

IV. Statement of cash flows

(Billions of Yen)

	FY05	FY06	FY07	FY08	FY2008 1-2Q Total	FY2009 1-2Q Total	vs. FY2008 1-2Q Total
Net cash provided by operating activities	373.6	209.3	292.5	326.3	129.1	189.4	60.3
Income before income taxes and minority interests	518.0	625.4	576.8	398.5	176.3	254.9	78.6
Depreciation	27.2	26.9	30.7	103.2	49.0	52.3	3.3
Amortization of goodwill	1.6	1.9	1.0	14.9	7.3	7.7	0.4
Gain on sale of businesses	—	-19.0	—	-71.3	-75.3	—	75.3
In-Process R&D expenses in business acquisitions (*1)	—	—	—	159.9	168.7	—	-168.7
Interest income, interest expenses and dividend income	-33.8	-56.0	-61.7	-15.4	-10.1	-2.7	7.5
Undistributed earnings of unconsolidated subsidiaries/affiliates	-11.5	-8.1	-12.2	-2.8	-2.4	-0.5	1.9
Loss on sales and disposals of property, plant and equipment	2.0	-3.4	-0.1	1.1	0.3	0.4	0.1
Gain on sale of shares of subsidiaries/affiliates	-12.0	-17.1	-38.6	—	—	—	—
Gains on return of the proxy portion of corporate employee pension funds to the government	-20.4	—	—	—	—	—	—
Working capital	-10.0	-35.9	-8.7	-36.9	-58.8	-27.3	31.5
Decrease (increase) in notes and accounts receivable	-13.2	-30.0	6.8	-30.4	-59.8	-26.2	33.6
Decrease (increase) in inventory	-5.6	-7.1	-14.5	-11.0	-2.3	-5.8	-3.6
Decrease (increase) in notes and accounts payable	8.8	1.2	-1.0	4.5	3.3	4.8	1.5
Interest and dividends received, and interest paid	34.2	55.0	60.5	14.8	9.6	2.6	-7.0
Income taxes paid	-161.8	-357.0	-263.8	-220.4	-116.5	-68.4	48.0
Payment related to the bulk vitamin cartel cases	-0.0	-1.5	—	—	—	—	—
Other	40.4	-2.0	8.7	-19.3	-18.9	-29.6	-10.7
Net cash used in investing activities	6.6	118.4	101.7	-767.3	-782.7	-39.1	743.6
Net increase in marketable securities	15.7	151.2	55.8	41.6	13.6	-5.5	-19.1
Net increase in time deposits	—	-59.9	23.6	26.3	26.3	—	-26.3
Payment for acquisition of property, plant and equipment	-32.1	-29.2	-32.6	-39.5	-24.4	-26.8	-2.4
Proceeds from sales of property, plant and equipment	0.9	6.2	2.2	0.6	0.2	0.1	-0.1
Net increase in investment securities	11.7	34.8	57.0	-0.0	-0.1	5.3	5.4
Proceeds from sale of businesses	—	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	—	-4.7	-1.8	-833.5	-833.5	-6.9	826.7
Proceeds from acquisition of shares of subsidiaries with subsequent change of consolidation range	—	—	—	41.4	41.4	—	-41.4
Other	-0.4	-1.8	-2.6	-4.1	-6.2	-5.3	0.9
Net cash used in financing activities	-89.3	-315.9	-262.1	-425.8	-230.9	-74.1	156.9
Net increase in short-term loans	-0.9	0.2	-0.8	0.6	0.2	-0.1	-0.2
Proceeds from issuance of long-term debt	1.9	—	—	—	—	—	—
Repayment of long-term debt	-3.2	-2.1	-1.4	-0.8	-0.8	—	0.8
Payment for purchases of treasury stock (*2)	—	-213.7	-128.8	-280.3	-157.9	-0.0	157.9
Dividends paid	-85.5	-98.8	-129.2	-142.4	-70.8	-72.5	-1.8
Other	-1.5	-1.6	-2.0	-3.0	-1.7	-1.4	0.2
Effect of exchange rate changes	71.1	11.7	-166.6	11.7	37.5	-35.3	-72.8
Net increase in cash and cash equivalents	361.9	21.5	-34.5	-855.2	-847.0	41.0	888.0
Cash and cash equivalents, beginning of year	1,264.3	1,626.2	1,647.7	1,613.2	1,613.2	758.1	-855.2
Cash and cash equivalents, end of year	1,626.2	1,647.7	1,613.2	758.1	766.2	799.1	32.9

Note:

(*1) 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.

(*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 years, is presented separately from the FY2006, because its importance had become larger. "Payment for purchases of treasury stock" in the the FY2005 was 0.1 billion yen.