

Consolidated Statement of Cash Flows

Years ended March 31, 2018 and 2017

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2018	2017	2018
Operating activities:			
Income before income taxes	¥ 19,892	¥ 20,749	\$ 187,236
Depreciation	3,038	2,905	28,595
Losses on impairment of long-lived assets	348	430	3,275
Decrease in allowance for possible loan losses	(4,562)	(2,893)	(42,940)
Increase (decrease) in reserve for other contingent losses	32	(49)	301
Decrease in liability for retirement benefits	(3,036)	(4,585)	(28,576)
Increase (decrease) in liability for retirement benefits of directors and Audit & Supervisory Board Members	(2)	0	(18)
Decrease in liability for reimbursement of deposits	(2)	(407)	(18)
Decrease in allowance for repayment of excess interest	(19)	(12)	(178)
Interest income	(51,145)	(51,959)	(481,410)
Interest expense	4,717	3,591	44,399
Gains on sales and write-down of investment securities	(4,502)	(3,604)	(42,375)
Losses (gains) on money held in trust	67	(160)	630
Foreign exchange losses	9	1	84
Losses on disposals of fixed assets – net	198	52	1,863
Net increase in loans and bills discounted	(156,960)	(204,182)	(1,477,409)
Net increase in deposits	168,818	185,497	1,589,024
Net increase (decrease) in negotiable certificate of deposits	(4,792)	1,755	(45,105)
Net increase in borrowed money (excluding subordinated loans)	110,041	156,321	1,035,777
Net decrease (increase) in due from banks (excluding deposits in Bank of Japan)	208	(245)	1,957
Net increase in call loans and others	(2,067)	(1,669)	(19,455)
Net increase in call money and bills sold	44,358	38,991	417,526
Net increase (decrease) in payables under securities lending transactions	(32,093)	111,009	(302,080)
Net decrease (increase) in foreign exchange assets	(2,798)	3,523	(26,336)
Net increase in foreign exchange liabilities	89	6	837
Interest received (cash basis)	49,760	51,622	468,373
Interest paid (cash basis)	(3,921)	(3,023)	(36,907)
Other	(5,199)	(9,908)	(48,936)
Subtotal	130,474	293,757	1,228,106
Income taxes – paid	(3,643)	(7,534)	(34,290)
Net cash provided by operating activities	126,831	286,223	1,193,815
Investing activities:			
Purchases of securities	(342,172)	(798,611)	(3,220,745)
Proceeds from sales of securities	258,606	644,638	2,434,167
Proceeds from redemptions of securities	235,124	158,863	2,213,140
Increase in money held in trust	—	(2,149)	—
Purchases of tangible fixed assets	(1,777)	(2,062)	(16,726)
Proceeds from sales of tangible fixed assets	96	38	903
Purchases of intangible fixed assets	(196)	(1,070)	(1,844)
Net cash provided by (used in) investing activities	149,682	(352)	1,408,904
Financing activities:			
Purchase of treasury stock	(13)	(27)	(122)
Proceeds from sales of treasury stock	21	23	197
Dividends paid	(2,082)	(2,082)	(19,597)
Dividends paid to noncontrolling interests	—	(2)	—
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(3,128)	(1,878)	(29,442)
Net cash used in financing activities	(5,202)	(3,967)	(48,964)
Foreign currency translation adjustments on cash and cash equivalents	(6)	(0)	(56)
Net increase in cash and cash equivalents	271,304	281,901	2,553,689
Cash and cash equivalents, beginning of year	469,250	187,348	4,416,886
Cash and cash equivalents, end of year (Note 3)	¥ 740,555	¥ 469,250	\$ 6,970,585

See Notes to Consolidated Financial Statements.