

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended March 31, 2008 and 2007

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2008	2007	2008
OPERATING ACTIVITIES:			
Income before income taxes and minority interests	¥ 10,120	¥ 15,399	\$ 101,013
Depreciation	9,701	8,868	96,833
Losses on impairment of long-lived assets	2,010	3,313	20,065
Amortization of goodwill (negative goodwill)	(29)	37	(296)
Increase in allowance for possible loan losses	8,617	159	86,009
Decrease in allowance for possible losses on investment securities	(22)	(5)	(227)
Increase in reserve for other contingent losses	988		9,870
Increase (Decrease) in liability for employees' retirement benefits	1,138	(1,233)	11,359
Increase (Decrease) in liability for retirement of directors and corporate auditors	(7)	251	(71)
Increase in liability for reimbursement of deposits	242	418	2,420
Increase in allowance for repayment of excess interest	73	40	732
Interest income	(73,591)	(66,417)	(734,521)
Interest expenses	14,673	9,126	146,454
Gains on sales and write-down of investment securities	(8,180)	(2,054)	(81,651)
Gains on money held in trust	(118)	(46)	(1,186)
Foreign exchange losses (gains)	36	(1)	362
Losses (Gains) on disposal of fixed assets-net	158	(1,511)	1,583
Net increase in loans and bills discounted	(77,904)	(94,514)	(777,565)
Net increase in deposits	9,247	83,699	92,304
Net decrease in negotiable certificate of deposits	(19,944)	(2,228)	(199,062)
Net increase in borrowed money (excluding subordinated loans)	752	1,165	7,515
Net decrease in due from banks (excluding deposits in Bank of Japan)	125	1,236	1,257
Net decrease (increase) in call loans and others	25,776	(94,023)	257,275
Net increase (decrease) in call money and bills sold	(7,965)	10,406	(79,507)
Net decrease in payables under securities lending transactions	(13,778)	(2,074)	(137,523)
Net decrease (increase) in foreign exchanges assets	3,593	(3,188)	35,870
Net increase (decrease) in foreign exchanges liabilities	50	(29)	508
Interest received (cash basis)	75,501	65,304	753,582
Interest paid (cash basis)	(11,377)	(6,651)	(113,562)
Other	691	2,301	6,904
Subtotal	(49,418)	(72,251)	(493,252)
Income taxes - paid	(8,766)	(5,848)	(87,501)
Net cash used in operating activities	(58,185)	(78,100)	(580,753)
INVESTING ACTIVITIES:			
Purchases of securities	(365,527)	(333,142)	(3,648,339)
Proceeds from sales of securities	310,083	273,764	3,094,957
Proceeds from redemptions of securities	122,927	147,490	1,226,944
Increase in money held in trust	(7)	(1,005)	(76)
Decrease in money held in trust	2,110	802	21,061
Purchases of tangible fixed assets	(8,815)	(11,989)	(87,989)
Proceeds from sales of tangible fixed assets	347	2,300	3,470
Purchases of intangible fixed assets	(2,557)	(4,015)	(25,521)
Net cash provided by investing activities	58,561	74,206	584,506
FINANCING ACTIVITIES:			
Repayment of subordinated loans	(6,000)	(18,000)	(59,886)
Issuance of subsidiary's securities to minority interests stockholders		20,000	
Dividends paid	(1,586)	(1,587)	(15,832)
Dividends paid to minority interests	(602)	(156)	(6,016)
Purchase of treasury stock	(174)	(145)	(1,743)
Proceeds from sales of treasury stock	35	15	358
Net cash (provided by) used in financing activities	(8,327)	125	(83,119)
Foreign currency translation adjustments on cash and cash equivalents	(33)	1	(331)
Net decrease in cash and cash equivalents	(7,984)	(3,766)	(79,697)
Cash and cash equivalents, beginning of year	48,420	52,186	483,285
Cash and cash equivalents, end of year (Note 3)	¥ 40,435	¥ 48,420	\$ 403,587

See Notes to Consolidated Financial Statements.