

Consolidated Statements of Cash Flows  
The Kiyo Bank, Ltd. and its consolidated subsidiaries  
Years ended March 31, 2016 and 2015

Thousands of  
U.S. dollars  
(Note 1)

	Millions of yen			Thousands of U.S. dollars (Note 1)
	2016	2015		
<b>Cash flows from operating activities:</b>				
Profit before income taxes	¥ 21,126	¥ 15,049	\$	187,486
Depreciation	3,694	4,919		32,783
Impairment loss on fixed assets	255	90		2,263
Amortization of goodwill	1,399	1,679		12,415
Increase (decrease) in reserve for possible loan losses	(315)	(2,364)		(2,795)
(Increase) decrease in net defined benefit asset	5,420	(7,806)		48,100
Increase (decrease) in net defined benefit liability	(5)	(2)		(44)
Increase (decrease) in accrued directors' retirement benefits	(0)	-		(0)
Increase (decrease) in reserve for reimbursement of deposit	230	364		2,041
Increase (decrease) in provision for contingent losses	22	73		195
Interest income	(51,605)	(52,583)		(457,978)
Interest expense	4,249	4,043		37,708
(Gains) losses on securities transactions	(5,965)	(812)		(52,937)
(Gains) losses on foreign exchange transactions	8,799	(28,495)		78,088
(Gains) losses on sales and disposal of fixed assets	97	115		860
Net (increase) decrease in trading account securities	270	75		2,396
Net (increase) decrease in loans and bills discounted	(70,644)	(60,224)		(626,943)
Net increase (decrease) in deposits	93,853	142,200		832,916
Net increase (decrease) in borrowed money (excluding subordinated loans)	113,137	24,761		1,004,055
Net (increase) decrease in call loans	5,000	20,005		44,373
Net increase (decrease) in payables under securities lending transactions	(23,246)	32,578		(206,301)
Net (increase) decrease in foreign exchange assets	343	(784)		3,044
Net increase (decrease) in foreign exchange liabilities	(74)	74		(656)
Interest received	54,921	54,112		487,406
Interest paid	(4,211)	(5,129)		(37,371)
Other, net	(6,834)	8,163		(60,649)
Subtotal	149,919	150,102		1,330,484
Income taxes paid	(481)	(842)		(4,268)
Net cash provided by operating activities	149,438	149,260		1,326,215
<b>Cash flows from investing activities:</b>				
Purchases of securities	(277,235)	(349,606)		(2,460,374)
Proceeds from sales of securities	237,251	154,509		2,105,528
Redemption of securities	124,325	81,830		1,103,345
Purchases of tangible fixed assets	(2,701)	(2,830)		(23,970)
Proceeds from sales of tangible fixed assets	111	262		985
Purchases of intangible fixed assets	(1,468)	(1,856)		(13,028)
Other, net	(48)	-		(425)
Net cash provided by (used in) investing activities	80,233	(117,690)		712,042
<b>Cash flows from financing activities:</b>				
Repayment of subordinated loans	(6,000)	(12,000)		(53,248)
Redemption of subordinated bonds	(7,000)	-		(62,122)
Payment of cash dividends	(2,515)	(2,173)		(22,319)
Payment of cash dividends to non-controlling shareholders	(4)	(4)		(35)
Purchase of treasury stock	(2,482)	(1,005)		(22,026)
Proceeds from sales of treasury stock	191	219		1,695
Other, net	(39)	-		(346)
Net cash used in financing activities	(17,851)	(14,964)		(158,422)
Foreign currency translation adjustments of cash and cash equivalents	(20)	23		(177)
Net increase (decrease) in cash and cash equivalents	211,800	16,628		1,879,659
Cash and cash equivalents at beginning of year	253,855	237,227		2,252,884
Cash and cash equivalents at end of year (Note 3)	¥ 465,655	¥ 253,855	\$	4,132,543

See accompanying notes.