

● Consolidated Statement of Cash Flows

THE 77 BANK, LTD. AND CONSOLIDATED SUBSIDIARIES
Year Ended March 31, 2018

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2018	2017	2018
OPERATING ACTIVITIES:			
Income before income taxes	¥ 25,039	¥ 23,291	\$ 235,683
Adjustments for:			
Income taxes—paid	(2,170)	(10,768)	(20,425)
Depreciation and amortization	3,625	3,856	34,120
Losses on impairment of fixed assets	709	505	6,673
Net change in reserve for possible loan losses	(7,847)	(4,565)	(73,861)
Net change in reserve for reimbursement of deposits	12	40	112
Net change in reserve for contingent losses	(48)	(55)	(451)
Net change in reserve for stock-based benefits	876		8,245
Net change in liability for employees' retirement benefits	381	374	3,586
Interest income	(72,787)	(70,556)	(685,118)
Interest expense	3,143	2,877	29,583
Losses on investment securities—net	5,525	2,548	52,004
Gains on money held in trust—net	(4,044)	(2,550)	(38,064)
Foreign exchange losses —net	9,598	543	90,342
Losses on sales and disposals of fixed assets—net	65	220	611
Net change in loans and bills discounted	(177,179)	(93,087)	(1,667,724)
Net change in deposits	140,239	(157,877)	1,320,020
Net change in borrowed money (except for subordinated loans)	964	106,273	9,073
Net change in due from banks (except for the Bank of Japan)	3,532	(3,972)	33,245
Net change in call loans and bills bought	174	114,700	1,637
Net change in call money and bills sold	(65,649)	79,991	(617,931)
Net change in payables under securities lending transactions	(18,112)	10,090	(170,481)
Net change in trading account securities	(4,181)	7,263	(39,354)
Net change in foreign exchange assets	(1,208)	(434)	(11,370)
Net change in foreign exchange liabilities	40	(9)	376
Net change in lease receivables and investments in leases	(907)	339	(8,537)
Interest received	77,880	76,449	733,057
Interest paid	(3,185)	(2,936)	(29,979)
Other—net	(19,676)	(11,175)	(185,203)
Total adjustments	(130,228)	48,085	(1,225,790)
Net cash (used in) provided by operating activities—(Forward)	¥(105,188)	¥ 71,377	\$ (990,097)
INVESTING ACTIVITIES:			
Purchases of investment securities	(371,459)	(314,823)	(3,496,413)
Proceeds from sales of investment securities	38,901	53,211	366,161
Proceeds from maturity of investment securities	441,505	508,055	4,155,732
Investment in money held in trust		(100,000)	
Proceeds from dispositions of money held in trust	3,708	14,473	34,902
Purchases of tangible fixed assets	(3,973)	(3,925)	(37,396)
Proceeds from sales of tangible fixed assets	130	46	1,223
Purchases of intangible fixed assets	(79)	(6)	(743)
Payment for execution of asset retirement obligations	(54)	(14)	(508)
Net cash provided by investing activities	108,678	157,017	1,022,948
FINANCING ACTIVITIES:			
Purchases of treasury stock	(1,530)	(3,008)	(14,401)
Proceeds from sale of treasury stock	1,516	1	14,269
Dividends paid	(3,348)	(3,374)	(31,513)
Dividends paid for noncontrolling interests		(8)	
Purchases of investments in subsidiaries not resulting in change in scope of consolidation		(2,916)	
Net cash used in financing activities	(3,362)	(9,308)	(31,645)
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS	(5)	(5)	(47)
NET INCREASE IN CASH AND CASH EQUIVALENTS	120	219,081	1,129
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	701,814	482,733	6,605,929
CASH AND CASH EQUIVALENTS, END OF YEAR (Note 3)	¥ 701,935	¥ 701,814	\$ 6,607,068

See notes to consolidated financial statements.