

Non-consolidated Statements of Cash Flows

Torii Pharmaceutical Co., Ltd.
Years Ended March 31, 2011 and 2010

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2011	2010	2011
OPERATING ACTIVITIES:			
Income before income taxes	¥ 1,839	¥ 6,341	\$ 22,117
Adjustments for:			
Income taxes paid	(3,011)	(1,460)	(36,217)
Depreciation and amortization	1,395	1,409	16,773
Changes in assets and liabilities:			
Increase in trade notes and accounts receivable.	(2,013)	(1,949)	(24,206)
Decrease (increase) in inventories	215	(362)	2,591
Increase (decrease) in trade accounts payable	195	(604)	2,342
Other—net	864	1,624	10,392
Total adjustments	(2,355)	(1,342)	(28,325)
Net cash (used in) provided by operating activities	(516)	4,999	(6,208)
INVESTING ACTIVITIES:			
Payments into time deposits	(25,000)	(13,500)	(300,661)
Proceeds from withdrawal of time deposits	21,000	7,500	252,556
Purchases of marketable securities	(30,077)	(3,993)	(361,715)
Proceeds from sale and redemption of marketable securities	15,871	1,694	190,869
Purchases of property, plant and equipment	(553)	(1,068)	(6,651)
Proceeds from sales of property, plant and equipment.		3	5
Purchases of investment securities.	(2,303)	(814)	(27,703)
Proceeds from sale and redemption of investment securities	14	5	164
Other—net	(255)	(224)	(3,061)
Net cash used in investing activities	(21,303)	(10,397)	(256,197)
FINANCING ACTIVITIES:			
Repurchase of treasury stock	(1)	(1)	(15)
Dividends paid	(1,189)	(1,103)	(14,295)
Repayments of lease obligations	(53)	(78)	(641)
Net cash used in financing activities	(1,243)	(1,182)	(14,951)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(23,062)	(6,580)	(277,356)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	35,407	41,987	425,819
CASH AND CASH EQUIVALENTS, END OF YEAR	¥ 12,345	¥ 35,407	\$ 148,463

See notes to non-consolidated financial statements.