

Consolidated Statement of Cash Flows

THE 77 BANK, LTD. AND SUBSIDIARIES
Year Ended March 31, 2013

| | Millions of Yen | | Thousands of U.S. Dollars (Note 1) |
|---|-----------------|-------------|--|
| | 2013 | 2012 | 2013 |
| Operating activities: | | | |
| Income before income taxes and minority interests | ¥ 23,063 | ¥ 27,821 | \$ 245,220 |
| Adjustments for: | | | |
| Income taxes—paid | (7,700) | (11,151) | (81,871) |
| Depreciation and amortization | 3,716 | 3,591 | 39,510 |
| Losses on impairment of fixed assets | 787 | 1,461 | 8,367 |
| Net change in reserve for possible loan losses | (13,171) | 5,950 | (140,042) |
| Net change in reserve for reimbursement of deposits | 54 | 3 | 574 |
| Net change in reserve for contingent losses | (98) | (135) | (1,041) |
| Net change in reserve for disaster losses | (21) | (705) | (223) |
| Net change in liability for employees' retirement benefits | 38 | (9,140) | 404 |
| Interest income | (72,316) | (77,258) | (768,910) |
| Interest expense | 3,627 | 4,472 | 38,564 |
| Losses on investment securities—net | 5,442 | 16 | 57,862 |
| Gains on money held in trust—net | (624) | (499) | (6,634) |
| Foreign exchange (gains) losses—net | (20,251) | 3,313 | (215,321) |
| Losses on sales and disposals of fixed assets—net | 127 | 79 | 1,350 |
| Net change in loans and bills discounted | (123,092) | (143,856) | (1,308,793) |
| Net change in deposits | 575,588 | 1,536,819 | 6,120,021 |
| Net change in borrowed money (except for subordinated loans) | (1,518) | (95,309) | (16,140) |
| Net change in due from banks | (20,632) | (367) | (219,372) |
| Net change in call loans and bills bought | (158,734) | (210,323) | (1,687,761) |
| Net change in call money | 2,821 | (64,441) | 29,994 |
| Net change in payables under securities lending transactions | 18,489 | (817) | 196,586 |
| Net change in trading account securities | 4,725 | (5,180) | 50,239 |
| Net change in foreign exchange assets | 829 | 639 | 8,814 |
| Net change in foreign exchange liabilities | (32) | 86 | (340) |
| Net change in lease receivables and investments in leases | 1,852 | 4,822 | 19,691 |
| Interest received | 77,948 | 80,259 | 828,793 |
| Interest paid | (4,726) | (6,036) | (50,249) |
| Other—net | 2,045 | 7,407 | 21,743 |
| Total adjustments | 275,174 | 1,023,703 | 2,925,826 |
| Net cash provided by operating activities—(Forward) | ¥ 298,237 | ¥ 1,051,524 | \$ 3,171,047 |
| Investing activities: | | | |
| Purchases of investment securities | (1,067,601) | (1,162,939) | (11,351,419) |
| Proceeds from sales of investment securities | 238,671 | 178,925 | 2,537,703 |
| Proceeds from maturity of investment securities | 339,640 | 249,522 | 3,611,270 |
| Investment in money held in trust | (5,000) | | (53,163) |
| Proceeds from dispositions of money held in trust | 714 | 1,331 | 7,591 |
| Purchases of tangible fixed assets | (4,452) | (2,749) | (47,336) |
| Proceeds from sales of tangible fixed assets | 157 | 282 | 1,669 |
| Purchases of intangible fixed assets | (9) | (13) | (95) |
| Net cash used in investing activities | (497,878) | (735,640) | (5,293,758) |
| Financing activities: | | | |
| Proceeds from subordinated loans | | 20,000 | |
| Purchases of treasury stock | (5) | (514) | (53) |
| Proceeds from sales of treasury stock | | 2 | |
| Dividends paid | (2,611) | (2,241) | (27,761) |
| Dividends paid for minority interest stockholders | (7) | (7) | (74) |
| Net cash (used in) provided by financing activities | (2,623) | 17,238 | (27,889) |
| Foreign currency translation adjustments on cash and cash equivalents | 41 | (13) | 435 |
| Net (decrease) increase in cash and cash equivalents | (202,223) | 333,108 | (2,150,164) |
| Cash and cash equivalents, beginning of year | 775,396 | 442,287 | 8,244,508 |
| Cash and cash equivalents, end of year (Note 3) | ¥ 573,172 | ¥ 775,396 | \$ 6,094,332 |

See notes to consolidated financial statements.