

**Consolidated Statement of Cash Flows**

Years ended March 31, 2019 and 2018

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2019	2018	2019
<b>Operating activities:</b>			
Income before income taxes.....	¥ 20,998	¥ 19,892	\$ 189,188
Depreciation.....	2,794	3,038	25,173
Losses on impairment of long-lived assets.....	—	348	—
Increase (decrease) in allowance for possible loan losses.....	2,291	(4,562)	20,641
Increase (decrease) in reserve for other contingent losses.....	(4)	32	(36)
Decrease in liability for retirement benefits.....	(3,984)	(3,036)	(35,895)
Decrease in liability for retirement benefits of directors and Audit & Supervisory Board Members.....	(1)	(2)	(9)
Increase (decrease) in liability for reimbursement of deposits.....	1	(2)	9
Decrease in allowance for repayment of excess interest.....	(11)	(19)	(99)
Interest income.....	(51,468)	(51,145)	(463,717)
Interest expense.....	7,147	4,717	64,393
Gains on sales and write-down of investment securities.....	(11,462)	(4,502)	(103,270)
Losses on money held in trust.....	197	67	1,774
Foreign exchange losses (gains).....	(6)	9	(54)
Losses on disposals of fixed assets – net.....	15	198	135
Net increase in loans and bills discounted.....	(160,189)	(156,960)	(1,443,274)
Net increase in deposits.....	163,720	168,818	1,475,087
Net increase (decrease) in negotiable certificate of deposits.....	3,270	(4,792)	29,462
Net increase in borrowed money (excluding subordinated loans).....	50,607	110,041	455,959
Net decrease in due from banks (excluding deposits in Bank of Japan).....	28	208	252
Net decrease (increase) in call loans and others.....	1,502	(2,067)	13,532
Net increase (decrease) in call money and bills sold.....	(84,645)	44,358	(762,636)
Net increase (decrease) in payables under securities lending transactions.....	113,141	(32,093)	1,019,380
Net increase in foreign exchange assets.....	(572)	(2,798)	(5,153)
Net increase (decrease) in foreign exchange liabilities.....	(57)	89	(513)
Interest received (cash basis).....	51,045	49,760	459,906
Interest paid (cash basis).....	(5,956)	(3,921)	(53,662)
Other.....	(4,476)	(5,199)	(40,327)
Subtotal.....	93,923	130,474	846,229
Income taxes – paid.....	(3,956)	(3,643)	(35,642)
<b>Net cash provided by operating activities.....</b>	<b>89,967</b>	<b>126,831</b>	<b>810,586</b>
<b>Investing activities:</b>			
Purchases of securities.....	(433,208)	(342,172)	(3,903,126)
Proceeds from sales of securities.....	271,608	258,606	2,447,139
Proceeds from redemptions of securities.....	152,567	235,124	1,374,601
Increase in money held in trust.....	(10,000)	—	(90,098)
Decrease in money held in trust.....	5,231	—	47,130
Purchases of tangible fixed assets.....	(1,314)	(1,777)	(11,838)
Proceeds from sales of tangible fixed assets.....	104	96	937
Purchases of intangible fixed assets.....	(439)	(196)	(3,955)
<b>Net cash provided by (used in) investing activities.....</b>	<b>(15,450)</b>	<b>149,682</b>	<b>(139,201)</b>
<b>Financing activities:</b>			
Purchases of treasury stock.....	(2,476)	(13)	(22,308)
Proceeds from sales of treasury stock.....	25	21	225
Dividends paid.....	(2,212)	(2,082)	(19,929)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation.....	—	(3,128)	—
<b>Net cash used in financing activities.....</b>	<b>(4,664)</b>	<b>(5,202)</b>	<b>(42,021)</b>
Foreign currency translation adjustments on cash and cash equivalents.....	5	(6)	45
<b>Net increase in cash and cash equivalents.....</b>	<b>69,857</b>	<b>271,304</b>	<b>629,399</b>
<b>Cash and cash equivalents, beginning of year.....</b>	<b>740,555</b>	<b>469,250</b>	<b>6,672,267</b>
<b>Cash and cash equivalents, end of year (Note 3).....</b>	<b>¥810,413</b>	<b>¥ 740,555</b>	<b>\$7,301,675</b>

See Notes to Consolidated Financial Statements.