

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

Six months ended September 30	(Millions of yen)	
	2009	2010
Cash flows from operating activities:		
Income before income taxes	¥ 230,076	¥ 548,187
Depreciation	63,449	73,441
Losses on impairment of fixed assets	1,763	1,414
Amortization of goodwill	9,037	12,682
Gain on negative goodwill	—	(90)
Gain on step acquisitions	—	(12,655)
Equity in (earnings) losses of affiliates	20,042	(1,627)
Net change in reserve for possible loan losses	31,386	(8,121)
Net change in reserve for employee bonuses	(1,007)	(7,396)
Net change in reserve for executive bonuses	(513)	(2,333)
Net change in reserve for employee retirement benefits	1,764	190
Net change in reserve for executive retirement benefits	(475)	(5,929)
Net change in provision for point service program		68
Net change in reserve for reimbursement of deposits	(2,167)	(2,036)
Net change in provision for loss on interest repayment		(10,979)
Interest income	(858,852)	(818,685)
Interest expenses	175,688	158,146
Net gains on securities	(35,140)	(134,858)
Net losses from money held in trust	71	257
Net exchange losses	162,524	274,867
Net (gains) losses from disposal of fixed assets	(9,014)	1,534
Net change in trading assets	103,515	(2,085,621)
Net change in trading liabilities	(173,608)	1,545,460
Net change in loans and bills discounted	942,489	(762,014)
Net change in deposits	414,421	(252,309)
Net change in negotiable certificates of deposit	874,292	1,990,785
Net change in borrowed money (excluding subordinated borrowings)	(392,066)	1,513,802
Net change in deposits with banks	(521,488)	(84,806)
Net change in call loans and bills bought and others	(139,234)	122,862
Net change in receivables under securities borrowing transactions	506,347	465,116
Net change in call money and bills sold and others	770,214	157,326
Net change in commercial paper	—	40,418
Net change in payables under securities lending transactions	(4,654,237)	(612,122)
Net change in foreign exchanges (assets)	(37,906)	91,651
Net change in foreign exchanges (liabilities)	(64,836)	72,631
Net change in lease receivables and investment assets	125,969	84,979
Net change in short-term bonds (liabilities)	40,921	(134,393)
Issuance and redemption of bonds (excluding subordinated bonds)	(76,950)	234,471
Net change in due to trust account	50,748	27,744
Interest received	900,996	822,602
Interest paid	(181,357)	(163,964)
Other, net	(1,095,415)	(322,802)
Subtotal	<u>(2,818,554)</u>	<u>2,817,896</u>
Income taxes paid	<u>(31,796)</u>	<u>(43,745)</u>
Net cash provided (used) in operating activities	<u>(2,850,350)</u>	<u>2,774,150</u>

(continued)

Six months ended September 30	(Millions of yen)	
	2009	2010
Cash flows from investing activities:		
Purchases of securities	(23,171,622)	(35,998,349)
Proceeds from sale of securities	16,187,876	25,330,499
Proceeds from maturity of securities	8,304,496	7,270,257
Purchases of money held in trust	(238)	(727)
Proceeds from sale of money held in trust	—	500
Purchases of tangible fixed assets	(82,527)	(46,007)
Proceeds from sale of tangible fixed assets	25,663	2,597
Purchases of intangible fixed assets	(35,692)	(35,405)
Proceeds from sale of intangible fixed assets	53	43
Proceeds from sale of stocks of subsidiaries	—	314
Proceeds from purchase of stocks of subsidiaries resulting in change in scope of consolidation	—	55,729
Purchases of stocks of subsidiaries resulting in change in scope of consolidation	(27,153)	(10,756)
Net cash provided (used) by investing activities	<u>1,200,855</u>	<u>(3,431,305)</u>
Cash flows from financing activities:		
Proceeds from subordinated borrowings		10,000
Repayment of subordinated borrowings	(58,000)	(25,000)
Proceeds from issuance of subordinated bonds and bonds with stock acquisition rights	251,160	93,193
Repayment of subordinated bonds and bonds with stock acquisition rights	(181,220)	(246,878)
Proceeds from issuance of stocks	856,496	—
Dividends paid	(20,822)	(79,710)
Proceeds from contributions paid by minority stockholders	343,000	—
Repayment to minority stockholders	(340,000)	(309)
Dividends paid to minority shareholders	(47,664)	(52,486)
Purchases of treasury stock	(137)	(40)
Proceeds from disposal of treasury stock	32	9
Net cash provided (used) by financing activities	<u>802,845</u>	<u>(301,222)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(236)</u>	<u>(8,213)</u>
Net change in cash and cash equivalents	<u>(846,885)</u>	<u>(966,591)</u>
Cash and cash equivalents at the beginning of the period	3,800,890	3,371,193
Change in cash and cash equivalents due to merger of a consolidated subsidiary	<u>(17,407)</u>	—
Cash and cash equivalents at the end of the period	<u>¥ 2,936,596</u>	<u>¥ 2,404,601</u>