

Consolidated Statements of Cash Flows
The Kiyo Bank, Ltd. and its consolidated subsidiaries
Years ended March 31, 2010 and 2009

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Cash flows from operating activities:			
Income (loss) before income taxes and minority interests	¥ 10,443	¥ (2,194)	\$ 112,250
Depreciation	2,596	2,778	27,911
Impairment loss on fixed assets	7	415	82
Amortization of negative goodwill	(21)	-	(232)
Decrease in reserve for possible loan losses	(1,390)	(7,257)	(14,940)
Decrease in accrued employees' severance and retirement benefits	(430)	(1,164)	(4,632)
Decrease in accrued directors' retirement benefits	(31)	(11)	(340)
(Decrease) increase in reserve for reimbursement of deposits	(14)	52	(157)
Increase in provision for contingent loss	132	194	1,419
Interest income	(61,385)	(64,868)	(659,775)
Interest expenses	10,316	11,668	110,885
Losses on securities transactions	3,401	21,188	36,561
Losses on foreign exchange transactions	1,222	886	13,144
Losses (gains) on disposal of fixed assets	53	(30)	578
Net increase in trading account securities	(316)	(2,151)	(3,401)
Net increase in loans and bills discounted	(67,013)	(113,893)	(720,269)
Net increase (decrease) in deposits	200,231	(28,844)	2,152,105
Net (decrease) increase in borrowed money (excluding subordinated loans)	(13,069)	17,151	(140,475)
Net decrease in due from banks (excluding cash equivalents)	4,000	-	42,992
Net increase in call loans	(53,436)	(9,506)	(574,335)
Net decrease in pledged money for securities borrowing transactions	20,882	61,321	224,446
Net decrease in call money	-	(2,304)	-
Net increase (decrease) in deposits received for securities lending transactions	27,145	(18,287)	291,761
Net decrease (increase) in foreign exchange assets	2,399	(2,468)	25,795
Net (decrease) increase in foreign exchange liabilities	(108)	68	(1,170)
Interest received	61,312	64,358	658,992
Interest paid	(8,147)	(9,290)	(87,566)
Other, net	(2,316)	1,656	(24,897)
Subtotal	136,464	(80,533)	1,466,732
Income taxes paid	(509)	(510)	(5,472)
Net cash provided by (used in) operating activities	135,955	(81,043)	1,461,260
Cash flows from investing activities:			
Purchases of securities	(709,906)	(559,280)	(7,630,121)
Proceeds from sales of securities	458,895	503,667	4,932,237
Redemption of securities	130,767	139,858	1,405,496
Purchases of tangible fixed assets	(2,456)	(2,049)	(26,401)
Proceeds from sales of tangible fixed assets	45	266	487
Purchases of intangible fixed assets	(3,627)	(5,088)	(38,985)
Net cash (used in) provided by investing activities	(126,282)	77,372	(1,357,287)
Cash flows from financing activities:			
Increase in subordinated loans	12,000	3,000	128,977
Repayment of subordinated loans	(8,000)	-	(85,985)
Proceeds from issuance of subordinated bonds	3,000	-	32,244
Redemption of subordinated bonds	(8,800)	(2,200)	(94,583)
Payment of cash dividends	(2,830)	(3,436)	(30,420)
Payment of cash dividends to minority interests	(4)	(4)	(45)
Net cash used in financing activities	(4,634)	(2,641)	(49,812)
Foreign currency translation adjustments of cash and cash equivalents			
	(10)	(35)	(113)
Net increase (decrease) in cash and cash equivalents	5,028	(6,347)	54,048
Cash and cash equivalents at beginning of year	56,860	63,208	611,143
Cash and cash equivalents at end of year	¥ 61,889	¥ 56,860	\$ 665,191