

**The Aichi Bank, Ltd. and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
For the Years Ended March 31, 2012 and 2011

	Millions of yen		Thousands of U.S. dollars	
	2012	2011	2012	2011
<b>Cash flows from operating activities:</b>				
Income before income taxes and minority interests	¥ 3,319	¥ 4,869	\$ 40,382	\$ 59,240
Adjustments for:				
Depreciation	1,570	1,498	19,102	18,226
Impairment loss on fixed assets	1,454	162	17,690	1,971
Increase in reserve for possible loan losses	4,075	1,226	49,580	14,916
Interest and dividend income	(36,678)	(37,625)	(446,258)	(457,780)
Interest expense	2,628	3,451	31,974	41,988
Decrease (increase) in trading securities	66	(50)	803	(608)
Increase in loans and bills discounted	(24,910)	(46,838)	(303,078)	(569,874)
Decrease in call loans and bills purchased	1,409	8,499	17,143	103,406
Increase in deposits	45,978	64,936	559,411	790,071
(Decrease) increase in security deposits received related to securities lending transactions	(5,084)	46,119	(61,856)	561,126
Gains on securities transactions	(1,803)	(339)	(21,936)	(4,124)
Losses on foreign currency transactions	557	3,537	6,776	43,034
(Decrease) increase in reserve for contingencies	(32)	640	(389)	7,786
Interest and dividend income received	36,959	38,236	449,677	465,214
Interest expense paid	(3,128)	(3,498)	(38,058)	(42,559)
Other, net	(1,632)	2,780	(19,856)	33,824
Subtotal	24,749	87,606	301,119	1,065,896
Income taxes paid	(760)	(2,809)	(9,246)	(34,176)
Net cash provided by operating activities	23,989	84,796	291,872	1,031,707
<b>Cash flows from investing activities:</b>				
Purchases of securities	(437,790)	(488,783)	(5,326,560)	(5,946,988)
Proceeds from sales and maturities of securities	429,106	428,940	5,220,902	5,218,883
Purchases of tangible fixed assets	(1,821)	(1,458)	(22,155)	(17,739)
Proceeds from sales of tangible fixed assets	170	122	2,068	1,484
Purchases of intangible fixed assets	(82)	(511)	(997)	(6,217)
Net cash used in investing activities	(10,417)	(61,689)	(126,742)	(750,565)
<b>Cash flows from financing activities:</b>				
Dividends paid	(763)	(872)	(9,283)	(10,609)
Other, net	(114)	(42)	(1,387)	(511)
Net cash used in financing activities	(878)	(914)	(10,682)	(11,120)
Net increase in cash and cash equivalents	12,693	22,192	154,434	270,008
Cash and cash equivalents at beginning of year	89,434	67,242	1,088,137	818,128
Cash and cash equivalents at end of year (Note 2(b))	¥ 102,128	¥ 89,434	\$ 1,242,584	\$ 1,088,137

The accompanying notes are an integral part of these consolidated financial statements.