

(4) Consolidated Statements of Cash Flows

	(Millions of yen)	
Six months ended September 30	2008	2007
1. Cash flows from operating activities:		
Income before income taxes	190,555	350,334
Depreciation and amortization	58,235	—
Depreciation of fixed assets	—	39,470
Depreciation of lease assets	—	170,242
Losses on impairment of fixed assets	1,331	3,205
Amortization of goodwill	6,285	4,182
Equity in (earnings) losses of affiliates	6,138	(19,030)
Gains on sale of subsidiaries' shares and gains on change in equity of subsidiary	—	106
Net change in allowance for loan losses	6,043	13,038
Net change in provision for bonuses	(169)	(2,603)
Net change in provision for directors' bonuses	(1,171)	—
Net change in provision for retirement benefits	529	412
Net change in provision for directors' retirement benefits	(528)	(444)
Net change in provision for reimbursement of deposits	(2,598)	11,716
Interest income	(1,116,721)	(1,082,577)
Interest expenses	438,206	483,002
Net (gains) losses on securities	22,916	49,784
Net (gains) losses from money held in trust	(73)	(245)
Net exchange (gains) losses	79,578	36,271
Net (gains) losses from disposal of fixed assets	686	84
Net (gains) losses from disposal of lease assets	—	(1,987)
Net change in trading assets	235,921	(198,303)
Net change in trading liabilities	(335,661)	206,229
Net change in loans and bills discounted	(1,614,687)	(1,564,926)
Net change in deposits	863,036	818,665
Net change in negotiable certificates of deposit	174,126	(62,963)
Net change in borrowed money (excluding subordinated borrowings)	63,808	859,543
Net change in deposits with banks	131,845	(1,379,961)
Net change in call loans and bills bought and others	160,603	(694,085)
Net change in receivables under securities borrowing transactions	1,545,202	1,212,637
Net change in call money and bills sold and others	(1,209,619)	(95,414)
Net change in payables under securities lending transactions	(1,702,897)	1,231,137
Net change in foreign exchanges (assets)	(230,208)	(43,849)
Net change in foreign exchanges (liabilities)	24,004	16,960
Net change in lease receivables and investment assets	(218)	—
Net change in short-term bonds payable (liabilities)	16,900	(1,300)
Issuance and redemption of bonds payable (excluding subordinated bonds)	(95,369)	(135,716)
Net change in borrowed money from trust account	26,136	(19,169)
Interest received	1,124,780	1,070,519
Interest paid	(424,919)	(454,539)
Other, net	(32,672)	410,817
Subtotal	(1,590,644)	1,231,246
Income taxes paid	(39,584)	6,590
Net cash provided by (used in) operating activities	(1,630,228)	1,237,836

(continued)

	(Millions of yen)	
Six months ended September 30	2008	2007
2. Cash flows from investing activities:		
Purchase of securities	(21,349,839)	(17,909,744)
Proceeds from sale of securities	16,455,015	10,576,473
Proceeds from redemption of securities	7,584,824	6,891,933
Purchase of money held in trust	(1,778)	(547)
Proceeds from sale of money held in trust	0	796
Purchase of tangible fixed assets	(100,698)	(24,122)
Proceeds from sale of tangible fixed assets	8,389	2,059
Purchase of intangible fixed assets	(38,625)	(23,015)
Proceeds from sale of intangible fixed assets	31	20
Purchase of lease assets	—	(200,317)
Proceeds from sale of lease assets	—	21,044
Purchase of investments in subsidiaries	(21,925)	—
Proceeds from sales of investments in subsidiaries	363	198
Purchase of treasury stock of subsidiaries in consolidation	(20,000)	—
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(6,352)	(3,453)
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	1,725	—
Net cash provided by (used in) investing activities	<u>2,511,133</u>	<u>(668,677)</u>
3. Cash flows from financing activities:		
Proceeds from issuance of subordinated borrowings	—	25,000
Repayment of subordinated borrowings	(20,500)	(63,000)
Proceeds from issuance of subordinated bonds and bonds with subscription rights to shares	149,600	90,000
Repayment of subordinated bonds and bonds with subscription rights to shares	(180,885)	(19,700)
Cash dividends paid	(59,396)	(65,837)
Proceeds from minority shareholders	376,319	3,425
Repayment to minority shareholders	(186,534)	—
Cash dividends paid to minority shareholders	(49,990)	(33,704)
Purchase of treasury stock	(423)	(641)
Proceeds from disposal of treasury stock	105	770
Net cash provided by (used in) financing activities	<u>28,294</u>	<u>(63,688)</u>
4. Effect of exchange rate changes on cash and cash equivalents	<u>(2,936)</u>	<u>1,082</u>
5. Net change in cash and cash equivalents	<u>906,261</u>	<u>506,553</u>
6. Cash and cash equivalents at beginning of period	2,736,752	1,927,024
7. Change in cash and cash equivalents due to newly consolidated subsidiaries	0	18,869
8. Cash and cash equivalents at end of period	<u><u>3,643,014</u></u>	<u><u>2,452,448</u></u>