

Consolidated Statement of Cash Flows

Kiyo Holdings, Inc. and its consolidated subsidiaries

	Year ended March 31, 2006	
	Millions of yen (Note 1)	Thousands of U.S. dollars (Note 1)
Cash flows from operating activities:		
Income before income taxes and minority interests	¥ 11,058	\$ 94,141
Depreciation	5,655	48,148
Impairment loss on fixed assets	294	2,503
Amortization of goodwill	279	2,383
Investment income on equity method	(98)	(836)
Increase in reserve for possible loan losses	9,052	77,061
Increase in accrued employees' severance and retirement benefits	3,217	27,394
Interest income	(50,216)	(427,482)
Interest expenses	4,192	35,687
Gains on securities transactions	(8,448)	(71,919)
Losses on money held in trust	34	293
Gains on foreign exchange transactions	(6,934)	(59,035)
Losses on disposal of premises and equipment	299	2,551
Increase in settlement of the trust fund operation for employees' retirement benefits (Note 24)	(14,352)	(122,180)
Net decrease in trading account securities	2,305	19,626
Net increase in loans and bills discounted	(3,005)	(25,581)
Net decrease in deposits	(23,507)	(200,114)
Net increase in due from bank (excluding cash equivalents)	(2,999)	(25,530)
Net increase in call loans	(58,706)	(499,759)
Net decrease in pledged money for securities borrowing transactions	86,489	736,269
Net increase in call money	33	285
Net increase in deposits received for securities lending transactions	43,391	369,380
Net decrease in foreign exchange assets	171	1,459
Net increase in foreign exchange liabilities	22	192
Interest income received	52,160	444,033
Interest paid	(4,427)	(37,691)
Other, net	724	6,165
Sub-total	46,687	397,443
Payment of income taxes	(172)	(1,469)
Net cash provided by operating activities	46,515	395,974
Cash flows from investing activities:		
Purchases of securities	(465,884)	(3,965,989)
Proceeds from sales of securities	334,960	2,851,458
Redemption of securities	136,379	1,160,969
Purchases of premises and equipment	(2,256)	(19,207)
Proceeds from sales of premises and equipment	1,510	12,857
Net cash provided by investing activities	4,709	40,088
Cash flows from financing activities:		
Increase in subordinated loans	7,500	63,846
Decrease in subordinated loans	(2,000)	(17,026)
Proceeds from issuance of stock	25,200	214,523
Payment of cash dividends	(934)	(7,955)
Payment of cash dividends to minority interests	(4)	(36)
Purchases of treasury stock	(12,241)	(104,211)
Net cash provided by financing activities	17,519	149,141
Foreign currency translation adjustments of cash and cash equivalents		
	22	191
Net increase in cash and cash equivalents	68,766	585,394
Cash and cash equivalents at beginning of year	51,536	438,724
Increase in cash and cash equivalents as a result of share transfer	12,872	109,577
Cash and cash equivalents at end of year (Note 23)	¥133,175	\$1,133,695

See accompanying notes.