

Consolidated Statements of Cash Flows

Years ended March 31, 2011 and 2010

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Operating activities:			
Income before income taxes and minority interests.....	¥ 11,792	¥ 9,779	\$ 141,818
Depreciation.....	4,046	4,451	48,668
Losses on impairment of long-lived assets.....	1,383	459	16,643
Amortization of negative goodwill.....	(11)	—	(143)
Increase in allowance for possible loan losses.....	3,357	6,169	40,373
Increase in allowance for possible losses on investment securities.....	628	11	7,555
Increase (decrease) in reserve for other contingent losses.....	62	(765)	752
Increase in liability for employees' retirement benefits.....	1,695	2,114	20,385
Increase (decrease) in liability for retirement of directors and corporate auditors.....	48	(8)	583
Increase in liability for reimbursement of deposits.....	31	81	381
Increase (decrease) in allowance for repayment of excess interest.....	(5)	45	(70)
Interest income.....	(63,860)	(66,451)	(768,016)
Interest expense.....	7,467	10,088	89,808
Gains on sales and write-down of investment securities.....	(3,333)	(5,938)	(40,088)
Losses on money held in trust.....	(126)	(184)	(1,516)
Foreign exchange losses.....	18	8	221
Losses on disposal of fixed assets-net.....	112	247	1,355
Net increase in loans and bills discounted.....	(53,739)	(3,419)	(646,292)
Net increase in deposits.....	110,382	126,244	1,327,509
Net increase (decrease) in negotiable certificates of deposit.....	6,774	(6,970)	81,473
Net increase (decrease) in borrowed money (excluding subordinated loans).....	16,770	(7,138)	201,686
Net decrease in due from banks (excluding deposits in Bank of Japan).....	57	37	694
Net decrease in call loans and others.....	(19,265)	(6,120)	(231,698)
Net increase (decrease) in call money and bills sold.....	(309)	113	(3,727)
Net increase (decrease) in payables under securities lending transactions.....	(14,797)	12,215	(177,962)
Net decrease in foreign exchanges assets.....	(1,300)	(366)	(15,643)
Net increase (decrease) in foreign exchanges liabilities.....	15	(25)	184
Interest received (cash basis).....	64,123	66,249	771,175
Interest paid (cash basis).....	(7,981)	(8,268)	(95,983)
Other.....	9,400	13,632	113,058
Subtotal.....	73,437	146,292	883,188
Income taxes - paid.....	(1,089)	(719)	(13,106)
Net cash provided by operating activities.....	72,347	145,573	870,081
Investing activities:			
Purchases of securities.....	(534,401)	(600,193)	(6,426,952)
Proceeds from sales of securities.....	235,720	215,157	2,834,880
Proceeds from redemptions of securities.....	237,946	222,377	2,861,647
Increase in money held in trust.....	(3,000)	—	(36,079)
Decrease in money held in trust.....	900	3,613	10,823
Purchases of tangible fixed assets.....	(3,055)	(2,616)	(36,747)
Proceeds from sales of tangible fixed assets.....	382	74	4,604
Purchases of intangible fixed assets.....	(74)	(410)	(892)
Purchases of investment in subsidiaries.....	—	(57)	—
Net cash used in investing activities.....	(65,581)	(162,053)	(788,714)
Financing activities:			
Repayment of subordinated loans.....	—	(8,000)	—
Proceeds from issuance of subordinated corporate bonds.....	—	20,000	—
Dividends paid.....	(1,583)	(1,584)	(19,047)
Dividends paid to minority interests.....	(602)	(602)	(7,247)
Purchase of treasury stock.....	(18)	(33)	(222)
Proceeds from sales of treasury stock.....	0	1	6
Net cash provided by (used in) financing activities.....	(2,204)	9,780	(26,510)
Foreign currency translation adjustments on cash and cash equivalents.....	(16)	(7)	(197)
Net increase (decrease) in cash and cash equivalents.....	4,544	(6,707)	54,659
Cash and cash equivalents, beginning of year.....	49,666	56,373	597,307
Cash and cash equivalents, end of year (Note 4).....	¥ 54,211	¥ 49,666	\$ 651,966

See Notes to Consolidated Financial Statements.