

. Statement of cash flows

(Billions of Yen)

	FY04	FY05	FY06	FY2007	vs. FY2006
Net cash provided by operating activities	295.5	373.6	209.3	292.5	83.2
Income before income taxes and minority interests	441.1	518.0	625.4	576.8	-48.5
Depreciation	31.2	28.7	28.8	31.7	2.9
Gain on sale of businesses	-	-	-19.0	-	19.0
Interest income, interest expenses and dividend income	-17.8	-33.8	-56.0	-61.7	-5.7
Undistributed earnings of unconsolidated subsidiaries/affiliates	7.3	-11.5	-8.1	-12.2	-4.0
Loss on sales and disposals of property, plant and equipment	-0.6	2.0	-3.4	-0.1	3.3
Gain on sale of shares of subsidiaries/affiliates	-	-12.0	-17.1	-38.6	-21.6
Gains on return of the proxy portion of corporate employee pension funds to the government	-	-20.4	-	-	-
Extraordinary losses on bulk vitamin cartel cases	2.1	-	-	-	-
Impairment loss	-	-	-	-	-
Amount incurred as operational expenses upon acquisition of Takeda San Diego, Inc. (*1)	20.6	-	-	-	-
Working capital	-28.6	-10.0	-35.9	-8.7	27.1
Decrease (increase) in notes and accounts receivable	-23.4	-13.2	-30.0	6.8	36.9
Decrease (increase) in inventory	-3.4	-5.6	-7.1	-14.5	-7.5
Decrease (increase) in notes and accounts payable	-1.8	8.8	1.2	-1.0	-2.2
Interest and dividends received, and interest paid	18.0	34.2	55.0	60.5	5.5
Income taxes paid	-194.8	-161.8	-357.0	-263.8	93.2
Payment related to the bulk vitamin cartel cases	-1.3	-0.0	-1.5	-	1.5
Other	18.2	40.4	-2.0	8.7	10.7
Net cash used in investing activities	-72.3	6.6	116.4	101.7	-14.6
Net increase in marketable securities	18.7	15.7	151.2	55.8	-95.4
Net increase in time deposits	5.0	-	-59.9	23.6	83.5
Payment for acquisition of property, plant and equipment	-53.7	-32.1	-29.2	-32.6	-3.5
Proceeds from sales of property, plant and equipment	2.6	0.9	6.2	2.2	-4.0
Net increase in investment securities	-14.1	11.7	34.8	57.0	22.3
Proceeds from sale of businesses	-	-	19.8	-	-19.8
Proceeds from sale of shares of subsidiaries with subsequent change of consolidation range	-	10.8	-	-	-
Payment for acquisition of shares of subsidiaries with subsequent change of consolidation range	-29.1	-	-4.7	-1.8	3.0
Other	-1.7	-0.4	-1.8	-2.6	-0.8
Net cash used in financing activities	-73.9	-89.3	-315.9	-262.1	53.9
Net increase in short-term loans	-0.3	-0.9	0.2	-0.8	-1.0
Proceeds from issuance of long-term debt	3.5	1.9	-	-	-
Repayment of long-term debt	-0.6	-3.2	-2.1	-1.4	0.7
Payment for purchases of treasury stock (*2)	-	-	-213.7	-128.8	85.0
Dividends paid	-75.0	-85.5	-98.8	-129.2	-30.4
Other	-1.7	-1.5	-1.6	-2.0	-0.4
Effect of exchange rate changes	15.2	71.1	11.7	-166.6	-178.3
Net increase in cash and cash equivalents	164.5	361.9	21.5	-34.5	-55.9
Cash and cash equivalents, beginning of year	1,076.1	1,264.3	1,626.2	1,647.7	21.5
Increase in cash and cash equivalents due to accounting period change for overseas subsidiaries (*3)	23.7	-	-	-	-
Cash and cash equivalents, end of year	1,264.3	1,626.2	1,647.7	1,613.2	-34.5

Note:

(*1) Certain portion of acquisition cost was booked as R&D expenses in FY2004.

(*2) "Payment for purchases of treasury stock" which had been included in "Other" under "Net cash used in financing activities" in and before the previous year, is presented separately from this interim period because its importance has become larger in FY 2006. "Payment for purchases of treasury stock" in the previous year was 0.1 billion yen.

(*3) The increase in cash and cash equivalents for January-March, 2004 in major overseas subsidiaries due to the change of the consolidation period from January-December to April-March, starting from the period ended March, 2005.