

## Consolidated Statement of Cash Flows

	¥ millions		US\$ thousands
Years ended March 31,	2015	2014	2015
<b>Cash flows from operating activities:</b>			
Income before income taxes	¥ 148,281	¥ 123,849	\$ 1,233,934
Depreciation of real estate for rent	5,176	4,803	43,078
Other depreciation and amortization	10,305	10,360	85,758
Impairment losses	1,995	3,967	16,607
Increase (decrease) in reserve for outstanding claims	2,423	1,670	20,169
Increase (decrease) in policy reserve	482,607	20,797	4,016,036
Interest portion of reserve for policyholder dividends	108	129	900
Provision for reserve for (reversal of) policyholder dividends	32,555	31,638	270,912
Increase (decrease) in reserve for possible loan losses	(155)	(1,926)	(1,295)
Increase (decrease) in reserve for bonus to directors and audit & supervisory board members	(18)	(40)	(157)
Increase (decrease) in net defined benefit liability	(1,385)	(6,670)	(11,526)
Increase (decrease) in reserve for directors' and audit & supervisory board members' retirement benefits	1	10	13
Increase (decrease) in reserve for price fluctuations	5,150	24,100	42,863
Interest, dividends and income from real estate for rent	(287,966)	(287,487)	(2,396,323)
Losses (gains) on investment securities	(81,906)	(82,386)	(681,590)
Interest expenses	1,841	2,037	15,324
Exchange losses (gains)	(1,541)	85	(12,829)
Losses (gains) on disposal of tangible fixed assets	921	2,223	7,668
Equity in losses (income) of affiliated companies	(38)	(37)	(317)
Decrease (increase) in amount due from agencies	257	16	2,139
Decrease (increase) in amount due from reinsurers	46	829	383
Decrease (increase) in other assets (excluding investment activities-related and financing activities-related)	(5,376)	(11,792)	(44,737)
Increase (decrease) in amount due to agencies	175	(344)	1,462
Increase (decrease) in amount due to reinsurers	101	63	840
Increase (decrease) in other liabilities (excluding investment activities-related and financing activities-related)	(2,866)	(3,054)	(23,851)
Others, net	47,468	54,677	395,009
<b>Subtotal</b>	<b>358,164</b>	<b>(112,478)</b>	<b>2,980,478</b>
Interest, dividends and income from real estate for rent received	302,216	304,396	2,514,906
Interest paid	(2,089)	(2,033)	(17,391)
Policyholder dividends	(36,530)	(36,698)	(303,987)
Others, net	48,908	53,192	406,996
Income taxes paid	(53,908)	(47,248)	(448,603)
<b>Net cash provided by (used in) operating activities</b>	<b>¥ 616,760</b>	<b>¥ 159,130</b>	<b>\$ 5,132,398</b>

(continued)

	¥ millions		US\$ thousands
Years ended March 31,	2015	2014	2015
<b>Cash flows from investing activities:</b>			
Net decrease (increase) in short-term investments	¥ 50	¥ 29,517	\$ 418
Investments in monetary claims purchased	(4,000)	(6,000)	(33,286)
Proceeds from sale and redemption of monetary claims purchased	36,869	35,874	306,808
Investments in monetary trusts	(227,080)	(173,830)	(1,889,656)
Proceeds from monetary trusts	1,533	16,980	12,759
Purchase of securities	(1,626,796)	(1,797,679)	(13,537,455)
Sale and redemption of securities	1,622,894	1,904,771	13,504,988
Investments in loans	(445,797)	(495,946)	(3,709,724)
Collection of loans	462,395	484,069	3,847,845
Others, net	(259,317)	(204,516)	(2,157,921)
Subtotal	(439,248)	(206,758)	(3,655,224)
Total of net cash provided by (used in) operating activities and investment transactions as above	177,512	(47,628)	1,477,174
Purchase of tangible fixed assets	(27,898)	(7,092)	(232,161)
Proceeds from disposal of tangible fixed assets	273	189	2,274
Others, net	(182)	(202)	(1,516)
<b>Net cash provided by (used in) investing activities</b>	<b>(467,056)</b>	<b>(213,864)</b>	<b>(3,886,628)</b>
<b>Cash flows from financing activities:</b>			
Net increase (decrease) in short-term debenture	0	1,999	0
Proceeds from issuance of debt	13,500	41,350	112,340
Repayments of debt	(48,343)	(12,018)	(402,292)
Proceeds from issuance of bonds	—	20,000	—
Redemption of bonds	(14,000)	—	(116,501)
Payment of lease obligations	(606)	(542)	(5,049)
Purchase of treasury stock	(10,010)	(3,009)	(83,300)
Sale of treasury stock	0	0	1
Dividends paid	(16,766)	(15,178)	(139,520)
Dividends paid to minority interests	(52)	(58)	(433)
Others, net	0	0	0
<b>Net cash provided by (used in) financing activities</b>	<b>(76,278)</b>	<b>32,543</b>	<b>(634,754)</b>
Effect of exchange rate changes on cash and cash equivalents	(1,012)	(808)	(8,422)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>72,413</b>	<b>(22,997)</b>	<b>602,593</b>
Cash and cash equivalents at the beginning of the year	827,111	850,108	6,882,841
<b>Cash and cash equivalents at the end of the year (Note 16)</b>	<b>¥ 899,524</b>	<b>¥ 827,111</b>	<b>\$ 7,485,435</b>

See notes to consolidated financial statements.