

Consolidated Statements of Cash Flows
The Kiyo Bank, Ltd. and its consolidated subsidiaries
Years ended March 31, 2012 and 2011

	Millions of yen		Thousands of
	2012	2011	U.S. dollars
Cash flows from operating activities:			
Income before income taxes and minority interests	¥ 17,572	¥ 13,691	\$ 213,805
Depreciation	4,234	4,080	51,516
Impairment loss on fixed assets	37	894	459
Decrease in reserve for possible loan losses	(1,515)	(2,033)	(18,442)
Increase in accrued employees' severance and retirement benefits	0	3	3
Decrease in accrued directors' retirement benefits	-	(7)	-
Increase in reserve for reimbursement of deposit	63	46	775
Decrease in provision for contingent losses	(56)	(19)	(693)
Interest income	(59,273)	(61,075)	(721,176)
Interest expense	7,012	8,847	85,317
Losses on securities transactions	2,038	909	24,800
Losses on foreign exchange transactions	94	6,392	1,153
Losses on disposal of fixed assets	48	175	593
Net decrease in trading account securities	2,108	1,208	25,653
Net increase in loans and bills discounted	(40,688)	(53,035)	(495,050)
Net increase in deposits	53,773	45,134	654,253
Net increase (decrease) in borrowed money (excluding subordinated loans)	4,918	(4,034)	59,842
Net decrease (increase) in call loans	112,399	(86,380)	1,367,562
Net decrease in pledged money for securities borrowing transactions	-	20,877	-
Net increase in payables under securities lending transactions	32,038	25,022	389,809
Net increase in foreign exchange assets	(6)	(277)	(83)
Net (decrease) increase in foreign exchange liabilities	(23)	16	(285)
Interest received	58,415	61,653	710,741
Interest paid	(9,342)	(7,308)	(113,673)
Other, net	(8,628)	13,878	(104,986)
Subtotal	175,220	(11,337)	2,131,893
Income taxes paid	(573)	(539)	(6,979)
Net cash provided by (used in) operating activities	174,646	(11,876)	2,124,914
Cash flows from investing activities:			
Purchases of securities	(590,043)	(537,385)	(7,179,017)
Proceeds from sales of securities	248,229	503,170	3,020,190
Redemption of securities	143,301	105,689	1,743,541
Purchases of tangible fixed assets	(1,308)	(2,703)	(15,923)
Proceeds from sales of tangible fixed assets	53	-	645
Purchases of intangible fixed assets	(824)	(1,079)	(10,028)
Expenses on execution of asset retirement obligations	(5)	(38)	(65)
Net cash (used in) provided by investing activities	(200,597)	67,653	(2,440,657)
Cash flows from financing activities:			
Increase in subordinated loans	3,000	5,000	36,501
Repayment of subordinated loans	(3,000)	(10,000)	(36,501)
Proceeds from issuance of subordinated bonds	3,000	7,000	36,501
Redemption of subordinated bonds	(5,000)	-	(60,835)
Payment of cash dividends	(3,373)	(3,436)	(41,049)
Payment of cash dividends to minority interests	(4)	(4)	(51)
Net cash used in financing activities	(5,378)	(1,441)	(65,434)
Foreign currency translation adjustments of cash and cash equivalents	(6)	(39)	(77)
Net (decrease) increase in cash and cash equivalents	(31,335)	54,295	(381,254)
Cash and cash equivalents at beginning of year	116,185	61,889	1,413,617
Cash and cash equivalents at end of year	¥ 84,849	¥ 116,185	\$ 1,032,363