

## ● Consolidated Statements of Cash Flows

THE 77 BANK, LTD. AND SUBSIDIARIES  
Years Ended March 31, 2009 and 2008

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
<b>Operating activities:</b>			
Income before income taxes and minority interests	¥ 11,696	¥ 19,805	\$ 119,077
Adjustments for:			
Income taxes—paid	(6,183)	(5,523)	(62,944)
Depreciation and amortization	4,448	14,917	45,286
Losses on impairment of fixed assets	637	82	6,489
Change in reserve for possible loan losses	6,368	(10,150)	64,832
Change in reserve for reimbursement of deposits	10	144	101
Change in reserve for contingent losses	367	193	3,738
Change in liability for retirement benefits	1,703	1,174	17,338
Interest income	(92,006)	(94,835)	(936,639)
Interest expense	15,515	16,484	157,949
Investment securities (gains) losses—net	(2,467)	793	(25,117)
Gains on money held in trust—net	(1,030)	(1,260)	(10,489)
Foreign exchange losses—net	2,375	14,983	24,180
Losses on sale and disposal of fixed assets—net	79	175	804
Net change in loans and bills discounted	(235,003)	(30,080)	(2,392,380)
Net change in deposits	57,121	39,237	581,508
Net change in borrowed money	(1,270)	891	(12,938)
Net change in due from banks	(1,052)	(62)	(10,718)
Net change in call loans and bills bought	159,741	18,045	1,626,197
Net change in debt purchased	3,687	11,910	37,544
Net change in call money	(27,072)	16,529	(275,607)
Net change in payables under securities lending transactions	(8,570)	(2,855)	(87,252)
Net change in trading account securities	(4,020)	67	(40,932)
Net change in foreign exchange assets	3	(412)	37
Net change in foreign exchange liabilities	(121)	151	(1,231)
Net change in lease receivables and investments in lease	1,871		19,053
Interest received	92,288	95,193	939,519
Interest paid	(14,916)	(14,561)	(151,856)
Other—net	14,994	(11,946)	152,644
Total adjustments	(32,502)	59,285	(330,882)
Net cash (used in) provided by operating activities—(Forward)	¥ (20,805)	¥ 79,091	\$ (211,805)
<b>Investing activities:</b>			
Purchases of investment securities	(316,569)	(377,295)	(3,222,739)
Proceeds from sales of investment securities	352,018	76,245	3,583,617
Proceeds from maturity of investment securities	240,352	217,409	2,446,830
Investment in money held in trust	(3,900)	(1,000)	(39,702)
Proceeds from disposition of money held in trust	2,865	1,339	29,173
Purchases of tangible fixed assets	(3,668)	(14,824)	(37,343)
Proceeds from sales of tangible fixed assets	142	793	1,445
Purchases of intangible fixed assets		(2,423)	(5)
Net cash provided by (used in) investing activities	271,240	(99,755)	2,761,275
<b>Financing activities:</b>			
Purchases of treasury stock	(106)	(90)	(1,084)
Proceeds from sales of treasury stock	59	13	608
Dividends paid	(2,656)	(2,845)	(27,045)
Dividends paid for minority interests stockholders	(8)	(8)	(88)
Net cash used in financing activities	(2,712)	(2,930)	(27,610)
Foreign currency translation adjustments on cash and cash equivalents	(50)	58	(513)
Net increase (decrease) in cash and cash equivalents	247,671	(23,536)	2,521,345
Cash and cash equivalents, beginning of year	65,417	88,954	665,965
Cash and cash equivalents, end of year (Note 3)	¥313,089	¥ 65,417	\$3,187,311

See notes to consolidated financial statements.