

Consolidated Statement of Cash Flows

		¥ millions	US\$ thousands
Years ended March 31,	2016	2017	2017
Cash flows from operating activities:			
Income before income taxes	¥ 110,239	¥ 96,786	\$ 862,702
Depreciation of real estate for rent	4,991	4,891	43,601
Other depreciation and amortization	10,254	11,345	101,128
Impairment losses	4,203	4,779	42,606
Increase (decrease) in reserve for outstanding claims	(5,188)	2,151	19,179
Increase (decrease) in policy reserve	194,321	256,954	2,290,352
Interest portion of reserve for policyholder dividends	65	27	249
Provision for reserve for (reversal of) policyholder dividends	31,920	25,374	226,170
Increase (decrease) in reserve for possible loan losses	(166)	(299)	(2,672)
Increase (decrease) in provision for bonuses to directors and audit & supervisory board members	38	(18)	(161)
Increase (decrease) in net defined benefit liability	9,459	(3,183)	(28,371)
Increase (decrease) in provision for directors' and audit & supervisory board members' retirement benefits	11	(25)	(223)
Increase (decrease) in reserve for price fluctuations	20,568	29,134	259,691
Interest, dividends and income from real estate for rent	(290,725)	(276,628)	(2,465,712)
Losses (gains) on investment securities	(46,744)	(57,329)	(511,005)
Interest expenses	909	573	5,107
Exchange losses (gains)	(1,257)	(540)	(4,816)
Losses (gains) on disposal of tangible fixed assets	1,294	656	5,852
Equity in losses (income) of affiliated companies	(46)	(1)	(11)
Decrease (increase) in amount due from agencies	(0)	(9)	(86)
Decrease (increase) in amount due from reinsurers	(286)	(2,794)	(24,905)
Decrease (increase) in other assets (excluding investment activities-related and financing activities-related)	(11,767)	(7,347)	(65,489)
Increase (decrease) in amount due to agencies	(379)	(296)	(2,640)
Increase (decrease) in amount due to reinsurers	87	1,140	10,168
Increase (decrease) in other liabilities (excluding investment activities-related and financing activities-related)	(3,422)	3,337	29,747
Others, net	31,805	58,206	518,819
Subtotal	60,187	146,888	1,309,279
Interest, dividends and income from real estate for rent received	300,736	287,630	2,563,780
Interest paid	(923)	(573)	(5,111)
Policyholder dividends	(36,625)	(37,713)	(336,158)
Others, net	18,612	3,648	32,518
Income taxes paid	(32,545)	(56,119)	(500,214)
Net cash provided by (used in) operating activities	309,441	343,760	3,064,094

(continued)

		¥ millions	US\$ thousands
Years ended March 31,	2016	2017	2017
Cash flows from investing activities:			
Net decrease (increase) in cash and deposits	¥ 1,200	¥ (200)	\$ (1,782)
Investments in monetary claims purchased	(2,000)	(8,500)	(75,764)
Proceeds from sales and redemption of monetary claims purchased	31,285	47,777	425,861
Investments in monetary trusts	(82,737)	(113,277)	(1,009,692)
Proceeds from monetary trusts	200	60,070	535,430
Purchase of securities	(2,098,003)	(2,525,588)	(22,511,710)
Proceeds from sales and redemption of securities	1,981,004	1,843,117	16,428,532
Investments in loans	(360,390)	(345,104)	(3,076,067)
Collection of loans	458,059	429,496	3,828,293
Others, net	79,743	93,832	836,372
Subtotal	8,361	(518,376)	(4,620,526)
Total of net cash provided by (used in) operating activities and investment transactions as above	317,803	(174,616)	(1,556,431)
Purchase of tangible fixed assets	(26,648)	(17,387)	(154,985)
Proceeds from disposal of tangible fixed assets	64	1,575	14,041
Others, net	(342)	(316)	(2,818)
Net cash provided by (used in) investing activities	(18,563)	(534,505)	(4,764,288)
Cash flows from financing activities:			
Net increase (decrease) in short-term debenture	0	0	0
Proceeds from issuance of debt	13,600	11,700	104,287
Repayments of debt	(29,746)	(12,149)	(108,289)
Proceeds from issuance of bonds	30,150	—	—
Redemption of bonds	(31,100)	—	—
Proceeds from share issuance to non-controlling shareholders	—	13	118
Payment of lease obligations	(397)	(590)	(5,265)
Purchase of treasury shares	(30,015)	(19,012)	(169,465)
Proceeds from disposal of treasury shares	0	0	2
Dividends paid	(16,650)	(28,840)	(257,067)
Dividends paid to non-controlling interests	(51)	(48)	(430)
Others, net	0	0	0
Net cash provided by (used in) financing activities	(64,208)	(48,926)	(436,107)
Effect of exchange rate changes on cash and cash equivalents	(1,271)	17	152
Net increase (decrease) in cash and cash equivalents	225,397	(239,654)	(2,136,149)
Cash and cash equivalents at the beginning of the year	899,524	1,124,922	10,026,937
Cash and cash equivalents at the end of the year (Note 18)	¥ 1,124,922	¥ 885,267	\$ 7,890,788

See notes to consolidated financial statements.