

Consolidated Statements of Cash Flows

THE 77 BANK, LTD. AND SUBSIDIARIES
Years Ended March 31, 2008 and 2007

Thousands of
U.S. Dollars
(Note 1)

	Millions of Yen		2008
	2008	2007	
Operating activities:			
Income before income taxes and minority interests	¥ 19,805	¥ 18,229	\$ 197,681
Adjustments for:			
Income taxes—paid	(5,523)	(6,487)	(55,131)
Depreciation and amortization	14,917	14,351	148,892
Losses on impairment of fixed assets	82	233	818
Change in reserve for possible loan losses	(10,150)	(7,410)	(101,314)
Change in reserve for reimbursement of deposits	144		1,437
Change in reserve for contingent losses	193		1,929
Change in liability for retirement benefits	1,174	2,576	11,724
Interest income	(94,835)	(87,908)	(946,557)
Interest expense	16,484	9,278	164,535
Investment securities losses (gains)—net	793	(439)	7,917
Gains on money held in trust—net	(1,260)	(2,445)	(12,580)
Foreign exchange losses (gains)—net	14,983	(1,807)	149,553
Losses on sale and disposal of fixed assets—net	175	148	1,752
Net change in loans and bills discounted	(30,080)	(49,941)	(300,237)
Net change in deposits	39,237	82,611	391,628
Net change in borrowed money	891	122	8,897
Net change in due from banks	(62)	(334)	(625)
Net change in call loans and bills bought	18,045	(169,733)	180,114
Net change in commercial paper and other debt purchased	11,910	57,252	118,879
Net change in call money	16,529	(8,866)	164,976
Net change in payables under securities lending transactions	(2,855)	4,276	(28,502)
Net change in trading account securities	67	(13,473)	674
Net change in foreign exchange assets	(412)	528	(4,120)
Net change in foreign exchange liabilities	151	(110)	1,513
Interest received	95,193	86,123	950,129
Interest paid	(14,561)	(7,489)	(145,339)
Other—net	(11,946)	20,364	(119,235)
Total adjustments	59,285	(78,582)	591,730
Net cash provided by (used in) operating activities	¥ 79,091	¥ (60,352)	\$ 789,412
Investing activities:			
Purchases of investment securities	(377,295)	(388,676)	(3,765,804)
Proceeds from sales of investment securities	76,245	105,315	761,004
Proceeds from maturity of investment securities	217,409	298,778	2,169,969
Investment in money held in trust	(1,000)	(1,000)	(9,981)
Proceeds from disposition of money held in trust	1,339	2,519	13,373
Purchases of tangible fixed assets	(14,824)	(14,430)	(147,960)
Proceeds from sales of tangible fixed assets	793	1,899	7,922
Purchases of intangible fixed assets	(2,423)	(1,244)	(24,192)
Net cash (used in) provided by investing activities	(99,755)	3,161	(995,667)
Financing activities:			
Purchases of treasury stock	(90)	(93)	(901)
Proceeds from sales of treasury stock	13	9	135
Dividends paid	(2,845)	(2,275)	(28,399)
Dividends paid for minority interests stockholders	(8)	(8)	(87)
Net cash used in financing activities	(2,930)	(2,368)	(29,252)
Foreign currency translation adjustments on cash and cash equivalents	58	(8)	587
Net decrease in cash and cash equivalents	(23,536)	(59,567)	(234,918)
Cash and cash equivalents, beginning of year	88,954	148,521	887,856
Cash and cash equivalents, end of year (Note 4)	¥ 65,417	¥ 88,954	\$ 652,937

See notes to consolidated financial statements.