

IV. Statement of cash flows

(Billions of Yen)

	FY08	FY09	FY10	FY11	FY2011 1-2Q Total	FY2012 1-2Q Total	vs. FY2011 1-2Q Total
Net cash provided by operating activities	326.3	381.2	326.9	336.6	161.7	180.4	18.6
Income before income taxes and minority interests	398.5	415.8	371.6	252.5	209.6	130.3	-79.2
Depreciation and amortization	103.2	99.8	92.6	128.0	49.9	80.3	30.4
Amortization of goodwill	14.9	15.1	14.1	22.2	6.6	16.1	9.5
Gain on sale of businesses	-71.3	—	—	—	—	—	—
In-Process R&D expenses in business acquisitions (*)	159.9	—	—	—	—	—	—
Interest income, interest expenses and dividend income	-15.4	-4.7	-4.9	-4.4	-2.5	-1.2	1.3
Equity in losses (earnings) of affiliates	-2.8	0.0	-0.4	0.8	0.8	-0.4	-1.2
Loss (gain) on sales and disposals of property, plant and equipment	1.1	1.4	0.9	-16.8	0.1	0.4	0.3
Loss (gain) on sales of investment securities	-0.0	-0.1	-1.1	-0.1	-0.1	-17.0	-17.0
Interest on tax refund received	—	—	—	—	—	-11.6	-11.6
Working capital	-36.9	14.1	-9.2	64.7	-14.0	-9.2	4.7
Decrease (increase) in notes and accounts receivable	-30.4	16.7	-20.3	13.8	-4.0	5.8	9.8
Decrease (increase) in inventory	-11.0	-7.4	-0.6	49.3	-1.8	-8.4	-6.6
Decrease (increase) in notes and accounts payable	4.5	4.8	11.7	1.6	-8.1	-8.6	1.5
Interest and dividends received, and interest paid	14.8	4.7	4.8	4.4	2.6	1.1	-1.5
Income taxes paid	-220.4	-138.7	-141.8	-152.1	-79.5	-31.3	48.1
Tax refund and Interest on tax refund received	—	—	—	—	—	57.2	57.2
Other	-19.3	-26.2	0.3	37.3	-11.8	-34.3	-22.5
Net cash used in investing activities	-767.3	-117.5	-99.3	-1,094.0	-1,060.7	-130.2	930.5
Net increase in marketable securities	41.6	-9.2	13.1	0.3	0.4	—	-0.4
Net increase in time deposits	26.3	-17.0	15.9	0.4	2.2	0.5	-1.7
Payment for acquisition of property, plant and equipment	-39.5	-87.0	-124.2	-61.9	-25.0	-44.4	-19.4
Proceeds from sales of property, plant and equipment	0.6	0.8	0.7	21.1	0.1	0.8	0.6
Net increase in investment securities	-0.0	5.4	3.8	-0.4	-0.1	-0.4	-0.4
Payment for acquisition of shares of subsidiaries with subsequent change of consolidation range	-833.5	-6.9	—	-1,040.0	-1,029.6	-77.5	952.1
Proceeds from acquisition of shares of subsidiaries with subsequent change of consolidation range	41.4	—	3.4	—	—	—	—
Other	-4.1	-3.6	-12.0	-13.4	-8.8	-9.3	-0.5
Net cash used in financing activities	-425.8	-148.0	-146.5	393.8	497.0	-77.9	-574.9
Net increase in short-term loans	0.6	-1.1	-0.7	239.8	569.8	-243.2	-813.0
Proceeds from issuance of long-term debt	—	—	1.3	110.0	—	—	—
Repayment of long-term debt	-0.8	—	-1.3	-0.1	—	—	—
Proceeds from issuance of bonds	0.0	—	—	189.6	—	238.0	238.0
Payment for purchases of treasury stock	-280.3	-0.0	-0.1	-0.0	-0.0	-0.0	0.0
Dividends paid	-142.4	-143.6	-142.1	-142.0	-71.0	-71.1	-0.1
Other	-3.0	-3.3	-3.8	-3.5	-1.9	-1.6	0.2
Effect of exchange rate changes	11.7	-21.2	-60.9	-54.9	-66.0	-17.1	48.9
Net increase in cash and cash equivalents	-855.2	94.4	20.2	-418.5	-468.0	-44.9	423.1
Cash and cash equivalents, beginning of year	1,613.2	758.1	852.5	872.7	872.7	454.2	-418.5
Cash and cash equivalents, end of year	758.1	852.5	872.7	454.2	404.7	409.4	4.7

Note:

(*) A portion of acquisition cost relative to the division and restructuring of TAP Pharmaceutical Products Inc. and acquisition of Millennium Pharmaceuticals, Inc. was recorded as R&D expenses.