

**The Aichi Bank, Ltd. and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
For the Years Ended March 31, 2016 and 2015

	Millions of yen		Thousands of U.S. dollars	
	2016	2015	2016	2015
<b>Cash flows from operating activities:</b>				
Profit before income taxes	¥ 8,660	¥ 9,411	\$ 76,854	\$ 83,519
Adjustments for:				
Depreciation	1,456	1,417	12,921	12,575
Impairment loss on fixed assets	230	97	2,041	860
Gain on refund from retirement benefit trusts	(856)	-	(7,596)	-
Decrease in reserve for possible loan losses	(1,797)	(4,001)	(15,947)	(35,507)
Contribution to retirement benefit trusts	-	(4,000)	-	(35,498)
Interest and dividend income	(32,538)	(32,599)	(288,764)	(289,305)
Interest expense	1,630	1,633	14,465	14,492
Decrease in trading securities	77	33	683	292
Increase in loans and bills discounted	(24,783)	(18,487)	(219,941)	(164,066)
(Increase) decrease in call loans and bills purchased	(581)	1,609	(5,156)	14,279
Increase in deposits	23,283	45,858	206,629	406,975
(Decrease) increase in security deposits received related to securities lending transactions	(37,511)	13,251	(332,898)	117,598
Increase in borrowings (excluding subordinated borrowings)	1,260	4,810	11,182	42,687
Gain on securities transactions	(764)	(2,150)	(6,780)	(19,080)
Loss (gain) on foreign currency transactions	3,890	(6,945)	34,522	(61,634)
Increase (decrease) in reserve for contingencies	259	(204)	2,298	(1,810)
Interest and dividend income received	33,632	33,937	298,473	301,180
Interest expense paid	(1,784)	(2,508)	(15,832)	(22,257)
Other, net	(3,190)	(1,926)	(28,310)	(17,092)
Subtotal	(29,426)	39,234	(261,146)	348,189
Income taxes paid	(1,955)	(1,893)	(17,350)	(16,799)
Net cash (used in) provided by operating activities	(31,382)	37,341	(278,505)	331,389
<b>Cash flows from investing activities:</b>				
Purchases of securities	(329,188)	(337,844)	(2,921,441)	(2,998,260)
Proceeds from sales and maturities of securities	328,891	305,045	2,918,805	2,707,179
Purchases of tangible fixed assets	(1,913)	(2,650)	(16,977)	(23,517)
Proceeds from sales of tangible fixed assets	94	131	834	1,162
Purchases of intangible fixed assets	(26)	(12)	(230)	(106)
Payment for asset retirement obligations	(36)	(47)	(319)	(417)
Net cash used in investing activities	(2,178)	(35,378)	(19,329)	(313,968)
<b>Cash flows from financing activities:</b>				
Dividends paid	(921)	(759)	(8,173)	(6,735)
Other, net	(18)	(76)	(159)	(674)
Net cash used in financing activities	(940)	(836)	(8,342)	(7,419)
Net (decrease) increase in cash and cash equivalents	(34,501)	1,125	(306,185)	9,984
Cash and cash equivalents at beginning of year	138,501	137,375	1,229,153	1,219,160
Cash and cash equivalents at end of year (Note 2(b))	¥ 104,000	¥ 138,501	\$ 922,967	\$ 1,229,153

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