

Consolidated Statements of Cash Flows  
The Kiyu Bank, Ltd. and its consolidated subsidiaries  
Years ended March 31, 2017 and 2016

Thousands of  
U.S. dollars  
(Note 1)

	Millions of yen		2017
	2017	2016	
<b>Cash flows from operating activities:</b>			
Profit before income taxes	¥ 13,252	¥ 21,126	\$ 118,121
Depreciation	3,759	3,694	33,505
Impairment loss on fixed assets	214	255	1,907
Amortization of goodwill	-	1,399	-
Increase (decrease) in reserve for possible loan losses	1,032	(315)	9,198
(Increase) decrease in net defined benefit asset	43	5,420	383
Increase (decrease) in net defined benefit liability	(1)	(5)	(8)
Increase (decrease) in accrued directors' retirement benefits	-	(0)	-
Increase (decrease) in reserve for reimbursement of deposits	12	230	106
Increase (decrease) in provision for contingent losses	(59)	22	(525)
Interest income	(48,691)	(51,605)	(434,004)
Interest expense	3,504	4,249	31,232
(Gains) losses on securities transactions	(128)	(5,965)	(1,140)
(Gains) losses on foreign exchange transactions	(1,870)	8,799	(16,668)
(Gains) losses on sales and disposal of fixed assets	95	97	846
Net (increase) decrease in trading account securities	119	270	1,060
Net (increase) decrease in loans and bills discounted	(81,833)	(70,644)	(729,414)
Net increase (decrease) in deposits	22,597	93,853	201,417
Net increase (decrease) in borrowed money (excluding subordinated loans)	101,935	113,137	908,592
Net (increase) decrease in call loans	-	5,000	-
Net increase (decrease) in call money	208,500	-	1,858,454
Net increase (decrease) in payables under securities lending transactions	86,838	(23,246)	774,026
Net (increase) decrease in foreign exchange assets	716	343	6,382
Net increase (decrease) in foreign exchange liabilities	2	(74)	17
Interest received	45,775	54,921	408,013
Interest paid	(4,174)	(4,211)	(37,204)
Other, net	2,801	(6,834)	24,966
Subtotal	354,444	149,919	3,159,319
Income taxes paid	(1,004)	(481)	(8,949)
Net cash provided by (used in) operating activities	353,440	149,438	3,150,369
<b>Cash flows from investing activities:</b>			
Purchases of securities	(526,031)	(277,235)	(4,688,751)
Proceeds from sales of securities	149,153	237,251	1,329,467
Redemption of securities	242,486	124,325	2,161,386
Purchases of tangible fixed assets	(1,742)	(2,701)	(15,527)
Proceeds from sales of tangible fixed assets	81	111	721
Purchases of intangible fixed assets	(1,618)	(1,468)	(14,421)
Other, net	(17)	(48)	(151)
Net cash provided by (used in) investing activities	(137,688)	80,233	(1,227,275)
<b>Cash flows from financing activities:</b>			
Repayment of subordinated loans	(3,000)	(6,000)	(26,740)
Redemption of subordinated bonds	(3,000)	(7,000)	(26,740)
Purchase of treasury stock	(1,504)	(2,482)	(13,405)
Proceeds from sales of treasury stock	399	191	3,556
Payment of cash dividends	(2,486)	(2,515)	(22,158)
Payment of cash dividends to non-controlling shareholders	(4)	(4)	(35)
Other, net	(96)	(39)	(855)
Net cash provided by (used in) financing activities	(9,693)	(17,851)	(86,398)
<b>Foreign currency translation adjustments of cash and cash equivalents</b>	<b>(7)</b>	<b>(20)</b>	<b>(62)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>206,051</b>	<b>211,800</b>	<b>1,836,625</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>465,655</b>	<b>253,855</b>	<b>4,150,592</b>
<b>Cash and cash equivalents at end of year (Note 3)</b>	<b>¥ 671,707</b>	<b>¥ 465,655</b>	<b>\$ 5,987,227</b>

See accompanying notes.