

# Consolidated Statements of Cash Flows

THE 77 BANK, LTD. AND SUBSIDIARIES  
Years ended March 31, 2005 and 2004

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2005	2004	2005
<b>Operating activities:</b>			
Income before income taxes and minority interests	¥ 16,552	¥ 24,643	\$ 154,132
Adjustments for:			
Income taxes—paid	(645)	(3,017)	(6,009)
Depreciation and amortization	15,893	15,960	147,999
Change in reserve for loan losses	6,332	(22,915)	58,970
Change in liability for employees' retirement benefits	1,721	(3,944)	16,028
Interest income	(77,503)	(78,853)	(721,703)
Interest expenses	2,630	3,055	24,496
Investment securities losses (gains)—net	249	(156)	2,322
Gains on money held in trust—net	(623)	(993)	(5,810)
Foreign exchange (gains) losses—net	(2,597)	7,886	(24,191)
Losses (gains) on sale and disposal of premises and equipment—net	281	(51)	2,619
Write down of premises	1,395		12,994
Net change in loans and bills discounted	(86,099)	18,955	(801,748)
Net change in deposits	107,084	138,341	997,156
Net change in other borrowings	216	1,184	2,015
Net change in due from banks	412	324	3,840
Net change in call loans and bills bought	79,578	(54,485)	741,018
Net change in commercial paper and other debt purchased	36,856	31,453	343,201
Net change in call money and others	57,101	4,284	531,721
Net change in payable under securities lending transactions	18,276		170,189
Net change in trading account securities	889	(1,930)	8,284
Net change in foreign exchange assets	223	1,139	2,078
Net change in foreign exchange liabilities	(19)	43	(180)
Interest received	77,613	80,154	722,725
Interest paid	(2,810)	(3,781)	(26,173)
Other—net	4,693	(23,064)	43,702
Total adjustments	241,149	109,591	2,245,548
Net cash provided by operating activities	257,701	134,235	2,399,681
<b>Investing activities:</b>			
Purchases of investment securities	(523,333)	(1,131,967)	(4,873,206)
Proceeds from sales of investment securities	48,586	163,213	452,430
Proceeds from maturity of investment securities	276,022	869,661	2,570,283
Investment in money held in trust	(2,000)	(5,000)	(18,623)
Proceeds from disposition of money held in trust	623	3,881	5,810
Purchases of premises and equipment	(3,816)	(4,477)	(35,537)
Proceeds from sales of premises and equipment	617	531	5,750
Net cash used in investing activities	(203,299)	(104,156)	(1,893,093)
<b>Financing activities:</b>			
Repayments of borrowed money		(10,000)	
Purchases of treasury stock	(84)	(538)	(786)
Proceeds from sales of treasury stock	5	9	50
Dividends paid	(2,276)	(2,280)	(21,200)
Dividends paid for minority interests stockholders	(8)	(8)	(74)
Net cash used in financing activities	(2,363)	(12,818)	(22,011)
<b>Foreign currency translation adjustments on cash and cash equivalents</b>	<b>(10)</b>	<b>(44)</b>	<b>(94)</b>
<b>Net increase in cash and cash equivalents</b>	<b>52,028</b>	<b>17,216</b>	<b>484,482</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>166,886</b>	<b>149,670</b>	<b>1,554,024</b>
<b>Cash and cash equivalents, end of year (Note 3)</b>	<b>¥ 218,915</b>	<b>¥ 166,886</b>	<b>\$2,038,506</b>

See notes to consolidated financial statements.