

4. Consolidated Statements of Cash Flows

	(Millions of yen)	
Year ended March 31,	2011	2010
Cash flows from operating activities:		
Income before income taxes and minority interests	¥ 827,313	¥ 558,097
Depreciation	154,267	136,860
Losses on impairment of fixed assets	5,411	12,856
Amortization of goodwill	22,938	18,634
Gains on neagative goodwill	(409)	—
Gains on step acquisitions	(12,655)	—
Equity in losses of affiliates	13,319	21,542
Net change in reserve for possible loan losses	(13,433)	(1,419)
Net change in reserve for employee bonuses	1,057	7,543
Net change in reserve for executive bonuses	163	813
Net change in reserve for employee retirement benefits	(2,987)	903
Net change in reserve for executive retirement benefits	(5,642)	204
Net change in reserve for point service program	(1,420)	
Net change in reserve for reimbursement of deposits	(1,810)	(43)
Net change in reserve for losses on interest repayment	(17,566)	
Interest income	(1,612,599)	(1,695,805)
Interest expenses	294,947	314,893
Net gains on securities	(61,648)	(19,837)
Net losses from money held in trust	148	245
Net exchange losses	280,834	83,038
Net (gains) losses from disposal of fixed assets	5,029	(11,176)
Net change in trading assets	7,813	(983,770)
Net change in trading liabilities	256,101	1,195,098
Net change in loans and bills discounted	1,401,384	3,591,071
Net change in deposits	3,628,657	1,918,359
Net change in negotiable certificates of deposit	1,380,003	(462,243)
Net change in borrowed money (excluding subordinated borrowings)	4,569,942	541,021
Net change in deposits with banks	(1,196,723)	(770,291)
Net change in call loans and bills bought and others	(18,924)	(474,477)
Net change in receivables under securities borrowing transactions	700,211	(3,226,847)
Net change in call money and bills sold and others	165,025	(473,642)
Net change in commercial paper	26,333	310,787
Net change in payables under securities lending transactions	1,397,458	(3,409,463)
Net change in foreign exchanges (assets)	(7,663)	(220,622)
Net change in foreign exchanges (liabilities)	64,083	(89,277)
Net change in lease receivables and investment assets	152,703	202,531
Net change in short-term bonds (liabilities)	(101,780)	168,836
Issuance and redemption of bonds (excluding subordinated bonds)	515,688	(211,844)
Net change in due to trust account	56,617	98,635
Interest received	1,635,444	1,760,370
Interest paid	(309,401)	(341,821)
Other, net	(279,956)	(321,815)
Subtotal	13,918,277	(1,772,056)
Income taxes paid	(124,540)	(108,864)
Net cash provided by (used in) operating activities	13,793,737	(1,880,921)

(continued)

	(Millions of yen)	
Year ended March 31,	2011	2010
Cash flows from investing activities:		
Purchases of securities	(67,169,471)	(46,300,009)
Proceeds from sale of securities	36,624,700	32,626,376
Proceeds from maturity of securities	19,626,268	14,263,916
Purchases of money held in trust	(6,942)	(9,748)
Proceeds from sale of money held in trust	5,236	27
Purchases of tangible fixed assets	(182,839)	(156,154)
Proceeds from sale of tangible fixed assets	6,966	37,114
Purchases of intangible fixed assets	(101,624)	(82,287)
Proceeds from sale of intangible fixed assets	528	111
Proceeds from sale of stocks of subsidiaries	314	—
Proceeds from purchase of stocks of subsidiaries resulting in changes in scope of consolidation	59,408	—
Purchases of stocks of subsidiaries resulting in changes in scope of consolidation	(10,756)	(537,007)
Net cash used in investing activities	(11,148,211)	(157,661)
Cash flows from financing activities:		
Proceeds from issuance of subordinated borrowings	80,000	8,000
Repayment of subordinated borrowings	(87,500)	(78,000)
Proceeds from issuance of subordinated bonds and bonds with stock acquisition rights	256,751	611,172
Repayment of subordinated bonds and bonds with stock acquisition rights	(314,900)	(639,981)
Proceeds from issuance of new shares	—	1,824,896
Dividends paid	(152,612)	(71,063)
Proceeds from contributions paid by minority stockholders	471	388,000
Repayments to minority stockholders	(309)	(492,987)
Dividends paid to minority stockholders	(97,609)	(98,791)
Purchases of treasury stock	(47,759)	(189)
Proceeds from disposal of treasury stock	13	43
Purchases of treasury stock of subsidiaries	(1,001)	—
Proceeds from sale of treasury stock of subsidiaries	17	—
Net cash provided by (used in) financing activities	(364,438)	1,451,099
Effect of exchange rate changes on cash and cash equivalents	(7,185)	(302)
Net change in cash and cash equivalents	2,273,901	(587,786)
Cash and cash equivalents at the beginning of the period	3,371,193	3,800,890
Change in cash and cash equivalents due to merger of consolidated subsidiaries	—	158,089
Cash and cash equivalents at the end of the period	¥ 5,645,094	¥ 3,371,193