

Consolidated Statements of Cash Flows

Years ended March 31, 2012 and 2011

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Operating activities:			
Income before income taxes and minority interests.....	¥ 18,084	¥ 11,792	\$ 220,029
Depreciation.....	3,849	4,046	46,839
Losses on impairment of long-lived assets.....	359	1,383	4,376
Amortization of negative goodwill.....	(263)	(11)	(3,207)
Increase in allowance for possible loan losses.....	398	3,357	4,852
Increase (decrease) in allowance for possible losses on investment securities.....	(493)	628	(6,001)
Increase (decrease) in reserve for other contingent losses.....	(139)	62	(1,699)
Increase in liability for employees' retirement benefits.....	1,274	1,695	15,507
Increase (decrease) in liability for retirement benefits of directors and corporate auditors.....	(16)	48	(195)
Increase in liability for reimbursement of deposits.....	40	31	493
Decrease in allowance for repayment of excess interest.....	(33)	(5)	(403)
Interest income.....	(61,318)	(63,860)	(746,062)
Interest expense.....	5,512	7,467	67,064
Gains on sales and write-down of investment securities.....	(2,668)	(3,333)	(32,469)
Losses on money held in trust.....	(54)	(126)	(663)
Foreign exchange losses.....	2	18	30
Losses on disposals of fixed assets-net.....	69	112	840
Net decrease (increase) in loans and bills discounted.....	24,668	(53,739)	300,145
Net increase in deposits.....	94,052	110,382	1,144,325
Net increase (decrease) in negotiable certificate of deposits.....	(5,154)	6,774	(62,718)
Net increase in borrowed money (excluding subordinated loans).....	10,409	16,770	126,646
Net decrease in due from banks (excluding deposits in Bank of Japan).....	25	57	305
Net decrease in call loans and others.....	(99,224)	(19,265)	(1,207,252)
Net decrease in call money and bills sold.....	—	(309)	—
Net decrease in payables under securities lending transactions.....	(1,534)	(14,797)	(18,669)
Net increase in foreign exchange assets.....	(510)	(1,300)	(6,213)
Net increase in foreign exchange liabilities.....	22	15	279
Interest received (cash basis).....	59,840	64,123	728,077
Interest paid (cash basis).....	(6,415)	(7,981)	(78,060)
Other.....	1,902	9,400	23,142
Subtotal.....	42,684	73,437	519,340
Income taxes - paid.....	(9,316)	(1,089)	(113,356)
Net cash provided by operating activities.....	33,367	72,347	405,984
Investing activities:			
Purchases of securities.....	(525,528)	(534,401)	(6,394,071)
Proceeds from sales of securities.....	288,444	235,720	3,509,478
Proceeds from redemptions of securities.....	197,905	237,946	2,407,905
Increase in money held in trust.....	—	(3,000)	—
Decrease in money held in trust.....	—	900	—
Purchases of tangible fixed assets.....	(4,331)	(3,055)	(52,702)
Proceeds from sales of tangible fixed assets.....	351	382	4,273
Purchases of intangible fixed assets.....	(455)	(74)	(5,536)
Net cash used in investing activities.....	(43,614)	(65,581)	(530,653)
Financing activities:			
Borrowing of subordinated loans.....	20,000	—	243,338
Repayment to minority shareholders.....	(20,000)	—	(243,338)
Dividends paid.....	(1,583)	(1,583)	(19,267)
Dividends paid to minority interests.....	(602)	(602)	(7,332)
Purchases of treasury stock.....	(12)	(18)	(148)
Proceeds from sales of treasury stock.....	0	0	9
Net cash used in financing activities.....	(2,197)	(2,204)	(26,738)
Foreign currency translation adjustments on cash and cash equivalents.....	(2)	(16)	(28)
Net increase (decrease) in cash and cash equivalents.....	(12,446)	4,544	(151,435)
Cash and cash equivalents, beginning of year.....	54,211	49,666	659,581
Cash and cash equivalents, end of year (Note 3).....	¥ 41,764	¥ 54,211	\$ 508,146

See Notes to Consolidated Financial Statements.