

Consolidated Statements of Cash Flows  
The Kiyu Bank, Ltd. and its consolidated subsidiaries  
Years ended March 31, 2015 and 2014

Thousands of  
U.S. dollars  
(Note 1)

	Millions of yen			2015
	2015	2014		
<b>Cash flows from operating activities:</b>				
Income before income taxes and minority interests	¥	15,049	¥	14,553
Depreciation		4,919		4,237
Impairment loss on fixed assets		90		335
Amortization of goodwill		1,679		1,679
Increase (decrease) in reserve for possible loan losses		(2,364)		341
Increase (decrease) in liability for employees' severance and retirement benefits		-		(31)
(Increase) decrease in net defined benefit asset		(7,806)		(12,182)
Increase (decrease) in net defined benefit liability		(2)		30
Increase (decrease) in reserve for reimbursement of deposit		364		(206)
Increase (decrease) in provision for contingent losses		73		97
Interest income		(52,583)		(53,312)
Interest expense		4,043		4,242
(Gains) losses on securities transactions		(812)		(1,930)
(Gains) losses on foreign exchange transactions		(28,495)		(12,428)
(Gains) losses on sales and disposal of fixed assets		115		8
Net (increase) decrease in trading account securities		75		825
Net (increase) decrease in loans and bills discounted		(60,224)		(24,235)
Net increase (decrease) in deposits		142,200		102,510
Net (increase) decrease in due from banks		-		70,000
Net increase (decrease) in borrowed money (excluding subordinated loans)		24,761		(315)
Net (increase) decrease in call loans		20,005		85,137
Net increase (decrease) in payables under securities lending transactions		32,578		10,117
Net (increase) decrease in foreign exchange assets		(784)		(327)
Net increase (decrease) in foreign exchange liabilities		74		10
Interest received		54,112		55,615
Interest paid		(5,129)		(6,741)
Other, net		8,163		23,024
Subtotal		150,102		261,055
Income taxes paid		(842)		(2,019)
Net cash provided by operating activities		149,260		259,036
<b>Cash flows from investing activities:</b>				
Purchases of securities		(349,606)		(507,212)
Proceeds from sales of securities		154,509		210,660
Redemption of securities		81,830		174,030
Purchases of tangible fixed assets		(2,830)		(4,929)
Proceeds from sales of tangible fixed assets		262		13
Purchases of intangible fixed assets		(1,856)		(3,066)
Net cash used in investing activities		(117,690)		(130,504)
<b>Cash flows from financing activities:</b>				
Increase in subordinated loans		-		5,000
Repayment of subordinated loans		(12,000)		(3,000)
Proceeds from issuance of subordinated bonds		-		10,000
Payment of cash dividends		(2,173)		(2,444)
Payment of cash dividends to minority interests		(4)		(4)
Purchase of treasury stock		(1,005)		(19,214)
Proceeds from sales of treasury stock		219		282
Net cash used in financing activities		(14,964)		(9,380)
<b>Foreign currency translation adjustments of cash and cash equivalents</b>		23		32
<b>Net increase (decrease) in cash and cash equivalents</b>		16,628		119,183
<b>Cash and cash equivalents at beginning of year</b>		237,227		118,043
<b>Cash and cash equivalents at end of year (Note 3)</b>	¥	253,855	¥	237,227
			\$	2,112,465

See accompanying notes.