

**(4) Consolidated Statements of Cash Flows**

Six months ended September 30	(Millions of yen)	
	2008	2009
Cash flows from operating activities:		
Income before income taxes and minority interests	¥ 190,555	¥ 230,076
Depreciation	58,235	63,449
Losses on impairment of fixed assets	1,331	1,763
Amortization of goodwill	6,285	9,037
Equity in losses of affiliates	6,138	20,042
Net change in reserve for possible loan losses	6,043	31,386
Net change in reserve for employee bonuses	(169)	(1,007)
Net change in reserve for executive bonuses	(1,171)	(513)
Net change in reserve for employee retirement benefits	529	1,764
Net change in reserve for executive retirement benefits	(528)	(475)
Net change in reserve for reimbursement of deposits	(2,598)	(2,167)
Interest income	(1,116,721)	(858,852)
Interest expenses	438,206	175,688
Net (gains) losses on securities	22,916	(35,140)
Net (gains) losses from money held in trust	(73)	71
Net exchange losses	79,578	162,524
Net (gains) losses from disposal of fixed assets	686	(9,014)
Net change in trading assets	235,921	103,515
Net change in trading liabilities	(335,661)	(173,608)
Net change in loans and bills discounted	(1,614,687)	942,489
Net change in deposits	863,036	414,421
Net change in negotiable certificates of deposit	174,126	874,292
Net change in borrowed money (excluding subordinated borrowings)	63,808	(392,066)
Net change in deposits with banks	131,845	(521,488)
Net change in call loans and bills bought and others	160,603	(139,234)
Net change in receivables under securities borrowing transactions	1,545,202	506,347
Net change in call money and bills sold and others	(1,209,619)	770,214
Net change in payables under securities lending transactions	(1,702,897)	(4,654,237)
Net change in foreign exchanges (assets)	(230,208)	(37,906)
Net change in foreign exchanges (liabilities)	24,004	(64,836)
Net change in lease receivables and investment assets	(218)	125,969
Net change in short-term bonds (liabilities)	16,900	40,921
Issuance and redemption of bonds (excluding subordinated bonds)	(95,369)	(76,950)
Net change in due to trust account	26,136	50,748
Interest received	1,124,780	900,996
Interest paid	(424,919)	(181,357)
Other, net	(32,672)	(1,095,415)
Subtotal	<u>(1,590,644)</u>	<u>(2,818,554)</u>
Income taxes paid	<u>(39,584)</u>	<u>(31,796)</u>
Net cash used in operating activities	<u>(1,630,228)</u>	<u>(2,850,350)</u>

(continued)

Six months ended September 30	(Millions of yen)	
	2008	2009
Cash flows from investing activities:		
Purchases of securities	(21,349,839)	(23,171,622)
Proceeds from sale of securities	16,455,015	16,187,876
Proceeds from maturity-of securities	7,584,824	8,304,496
Purchases of money held in trust	(1,778)	(238)
Proceeds from sale of money held in trust	0	—
Purchases of tangible fixed assets	(100,698)	(82,527)
Proceeds from sale of tangible fixed assets	8,389	25,663
Purchases of intangible fixed assets	(38,625)	(35,692)
Proceeds from sale of intangible fixed assets	31	53
Purchase of investments in subsidiaries	(21,925)	—
Proceeds from sale of stocks of subsidiaries	363	—
Purchases of treasury stocks of subsidiaries	(20,000)	—
Purchases of stocks of subsidiaries resulting in change in scope of consolidation	(6,352)	(27,153)
Proceeds from sale of stocks of subsidiaries resulting in change in scope of consolidation	1,725	—
Net cash provided by investing activities	<u>2,511,133</u>	<u>1,200,855</u>
Cash flows from financing activities:		
Repayment of subordinated borrowings	(20,500)	(58,000)
Proceeds from issuance of subordinated bonds and bonds with stock acquisition rights	149,600	251,160
Repayment of subordinated bonds and bonds with stock acquisition rights	(180,885)	(181,220)
Proceeds from issuance of stocks	—	856,496
Dividends paid	(59,396)	(20,822)
Proceeds from contributions paid by minority stockholders	376,319	343,000
Repayment to minority stockholders	(186,534)	(340,000)
Dividends paid to minority shareholders	(49,990)	(47,664)
Purchases of treasury stock	(423)	(137)
Proceeds from disposal of treasury stock	105	32
Net cash provided by financing activities	<u>28,294</u>	<u>802,845</u>
Effect of exchange rate changes on cash and cash equivalents	(2,936)	(236)
Net change in cash and cash equivalents	<u>906,261</u>	<u>(846,885)</u>
Cash and cash equivalents at the beginning of the period	2,736,752	3,800,890
Change in cash and cash equivalents due to merger of a consolidated subsidiary	—	(17,407)
Change in cash and cash equivalents due to newly consolidated subsidiaries	0	—
Cash and cash equivalents at the end of the period	<u>¥ 3,643,014</u>	<u>¥ 2,936,596</u>