

Consolidated Statements of Cash Flows
The Kiyu Bank, Ltd. and its consolidated subsidiaries
Years ended March 31, 2014 and 2013

	Millions of yen		Thousands of
	2014	2013	U.S. dollars
Cash flows from operating activities:			
Income before income taxes and minority interests	¥ 14,553	¥ 28,815	\$ 141,401
Depreciation	4,237	4,114	41,167
Impairment loss on fixed assets	335	8	3,254
Amortization of goodwill	1,679	-	16,313
Increase (decrease) in reserve for possible loan losses	341	(2,021)	3,313
Increase (decrease) in liability for employees' severance and retirement benefits	(31)	2	(301)
(Increase) decrease in net defined benefit asset	(12,182)	-	(118,363)
Increase (decrease) in net defined benefit liability	30	-	291
Increase (decrease) in reserve for reimbursement of deposit	(206)	32	(2,001)
Increase (decrease) in provision for contingent losses	97	34	942
Interest income	(53,312)	(56,266)	(517,994)
Interest expense	4,242	5,508	41,216
(Gains) losses on securities transactions	(1,930)	(8,799)	(18,752)
(Gains) losses on foreign exchange transactions	(12,428)	(14,945)	(120,753)
(Gains) losses on sales and disposal of fixed assets	8	56	77
Net (increase) decrease in trading account securities	825	595	8,015
Net (increase) decrease in loans and bills discounted	(24,235)	(36,680)	(235,474)
Net increase (decrease) in deposits	102,510	83,770	996,016
Net (increase) decrease in due from banks	70,000	(70,000)	680,139
Net increase (decrease) in borrowed money (excluding subordinated loans)	(315)	(4,926)	(3,060)
Net (increase) decrease in call loans	85,137	(46,865)	827,215
Net increase (decrease) in payables under securities lending transactions	10,117	(10,287)	98,299
Net (increase) decrease in foreign exchange assets	(327)	(237)	(3,177)
Net increase (decrease) in foreign exchange liabilities	10	(3)	97
Interest received	55,615	56,574	540,371
Interest paid	(6,741)	(9,921)	(65,497)
Other, net	23,024	1,153	223,707
Subtotal	261,055	(80,290)	2,536,484
Income taxes paid	(2,019)	(363)	(19,617)
Net cash provided by (used in) operating activities	259,036	(80,654)	2,516,867
Cash flows from investing activities:			
Purchases of securities	(507,212)	(364,577)	(4,928,216)
Proceeds from sales of securities	210,660	377,877	2,046,832
Redemption of securities	174,030	126,173	1,690,924
Purchases of tangible fixed assets	(4,929)	(1,496)	(47,891)
Proceeds from sales of tangible fixed assets	13	16	126
Purchases of intangible fixed assets	(3,066)	(1,338)	(29,790)
Net cash provided by (used in) investing activities	(130,504)	136,655	(1,268,013)
Cash flows from financing activities:			
Increase in subordinated loans	5,000	-	48,581
Repayment of subordinated loans	(3,000)	-	(29,148)
Proceeds from issuance of subordinated bonds	10,000	-	97,162
Redemption of subordinated bonds	-	(3,000)	-
Payment of cash dividends	(2,444)	(3,342)	(23,746)
Payment of cash dividends to minority interests	(4)	(4)	(38)
Purchase of treasury stock	(19,214)	(16,659)	(186,688)
Proceeds from sales of treasury stock	282	-	2,739
Net cash used in financing activities	(9,380)	(23,006)	(91,138)
Foreign currency translation adjustments of cash and cash equivalents	32	54	310
Net increase (decrease) in cash and cash equivalents	119,183	33,049	1,158,015
Cash and cash equivalents at beginning of year	118,043	84,849	1,146,939
Cash and cash equivalents at end of year (Note 3)	¥ 237,227	¥ 117,899	\$ 2,304,965

See accompanying notes.