

## 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
	2011	2010	2011
<b>Cash flows from operating activities:</b>			
Income before income taxes and minority interests	¥ 8,155	¥ 15,783	\$ 98,080
Depreciation	2,866	2,828	34,471
Impairment loss	–	157	–
Loss on disaster	3,093	–	37,199
Loss on adjustment for changes of accounting standard for asset retirement obligations	189	–	2,282
Special retirement expense	221	–	2,669
Loss on sales and disposal of fixed assets	46	101	553
Revaluation of investments in securities	174	–	2,102
Gain on sales of investment securities	–	(1,139)	–
Investment loss on equity method	–	230	–
Decrease in doubtful accounts	(4)	(0)	(49)
Decrease in reserve for bonuses	(6)	(1)	(77)
Decrease (increase) in accrued retirement benefits	(49)	101	(601)
Increase in reserve for retirement benefits for directors	3	0	42
Interest and dividend income	(234)	(253)	(2,819)
Interest and charge (commission) expense	71	141	863
Loss (gain) on foreign exchange	(0)	0	(0)
(Increase) decrease in accounts receivable – trade	(1,599)	16	(19,231)
Decrease in inventories	857	800	10,315
Increase in other current assets	(1,183)	(187)	(14,231)
(Decrease) increase in accounts payable	597	(293)	7,188
(Decrease) increase in other current liabilities	(38)	108	(468)
Other	(435)	(766)	(5,240)
Subtotal	12,726	17,628	153,050
Interest and dividends received	237	256	2,859
Interest and commission paid	(76)	(134)	(921)
Payments for loss on disaster	(175)	–	(2,109)
Payments for special retirement expenses	(50)	–	(604)
Income taxes paid	(5,599)	(5,533)	(67,346)
Net cash provided by operating activities	7,061	12,217	84,928
<b>Cash flows from investing activities:</b>			
Payments into time deposits	(7,020)	(7,120)	(84,425)
Proceeds from refunds on time deposits	7,520	7,220	90,438
Payment for purchases of tangible and intangible fixed assets	(2,458)	(1,901)	(29,567)
Loss on sales of property, plant and equipment	5	0	62
Proceeds from sale of shares in affiliates following change in scope of consolidation	–	1,170	–
Other	17	(6)	215
Net cash used in investing activities	(1,935)	(638)	(23,276)
<b>Cash flows from financing activities:</b>			
Proceeds from long-term loans payable	1,500	–	18,039
Repayment of long-term debt	–	(600)	–
Dividends paid	(2,775)	(2,623)	(33,373)
Payment for acquisition of treasury stock	(3,421)	(2,313)	(41,150)
Proceeds from disposal of treasury stock	21	49	257
Other	(41)	(34)	(500)
Net cash used in financing activities	(4,716)	(5,521)	(56,728)
<b>Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>	<b>0</b>	<b>(0)</b>	<b>0</b>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<b>409</b>	<b>6,056</b>	<b>4,923</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>26,434</b>	<b>20,377</b>	<b>317,911</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>¥ 26,843</b>	<b>¥ 26,434</b>	<b>\$ 322,834</b>

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 ¥83.15=\$1.00, the approximate exchange rate on March 31, 2011.