,950,769

3. Loans and Bills Discounted

Loans and bills discounted at March 31, 2024 and 2023, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Bills Discounted	¥ 7,516	¥ 7,332	\$ 49,671
Loans on Bills	34,382	36,545	227,202
Loans on Deeds	1,089,432	1,098,980	7,199,050
Overdrafts	9,664	10,147	63,861
Total	¥1,140,995	¥1,153,006	\$7,539,785

Claims based on the Shinkin Bank Law and the Act on Emergency Measures for the Revitalization of the Financial Functions are as follows. The claims include corporate bonds in "Securities" (limited to those issued in private placement of securities prescribed in Paragraph 3 of Article 2 in the Financial Instruments and Exchange Act, for which the redemption of the principal and payment of the interest are either partially or wholly guaranteed), loans and bills discounted, foreign exchange, unpaid interest and suspense payments in "Other Assets," and customers' liabilities for acceptances and guarantees in the balance sheet, and, in the case where security lending is conducted, the securities (limited to those which are loaned for use or under a rental agreement).

Bankrupt and quasi-bankrupt claims: ¥6,038 million (US\$39,899 thousand)

Doubtful claims: ¥25,578 million (US\$169,027 thousand)

Claims past due more than three months: ¥- million (US\$ - thousand)

Claims in a "Relaxation of Repayment Conditions" status: ¥2,649 million (US\$17,509 thousand)

Total: ¥34,266 million (US\$226,436 thousand)

Bankrupt and quasi-bankrupt claims are claims against debtors who have fallen into bankruptcy for reasons such as filing for commencement of bankruptcy, corporate reorganization or rehabilitation proceedings, and other equivalent claims.

Doubtful claims are claims for which it is highly likely that principal of the claims cannot be recovered and interest cannot be received in accordance with the contract due to deterioration of the financial condition and operating results of the debtor, though the debtor has not fallen into bankruptcy, and which do not fall under bankrupt and quasi-bankrupt claims.

Claims past due more than three months are loans on which payment of principal or interest is past due for three months or more from the day following the contractual payment date, and which do not fall under bankrupt and quasi-bankrupt claims and doubtful claims.

Claims in a "Relaxation of Repayment Conditions" status are loans whose terms have been modified by reducing interest rate, deferring of interest payment and/or principal repayment, forgiving debt, or otherwise providing arrangements in favor of the debtor for the purpose of restructuring or supporting the debtor, and which do not fall under bankrupt and quasi-bankrupt claims, doubtful claims, and claims past due more than three months. The above amounts of claims are the amounts before the deduction of reserve for possible loan losses.

4. Foreign Exchange

Foreign exchange assets at March 31, 2024 and 2023, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Foreign Bills of Exchange Bought	¥330	¥339	\$2,185
Foreign Bills of Exchange Receivable	88	53	585
Due from Foreign Banks	321	378	2,126
Total	¥741	¥772	\$4,898

5. Fixed Assets

Fixed assets at March 31, 2024 and 2023, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Tangible Fixed Assets:			
Building	¥ 7,801	¥ 7,614	\$ 51,550
Land	22,622	22,277	149,492
Lease Assets	21	4	141
Construction in Progress	202	89	1,340
Other Tangible Fixed Assets	1,403	1,334	9,273
Total	¥32,051	¥31,321	\$211,798
Accumulated Depreciation	¥23,222	¥22,712	\$153,453
Intangible Fixed Assets:			
Software	¥ 2,453	¥ 2,603	\$ 16,213
Lease Assets	9	1	65
Other Intangible Fixed Assets	1,128	1,128	7,456
Total	¥ 3,591	¥ 3,732	\$ 23,735

6. Other Assets

Other assets at March 31, 2024 and 2023, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Domestic Exchange Settlement Account, Debit	¥ 1,116	¥ 490	\$ 7,380
Investment in the Shinkin Central Bank	11,658	8,518	77,037
Prepaid Expenses	89	98	593
Accrued Income	2,191	2,819	14,483
Derivative Financial Instruments	0	2	0
Others	790	844	5,220
Total	¥15,846	¥12,773	\$104,715

7. Assets Pledged as Collateral

Assets pledged as collateral at March 31, 2024 and 2023, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Assets Pledged as Collateral			
Securities	¥102,581	¥111,638	\$677,864
Due from Banks	—	10,000	—
Liabilities Corresponding to Assets Pledged as Collateral			
Deposits	1,212	5,751	8,009
Borrowed Money	50,000	25,140	330,403

In addition to the above, the amounts of ¥131,400 million (US\$868,301 thousand) as of March 31, 2024 and ¥131,400 million as of March 31, 2023 in due from banks were pledged as collateral for exchange settlement and foreign exchange yen settlement transactions, etc.

8. Deposits

Deposits at March 31, 2024 and 2023, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Current Deposits	¥ 68,479	¥ 69,727	\$ 452,515
Ordinary Deposits	930,626	914,910	6,149,647
Savings Deposits	15,510	16,109	102,493
Deposits at Notice	15,695	19,710	103,718
Time Deposits	1,033,605	1,034,386	6,830,144
Installment Savings	38,368	41,884	253,538
Other Deposits	16,119	15,757	106,517
Total	¥2,118,404	¥2,112,486	\$13,998,576

9. Other Liabilities

Other liabilities at March 31, 2024 and 2023, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Domestic Exchange Settlement Account, Credit	¥1,245	¥ 608	\$ 8,227
Accrued Expenses	1,547	1,405	10,223
Reserve for Replenishing Benefits	7	9	51
Income Taxes Payable	232	174	1,537
Unearned Income	340	682	2,247
Unsettled Refunds	321	368	2,127
Deposits from Employees	741	807	4,901
Derivative Financial Instruments	0	0	4
Lease Obligations	34	6	227
Asset Retirement Obligations	507	503	3,354
Others	2,092	607	13,824
Total	¥7,071	¥5,175	\$46,726

10. Acceptances and Guarantees

All contingent liabilities arising from acceptances and guarantees are reflected in "Acceptances and Guarantees." As a contra account, "Customers' Liabilities for Acceptances and Guarantees" is shown under assets, representing the Bank's right of indemnity from the customers.

11. Shares Capital and Capital Surplus

The Bank issued ¥50 par value common shares with a minimum investment of ¥10,000 per member. The amount of common shares was ¥21,654 million (US \$143,097 thousand) as of March 31, 2024 and ¥21,976 million as of March 31, 2023.

The Bank purchased ¥4,080 million in preferred shares (underwriter: Shinkin Central Bank) from Shinkin Central Bank on October 19, 2012, and the Bank cancelled them on the same date using voluntary reserves and profits recorded during the fiscal year ended March 31, 2013. This amount had been classified as "Preferred Shares" and "Capital Surplus." From the fiscal year ended March 31, 2016, "Preferred Shares" has been changed to "Other Shares."

Other shares are included in share capital. The value of other shares was ¥2,040 million (US\$13,480 thousand) as of March 31, 2024, and ¥2,040 million as of March 31, 2023.

Capital surplus is the portion which was not issued as share capital of the issued value of other shares.

12. Retained Earnings

The Shinkin Bank Law requires that an amount equal to at least 10 percent of each year's unappropriated profit shall be appropriated as a legal reserve until such reserve equals 100 percent of the Bank's stated capital.

This reserve is not available for dividends or capitalization. It may be used to only reduce a deficit, by resolution of the members.

Legal reserve included in retained earnings was ¥19,696 million (US \$130,153 thousand) as of March 31, 2024 and ¥19,296 million as of March 31, 2023.

13. Per Share Data

Net assets per share and net income per share for the year ended March 31, 2024 and 2023 were as follows:

	Yen		U.S. dollars
	2024	2023	2024
Net Assets per Share	¥289.12	¥263.03	\$1.91
Net Income per Share	¥ 8.75	¥ 8.16	\$0.05

14. Loan Commitments

Commitment line contracts on overdrafts and loans are agreements to lend to customers when they apply for borrowing, up to a prescribed amount, as long as there is no violation of any condition established in the contracts. The amount of unused commitments was ¥56,550 million (US\$373,689 thousand), and the amount of unused commitments whose remaining contract terms are within one year was ¥9,116 million (US\$60,240 thousand) as of March 31, 2024.

Since many of these commitments are expected to expire without being drawn upon, the total amount of unused commitments does not necessarily represent an actual future cash flow requirement. Many of these commitments have clauses that the Bank can reject an application from customers or reduce the contract amounts if and when economic conditions change, the Bank needs to secure claims, or other events occur. In addition, the Bank requests the customers to pledge collateral such as premises and securities at the conclusion of the contracts, and takes necessary measures such as verifying customers' financial positions, revising contracts when the need arises, and securing claims after the conclusion of the contracts.

15. Matters Relating to the Market Value of Financial Instruments

1) Market Value of Financial Instruments

With respect to amounts recorded on the Bank's non-consolidated balance sheet at March 31, 2024 and 2023, the market values and net unrealized gains (losses) of financial instruments are as follows.

The amounts shown in the following table do not include stocks and investments in partnerships (see (2)) with no market price, such as unlisted stocks classified as other securities, and stocks of subsidiaries and affiliates. Cash, call loans, foreign exchange (assets and liabilities), and call money have been omitted because they are settled in a short period of time and their fair value approximates their book value. In addition, immaterial items have been omitted.

	Millions of yen		
	Non-consolidated balance sheet amount	Market value	Net unrealized gains (losses)
March 31, 2024			
Due from Banks	¥ 636,973	¥ 632,398	¥ (4,575)
Monetary Claims Purchased	4,890	4,823	(66)
Trading Account Securities:	10	10	—
Securities Classified as Trading	10	10	—
Securities:	443,903	443,904	1
Bonds Classified as Held-to-Maturity	1,497	1,498	1
Other Securities	442,406	442,406	—
Loans and Bills Discounted	1,140,995	—	—
Less: Reserve for Possible Loan Losses	(8,011)	—	—
Net Loans and Bills Discounted	¥1,132,984	¥1,144,167	¥11,183
Total Financial Assets	¥2,218,762	¥2,225,304	¥ 6,542
Deposits	¥2,118,404	¥2,118,506	¥ 101
Borrowed Money	50,000	50,000	—
Total Financial Liabilities	¥2,168,404	¥2,168,506	¥ 101

	Millions of yen		
	Non-consolidated balance sheet amount	Market value	Net unrealized gains (losses)
March 31, 2023			
Due from Banks	¥ 590,357	¥ 587,210	¥ (3,147)
Monetary Claims Purchased	11,379	11,322	(56)
Trading Account Securities:	10	10	—
Securities Classified as Trading	10	10	—
Securities:	462,223	462,223	—
Bonds Classified as Held-to-Maturity	—	—	—
Other Securities	462,223	462,223	—
Loans and Bills Discounted	1,153,006	—	—
Less: Reserve for Possible Loan Losses	(7,526)	—	—
Net Loans and Bills Discounted	¥1,145,479	¥1,161,953	¥16,473
Total Financial Assets	¥2,209,450	¥2,222,719	¥13,269
Deposits	¥2,112,486	¥2,112,550	¥64
Borrowed Money	55,140	55,173	33
Total Financial Liabilities	¥2,167,626	¥2,167,724	¥ 97

	Thousands of U.S. dollars		
	Non-consolidated balance sheet amount	Market value	Net unrealized gains (losses)
March 31, 2024			
Due from Banks	\$ 4,209,170	\$ 4,178,938	\$(30,232)
Monetary Claims Purchased	32,315	31,875	(440)
Trading Account Securities:	66	66	—
Securities Classified as Trading	66	66	—
Securities:	2,933,347	2,933,356	8
Bonds Classified as Held-to-Maturity	9,893	9,902	8
Other Securities	2,923,454	2,923,454	—
Loans and Bills Discounted	7,539,785	—	—
Less: Reserve for Possible Loan Losses	(52,939)	—	—
Net Loans and Bills Discounted	\$ 7,486,845	\$ 7,560,745	\$ 73,900
Total Financial Assets	\$14,661,746	\$14,704,981	\$ 43,235
Deposits	\$13,998,576	\$13,999,247	\$ 671
Borrowed Money	330,403	330,403	—
Total Financial Liabilities	\$14,328,980	\$14,329,651	\$ 671

2) Stocks and investments in partnerships with no market price are as follows

	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
March 31			
Investments in Subsidiaries and Affiliates	¥ 66	¥ 69	\$ 438
Unlisted Stocks (excluding OTC stocks)	264	284	1,747
Investment in the Shinkin Central Bank	11,658	—	77,037
Investment in Investment Enterprise Partnership	2,305	909	15,236
Total	¥14,294	¥1,263	\$94,459

3) Redemption schedule on money claims and other securities with maturity dates after the non-consolidated balance sheet date

	Millions of yen			
	1 year or less	1 to 5 years	5 to 10 years	Over 10 years
March 31, 2024				
Due from Banks	¥ 370,973	¥221,000	¥ 15,000	¥ 30,000
Monetary Claims Purchased	762	2,027	—	2,100
Securities	29,959	100,658	85,481	116,087
Bonds Classified as Held-to-Maturity	—	999	498	—
Other Securities with Maturity Dates	29,959	99,659	84,983	116,087
Loans and Bills Discounted	722,821	259,371	96,912	58,766
Total	¥1,124,517	¥583,057	¥197,393	¥206,954

	Millions of yen			
	1 year or less	1 to 5 years	5 to 10 years	Over 10 years
March 31, 2023				
Due from Banks	¥ 382,357	¥166,000	¥ 12,000	¥ 30,000
Monetary Claims Purchased	1,488	2,790	—	7,100
Securities	33,775	131,117	75,048	121,232
Bonds Classified as Held-to-Maturity	—	—	—	—
Other Securities with Maturity Dates	33,775	131,117	75,048	121,232
Loans and Bills Discounted	713,864	269,070	110,958	56,461
Total	¥1,131,486	¥568,978	¥198,007	¥214,793

	Thousands of U.S. dollars			
	1 year or less	1 to 5 years	5 to 10 years	Over 10 years
March 31, 2024				
Due from Banks	\$2,451,422	\$1,460,384	\$ 99,121	\$ 198,242
Monetary Claims Purchased	5,040	13,398	—	13,876
Securities	197,976	665,156	564,868	767,113
Bonds Classified as Held-to-Maturity	—	6,602	3,291	—
Other Securities with Maturity Dates	197,976	658,554	561,576	767,113
Loans and Bills Discounted	4,776,458	1,713,947	640,403	388,334
Total	\$7,430,898	\$3,852,886	\$1,304,392	\$1,367,568

4) Repayment schedule on deposits and other interest-bearing debts after the non-consolidated balance sheet date

	Millions of yen			
	1 year or less	1 to 5 years	5 to 10 years	Over 10 years
March 31, 2024				
Deposits	¥2,078,748	¥39,655	¥0	¥—
March 31, 2023				
Deposits	¥2,065,233	¥47,253	¥0	¥—
	Thousands of U.S. dollars			
	1 year or less	1 to 5 years	5 to 10 years	Over 10 years
March 31, 2024				
Deposits	\$13,736,529	\$262,045	\$1	\$—

16. Market Value of Marketable Securities

Securities

The market value and unrealized holding gains (losses) of marketable securities at March 31, 2024 and 2023, were as follows.

In addition to securities in the non-consolidated balance sheets, trading account securities are included in the following amounts:

1) Securities classified as trading

Millions of yen	
March 31, 2024	Gains (losses) included in profit/loss
Securities Classified as Trading	¥(0)

Millions of yen	
March 31, 2023	Gains (losses) included in profit/loss
Securities Classified as Trading	¥(0)

Thousands of U.S. dollars	
March 31, 2024	Gains (losses) included in profit/loss
Securities Classified as Trading	\$(1)

2) Bonds classified as held-to-maturity

Millions of yen			
	Non-consolidated balance sheet amount	Market Value	Net unrealized gains (losses)
March 31, 2024			
Bonds with Unrealized Gains:			
National Government Bonds	¥ 498	¥ 499	¥ 1
Local Government Bonds	500	500	0
Corporate Bonds	—	—	—
Other	—	—	—
Subtotal	¥ 998	¥ 999	¥ 1
Bonds with Unrealized Losses:			
National Government Bonds	¥ 499	¥ 498	¥(0)
Local Government Bonds	—	—	—
Corporate Bonds	—	—	—
Other	—	—	—
Subtotal	¥ 499	¥ 498	¥(0)
Total	¥1,497	¥1,498	¥ 1

There were no bonds classified as held-to-maturity at March 31, 2023.

Thousands of U.S. dollars			
	Non-consolidated balance sheet amount	Market Value	Net unrealized gains (losses)
March 31, 2024			
Bonds with Unrealized Gains:			
National Government Bonds	\$3,291	\$3,299	\$ 7
Local Government Bonds	3,304	3,306	1
Corporate Bonds	—	—	—
Other	—	—	—
Subtotal	\$6,595	\$6,605	\$ 9
Bonds with Unrealized Losses:			
National Government Bonds	\$3,297	\$3,297	\$(0)
Local Government Bonds	—	—	—
Corporate Bonds	—	—	—
Other	—	—	—
Subtotal	\$3,297	\$3,297	\$(0)
Total	\$9,893	\$9,902	\$ 8

3) Other securities

Millions of yen			
	Non-consolidated balance sheet amount	Acquisition cost	Net unrealized gains (losses)
March 31, 2024			
Other Securities with Unrealized Gains:			
Stocks	¥ 9,420	¥ 6,144	¥ 3,276
Bonds	49,052	48,865	187
National Government Bonds	5,006	4,999	6
Local Government Bonds	1,908	1,901	6
Corporate Bonds	42,137	41,963	174
Other	43,278	41,663	1,615
Subtotal	¥101,751	¥ 96,672	¥ 5,078
Other Securities with Unrealized Losses:			
Stocks	¥ 1,008	¥ 1,063	¥ (54)
Bonds	185,511	194,374	(8,862)
National Government Bonds	49,624	54,165	(4,541)
Local Government Bonds	99	100	(0)
Corporate Bonds	135,788	140,108	(4,320)
Other	154,134	159,883	(5,748)
Subtotal	¥340,655	¥355,321	¥(14,666)
Total	¥442,406	¥451,994	¥ (9,587)

Millions of yen			
	Non-consolidated balance sheet amount	Acquisition cost	Net unrealized gains (losses)
March 31, 2023			
Other Securities with Unrealized Gains:			
Stocks	¥ 4,343	¥ 3,442	¥ 900
Bonds	60,316	59,984	331
National Government Bonds	6,515	6,467	48
Local Government Bonds	1,920	1,903	17
Corporate Bonds	51,879	51,613	266
Other	28,909	28,360	549
Subtotal	¥ 93,568	¥ 91,787	¥ 1,781
Other Securities with Unrealized Losses:			
Stocks	¥ 4,757	¥ 5,436	¥ (679)
Bonds	184,664	192,274	(7,609)
National Government Bonds	49,901	52,682	(2,781)
Local Government Bonds	—	—	—
Corporate Bonds	134,763	139,591	(4,828)
Other	179,232	191,060	(11,828)
Subtotal	¥368,654	¥388,771	¥(20,117)
Total	¥462,223	¥480,559	¥(18,335)

Thousands of U.S. dollars			
	Non-consolidated balance sheet amount	Acquisition cost	Net unrealized gains (losses)
March 31, 2024			
Other Securities with Unrealized Gains:			
Stocks	\$ 62,251	\$ 40,602	\$ 21,649
Bonds	324,140	322,903	1,237
National Government Bonds	33,083	33,039	43
Local Government Bonds	12,608	12,566	41
Corporate Bonds	278,449	277,297	1,151
Other	285,987	275,315	10,672
Subtotal	\$ 672,379	\$ 638,821	\$ 33,558
Other Securities with Unrealized Losses:			
Stocks	\$ 6,665	\$ 7,027	\$ (362)
Bonds	1,225,873	1,284,437	(58,564)
National Government Bonds	327,919	357,927	(30,008)
Local Government Bonds	655	660	(5)
Corporate Bonds	897,298	925,849	(28,550)
Other	1,018,535	1,056,523	(37,988)
Subtotal	\$2,251,074	\$2,347,989	\$(96,915)
Total	\$2,923,454	\$2,986,810	\$(63,356)

Note: Non-consolidated balance sheet amount is calculated by using market prices at fiscal year-end.

4) Held-to-maturity bonds sold during the year ended March 31, 2024 and 2023

There were no held-to-maturity bonds sold during the year ended March 31, 2024 and 2023.

5) Other securities sold during the fiscal year ended March 31, 2024 and 2023

Millions of yen			
	Sales amount	Gains on sale	Losses on sale
March 31, 2024			
Stocks	¥2,121	¥ 412	¥64
Bonds	900	0	—
National Government Bonds	—	—	—
Local Government Bonds	—	—	—
Corporate Bonds	900	0	—
Other	2,439	759	—
Total	¥5,462	¥1,172	¥64

Millions of yen			
	Sales amount	Gains on sale	Losses on sale
March 31, 2023			
Stocks	¥ 1,955	¥323	¥293
Bonds	13,188	81	—
National Government Bonds	11,485	80	—
Local Government Bonds	—	—	—
Corporate Bonds	1,702	1	0
Other	289	73	—
Total	¥15,433	¥479	¥293

Thousands of U.S. dollars			
	Sales amount	Gains on sale	Losses on sale
March 31, 2024			
Stocks	\$14,021	\$2,724	\$422
Bonds	5,953	6	—
National Government Bonds	—	—	—
Local Government Bonds	—	—	—
Corporate Bonds	5,953	6	—
Other	16,121	5,018	—
Total	\$36,096	\$7,749	\$422

17. Subsequent Event

The following appropriation of unappropriated retained earnings applicable to the year ended March 31, 2024, was approved at the members' meeting held on June 25, 2024.

	Millions of yen	Thousands of U.S. dollars
Retained Earnings at End of the Year	¥6,078	\$40,167
Appropriations:		
Transfer to Legal Reserve	400	2,643
Dividends		
Common Shares (1.0% per year)	216	1,430
Transfer to Voluntary Reserves	3,100	20,485
Retained Earnings Carried Forward	¥2,362	\$15,608

SUPPLEMENTAL CONSOLIDATED FINANCIAL INFORMATION

The Tokyo Higashi Shinkin Bank and Consolidated Subsidiaries

Years Ended March 31, 2024 and 2023

	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
For the Fiscal Year:			
Total Income	¥ 28,773	¥ 27,670	\$ 190,136
Total Expenses	24,172	23,316	159,736
Income Before Income Taxes	4,600	4,353	30,400
Income Taxes:			
Current	615	469	4,069
Deferred	117	222	774
Net Income Attributable to Owners of Parent	3,867	3,661	25,555
At Year-End:			
Deposits	¥2,117,973	¥2,112,098	\$13,995,730
Loans and Bills Discounted	1,140,923	1,152,938	7,539,307
Securities	446,479	463,427	2,950,373
Total Assets	2,305,601	2,293,360	15,235,588
Total Net Assets	125,510	115,879	829,382

Notes: 1. Yen figures are rounded down to the nearest one million yen in this annual report.

2. Figures stated in U.S. dollars are translated solely for convenience at ¥151.33 to U.S.\$1, the rate prevailing on the last business day of the fiscal year, March 29, 2024.



The main branch of the Tokyo Higashi Shinkin Bank.



The headquarters of the Tokyo Higashi Shinkin Bank.

Board of Directors and Auditors

As of July 1, 2024

President
Seishi Nakata

Senior Managing Director
Makoto Yoshida
Tomoaki Mitsuishi

Managing Directors
Mikio Suzuki
Masao Harada

Directors
Hiroshi Yuasa
Takeshi Izawa
Takao Kaneda
Satoshi Katagiri
Hiroyuki Tomizawa

Statutory Auditor
Hiroshi Ishii
Shinichi Tsushima

Bank Data

As of March 31, 2024

Date of Established:
December 15, 1945

Share Capital (Paid-in Capital):
¥23,694 million

Number of Members:
117,455

Number of Branches:
65 branches, 9 sub-branches

Number of Employees:
1,275

Directory

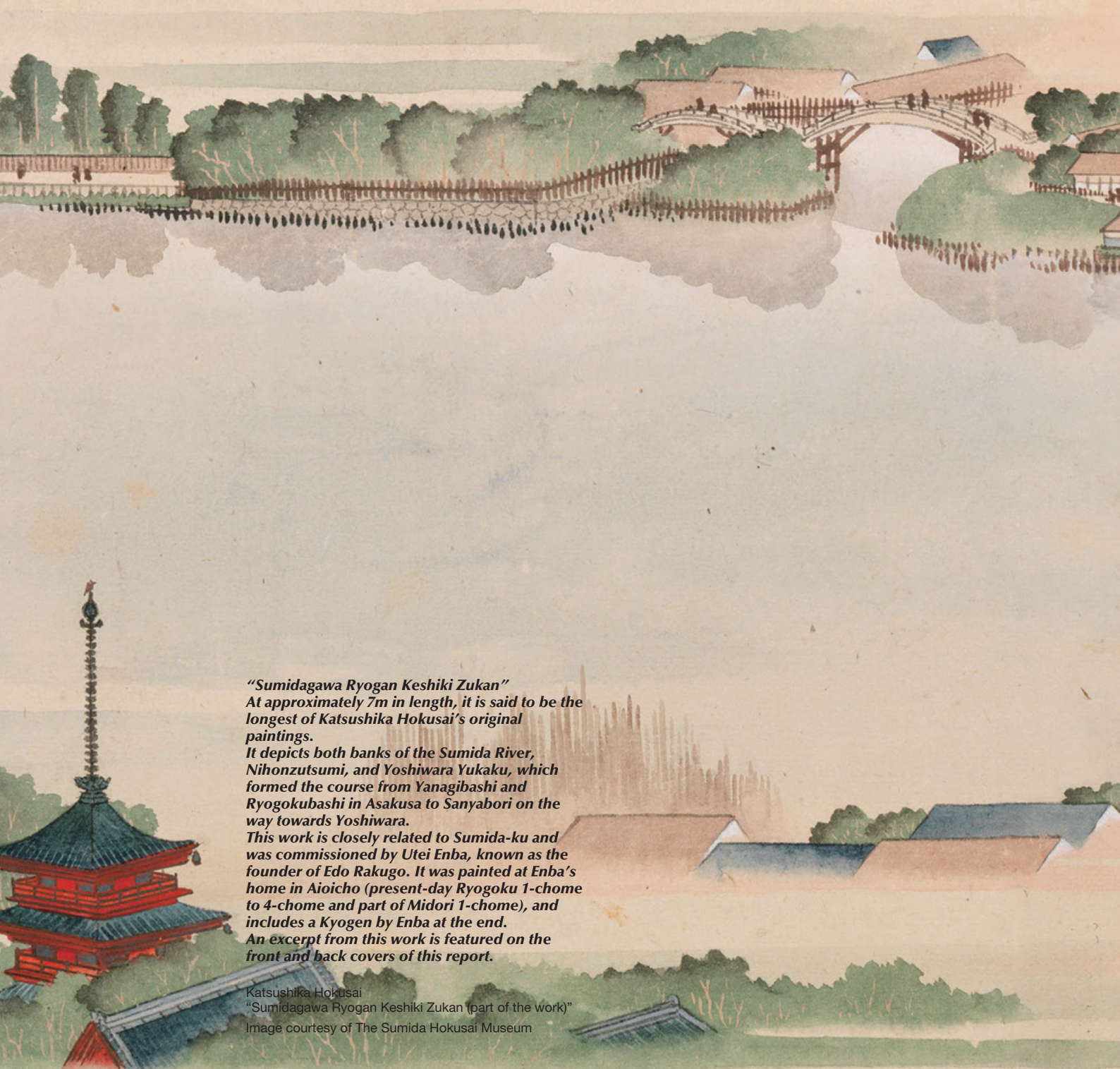
Headquarters
35-9, Ryogoku 4-chome,
Sumida-ku, Tokyo 130-8545,
Japan
Telephone: 81-3-5610-1111

International Division
35-9, Ryogoku 4-chome,
Sumida-ku, Tokyo 130-8545,
Japan
Telephone: 81-3-5610-1118
Facsimile: 81-3-5610-1756
SWIFT Address: CHSBJPJT



THE TOKYO HIGASHI SHINKIN BANK

35-9 Ryogoku 4-chome, Sumida-ku, Tokyo 130-8545 Japan



“Sumidagawa Ryogan Keshiki Zukan”

At approximately 7m in length, it is said to be the longest of Katsushika Hokusai’s original paintings.

It depicts both banks of the Sumida River, Nihonzutsumi, and Yoshiwara Yukaku, which formed the course from Yanagibashi and Ryogokubashi in Asakusa to Sanyabori on the way towards Yoshiwara.

This work is closely related to Sumida-ku and was commissioned by Utei Enba, known as the founder of Edo Rakugo. It was painted at Enba’s home in Aioicho (present-day Ryogoku 1-chome to 4-chome and part of Midori 1-chome), and includes a Kyogen by Enba at the end.

An excerpt from this work is featured on the front and back covers of this report.

Katsushika Hokusai

“Sumidagawa Ryogan Keshiki Zukan (part of the work)”

Image courtesy of The Sumida Hokusai Museum