

Nonconsolidated Statements of Cash Flows

Nissay Dowa General Insurance Co., Ltd.
For the years ended March 31, 2006 and 2007

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2006	2007	2007
Cash flows from operating activities			
Income before income taxes	¥ 10,129	¥ 8,916	\$ 75,531
Adjustments to reconcile income before income taxes to net cash			
Payment of income taxes	(5,614)	(4,420)	(37,445)
Depreciation	3,644	3,347	28,353
Loss on impairment of long-lived assets	2,065	—	—
Increase in reserves for reported and estimated losses and claims	14,177	12,676	107,382
Decrease in underwriting reserves	(12)	(2,881)	(24,406)
Reversal of allowance for doubtful accounts	(253)	(348)	(2,948)
Increase (Decrease) in liability for retirement benefits	274	(3,771)	(31,948)
Decrease in accrued expenses	(59)	(10)	(88)
Provision for reserve for fluctuation in value of investment	605	631	5,349
Net realized gain on investments in securities	(19,143)	(11,217)	(95,019)
Net realized gain (loss) on sales and disposals of property and equipment	(3,228)	99	839
Foreign currency exchange loss	504	1,875	15,885
Net decrease in other assets	1,460	162	1,378
Net decrease in other liabilities	(1,679)	(215)	(1,824)
Others, net	(1,181)	(2,526)	(21,403)
Net cash provided by operating activities	1,689	2,317	19,634
Cash flows from investing activities			
Decrease (Increase) in short-term investments, net	1,244	(576)	(4,884)
Purchases of investment securities	(301,118)	(232,307)	(1,967,872)
Proceeds from sales or maturity of securities	327,791	221,712	1,878,127
Loans made	(10,491)	(6,646)	(56,299)
Collection of loans	18,300	20,852	176,644
Purchases of property and equipment	(2,197)	(2,551)	(21,615)
Proceeds from sales and disposals of property and equipment	5,519	320	2,713
Others, net	(0)	(0)	(3)
Net cash provided by investing activities	39,047	803	6,810
Cash flows from financing activities			
Purchases of treasury stock, net	(1,634)	(34)	(293)
Cash dividends paid	(2,680)	(3,229)	(27,356)
Others, net	(4)	(1)	(13)
Net cash used in financing activities	(4,319)	(3,265)	(27,663)
Foreign currency translation adjustments on cash and cash equivalents	(571)	(1,574)	(13,336)
Net increase (decrease) in cash and cash equivalents	35,845	(1,718)	(14,555)
Cash and cash equivalents at beginning of year	47,483	83,329	705,882
Cash and cash equivalents at end of year (Note 3)	¥ 83,329	¥ 81,611	\$ 691,327

See accompanying Notes to Nonconsolidated Financial Statements.