

## CONSOLIDATED STATEMENT OF CASH FLOWS

The Dai-ichi Kangyo Bank, Limited and Consolidated Subsidiaries  
Years ended March 31, 1998 and 1997

	Millions of yen		Thousands of U.S. dollars
	1998	1997	1998
<b>Cash Flows from Operating Activities:</b>			
Net Loss	¥ 72,018	¥ 177,341	\$ 545,182
Adjustments to Reconcile Net Loss to Net Cash Provided by (Used in) Operating Activities:			
Depreciation and Amortization	40,564	40,741	307,077
Transfer to Reserve for Possible Loan Losses	510,857	271,947	3,867,200
Write-Offs of Loans	204,560	36,264	1,548,526
Securities Losses (Gains), Net	(366,277)	48,548	(2,772,729)
Deferred Income Taxes	(45,710)	(176,840)	(346,032)
Minority Interest in Net Income	8,246	6,604	62,429
Net Change in Trading Account	(504,206)	/	(3,816,854)
Net Change in Trading Account Securities	/	(294,673)	/
Net Change in Accrual	5,591	19,631	42,329
Other, Net	(116,057)	462,897	(878,559)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(334,450)</b>	<b>237,779</b>	<b>(2,531,795)</b>
<b>Cash Flows from Investing Activities:</b>			
Net Change in Deposits with Banks	1,471,644	1,581,708	11,140,379
Net Change in Call Loans	(744,560)	75,677	(5,636,343)
Net Change in Commercial Paper and Other Debt Purchased	(5,787)	6,066	(43,810)
Net Change in Money Held in Trust	122,378	(21,010)	926,410
Net Change in Loans and Bills Discounted	831,402	(1,286,273)	6,293,738
Proceeds from Sales of Securities	17,628,714	10,054,897	133,449,767
Proceeds from Maturities of Securities	624,129	539,120	4,724,678
Purchases of Securities	(18,451,193)	(10,205,002)	(139,675,952)
Net Change in Premises and Equipment	(96,009)	(78,713)	(726,794)
<b>Net Cash Provided by Investing Activities</b>	<b>1,380,718</b>	<b>666,471</b>	<b>10,452,073</b>
<b>Cash Flows from Financing Activities:</b>			
Net Change in Deposits	(784,309)	(1,072,590)	(5,937,239)
Net Change in Call Money	(561,176)	(475,208)	(4,248,116)
Net Change in Borrowed Money	411,268	14,510	3,113,310
Net Change in Subordinated Debt	(38,732)	273,314	(293,208)
Proceeds from Issuance of Preferred Stock	99,000	—	749,432
Repayment of Convertible Bonds and Notes	—	(1,177)	—
Cash Dividends Paid	(26,525)	(26,525)	(200,802)
Other, Net	60,598	139,997	458,732
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>(839,877)</b>	<b>(1,147,678)</b>	<b>(6,357,891)</b>
Net Change in Cash and Cash Equivalents*	206,391	(243,427)	1,562,387
Foreign Currency Translation Adjustments	(18,506)	(46,555)	(140,095)
Cash and Cash Equivalents at the Beginning of Year	1,211,117	1,501,100	9,168,190
<b>Cash and Cash Equivalents at the End of Year</b>	<b>¥ 1,399,002</b>	<b>¥ 1,211,117</b>	<b>\$ 10,590,482</b>

Notes: 1. U.S. dollar amounts are shown solely for convenience and are calculated at the rate of ¥132.10 to US\$1, the rate of exchange on March 31, 1998.

2. Yen amounts less than ¥1 million are omitted. As a result, the totals in yen do not necessarily agree with the sum of the individual amounts.

\* Cash and Cash Equivalents consist of Cash and Demand Deposits with the Bank of Japan.

The accompanying notes are an integral part of these financial statements.