

Consolidated Statement of Cash Flows

		¥ millions	US\$ thousands
Years ended March 31,	2016	2015	2016
Cash flows from operating activities:			
Income before income taxes	¥ 110,239	¥ 148,281	\$ 978,342
Depreciation of real estate for rent	4,991	5,176	44,297
Other depreciation and amortization	10,254	10,305	91,008
Impairment losses	4,203	1,995	37,307
Increase (decrease) in reserve for outstanding claims	(5,188)	2,423	(46,044)
Increase (decrease) in policy reserve	194,321	482,607	1,724,545
Interest portion of reserve for policyholder dividends	65	108	582
Provision for reserve for (reversal of) policyholder dividends	31,920	32,555	283,281
Increase (decrease) in reserve for possible loan losses	(166)	(155)	(1,480)
Increase (decrease) in reserve for bonuses to directors and audit & supervisory board members	38	(18)	339
Increase (decrease) in net defined benefit liability	9,459	(1,385)	83,951
Increase (decrease) in reserve for directors' and audit & supervisory board members' retirement benefits	11	1	103
Increase (decrease) in reserve for price fluctuations	20,568	5,150	182,540
Interest, dividends and income from real estate for rent	(290,725)	(287,966)	(2,580,094)
Losses (gains) on investment securities	(46,744)	(81,906)	(414,839)
Interest expenses	909	1,841	8,069
Exchange losses (gains)	(1,257)	(1,541)	(11,157)
Losses (gains) on disposal of tangible fixed assets	1,294	921	11,488
Equity in losses (income) of affiliated companies	(46)	(38)	(413)
Decrease (increase) in amount due from agencies	(0)	257	(6)
Decrease (increase) in amount due from reinsurers	(286)	46	(2,539)
Decrease (increase) in other assets (excluding investment activities-related and financing activities-related)	(11,767)	(5,376)	(104,433)
Increase (decrease) in amount due to agencies	(379)	175	(3,366)
Increase (decrease) in amount due to reinsurers	87	101	772
Increase (decrease) in other liabilities (excluding investment activities-related and financing activities-related)	(3,422)	(2,866)	(30,371)
Others, net	31,805	47,468	282,262
Subtotal	60,187	358,164	534,146
Interest, dividends and income from real estate for rent received	300,736	302,216	2,668,943
Interest paid	(923)	(2,089)	(8,191)
Policyholder dividends	(36,625)	(36,530)	(325,043)
Others, net	18,612	48,908	165,177
Income taxes paid	(32,545)	(53,908)	(288,835)
Net cash provided by (used in) operating activities	¥ 309,441	¥ 616,760	\$ 2,746,197

(continued)

Years ended March 31,	¥ millions		US\$ thousands
	2016	2015	2016
Cash flows from investing activities:			
Net decrease (increase) in short-term investments	¥ 1,200	¥ 50	\$ 10,649
Investments in monetary claims purchased	(2,000)	(4,000)	(17,749)
Proceeds from sale and redemption of monetary claims purchased	31,285	36,869	277,651
Investments in monetary trusts	(82,737)	(227,080)	(734,265)
Proceeds from monetary trusts	200	1,533	1,774
Purchase of securities	(2,098,003)	(1,626,796)	(18,619,133)
Sale and redemption of securities	1,981,004	1,622,894	17,580,796
Investments in loans	(360,390)	(445,797)	(3,198,356)
Collection of loans	458,059	462,395	4,065,139
Others, net	79,743	(259,317)	707,701
Subtotal	8,361	(439,248)	74,208
Total of net cash provided by (used in) operating activities and investment transactions as above	317,803	177,512	2,820,406
Purchase of tangible fixed assets	(26,648)	(27,898)	(236,494)
Proceeds from disposal of tangible fixed assets	64	273	576
Others, net	(342)	(182)	(3,038)
Net cash provided by (used in) investing activities	(18,563)	(467,056)	(164,747)
Cash flows from financing activities:			
Net increase (decrease) in short-term debenture	0	0	5
Proceeds from issuance of debt	13,600	13,500	120,695
Repayments of debt	(29,746)	(48,343)	(263,986)
Proceeds from issuance of bonds	30,150	—	267,571
Redemption of bonds	(31,100)	(14,000)	(276,002)
Payment of lease obligations	(397)	(606)	(3,527)
Purchase of treasury stock	(30,015)	(10,010)	(266,375)
Sale of treasury stock	0	0	4
Dividends paid	(16,650)	(16,766)	(147,764)
Dividends paid to non-controlling interests	(51)	(52)	(453)
Others, net	0	0	1
Net cash provided by (used in) financing activities	(64,208)	(76,278)	(569,831)
Effect of exchange rate changes on cash and cash equivalents	(1,271)	(1,012)	(11,287)
Net increase (decrease) in cash and cash equivalents	225,397	72,413	2,000,331
Cash and cash equivalents at the beginning of the year	899,524	827,111	7,983,002
Cash and cash equivalents at the end of the year (Note 18)	¥ 1,124,922	¥ 899,524	\$ 9,983,334

See notes to consolidated financial statements.