Notes to Non-consolidated Financial Statements

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

1. BASIS OF PRESENTING NON-CONSOLIDATED FINANCIAL STATEMENTS

During the more than 130 years since its foundation, Torii Pharmaceutical Co., Ltd. (the "Company") has been developing, producing and distributing ethical pharmaceutical products. In 1998, 54.46% of the Company's voting shares were acquired by Japan Tobacco Inc. ("JT"), and the Company became a member of the JT Group. To maximally leverage the synergistic effects of the Group, the Company continues to manufacture its products and has assumed responsibility for the sales, marketing and distribution of the pharmaceutical products of JT, while JT's pharmaceutical operations are dedicated to research and development functions.

The accompanying non-consolidated financial statements have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations and in conformity with accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

In preparing these non-consolidated financial statements, certain reclassifications and rearrangements have been made to the non-consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications have been made in the 2010 financial statements to conform to the classifications used in 2011.

The non-consolidated financial statements are stated in Japanese yen, the currency of the country in which the Company is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥83.15 to $1, the approximate rate of exchange at March 31, 2011. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Non-consolidation—The non-consolidated financial statements do not include the accounts of a subsidiary. The investment in a subsidiary is stated at cost.

Consolidation of the Company's subsidiary would not significantly change the total assets, net sales or net income reported in the accompanying non-consolidated financial statements.

b. Cash Equivalents—Cash equivalents are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value.

Cash equivalents include time deposits, short-term investments and deposits in the cash management system, all of which mature or become due within three months of the date of acquisition.

c. Inventories—Inventories are stated at the lower of cost, determined by the average method, or net selling value.

d. Marketable and Investment Securities—Marketable and investment securities are classified and accounted for, depending on management's intent, as follows: (1) held-to-maturity debt securities, which are expected to be held-to-maturity with the positive intent and ability to hold to maturity are reported at amortized cost, (2) investment securities in a subsidiary are reported at cost, and (3) available-for-sale securities, which are not classified as either of the aforementioned securities, are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity.

Non-marketable available-for-sale securities are stated at cost determined by the moving-average method.

For other than temporary declines in fair value, investment securities are reduced to net realizable value by a charge to income.

e. Property, Plant and Equipment—Property, plant and equipment are stated at cost. Depreciation is computed by the declining-balance method while the straight-line method is applied to buildings acquired after April 1, 1998. The range of useful lives is from 15 to 50 years for buildings and structures, 8 years for machinery and equipment, and from 2 to 15 years for furniture and fixtures. Equipment held for lease is depreciated by the straight-line method over the respective lease periods.

f. Long-Lived Assets—The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

g. Software—Software is carried at cost less accumulated amortization, which is calculated by the straight-line method principally over five years.

h. Retirement and Pension Plans—The Company has a contributory defined pension plan covering substantially all of its employees. In addition to the above, the executive officers are entitled to receive unfunded severance indemnity payments. The Company participates in a contributory multi-employer pension plan, the "Tokyo Pharmaceutical Welfare Pension Fund." For the contributory multi-employer pension plan, contributions to that plan are charged to income when paid. Plan assets contributed to this fund are not recorded in the non-consolidated balance sheet.

The liability for employees' retirement benefits is accounted for based on projected benefit obligations and plan assets at the balance sheet date.

i. Asset Retirement Obligations—In March 2008, the Accounting Standards Board of Japan (the "ASBJ") published the accounting standard for asset retirement obligations, ASBJ Statement No. 18, "Accounting Standard for Asset Retirement Obligations" and ASBJ Guidance No. 21, "Guidance on Accounting Standard for Asset Retirement Obligations." Under this accounting standard, an asset retirement obligation is defined as a legal obligation imposed either by law or contract that results from the acquisition, construction, development and the normal operation of a tangible fixed asset and is associated with the retirement of such tangible fixed asset. The asset retirement obligation is recognized as the sum of the discounted cash flows required for the future asset retirement and is recorded in the period in which the obligation is incurred if a reasonable estimate can be made. If a reasonable estimate of the asset retirement obligation cannot be made in the period the asset retirement obligation is incurred, the liability should be recognized when a reasonable estimate of asset retirement obligation can be made. Upon initial recognition of a liability for an asset retirement obligation, an asset retirement cost is capitalized by increasing the carrying amount of the related fixed asset by the amount of the liability. The asset retirement cost is subsequently allocated to expense through depreciation over the remaining useful life of the asset. Over time, the liability is accreted to its present value each period. Any subsequent revisions to the timing or the amount of the original estimate of undiscounted cash flows are reflected as an increase or a decrease in the carrying amount of the liability and the capitalized amount of the related asset retirement cost. This standard was effective for fiscal years beginning on or after April 1, 2010.

The Company applied this accounting standard effective April 1, 2010. The effect of this change was to decrease operating income by ¥6 million ($69 thousand) and income before income taxes by ¥150 million ($1,808 thousand).

j. Leases—In March 2007, the ASBJ issued ASBJ Statement No. 13, "Accounting Standard for Lease Transactions," which revised the previous accounting standard for lease transactions issued in June 1993. The revised accounting standard for lease transactions is effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted for fiscal years beginning on or after April 1, 2007. Under the previous accounting standard, finance leases that were deemed to transfer ownership of the leased property to the lessee were to be capitalized. However, other finance leases were permitted to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the notes to the lessee's financial statements. The revised accounting standard requires that all finance lease transactions should be capitalized to recognize lease assets and lease obligations in the balance sheet. In addition, the revised accounting standard permits leases which existed at the transition date and do not transfer ownership of the leased property to the lessee to be measured at the obligations under finance leases less interest expense at the transition date and recorded as acquisition cost of lease assets.

The Company applied the revised accounting standard effective April 1, 2008. In addition, the Company accounted for leases which existed at the transition date and did not transfer ownership of the leased property to the lessee as acquisition cost of lease assets measured at the obligations under finance leases less interest expense at the transition date.

All other leases are accounted for as operating leases.

k. Bonuses to Directors and Corporate Auditors—Bonuses to directors and corporate auditors are accrued at the year-end to which such bonuses are attributable.

l. Income Taxes—The provision for income taxes is computed based on the pretax income included in the non-consolidated statements of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

m. Appropriations of Retained Earnings—Appropriations of retained earnings are reflected in the financial statements for the following year upon shareholders' approval.

n. Foreign Currency Transactions—All short-term and long-term monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates at the balance sheet date. The foreign exchange gains and losses from translation are recognized in the non-consolidated statements of income to the extent that they are not hedged by forward exchange contracts.

o. Per Share Information—Basic net income per share is computed by dividing net income available to common shareholders by the weighted-average number of common shares outstanding for the period, which was 28,302,119 shares and 28,302,685 shares for the years ended March 31, 2011 and 2010, respectively.

Diluted net income per share is not disclosed because there were no dilutive potential common shares that were outstanding during each of the two years in the period ended March 31, 2011.

Cash dividends per share presented in the accompanying non-consolidated statements of income are dividends applicable to the respective years, including dividends to be paid after the end of the year.

p. New Accounting Pronouncements

Accounting Changes and Error Corrections—In December 2009, the ASBJ issued ASBJ Statement No. 24, "Accounting Standard for Accounting Changes and Error Corrections" and ASBJ Guidance No. 24, "Guidance on Accounting Standard for Accounting Changes and Error Corrections." Accounting treatments under this standard and guidance are as follows:

(1) Changes in accounting policies

When a new accounting policy is applied with revision of accounting standards, the new policy is applied retrospectively unless the revised accounting standards include specific transitional provisions. When the revised accounting standards include specific transitional provisions, an entity shall comply with the specific transitional provisions.

(2) Changes in presentations

When the presentation of financial statements is changed, prior period financial statements are reclassified in accordance with the new presentation.

(3) Changes in accounting estimates

A change in an accounting estimate is accounted for in the period of the change if the change affects that period only, and is accounted for prospectively if the change affects both the period of the change and future periods.

(4) Corrections of prior period errors

When an error in prior period financial statements is discovered, those statements are restated.

This accounting standard and the guidance are applicable to accounting changes and corrections of prior period errors which are made from the beginning of the fiscal year that begins on or after April 1, 2011.

3. MARKETABLE AND INVESTMENT SECURITIES

Marketable and investment securities as of March 31, 2011 and 2010 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	**2011**
Current—Government and corporate bonds	**¥19,580**	¥4,698	**$235,478**
Non-current:			
Equity securities	**¥ 647**	¥ 867	**$ 7,776**
Government and corporate bonds	**3,525**	1,942	**42,398**
Trust fund investments and other	**58**	68	**693**
Total	**¥ 4,230**	¥2,877	**$ 50,867**

The costs and aggregate fair values of marketable and investment securities at March 31, 2011 and 2010 were as follows:

	Millions of Yen			
March 31, 2011	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Available-for-sale:				
Equity securities	**¥ 358**	**¥178**		**¥ 536**
Debt securities	**23,100**	**22**	**¥17**	**23,105**
Other	**75**		**17**	**58**
March 31, 2010				
Available-for-sale:				
Equity securities	¥ 366	¥391	¥ 1	¥ 756
Debt securities	6,308	33	1	6,340
Other	80		12	68
Held-to-maturity debt securities	300			300

	Thousands of U.S. Dollars			
March 31, 2011	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Available-for-sale:				
Equity securities	**$ 4,304**	**$2,140**		**$ 6,444**
Debt securities	**277,816**	**269**	**$209**	**277,876**
Other	**902**		**209**	**693**

Available-for-sale securities whose fair value was not readily determinable as of March 31, 2011 and 2010 were as follows:

	Carrying Amount		
	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	**2011**
Available-for-sale—Equity securities	**¥111**	¥111	**$1,332**
Total	**¥111**	¥111	**$1,332**

The investment securities of subsidiary whose fair value cannot be reliably determined at March 31, 2011 are measured at the original acquisition cost. The carrying amount of such investment securities of subsidiary is ¥10 million ($120 thousand).

4. INVENTORIES

Inventories at March 31, 2011 and 2010 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	2011
Finished products and merchandise	¥3,333	¥4,109	$40,083
Work in process	359	314	4,317
Raw materials and supplies	1,685	1,169	20,268
Total	¥5,377	¥5,592	$64,668

5. INVESTMENT PROPERTY

In November 2008, the ASBJ issued ASBJ Statement No. 20, "Accounting Standard for Investment Property and Related Disclosures" and issued ASBJ Guidance No. 23, "Guidance on Accounting Standard for Investment Property and Related Disclosures." This accounting standard and the guidance were applicable to investment property and related disclosures at the end of the fiscal years ending on or after March 31, 2010. The Group applied the accounting standard and guidance effective March 31, 2010.

The Company holds office buildings (including land) used by the Company and rental commercial properties (including land and leased land) in Tokyo and other areas. Parts of the office buildings used by the Company are used as rental office space, and these spaces are included in investment property. Net of rental income and operating expenses for those rental properties was ¥160 million ($1,918 thousand) for the fiscal year ended March 31, 2011.

The carrying amounts, changes in such balances and market prices of such properties are as follows:

Millions of Yen			
Carrying Amount			Fair Value
April 1, 2010	Increase/Decrease	March 31, 2011	March 31, 2011
¥891	¥(120)	¥771	¥3,242

Millions of Yen			
Carrying Amount			Fair Value
April 1, 2009	Increase/Decrease	March 31, 2010	March 31, 2010
¥987	¥(96)	¥891	¥3,849

Thousands of U.S. Dollars			
Carrying Amount			Fair Value
April 1, 2010	Increase/Decrease	March 31, 2011	March 31, 2011
$10,711	$(1,441)	$9,270	$38,990

Notes: 1. Carrying amount recognized in balance sheet is net of accumulated depreciation and accumulated impairment losses, if any.

2. Fair values of major properties as of March 31, 2011 are based on written appraisals, etc., by independent real estate appraisers. The values of minor properties are based on specific valuations or indicators that are believed to reflect market prices appropriately.

6. RETIREMENT AND PENSION PLANS

Employees whose service with the Company is terminated are, under most circumstances, entitled to retirement and pension benefits determined by reference to basic rates of pay at the time of termination, length of service and conditions under which the termination occurs. If the termination is involuntary, caused by retirement at the mandatory retirement age or caused by death, the employee is entitled to greater payments than in the case of voluntary termination. Additional retirement benefits which may be paid to employees upon retirement have not been included in the actuarial calculation of the projected benefit obligation. The net liabilities for employees' retirement benefits at March 31, 2011 and 2010 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	2011
Projected benefit obligation	¥ 7,595	¥ 7,440	$ 91,350
Fair value of plan assets	(5,240)	(5,085)	(63,023)
Unrecognized actuarial loss	(1,848)	(1,526)	(22,228)
Net liabilities	¥ 507	¥ 829	$ 6,099

The Company does not state the retirement benefit liability separately from the pension plan, because the Company is unable to reasonably estimate the liability amount.

The components of net periodic retirement benefit costs for the years ended March 31, 2011 and 2010 are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	2011
Service cost	¥ 318	¥ 328	$ 3,821
Interest cost	112	118	1,342
Expected return on plan assets	(102)	(93)	(1,223)
Recognized actuarial loss	305	368	3,675
Net periodic retirement benefit costs	¥ 633	¥ 721	$ 7,615

In addition, contributions to the multi-employer pension plan of ¥219 million ($2,635 thousand) and ¥213 million are disclosed in other expenses at March 31, 2011 and 2010, respectively.

Assumptions used for the years ended March 31, 2011 and 2010 are set forth as follows:

	2011	2010
Discount rate	1.5%	1.5%
Expected rate of return on plan assets	2.0%	2.0%
Amortization period of prior service cost	5 years	5 years
Recognition period of actuarial gain/loss	10 years	10 years

7. EQUITY

Japanese companies are subject to the Companies Act of Japan (the "Companies Act"). The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

a. Dividends

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders meeting. For companies that meet certain criteria such as; (1) having the Board of Directors, (2) having independent auditors, (3) having the Board of Corporate Auditors, and (4) the term of service of the directors is prescribed as one year rather than two years of normal term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends in kind) at any time during the fiscal year if the company has prescribed so in its articles of incorporation. However, the Company cannot do so because it does not meet all the above criteria.

Semiannual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate. The Companies Act provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of net assets after dividends must be maintained at no less than ¥3 million.

b. Increases/Decreases and Transfer of Common Stock, Reserve and Surplus

The Companies Act requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus) depending on the equity account charged upon the payment of such dividends until the total of aggregate amount of legal reserve and additional paid-in capital equals 25% of the common stock. Under the Companies Act, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Companies Act also provides that common stock, legal reserve, additional paid-in capital, other capital surplus and retained earnings can be transferred among the accounts under certain conditions upon resolution of the shareholders.

c. Treasury Stock and Treasury Stock Acquisition Rights

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders which is determined by specific formula.

Under the Companies Act, stock acquisition rights are presented as a separate component of equity.

The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

8. INCOME TAXES

The Company is subject to Japanese national and local income taxes, which, in the aggregate, resulted in a normal effective statutory tax rate of 40.7% for the years ended March 31, 2011 and 2010.

The tax effects of significant temporary differences, which resulted in deferred tax assets and liabilities at March 31, 2011 and 2010, are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	2011
Deferred tax assets:			
Accrued bonuses to employees	¥ 471	¥ 453	$ 5,670
Liabilities for retirement benefits	207	340	2,490
Deferred charges for tax purposes	1,639	444	19,711
Accrued enterprise taxes	99	165	1,189
Loss on revaluation of golf club memberships	67	108	808
Accrued expenses	87	83	1,043
Prepayment	375	86	4,506
Less valuation allowance	(84)		(1,012)
Other	119	80	1,438
Total	2,980	1,759	35,843
Deferred tax liabilities:			
Unrealized gain on available-for-sale securities	72	167	872
Reserve for special depreciation		3	
Other	8		93
Total	80	170	965
Net deferred tax assets	¥2,900	¥1,589	$34,878

A reconciliation between the normal effective statutory tax rate and the actual effective tax rate as reflected in the accompanying non-consolidated statements of income for the years ended March 31, 2011 and 2010 is as follows:

	2011	2010
Normal effective statutory tax rate	**40.7%**	40.7%
Expenses not deductible for income tax purposes	**15.1**	4.7
Dividend income deductible for income tax purposes	**(0.4)**	(0.1)
Per capita levy	**1.7**	0.5
Tax credits	**(13.0)**	(3.0)
Valuation allowance	**4.6**	
Other—net	**0.3**	(0.2)
Actual effective tax rate	**49.0%**	42.6%

9. RESEARCH AND DEVELOPMENT COSTS

Research and development costs charged to income were ¥5,994 million ($72,092 thousand) and ¥1,613 million for the years ended March 31, 2011 and 2010, respectively.

10. LEASES

The Company leases certain office space and other assets.

Total rental expenses including lease payments under finance leases for the years ended March 31, 2011 and 2010 were ¥1,279 million ($15,379 thousand) and ¥1,262 million, respectively.

11. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

On March 10, 2008, the ASBJ revised ASBJ Statement No. 10, "Accounting Standard for Financial Instruments" and issued ASBJ Guidance No. 19, "Guidance on Accounting Standard for Financial Instruments and Related Disclosures." This accounting standard and the guidance were applicable to financial instruments and related disclosures at the end of the fiscal years ending on or after March 31, 2010 with early adoption permitted from the beginning of the fiscal years ending before March 31, 2010. The Company applied the revised accounting standard and the new guidance effective March 31, 2010.

(1) Policy for Financial Instruments

To provide for new business investment, the Company invests surplus funds in financial instruments, which are selected primarily for liquidity and security. There are no transactions in derivatives.

(2) Nature of Financial Instruments and Related Risks, and Risk Management Systems

Receivables such as trade notes and trade accounts are exposed to customer credit risk. The Company manages due dates and outstanding balances for individual customers in accordance with its credit management rules. The Company has also established a system to monitor the credit status of major customers on a half-yearly basis.

Marketable and investment securities consist mainly of bonds, held with the aim of investing surplus funds, and shares in companies with which the Company has business relationships. These bonds and shares are exposed to the credit risk of the issuers and to the risk of market price fluctuation.

Most trade accounts and accrued payments, which are operating liabilities, have due dates within one year. Some of these items are denominated in foreign currencies and are therefore exposed to the risk of exchange rate fluctuations.

(3) Fair Values of Financial Instruments

The fair values of financial instruments are based on market prices and prices calculated using reasonable methods when no market prices are available.

(a) Fair values of financial instruments

March 31, 2011	Carrying Amount (Millions of Yen)	Fair Value (Millions of Yen)	Unrealized Gain/Loss (Millions of Yen)
Cash and cash equivalents	**¥12,345**	**¥12,345**	
Time deposits	**11,500**	**11,500**	
Receivables:			
Trade accounts	**18,354**	**18,354**	
Parent and subsidiary	**82**	**82**	
Marketable and investment securities:			
Available-for-sale securities	**23,699**	**23,699**	
Total	**¥65,980**	**¥65,980**	
Payables:			
Trade accounts	**¥ 2,504**	**¥2,504**	
Parent and subsidiary	**2,100**	**2,100**	
Other	**1,650**	**1,650**	
Income taxes payable	**1,051**	**1,051**	
Total	**¥ 7,305**	**¥ 7,305**	

March 31, 2010	Carrying Amount	Fair Value	Unrealized Gain/Loss
Cash and cash equivalents	¥35,407	¥35,407	
Time deposits	7,500	7,500	
Receivables:			
Trade accounts	16,355	16,355	
Parent and subsidiary	68	68	
Marketable and investment securities:			
Held-to-maturity debt securities	300	300	
Available-for-sale securities	7,164	7,164	
Total	¥66,794	¥66,794	
Payables:			
Trade accounts	¥ 2,309	¥ 2,309	
Parent and subsidiary	1,710	1,710	
Other	1,544	1,544	
Income taxes payable	1,974	1,974	
Total	¥ 7,537	¥ 7,537	

March 31, 2011	Thousands of U.S. Dollars Carrying Amount	Fair Value	Unrealized Gain/Loss
Cash and cash equivalents	$148,463	$148,463	
Time deposits	138,304	138,304	
Receivables:			
Trade accounts	220,730	220,730	
Parent and subsidiary	988	988	
Marketable and investment securities:			
Available-for-sale securities	285,013	285,013	
Total	$793,498	$793,498	
Payables:			
Trade accounts	$ 30,108	$ 30,108	
Parent and subsidiary	25,256	25,256	
Other	19,845	19,845	
Income taxes payable	12,633	12,633	
Total	$ 87,842	$ 87,842	

Cash and Cash Equivalents, Time Deposits, Receivables, Payables and Income Taxes Payable

The carrying values of cash and cash equivalents, time deposits and income taxes payable approximate fair value because of their short maturities.

Marketable and Investment Securities

The fair values of marketable and investment securities are measured at the quoted market price of the stock exchange for the equity instruments, and at the quoted price obtained from the financial institution for certain debt instruments. The information on the fair values of marketable and investment securities by classification is included in Note 3.

(b)Financial instruments whose fair value cannot be reliably determined

	Carrying Amount Millions of Yen		Thousands of U.S. Dollars
	2011	2010	2011
Unlisted shares	¥111	¥111	$1,332
Investment in subsidiary	10	10	120

There are no market prices for these items and it is likely that the cost of estimating future cash flows would be excessive.

(4)Maturity Analysis for Financial Assets and Securities with Contractual Maturities

March 31, 2011	Millions of Yen Due in 1 Year or Less	Due after 1 Year through 5 Years	Due after 5 Years through 10 Years	Due after 10 Years
Cash and cash equivalents	¥12,343			
Time deposits	11,500			
Receivables:				
Trade accounts	18,354			
Parent and subsidiary	82			
Marketable and investment securities:				
Available-for-sale securities with contractual maturities	19,580	¥3,525		
Total	¥61,859	¥3,525		

March 31, 2011	Thousands of U.S. Dollars Due in 1 Year or Less	Due after 1 Year through 5 Years	Due after 5 Years through 10 Years	Due after 10 Years
Cash and cash equivalents	**$148,444**			
Time deposits	**138,304**			
Receivables:				
Trade accounts	**220,730**			
Parent and subsidiary	**988**			
Marketable and investment securities:				
Available-for-sale securities with contractual maturities	**235,478**	**$42,398**		
Total	**$743,944**	**$42,398**		

12. RELATED PARTY TRANSACTIONS

Transactions of the Company with the parent company for the years ended March 31, 2011 and 2010 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	**2011**
Purchases	**¥5,055**	¥4,950	**$60,797**

The balances due to or from the parent company and one of the subsidiaries of the parent company at March 31, 2011 and 2010 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	**2011**
Deposits included in cash and cash equivalents	**¥12,071**	¥30,736	**$145,173**
Trade accounts payable	**1,314**	1,468	**15,797**

13. SEGMENT INFORMATION

In March 2008, the ASBJ revised ASBJ Statement No. 17, “Accounting Standard for Segment Information Disclosures” and issued ASBJ Guidance No. 20, “Guidance on Accounting Standard for Segment Information Disclosures.” Under the standard and guidance, an entity is required to report financial and descriptive information about its reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity about which separate financial information is available and such information is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, segment information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments. This accounting standard and the guidance are applicable to segment information disclosures for the fiscal years beginning on or after April 1, 2010.

Information relating to business segments is omitted, as the Company operated solely in the pharmaceutical business for the years ended March 31, 2011 and 2010.