

The Hyakugo Bank, Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended March 31, 2007 and 2006

	Millions of Yen		Thousands of U.S. Dollars
	2007	2006	2007
Cash flows from operating activities:			
Income before income taxes and minority interests	¥ 16,829	¥ 20,151	\$ 142,559
Adjustments for:			
Depreciation	9,388	9,169	79,529
Impairment loss on fixed assets	8	228	69
Decrease in reserve for possible loan losses	(4,658)	(2,896)	(39,459)
Interest income recognized on Consolidated Statements of Income	(61,328)	(62,626)	(519,512)
Interest expenses recognized on Consolidated Statements of Income	7,798	4,463	66,064
Net losses (gains) on sale or maturities of investment securities	352	(503)	2,988
Increase in loans and bills discounted	(87,053)	(64,020)	(737,433)
Increase in deposits	126,715	72,604	1,073,405
Increase in call loans and bills purchased	(121,862)	(18,251)	(1,032,292)
Increase in call money and bills sold	6,853	-	58,052
(Decrease) increase in payables under securities lending transactions	(9,478)	9,478	(80,288)
Interest income received	61,121	65,560	517,756
Interest expenses paid	(5,722)	(4,530)	(48,475)
Others, net	(14,019)	(15,998)	(118,758)
Subtotal	(75,055)	12,827	(635,795)
Income taxes paid	(5,567)	(6,837)	(47,166)
Net cash (used in) provided by operating activities	(80,623)	5,990	(682,961)
Cash flows from investing activities:			
Purchases of investment securities	(217,180)	(427,849)	(1,839,730)
Proceeds from sale or maturities of investment securities	273,642	391,943	2,318,025
Net change in money held in trust	(22)	(1,125)	(191)
Purchases of premises and equipment	-	(9,022)	-
Proceeds from sale of premises and equipment	-	501	-
Purchases of tangible fixed assets	(9,875)	-	(83,658)
Proceeds from sale of tangible fixed assets	321	-	2,725
Purchases of intangible fixed assets	(2,781)	-	(23,559)
Net cash provided by (used in) investing activities	44,104	(45,553)	373,612
Cash flows from financing activities:			
Increase in bonds payable	15,000	-	127,065
Dividends paid	(1,825)	(1,565)	(15,465)
Other, net	11	41	99
Net cash provided by (used in) financing activities	13,186	(1,523)	111,699
Effect of exchange rate changes on cash and cash equivalents	4	13	34
Net decrease in cash and cash equivalents	(23,328)	(41,072)	(197,616)
Cash and cash equivalents at beginning of year	125,748	166,820	1,065,212
Cash and cash equivalents at end of year	¥ 102,419	¥ 125,748	\$ 867,596

See accompanying Notes to Consolidated Financial Statements.