

Consolidated Statements of Cash Flows (Unaudited)

Mochida Pharmaceutical Co., Ltd. and Consolidated Subsidiaries
For the years ended March 31

	Millions of Yen		Thousands of U.S. Dollars
	2010	2009	2010
Cash flows from operating activities:			
Income before income taxes and minority interests	¥15,783	¥13,727	\$169,639
Depreciation	2,828	2,683	30,404
Impairment loss	157	–	1,691
Loss on sales and disposal of fixed assets	101	60	1,092
Gain on sales of investments in securities	(1,139)	–	(12,249)
Investment loss on equity method	230	236	2,481
Increase (decrease) in doubtful accounts	(0)	0	(10)
Increase (decrease) in reserve for bonuses	(1)	59	(18)
Decrease (increase) in accrued retirement benefits	101	(915)	1,093
Increase in reserve for retirement benefits for directors	0	9	3
Interest and dividend income	(253)	(297)	(2,725)
Interest and charge (commission) expense	141	58	1,518
Loss on foreign exchange	0	0	3
Decrease in accounts receivable – trade	16	365	179
Decrease in inventories	800	17	8,598
(Decrease) increase in other current assets	(187)	27	(2,012)
(Decrease) increase in accounts payable	(293)	1,058	(3,152)
(Decrease) increase in other current liabilities	108	(145)	1,170
Other	(766)	(1,509)	(8,233)
Subtotal	17,628	15,437	189,473
Interest and dividends received	256	298	2,754
Interest and commission paid	(134)	(43)	(1,445)
Income taxes paid	(5,533)	(5,083)	(59,473)
Net cash provided by operating activities	12,217	10,608	131,309
Cash flows from investing activities:			
Payments into time deposits	(7,120)	(6,920)	(76,526)
Proceeds from refunds on time deposits	7,220	8,420	77,601
Payment for purchases of tangible and intangible fixed assets	(1,901)	(3,874)	(20,442)
Loss on sales of property, plant and equipment	0	61	8
Payment for purchases of investment securities	–	(1,098)	–
Proceeds from sales of shares in affiliates following change in scope of consolidation	1,170	–	12,575
Other	(6)	(5)	(73)
Net cash used in investing activities	(638)	(3,416)	(6,857)
Cash flows from financing activities:			
Repayment of long-term debt	(600)	(600)	(6,448)
Dividends paid	(2,623)	(2,518)	(28,199)
Payment for acquisition of treasury stock	(2,313)	(4,134)	(24,862)
Proceeds from disposal of treasury stock	49	–	530
Other	(34)	(3)	(371)
Net cash used in financing activities	(5,521)	(7,257)	(59,350)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(0)	(0)	(3)
Increase (Decrease) in Cash and Cash Equivalents	6,056	(65)	65,098
Cash and Cash Equivalents at Beginning of Year	20,377	20,443	219,019
Cash and Cash Equivalents at End of Year	¥26,434	¥20,377	\$284,117

Note: Unless otherwise indicated, all dollar figures herein refer to U.S. currency. Yen amounts have been translated into U.S. dollars, for convenience only, at the rate of ¥93.04=\$1.00, the approximate exchange rate on March 31, 2010.