

● Consolidated Statement of Cash Flows

THE 77 BANK, LTD. AND SUBSIDIARIES
Year Ended March 31, 2015

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	2015
Operating activities:			
Income before income taxes and minority interests	¥ 32,664	¥ 29,031	\$ 271,814
Adjustments for:			
Income taxes—paid	(10,077)	(2,851)	(83,856)
Depreciation and amortization	4,336	3,759	36,082
Losses on impairment of fixed assets	184	121	1,531
Net change in reserve for possible loan losses	(8,773)	(6,532)	(73,004)
Net change in reserve for reimbursement of deposits	8	56	66
Net change in reserve for contingent losses	(35)	(111)	(291)
Net change in reserve for disaster losses		(114)	
Net change in liability for employees' retirement benefits	(8,552)	(921)	(71,165)
Interest income	(74,032)	(73,675)	(616,060)
Interest expense	3,751	3,526	31,214
(Gains) losses on investment securities—net	(761)	1,879	(6,332)
Gains on money held in trust—net	(2,878)	(1,157)	(23,949)
Foreign exchange gains—net	(36,326)	(15,420)	(302,288)
Losses on sales and disposals of fixed assets—net	219	9	1,822
Net change in loans and bills discounted	(221,411)	(235,589)	(1,842,481)
Net change in deposits	(22,580)	126,074	(187,900)
Net change in borrowed money (except for subordinated loans)	(369)	(2,562)	(3,070)
Net change in due from banks	295	19,490	2,454
Net change in call loans and bills bought	138,895	225,936	1,155,820
Net change in call money and bills sold	4,119	60,114	34,276
Net change in payables under securities lending transactions	5,290	15,484	44,020
Net change in trading account securities	4,735	8,228	39,402
Net change in foreign exchange assets	3,310	(4,615)	27,544
Net change in foreign exchange liabilities	131	53	1,090
Net change in lease receivables and investments in leases	699	(12)	5,816
Interest received	81,182	81,033	675,559
Interest paid	(3,974)	(4,378)	(33,069)
Other—net	2,577	812	21,444
Total adjustments	(140,037)	198,637	(1,165,324)
Net cash (used in) provided by operating activities	¥(107,370)	¥ 227,669	\$ (893,484)
Investing activities:			
Purchases of investment securities	(506,684)	(732,130)	(4,216,393)
Proceeds from sales of investment securities	142,003	110,125	1,181,684
Proceeds from maturity of investment securities	497,753	334,200	4,142,073
Investment in money held in trust	(12,500)	(1,000)	(104,019)
Proceeds from dispositions of money held in trust	2,384	986	19,838
Purchases of tangible fixed assets	(5,149)	(5,947)	(42,847)
Proceeds from sales of tangible fixed assets	128	63	1,065
Purchases of intangible fixed assets	(1)	(12)	(8)
Payment for execution of asset retirement obligations	(24)	(9)	(199)
Net cash provided by (used in) investing activities	117,910	(293,723)	981,193
Financing activities:			
Purchases of treasury stock	(19)	(10)	(158)
Proceeds from sales of treasury stock		1	
Dividends paid	(2,991)	(2,616)	(24,889)
Dividends paid for minority interest stockholders	(8)	(8)	(66)
Net cash used in financing activities	(3,018)	(2,634)	(25,114)
Foreign currency translation adjustments on cash and cash equivalents	37	39	307
Net increase (decrease) in cash and cash equivalents	7,559	(68,648)	62,902
Cash and cash equivalents, beginning of year	504,523	573,172	4,198,410
Cash and cash equivalents, end of year (Note 3)	¥ 512,082	¥ 504,523	\$ 4,261,313

See notes to consolidated financial statements.