

Consolidated Statements of Cash Flows

The Kiyo Bank, Ltd. and its consolidated subsidiaries
Years ended March 31, 2009 and 2008

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Cash flows from operating activities:			
Income (loss) before income taxes and minority interests.....	¥ (2,194)	¥ 9,058	\$ (22,338)
Depreciation.....	2,778	4,945	28,287
Impairment loss on fixed assets.....	415	248	4,232
Amortization of negative goodwill.....	—	(24)	—
Decrease in reserve for possible loan losses.....	(7,257)	(4,280)	(73,884)
Decrease in accrued employees' severance and retirement benefits.....	(1,164)	(1,467)	(11,859)
Increase (decrease) in accrued directors' retirement benefits.....	(11)	84	(118)
Increase in reserve for reimbursement of deposits.....	52	552	532
Increase in provision for contingent loss.....	194	77	1,976
Interest income.....	(64,868)	(63,554)	(660,375)
Interest expenses.....	11,668	11,449	118,783
Losses on securities transactions.....	21,188	7,351	215,699
Losses on foreign exchange transactions.....	886	1,356	9,026
Losses (gains) on disposal of fixed assets.....	(30)	66	(311)
Net decrease (increase) in trading account securities.....	(2,151)	10,052	(21,900)
Net increase in loans and bills discounted.....	(113,893)	(161,178)	(1,159,454)
Net increase (decrease) in deposits.....	(28,844)	145,813	(293,645)
Net increase in borrowed money (excluding subordinated loans).....	17,151	(29)	174,609
Net decrease (increase) in call loans.....	(9,506)	76,031	(96,776)
Net decrease in pledged money for securities borrowing transactions.....	61,321	40,985	624,262
Net increase (decrease) in call money.....	(2,304)	2,304	(23,459)
Net increase (decrease) in deposits received for securities lending transactions.....	(18,287)	13,959	(186,168)
Net decrease (increase) in foreign exchange assets.....	(2,468)	713	(25,129)
Net increase in foreign exchange liabilities.....	68	42	695
Interest received.....	64,358	65,007	655,183
Interest paid.....	(9,290)	(8,222)	(94,580)
Other, net.....	1,656	(4,645)	16,868
Subtotal.....	(80,533)	146,701	(819,844)
Income taxes paid.....	(510)	(877)	(5,197)
Net cash provided by (used in) operating activities.....	(81,043)	145,823	(825,041)

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	2009	2008	2009
Cash flows from investing activities:			
Purchase of securities	(559,280)	(564,610)	(5,693,586)
Proceeds from sales of securities	503,667	356,064	5,127,427
Redemption of securities	139,858	76,213	1,423,786
Purchase of tangible fixed assets	(2,049)	(2,196)	(20,864)
Proceeds from sales of tangible fixed assets.....	266	50	2,708
Purchase of intangible fixed assets	(5,088)	(1,863)	(51,800)
Net cash provided by (used in) investing activities.....	77,372	(136,342)	787,671
Cash flows from financing activities:			
Increase in subordinated loans.....	3,000	—	30,540
Redemption of subordinated bonds	(2,200)	—	(22,396)
Payment of cash dividends	(3,436)	(2,389)	(34,988)
Payment of cash dividends to minority interests	(4)	(4)	(43)
Net cash used in financing activities	(2,641)	(2,393)	(26,887)
Foreign currency translation adjustments of cash and cash equivalents.....	(35)	(63)	(360)
Net increase (decrease) in cash and cash equivalents.....	(6,347)	7,024	(64,617)
Cash and cash equivalents at beginning of year	63,208	56,183	643,470
Cash and cash equivalents at end of year	¥ 56,860	¥ 63,208	\$ 578,853