

Consolidated Statement of Cash Flows

The Juroku Bank, Ltd. and Consolidated Subsidiaries Year Ended March 31, 2014

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2014	2013	2014
Operating Activities:			
Income before income taxes and minority interests	¥ 25,872	¥ 16,459	\$ 251,380
Adjustments for:			
Income taxes - paid	(1,488)	(2,501)	(14,458)
Income taxes - refund	12	103	117
Depreciation	3,898	4,316	37,874
Impairment loss on long-lived assets	95	609	923
Interest income recognized on statements of income	(67,218)	(70,848)	(653,109)
Interest expense recognized on statements of income	5,305	6,226	51,545
Loss (gain) on change in equity	25	(82)	243
Net gain on securities	(2,709)	(2,351)	(26,321)
Unrealized loss on derivatives	54	124	525
Net (decrease) increase in reserve for possible loan losses	(1,985)	429	(19,287)
Net decrease in liability for retirement benefits for employees	(490)	(1,720)	(4,761)
Net (decrease) increase in liability for retirement benefits for directors and audit & supervisory board members	(427)	2	(4,149)
Net (increase) decrease in loans	(93,947)	75,412	(912,816)
Net increase in deposits	25,088	120,024	243,762
Net (decrease) increase in negotiable certificates of deposit	(25,748)	123,360	(250,175)
Net (increase) decrease in due from banks (excluding cash equivalents)	(2,078)	2,676	(20,190)
Net decrease (increase) in call loans and others	59,000	(60,000)	573,261
Net increase (decrease) in call money and others	14,923	(50,000)	144,996
Net decrease in money held in trust	127	—	1,234
Net increase (decrease) in payables under securities lending transactions	67,054	(15,010)	651,516
Net (increase) decrease in lease receivables and investments in leases	(2,676)	276	(26,001)
Interest income - cash basis	70,312	73,378	683,171
Interest expense - cash basis	(7,822)	(5,796)	(76,001)
Other - net	(18,964)	(21,228)	(184,260)
Total adjustments	20,341	177,399	197,639
Net cash provided by operating activities	46,213	193,858	449,019
Investing Activities:			
Purchases of securities	(743,193)	(369,204)	(7,221,075)
Proceeds from sales of securities	151,880	152,519	1,475,709
Proceeds from maturities of securities	323,625	246,657	3,144,433
Purchases of premises and equipment	(2,070)	(2,222)	(20,113)
Purchases of intangible assets	(405)	(1,519)	(3,935)
Proceeds from sales of premises and equipment	1,169	363	11,358
Proceeds from sales of intangible assets	1	—	10
Other - net	(2,788)	(1,155)	(27,089)
Net cash (used in) provided by investing activities	(271,781)	25,439	(2,640,702)
Financing Activities:			
Proceeds from subordinated loans	—	8,000	—
Repayment of subordinated loans	(8,000)	(10,000)	(77,730)
Issuance of subordinated bonds	—	10,000	—
Redemption of subordinated bonds	—	(15,000)	—
Proceeds from sales of treasury stock	1	4	10
Acquisition of treasury stock	(22)	(12)	(214)
Acquisition of treasury stock of subsidiaries	—	(7,000)	—
Dividends paid	(2,797)	(3,018)	(27,177)
Net cash used in financing activities	(10,818)	(17,026)	(105,111)
Foreign Currency Translation Adjustments on Cash and Cash Equivalents	19	24	185
Net (Decrease) Increase in Cash and Cash Equivalents	(236,367)	202,295	(2,296,609)
Cash and Cash Equivalents, Beginning of Year	328,030	125,735	3,187,233
Cash and Cash Equivalents, End of Year (Note 4)	¥ 91,663	¥328,030	\$ 890,624

See notes to consolidated financial statements.