

**The Hyakugo Bank, Ltd. and Consolidated Subsidiaries**  
**Consolidated Statements of Cash Flows**  
For the Years Ended March 31, 2019 and 2018

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2019	2018	2019
<b>Cash flows from operating activities:</b>			
Income before income taxes	¥ 15,304	¥ 16,619	\$ 137,894
Adjustments for:			
Depreciation and amortization	3,520	3,225	31,720
Impairment loss	108	66	981
Increase (decrease) in allowance for loan losses	(279)	(3,539)	(2,516)
Interest income	(53,381)	(52,928)	(480,960)
Interest expenses	4,686	5,080	42,222
Gain related to securities	(1,736)	(1,532)	(15,641)
Net decrease (increase) in loans and bills discounted	(336,125)	(159,344)	(3,028,435)
Net increase (decrease) in deposits	160,493	170,327	1,446,013
Net increase (decrease) in negotiable certificates of deposit	(5,315)	8,165	(47,888)
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	118,886	114,723	1,071,150
Net decrease (increase) in call loans	57,787	4,409	520,657
Net increase (decrease) in call money	140,000	100,000	1,261,375
Net increase (decrease) in payables under securities lending transactions	113,181	(199,197)	1,019,747
Net decrease (increase) in lease receivables and investment assets	(2,209)	(2,631)	(19,912)
Proceeds from fund management	54,902	55,794	494,665
Payments for finance	(4,753)	(5,833)	(42,824)
Others, net	1,604	(36,774)	14,461
Subtotal	266,676	16,629	2,402,709
Income taxes paid	(4,239)	(3,733)	(38,196)
Net cash provided by (used in) operating activities	262,437	12,895	2,364,513
<b>Cash flows from investment activities:</b>			
Purchase of securities	(482,952)	(823,864)	(4,351,312)
Proceeds from sales of securities	293,189	938,617	2,641,581
Proceeds from redemption of securities	226,734	164,114	2,042,838
Payments for increase in money held in trust	(24)	-	(219)
Proceeds for decrease in money held in trust	0	61	3
Purchase of tangible fixed assets	(2,584)	(2,438)	(23,283)
Proceeds from sales of tangible fixed assets	37	55	338
Purchase of intangible fixed assets	(964)	(2,205)	(8,686)
Others, net	-	(119)	-
Net cash provided by (used in) investment activities	33,436	274,220	301,260
<b>Cash flows from financing activities:</b>			
Cash dividends paid	(2,157)	(2,029)	(19,443)
Payments for purchase of stocks in subsidiaries not resulting in change in scope of consolidation	-	(4,303)	-
Others, net	(0)	(4)	(4)
Net cash provided by (used in) financing activities	(2,158)	(6,337)	(19,447)
Effect of exchange rate change on cash and cash equivalents	5	(6)	48
Net increase (decrease) in cash and cash equivalents	293,721	280,772	2,646,374
Cash and cash equivalents at beginning of period	608,857	328,084	5,485,693
Cash and cash equivalents at end of period (Note 2(b))	¥ 902,578	¥ 608,857	\$ 8,132,067

See accompanying Notes to Consolidated Financial Statements.