

ANNUAL REPORT 2023

THE TOKYO HIGASHI SHINKIN BANK Fiscal Year Ended March 31, 2023





NON-CONSOLIDATED FINANCIAL HIGHLIGHTS

The Tokyo Higashi Shinkin Bank
Years ended March 31

	Millions of yen					Thousands of U.S. dollars
	2023	2022	2021	2020	2019	2023
For the Fiscal Year:						
Total Income	¥ 27,671	¥ 27,288	¥ 28,905	¥ 27,639	¥ 30,642	\$ 207,211
Total Expenses	23,353	23,818	26,499	24,561	27,693	174,876
Income Before Income Taxes	4,317	3,469	2,405	3,078	2,948	32,327
Net Income	3,642	3,259	2,219	2,753	2,308	27,272
At Year-End:						
Deposits	¥2,112,486	¥2,114,573	¥2,075,380	¥1,857,880	¥1,830,058	\$15,819,125
Loans and Bills Discounted	1,153,006	1,137,531	1,128,974	1,013,893	1,003,696	8,634,162
Securities	463,487	448,303	391,620	366,995	376,581	3,470,772
Total Assets	2,293,354	2,364,634	2,314,479	1,998,658	1,978,856	17,173,536
Total Net Assets	115,609	121,358	121,770	116,386	118,177	865,725

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 ¥133.54 to U.S.\$1, the rate prevailing on the last business day of the fiscal year, March 31, 2023.

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 refreshed our disclosure pamphlet this year, releasing it as “AR 2023.”

We have attempted to make this summary of the Bank’s management philosophy, details of its management and the status of various activities easy to read and understand. I encourage you to look through it when you have time.

The fiscal year ended March 31, 2023 was the final 12-month period of our 9-year medium- to long-term management plan, “Generate Financing Creativity and Tackle Future Challenges,” which aimed “to continue the process of building a bank with an unshakable future.”

Despite ultra-low interest rate policies and other factors that contributed to a challenging environment, we steadily built up deposits, improved our non-performing loan ratio to levels similar to that of other *shinkin* banks in the Tokyo Metropolitan area, and also enhanced our capital adequacy ratio.

This too is due solely to the generous support of the residents of our local communities, to whom I am sincerely grateful.

In the fiscal year ending March 31, 2024, we began a new three-year medium-term management plan, called “Networking Capabilities: Connecting and Being Connected.”

In preparation for helping to achieve sustainable local communities, Higashin has specified its own role as one of responding appropriately to changes, and providing support in financial terms that exerts a stabilizing effect on local economies and the lives of local residents, and that subsequently leads to growth.

In order to open the way to high-quality services and enhanced convenience, we will also actively engage with new ideas and methods, such as financial DX, without changing the essence of the Bank.

By ensuring that we stand shoulder to shoulder with our clients to provide close support from a customer-centric perspective, we will work together to resolve many of their concerns, generate new value, and

empower all officers and employees to demonstrate their “networking capabilities.”

Tokyo Higashi Shinkin Bank requests your continuous support and understanding.



July 2023
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, 2023, the Tokyo Higashi Shinkin Bank had a service network of 66 branches and 8 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, 2023, the Bank had total assets of ¥2,293,354 million (US\$17,173 million). It also had deposits of ¥2,112,486 million (US\$15,819 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.

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 ending 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.

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.

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 management policies and the risk-management system, 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 reports of growing attempts at money laundering in recent years, we have established the Anti-Money Laundering and Terrorist Financing Committee to verify various transactions.

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. Higashin 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.

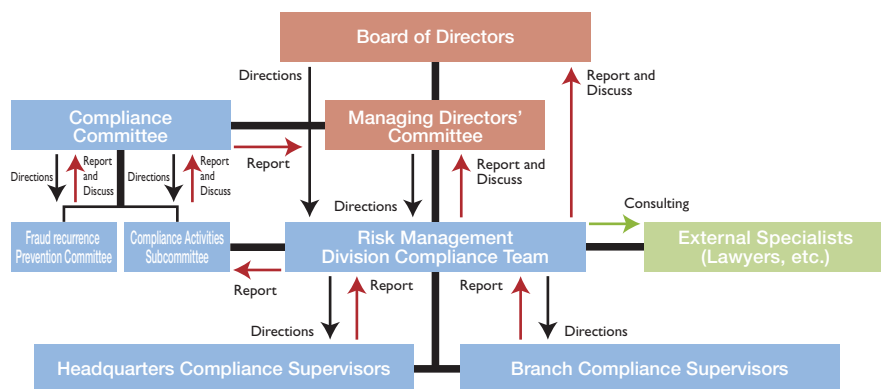
In addition to these internal risk-management systems, the Bank's accounts are audited by a firm of certified public accountants.

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

PREPARATIONS FOR BUSINESS CONTINUITY IN TIME OF EMERGENCY

In the event of a major disaster or accident that causes serious damage to the Bank's headquarters, business centers, or branches, such that normal business functions cannot be performed, it is vital to quickly and effectively restore business operations. Higashin is a financial institution built on the trust of the public, and its corporate social responsibilities are of great importance. For these reasons, Higashin has prepared a written contingency plan covering preparation for business continuity in time of emergency. This plan will allow the Bank to minimize the scope of the disruption of operations and the length of the emergency, and to quickly resume vital operations, allowing it to deliver necessary financial services even in time of emergency.

Compliance Framework Overview



A teller's window at our main branch



Our customers find their needs are met at our financing window

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, 2023. 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.

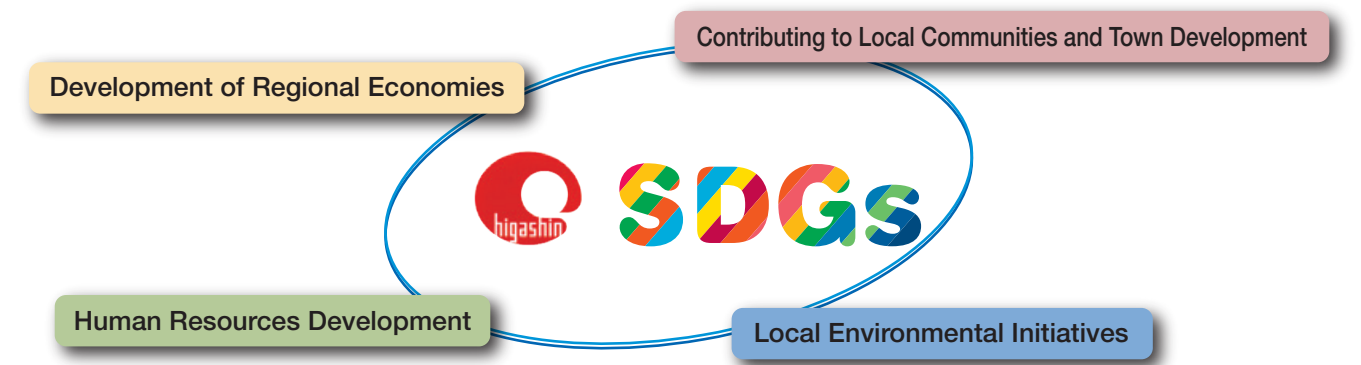
In September 2014, the Bank formed an operational alliance with an Incorporated Administrative Agency, Nippon Export and Investment Insurance (NEXI), and it has acted as an intermediary for small- and medium-sized business export indemnity insurance since November 2015, engaging in the purchase of non-L/C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

In its foreign exchange operations, international trade transactions for the fiscal year totaled US\$106,048 thousand, and other foreign exchange transactions totaled US\$38,185 thousand. Total foreign exchange transactions were US\$144,233 thousand.



SDGs HIGASHIN MOVES INTO THE FUTURE TOGETHER WITH LOCAL COMMUNITIES

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



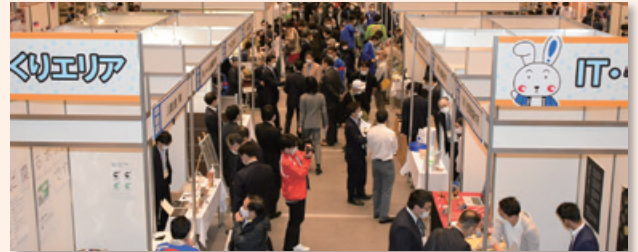
At Higashin Group, with Tokyo Higashi Shinkin Bank as the core organization, we engage in activities aimed at realizing a sustainable society in line with the philosophy of all seven group companies acting as a cooperative organization based on the Sustainable Development Goals (SDGs).

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



For the first time in three years, we held the Higashin Business Fair at the Ryogoku Kokugikan. This exhibition, which was held simultaneously online, combined outstanding industrial technology and sales of products from local communities.

It was also used by participants as a venue for business matching that transcended different industries and geographical areas. The 121 companies exhibiting at the event included customers of *shinkin* banks from all over Japan, and the fair attracted around 5,000 visitors.

Business development support

● Support for business succession through HANDS, a collaborative network between Sumida-ku and local financial institutions



HANDS is a corporate support network whose name is derived from the first letters of the Bank (Higashin), Azuma Credit Association, Nakanogou Credit Association, Dai-ichi Kangyo Credit Association, and Sumida-ku.

In this initiative, local government and finance institutions cooperate and exchange information in ways that transcend the framework of their businesses, providing support in such areas as business succession and business matching in order to protect the continued existence of small- and medium-sized business operators, and employment, in Sumida-ku.

● Support for overseas business development



As an overseas office of the Bank, the Higashin Bangkok Desk that we have established in Thailand provides active support by implementing market research on behalf of business operators, providing support for attendance at exhibitions, attending customers visiting the locality, engaging in business discussions with external cooperating institutions, and other initiatives.

CONTRIBUTING TO LOCAL COMMUNITIES AND TOWN DEVELOPMENT

Preparations for natural disasters

● Conclusion with the Metropolitan Police Department of an “Agreement Concerning Emergency Evacuations, Evacuation Guidance, and the Provision of Information in the Event of a Major Natural Disaster”



With a focus on the potential for large-scale flooding in the Arakawa river basin, in May 2022 the Bank entered into an agreement with the Metropolitan Police Department for emergency evacuations, evacuation guidance, and the provision of information.

This is the first time that the Metropolitan Police Department has entered into such a disaster response agreement with a *shinkin* bank.



Creating bonds with local communities

● Participation in local community events

The Bank acts with an awareness of its role as a member of the local community, and its employees actively participate and cooperate in a variety of local events with the objective of increasing opportunities to interact with local residents and of building stronger relationships of trust.

● Support for FUGADOR SUMIDA



Since 2013, we have been supporting FUGADOR SUMIDA, a futsal team based in Sumida-ku as the main sponsor.

By supporting the team, we support the hopes and dreams of residents, aiming to create lively communities.



“Sumida Street Jazz Festival”
in Sumida-ku



“Koto-ku Residents Festival”
in Koto-ku

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” in which high school and university students drew up and presented “dream plans” for the formation of a bright future for shopping districts.

This event, which was held for the first time in three years, benefited from the participation of five educational institutions: Tachibana High School, Honjo High School, Waseda University, Musashino University, and Chiba University. Tachibana High School and Waseda University were selected for the top awards.



Top award Waseda University



Top award Tachibana High School

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

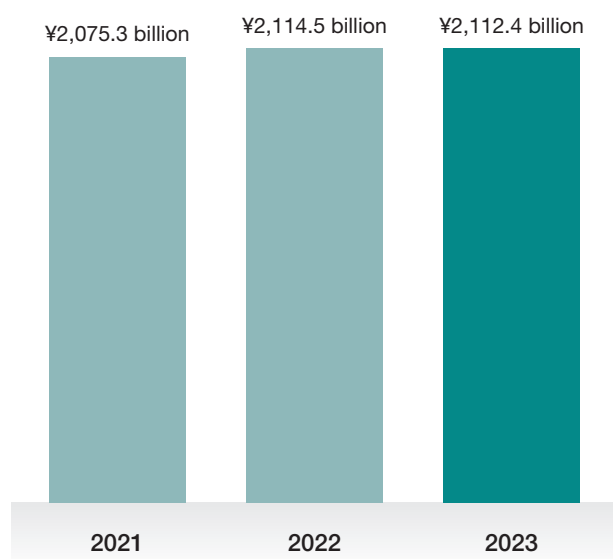
[Immutability and fluidity] Maintaining an unchanging essence while adapting to new changes

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

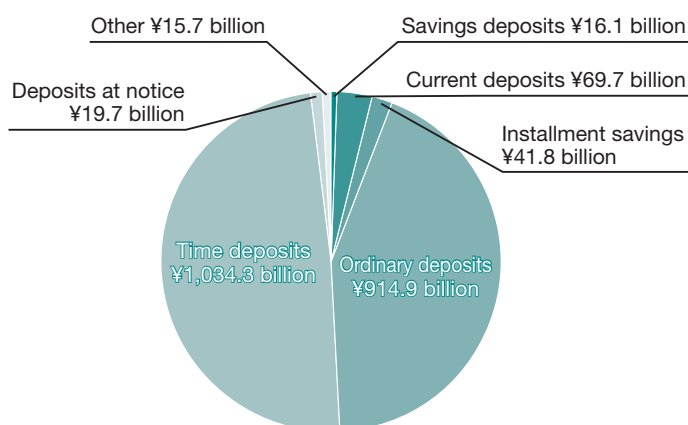
[Inseparability of knowledge and practice] ... Knowledge and practice are inseparable, and knowledge is accompanied by action

Deposits **¥2,112.4 billion**

The balance of deposits reached ¥2,112.4 billion. Due to a steady rise in accounts for receiving pensions, pay-on-demand deposits increased. Going forward, we will continue to work to ensure that local residents can deposit their important funds with confidence.

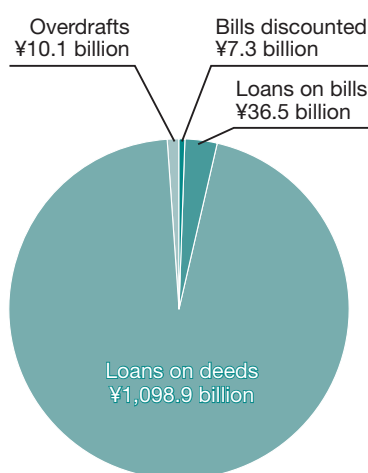
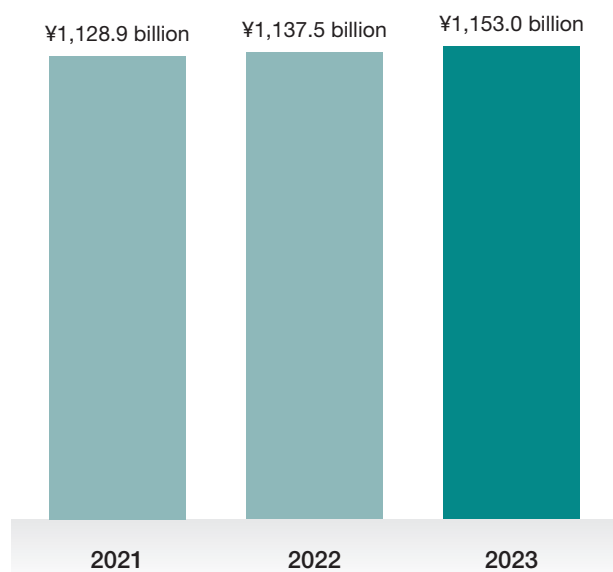


● Breakdown of deposits at March 31, 2023

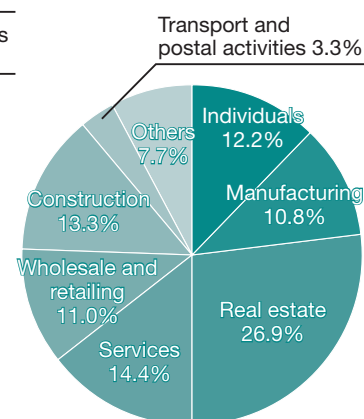


Loans and bills discounted **¥1,153.0 billion**

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 ¥1,153.0 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, 2023



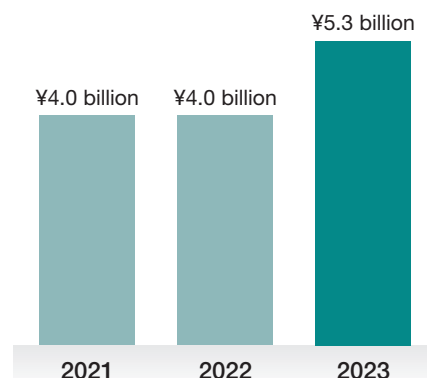
● Composition by industry of balance of loans and bills discounted in the fiscal year ended March 31, 2023

REVENUE

Due to declines in expenses and credit costs, business net income, core business net income, ordinary income, and net income for the fiscal year under review all exceeded previous-year levels. We will continue our efforts to develop a stable revenue base going forward.

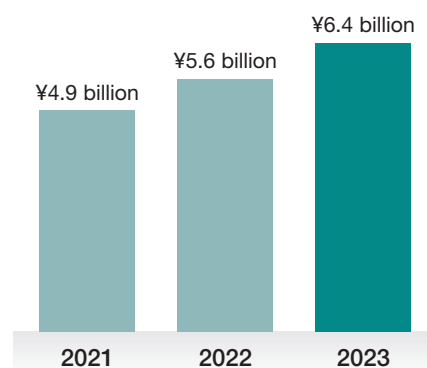
Business net income ¥5.3 billion

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.



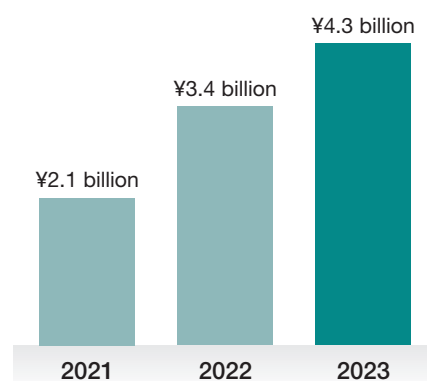
Core business net income ¥6.4 billion

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.



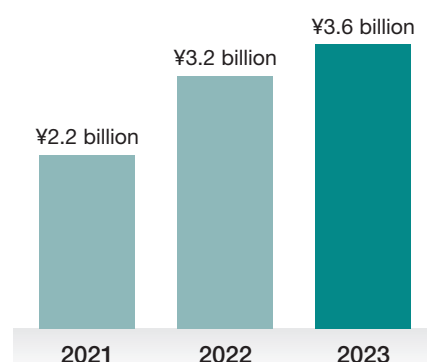
Ordinary income ¥4.3 billion

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 ¥3.6 billion

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

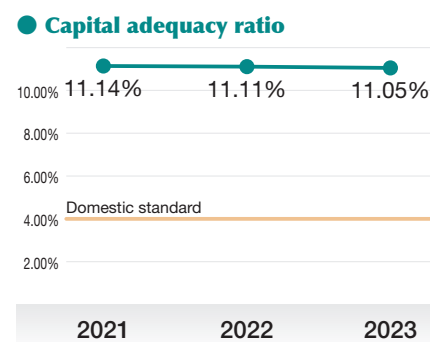


TOTAL CAPITAL AND CAPITAL ADEQUACY RATIO

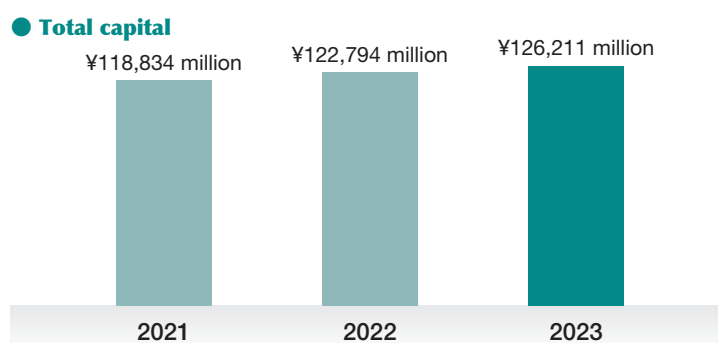
We have maintained a high level of financial soundness.

Capital adequacy ratio **11.05%**

We have sufficient capital strength with total capital of ¥126.2 billion. Due to an increase in assets adjusted for risk weightings (risk-weighted assets), such as loans and bills discounted, the capital adequacy ratio was 11.05%. Our capital adequacy ratio was well above the domestic standard of 4.00% required of *shinkin* banks, as we secured strong financial soundness.



$$\text{Capital adequacy ratio} = \frac{\text{Total capital (¥126,211 million)}}{\text{Total risk asset amount (¥1,141,828 million)}} \times 100 = \mathbf{11.05\%}$$

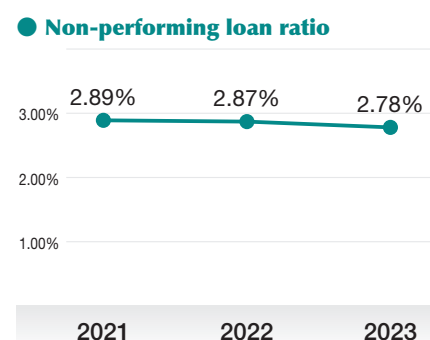


LOANS DISCLOSED PURSUANT TO THE FINANCIAL RECONSTRUCTION ACT AND THE NON-PERFORMING LOAN RATIO

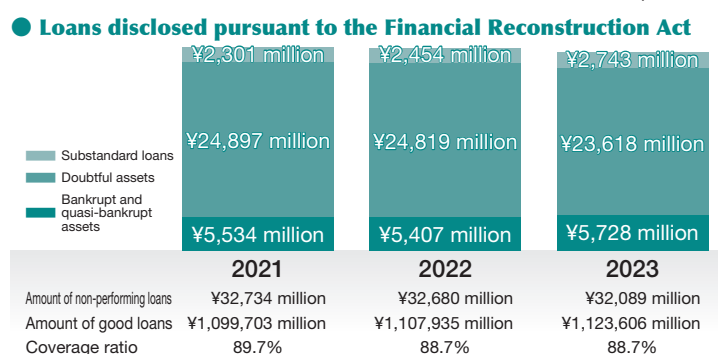
Every precaution has been taken.

Non-performing loan ratio **2.78%**

Loans disclosed pursuant to the Financial Reconstruction Act are what are generally known as non-performing loans, and include loans, etc. to debtors that are in the process of reconstruction. These non-performing loans are divided into three categories: bankrupt and quasi-bankrupt assets, doubtful assets, and substandard loans. We are working to cover these loans through collateral, guarantees, and the reserve for possible loan losses based on the individual risk, and maintain a high level of coverage at 88.7%. Non-performing loans have steadily declined, and our non-performing loan ratio was 2.78%.



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



NON-CONSOLIDATED BALANCE SHEETS

The Tokyo Higashi Shinkin Bank
As of March 31, 2023 and 2022

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2023	2022	2023
ASSETS			
Cash and Due from Banks (Notes 7 and 15)	¥ 610,705	¥ 712,380	\$ 4,573,199
Monetary Claims Purchased (Note 15)	11,379	12,868	85,210
Money Held in Trust	5,000	6,999	37,441
Trading Account Securities (Notes 15 and 16)	10	10	74
Securities (Notes 2, 7, 15 and 16)	463,487	448,303	3,470,772
Loans and Bills Discounted (Notes 3, 14 and 15)	1,153,006	1,137,531	8,634,162
Foreign Exchange (Note 4)	772	645	5,781
Tangible Fixed Assets (Note 5)	31,321	31,012	234,543
Intangible Fixed Assets (Note 5)	3,732	3,787	27,946
Other Assets (Notes 6)	12,773	12,721	95,649
Deferred Tax Assets	7,812	4,626	58,499
Customers' Liabilities for Acceptances and Guarantees (Note 10)	896	1,313	6,709
Reserve for Possible Loan Losses (Note 15)	(7,541)	(7,565)	(56,469)
Total Assets	¥ 2,293,354	¥ 2,364,634	\$ 17,173,536
LIABILITIES AND NET ASSETS			
Liabilities:			
Deposits (Notes 7, 8 and 15)	¥ 2,112,486	¥ 2,114,573	\$ 15,819,125
Borrowed Money (Notes 7 and 15)	55,140	118,115	412,909
Other Liabilities (Note 9)	5,175	5,207	38,752
Reserve for Employee Bonuses	674	683	5,047
Reserve for Executive Bonuses	20	20	149
Reserve for Employee Retirement Benefit	754	763	5,646
Reserve for Executive Retirement Allowances	551	575	4,126
Reserve for Reimbursement of Deposits	11	0	82
Reserve for Contingencies	758	747	5,676
Deferred Tax Liabilities for Land Revaluation (Note 1)	1,275	1,275	9,547
Acceptances and Guarantees (Note 10)	896	1,313	6,709
Total Liabilities	¥ 2,177,744	¥ 2,243,275	\$ 16,307,802
NET ASSETS:			
Members' Equity:			
Shares Capital (Note 11)	¥ 24,016	¥ 24,385	\$ 179,841
Capital Surplus (Note 11)	2,040	2,040	15,276
Retained Earnings (Note 12)	99,477	96,058	744,922
Disposal of Outstanding Equities	(0)	(0)	(4)
Total Members' Equity	¥ 125,533	¥ 122,483	\$ 940,040
Valuation and Translation Adjustments:			
Unrealized Gains (Losses) of Other Securities	(13,216)	(4,416)	(98,966)
Land Revaluation Excess (Note 1)	3,292	3,292	24,651
Total Valuation and Translation Adjustments	(9,923)	(1,124)	(74,307)
Total Net Assets (Note 13)	¥ 115,609	¥ 121,358	\$ 865,725
Total Liabilities and Net Assets	¥ 2,293,354	¥ 2,364,634	\$ 17,173,536

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, 2023 and 2022

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2023	2022	2023
Income:			
Interest on:			
Loans and Bills Discounted	¥17,811	¥17,885	\$133,375
Securities	4,926	4,531	36,887
Others	1,350	1,243	10,109
Fees and Commissions	2,325	2,356	17,410
Other Operating Income	354	281	2,650
Other Income	901	990	6,747
Total Income	¥27,671	¥27,288	\$207,211
Expenses:			
Interest on:			
Deposits	¥ 271	¥ 270	\$ 2,029
Borrowings and Rediscounts	63	82	471
Others	4	5	29
Fees and Commissions	1,103	1,164	8,259
Other Operating Expenses	1,364	1,279	10,214
General and Administrative Expenses	18,127	18,520	135,742
Other Expenses	2,419	2,496	18,114
Total Expenses	¥23,353	¥23,818	\$174,876
Income Before Income Taxes	¥ 4,317	¥ 3,469	\$ 32,327
Income Taxes:			
Current	452	330	3,384
Deferred	222	(120)	1,662
Net Income (Note 13)	¥ 3,642	¥ 3,259	\$ 27,272
Unappropriated Retained Earnings:			
Balance at Beginning of the Year	¥ 5,436	¥ 5,137	\$ 40,706
Transfer from Land Revaluation Excess	-	(34)	-
	¥ 9,078	¥ 8,363	\$ 67,979
Appropriations:			
Transfer to Legal Reserve	¥ 400	¥ 300	\$ 2,995
Dividends			
Common Shares (1.0% per year)	219	226	1,639
Transfer to Voluntary Reserves	2,600	2,400	19,469
Total Appropriations	¥ 3,223	¥ 2,926	\$ 24,135
Balance at End of the Year (Note 17)	¥ 5,855	¥ 5,436	\$ 43,844

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 ¥133.54 to US\$1, the exchange rate prevailing in Tokyo on the last business day of the fiscal year, March 31, 2023.

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 spread of COVID-19, and the amount is ¥2,949 million (US\$22,083 thousand) for fiscal year ended March 31, 2023.

All claims are given an asset assessment by the Credit Supervision Division based on the Bank's internal rules for the self-assessment. The Inspection Division, which is independent from the Credit Supervision Division, conducts audits of these assessments. The reserves for possible loan losses are provided based on those 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 ¥18,214 million (US\$136,393 thousand) for fiscal year ended March 31, 2023.

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 deposits

The reserve for reimbursement of 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
	2023	2022	2023
Reserve for possible loan losses	¥7,541	¥7,565	\$56,469

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
	2023	2022	2023
Deferred tax assets	¥7,812	¥4,626	\$58,499

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, 2023 was ¥844 million lower than the book values at March 31, 2023

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: ¥50 million (US\$374 thousand)

Contract liabilities: ¥0 million (US\$2 thousand)

Revenue from contracts with customers: ¥2,114 million (US\$15,830 thousand)

u. Other shares

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, however, "Preferred Shares" has been changed to "Other Shares".

2. Securities

Securities at March 31, 2023 and 2022, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2023	2022	2023
National Government Bonds	¥ 56,417	¥ 72,524	\$ 422,472
Local Government Bonds	1,920	1,828	14,377
Corporate Bonds	186,642	183,244	1,397,648
Stocks	9,455	10,506	70,802
Other Securities	209,051	180,198	1,565,456
Total	¥463,487	¥448,303	\$3,470,772

3. Loans and Bills Discounted

Loans and bills discounted at March 31, 2023 and 2022, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2023	2022	2023
Bills Discounted	¥ 7,332	¥ 6,877	\$ 54,904
Loans on Bills	36,545	35,295	273,663
Loans on Deeds	1,098,980	1,085,685	8,229,594
Overdrafts	10,147	9,672	75,984
Total	¥1,153,006	¥1,137,531	\$8,634,162

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: ¥5,728 million (US\$42,893 thousand)

Doubtful claims: ¥23,618 million (US\$176,860 thousand)

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

Claims in a "Relaxation of Repayment Conditions" status: ¥2,743 million (US\$20,540 thousand)

Total: ¥32,089 million (US\$240,295 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, 2023 and 2022, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2023	2022	2023
Foreign Bills of Exchange Bought	¥339	¥237	\$2,538
Foreign Bills of Exchange Receivable	53	7	396
Due from Foreign Banks	378	401	2,830
Total	¥772	¥645	\$5,781

5. Fixed Assets

Fixed assets at March 31, 2023 and 2022, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2023	2022	2023
Tangible Fixed Assets:			
Building	¥ 7,614	¥ 7,731	\$ 57,016
Land	22,277	22,277	166,818
Lease Assets	4	7	29
Construction in Progress	89	20	666
Other Tangible Fixed Assets	1,334	976	9,989
Total	¥31,321	¥31,012	\$234,543
Accumulated Depreciation	¥22,712	¥22,493	\$170,076
Intangible Fixed Assets:			
Software	¥ 2,603	¥ 2,661	\$ 19,492
Lease Assets	1	2	7
Other Intangible Fixed Assets	1,128	1,124	8,446
Total	¥ 3,732	¥ 3,787	\$ 27,946

6. Other Assets

Other assets at March 31, 2023 and 2022, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2023	2022	2023
Domestic Exchange Settlement Account, Debit	¥ 490	¥ 404	\$ 3,669
Investment in the Shinkin Central Bank	8,518	8,518	63,786
Prepaid Expenses	98	130	733
Accrued Income	2,819	2,767	21,109
Derivative Financial Instruments	2	1	14
Others	844	899	6,320
Total	¥12,773	¥12,721	\$95,649

7. Assets Pledged as Collateral

Assets pledged as collateral at March 31, 2023 and 2022, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2023	2022	2023
Assets Pledged as Collateral			
Securities	¥111,638	¥132,433	\$835,989
Due from Banks	10,000	20,000	74,883
Liabilities Corresponding to Assets Pledged as Collateral			
Deposits	5,751	5,779	43,065
Borrowed Money	25,140	118,115	188,258

In addition to the above, the amounts of ¥131,400 million (US\$983,974 thousand) as of March 31, 2023 and ¥56,400 million as of March 31, 2022 in due from banks were pledged as collateral for exchange settlement and foreign exchange yen settlement transactions, etc.

8. Deposits

Deposits at March 31, 2023 and 2022, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2023	2022	2023
Current Deposits	¥ 69,727	¥ 69,792	\$ 522,143
Ordinary Deposits	914,910	900,241	6,851,205
Savings Deposits	16,109	16,234	120,630
Deposits at Notice	19,710	21,449	147,596
Time Deposits	1,034,386	1,044,558	7,745,888
Installment Savings	41,884	45,728	313,643
Other Deposits	15,757	16,568	117,994
Total	¥2,112,486	¥2,114,573	\$15,819,125

9. Other Liabilities

Other liabilities at March 31, 2023 and 2022, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2023	2022	2023
Domestic Exchange Settlement Account, Credit	¥ 608	¥ 575	\$ 4,552
Accrued Expenses	1,405	1,497	10,521
Reserve for Replenishing Benefits	9	14	67
Income Taxes Payable	174	145	1,302
Unearned Income	682	677	5,107
Unsettled Refunds	368	334	2,755
Deposits from Employees	807	838	6,043
Derivative Financial Instruments	0	3	1
Lease Obligations	6	9	44
Asset Retirement Obligations	503	370	3,766
Others	607	740	4,545
Total	¥5,175	¥5,207	\$38,752

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 ¥21,976 million (US\$164,564 thousand) as of March 31, 2023 and ¥22,345 million as of March 31, 2022.

Other shares that the Bank has issued as preferred shares since fiscal 2003 are included in share capital. The value of other shares was ¥2,040 million (US\$15,276 thousand) as of March 31, 2023, and ¥2,040 million as of March 31, 2022.

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 ¥19,296 million (US\$144,496 thousand) as of March 31, 2023 and ¥18,896 million as of March 31, 2022.

13. Per Share Data

Net assets per share and net income per share for the year ended March 31, 2023 and 2022 were as follows:

	Yen		U.S. dollars
	2023	2022	2023
Net Assets per Share	¥263.03	¥271.55	\$1.96
Net Income per Share	¥ 8.16	¥ 7.18	\$0.06

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 ¥59,724 million (US\$447,236 thousand), and the amount of unused commitments whose remaining contract terms are within one year was ¥10,544 million (US\$78,957 thousand) as of March 31, 2023.

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, 2023 and 2022, 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, 2023			
Due from Banks	¥ 590,357	¥ 587,210	¥ (3,147)
Monetary Claims Purchased	11,379	11,322	(56)
Trading Account Securities:			
Securities Classified as Trading	10	10	—
Securities:			
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

	Millions of yen		
	Non-consolidated balance sheet amount	Market value	Net unrealized gains (losses)
March 31, 2022			
Due from Banks	¥ 691,997	¥ 690,155	¥ (1,841)
Monetary Claims Purchased	12,868	12,897	29
Trading Account Securities:			
Securities Classified as Trading	10	10	—
Securities:			
Bonds Classified as Held-to-Maturity	—	—	—
Other Securities	447,011	447,011	—
Loans and Bills Discounted	1,137,531	—	—
Less: Reserve for Possible Loan Losses	(7,546)	—	—
Net Loans and Bills Discounted	¥1,129,985	¥1,153,196	¥23,211
Total Financial Assets	¥2,281,871	¥2,303,270	¥21,398
Deposits	2,114,573	2,114,655	81
Borrowed Money	118,115	118,212	97
Total Financial Liabilities	¥2,232,688	¥2,232,867	¥ 178

	Thousands of U.S. dollars		
	Non-consolidated balance sheet amount	Market value	Net unrealized gains (losses)
March 31, 2023			
Due from Banks	\$ 4,420,825	\$ 4,397,259	\$ (23,565)
Monetary Claims Purchased	85,210	84,783	(419)
Trading Account Securities:			
Securities Classified as Trading	74	74	—
Securities:			
Bonds Classified as Held-to-Maturity	—	—	—
Other Securities	3,461,307	3,461,307	—
Loans and Bills Discounted	8,634,162	—	—
Less: Reserve for Possible Loan Losses	(56,357)	—	—
Net Loans and Bills Discounted	8,577,796	8,701,160	123,356
Total Financial Assets	\$16,545,229	\$16,644,593	\$ 99,363
Deposits	\$15,819,125	\$15,819,604	\$ 479
Borrowed Money	412,909	413,157	247
Total Financial Liabilities	\$16,232,035	\$16,232,769	\$ 726

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

	Millions of yen		Thousands of U.S. dollars
	2023	2022	2023
March 31			
Investments in Subsidiaries and Affiliates	¥ 69	¥ 69	\$ 516
Unlisted Stocks (excluding OTC stocks)	284	284	2,126
Investment in Investment Enterprise Partnership	909	937	6,806
Total	¥1,263	¥1,291	\$9,457

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, 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

	Millions of yen			
	1 year or less	1 to 5 years	5 to 10 years	Over 10 years
March 31, 2022				
Due from Banks	¥201,997	¥448,000	¥ 12,000	¥ 30,000
Monetary Claims Purchased	1,488	2,279	2,000	7,100
Securities	26,648	134,236	79,913	120,937
Bonds Classified as Held-to-Maturity	—	—	—	—
Other Securities with Maturity Dates	26,648	134,236	79,913	120,937
Loans and Bills Discounted	682,103	264,520	122,860	65,699
Total	¥912,238	¥849,036	¥216,774	¥223,737

	Thousands of U.S. dollars			
	1 year or less	1 to 5 years	5 to 10 years	Over 10 years
March 31, 2023				
Due from Banks	\$2,863,239	\$1,243,073	\$ 89,860	\$ 224,651
Monetary Claims Purchased	11,142	20,892	—	53,167
Securities	252,920	981,855	561,988	907,832
Bonds Classified as Held-to-Maturity	—	—	—	—
Other Securities with Maturity Dates	252,920	981,855	561,988	907,832
Loans and Bills Discounted	5,345,694	2,014,901	830,897	422,802
Total	\$8,473,011	\$4,260,730	\$1,482,754	\$1,608,454

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, 2023				
Deposits	¥2,065,233	¥47,253	¥0	¥—

	Millions of yen			
	1 year or less	1 to 5 years	5 to 10 years	Over 10 years
March 31, 2022				
Deposits	¥2,054,721	¥59,852	¥0	¥—

	Thousands of U.S. dollars			
	1 year or less	1 to 5 years	5 to 10 years	Over 10 years
March 31, 2023				
Deposits	\$15,465,276	\$353,849	\$0	\$—

16. Market Value of Marketable Securities Securities

The market value and unrealized holding gains (losses) of marketable securities at March 31, 2023 and 2022, 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, 2023	Gains (losses) included in profit/loss
Securities Classified as Trading	¥(0)

Millions of yen	
March 31, 2022	Gains (losses) included in profit/loss
Securities Classified as Trading	¥(0)

Thousands of U.S. dollars	
March 31, 2023	Gains (losses) included in profit/loss
Securities Classified as Trading	\$(1)

2) Bonds classified as held-to-maturity

There were no bonds classified as held-to-maturity at March 31, 2023 and 2022.

3) Other securities

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)

Millions of yen			
	Non-consolidated balance sheet amount	Acquisition cost	Net unrealized gains (losses)
March 31, 2022			
Other Securities with Unrealized Gains:			
Stocks	¥ 4,178	¥ 3,320	¥ 858
Bonds	130,101	128,408	1,693
National Government Bonds	14,919	14,795	124
Local Government Bonds	1,828	1,804	23
Corporate Bonds	113,354	111,808	1,545
Other	68,816	68,054	762
Subtotal	203,096	199,783	3,313
Other Securities with Unrealized Losses:			
Stocks	5,974	7,160	(1,185)
Bonds	127,495	129,291	(1,795)
National Government Bonds	57,605	58,801	(1,196)
Local Government Bonds	—	—	—
Corporate Bonds	69,890	70,490	(599)
Other	110,443	116,902	(6,459)
Subtotal	243,914	253,355	(9,440)
Total	¥447,011	¥453,138	¥(6,127)

Thousands of U.S. dollars			
	Non-consolidated balance sheet amount	Acquisition cost	Net unrealized gains (losses)
March 31, 2023			
Other Securities with Unrealized Gains:			
Stocks	\$ 32,522	\$ 25,775	\$ 6,739
Bonds	451,669	449,183	2,478
National Government Bonds	48,786	48,427	359
Local Government Bonds	14,377	14,250	127
Corporate Bonds	388,490	386,498	1,991
Other	216,481	212,370	4,111
Subtotal	\$700,673	\$687,337	\$ 13,336
Other Securities with Unrealized Losses:			
Stocks	\$ 35,622	\$ 40,706	\$ (5,084)
Bonds	1,382,836	1,439,823	(56,979)
National Government Bonds	373,678	394,503	(20,825)
Local Government Bonds	—	—	—
Corporate Bonds	1,009,158	1,045,312	(36,153)
Other	1,342,159	1,430,732	(88,572)
Subtotal	\$2,760,626	\$2,911,270	\$(150,644)
Total	\$3,461,307	\$3,598,614	\$(137,299)

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, 2023 and 2022

There were no held-to-maturity bonds sold during the year ended March 31, 2023 and 2022.

5) Other securities sold during the fiscal year ended March 31, 2023 and 2022

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

Millions of yen			
	Sales amount	Gains on sale	Losses on sale
March 31, 2022			
Stocks	¥ 560	¥ 9	—
Bonds	—	—	—
National Government Bonds	—	—	—
Local Government Bonds	—	—	—
Corporate Bonds	—	—	—
Other	4,243	208	—
Total	¥4,803	¥217	—

Thousands of U.S. dollars			
	Sales amount	Gains on sale	Losses on sale
March 31, 2023			
Stocks	\$ 14,639	\$2,418	\$2,194
Bonds	98,756	606	—
National Government Bonds	86,004	599	—
Local Government Bonds	—	—	—
Corporate Bonds	12,745	7	5
Other	2,164	546	—
Total	\$115,568	\$3,586	\$2,194

6) Impairment of Securities

Other securities with market value are written down to their respective fair market values when the decline compared to the acquisition costs is significant and is determined to be other-than-temporary. The amount of the write-down is accounted for as an impairment loss and is charged against income.

There were no such impairment losses to report at March 31, 2023 and 2022.

17. Subsequent Event

The following appropriation of unappropriated retained earnings applicable to the year ended March 31, 2023, was approved at the members' meeting held on June 20, 2023.

	Millions of yen	Thousands of U.S. dollars
Retained Earnings at End of the Year	¥5,855	\$43,844
Appropriations:		
Transfer to Legal Reserve	400	2,995
Dividends		
Common Shares (1.0% per year)	219	1,639
Transfer to Voluntary Reserves	3,000	22,465
Retained Earnings Carried Forward	¥2,235	\$16,736

SUPPLEMENTAL CONSOLIDATED FINANCIAL INFORMATION

The Tokyo Higashi Shinkin Bank and Consolidated Subsidiaries
Years Ended March 31, 2023 and 2022

	Millions of yen		Thousands of U.S. dollars
	2023	2022	2023
For the Fiscal Year:			
Total Income	¥ 27,670	¥ 27,285	\$ 207,203
Total Expenses	23,316	23,795	174,599
Income Before Income Taxes	4,353	3,489	32,596
Income Taxes:			
Current	469	339	3,512
Deferred	222	(120)	1,662
Net Income Attributable to Owners of Parent	3,661	3,270	27,415
At Year-End:			
Deposits	¥2,112,098	¥2,114,220	\$15,816,219
Loans and Bills Discounted	1,152,938	1,137,451	8,633,652
Securities	463,427	448,243	3,470,323
Total Assets	2,293,360	2,364,642	17,173,580
Total Net Assets	115,879	121,609	867,747

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 ¥133.54 to U.S.\$1, the rate prevailing on the last business day of the fiscal year, March 31, 2023.



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, 2023

Chairman
NORIKAZU SHIBUYA

President
SEISHI NAKATA

Deputy President
HIROYUKI FUJISAWA

Senior Managing Director
MAKOTO YOSHIDA

Managing Directors
TOMOAKI MITSUISHI
HIROSHI ISHII

Directors
SATOSHI OKUMURA
MASAO HARADA
MIKIO SUZUKI
KAZUHISA OGAWA
HIROSHI YUASA
TAKESHI IZAWA

Statutory Auditor
SHINICHI TSUSHIMA

BANK DATA

As of March 31, 2023

Date of Established:
DECEMBER 15, 1945

Share Capital (Paid-in Capital):
¥24,016 MILLION

Number of Members:
120,955

Number of Branches:
66 BRANCHES, 8 SUB-BRANCHES

Number of Employees:
1,334

DIRECTORY

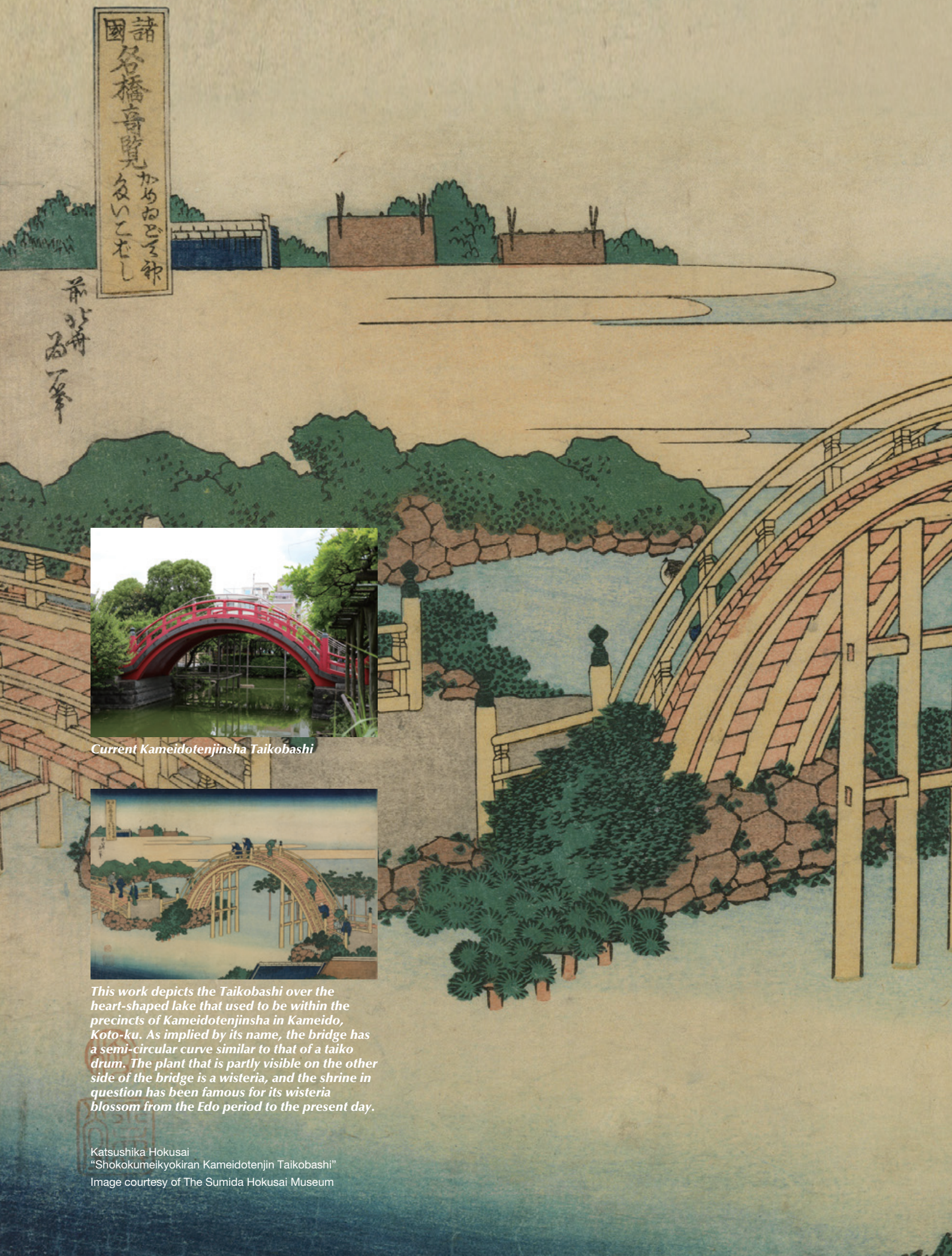
Headquarters
35-9, RYOGOKU 4-CHOME,
SUMIDA-KU, TOKYO 130-8545,
JAPAN
TELEPHONE: 81-3-5610-1111

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



諸國
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かめいどうじん
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なにいこむし

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Current Kameidotenjinsha Taikobashi



This work depicts the Taikobashi over the heart-shaped lake that used to be within the precincts of Kameidotenjinsha in Kameido, Koto-ku. As implied by its name, the bridge has a semi-circular curve similar to that of a taiko drum. The plant that is partly visible on the other side of the bridge is a wisteria, and the shrine in question has been famous for its wisteria blossom from the Edo period to the present day.

Katsushika Hokusai
"Shokokumeikyokiran Kameidotenjin Taikobashi"
Image courtesy of The Sumida Hokusai Museum