

Consolidated Statements of Cash Flows

Years ended March 31	(Millions of Yen)						
	2011	2010	2009	2008	2007	2006	2005
Cash flows from operating activities:							
Income (Loss) before income taxes and minority interests in consolidated subsidiaries	¥169,552	¥43,311	(¥44,002)	¥217,791	¥137,802	¥115,070	¥106,604
Adjustments for:							
Depreciation and amortization	146,264	125,054	117,471	101,841	82,917	85,233	86,246
Additional depreciation of property, plant and equipment	-	-	-	-	353	2,932	1,462
Non-recurring depreciation on noncurrent assets	2,433	4,520	1,759	331	-	-	-
Amortization of goodwill	12,141	8,350	-	-	-	-	-
Interest expense	16,179	13,081	13,659	15,312	12,432	11,009	10,856
Interest and dividend income	(7,234)	(6,672)	(10,441)	(8,938)	(6,245)	(6,007)	(4,751)
Equity in (earnings) losses of unconsolidated subsidiaries and affiliates	(15,139)	(6,502)	5,061	(8,101)	(15,210)	(12,864)	(8,999)
Foreign exchange losses (gains), net	3,800	(2,119)	6,655	(2,216)	(19)	514	142
Gain on cancellation of derivatives	(2,379)	-	-	-	-	-	-
Gain on negative goodwill	-	(13,663)	-	-	-	-	-
Gain on step acquisitions	-	(7,497)	-	-	-	-	-
Losses on the Great East Japan Earthquake	22,451	-	-	-	-	-	-
Loss(gain) on sale and disposal of property, plant and equipment, net	-	-	-	-	2,615	3,126	8,639
(Gain) loss on sales and retirement of noncurrent assets, net	5,545	2,363	(4,749)	5,434	-	-	-
Write-downs of other investment	-	-	-	-	-	2,869	-
Write-downs of securities and investment securities	-	-	-	-	692	2,208	3,601
Loss on valuation of investment securities	10,767	575	11,499	161	-	-	-
Provision for prospective loss on removal of fixed assets	6,068	1,836	533	1,821	2,987	2,150	3,493
Loss on liquidation of subsidiaries and affiliates	-	12,557	528	2,822	-	-	-
Impairment loss	3,681	4,420	11,389	1,883	1,191	1,131	17,302
Provision for prospective losses in connection with litigation	-	3,000	8,800	9,532	-	-	-
Administrative fine	-	-	3,721	-	-	-	-
Gain on changes in equity of affiliated companies	-	-	-	(118,091)	-	-	-
Gain on sale of securities and investment securities	-	-	-	-	(6,905)	(2,195)	(2,499)
(Gain) loss on sales of investment securities, net	(751)	274	(2,737)	(1,049)	-	-	-
Gain on business transfer	(1,077)	-	-	-	-	-	-
Decrease (Increase) in trade receivables	(14,411)	3,194	127,054	56,388	(63,196)	(13,264)	(1,312)
Decrease (Increase) in inventories	(17,448)	63,439	(13,841)	(36,437)	(37,993)	(34,301)	(25,090)
(Decrease) increase in trade payables	22,065	(75,714)	(114,256)	(28,880)	27,934	45,615	63,340
Decrease in provision for retirement benefits	(18,240)	(4,601)	(20,504)	(24,701)	(22,910)	-	-
Amortization of transition amount under post-employment benefits accounting	-	-	-	-	-	-	8,061
Other, net	(10,998)	(12,375)	(1,284)	(1,195)	13,510	17,237	(11,748)
Sub total	333,269	156,831	96,315	183,708	129,955	220,463	255,347
Interest and dividend income received	11,610	8,402	17,948	13,025	13,822	10,429	7,404
Interest expenses paid	(16,001)	(13,362)	(13,822)	(15,821)	(11,904)	(11,394)	(10,842)
Income taxes paid	(40,025)	(35,798)	(24,292)	(24,739)	(68,530)	(39,775)	(29,088)
Net cash provided by operating activities	288,853	116,073	76,149	156,173	63,343	179,723	222,821
Cash flows from investing activities:							
Payment for time deposits	(19,262)	-	-	-	-	-	-
Proceeds from repayment of time deposits	17,994	-	-	-	-	-	-
Purchase of short-term investment securities	(74,834)	(58,990)	(57,980)	-	-	-	-
Proceeds from sales and redemption of securities	100,610	53,183	49,506	6,412	-	13	2,751
Purchase of property, plant and equipment	(111,965)	(118,852)	(138,452)	(172,005)	(112,167)	(94,265)	(67,873)
Proceeds from sales of property, plant and equipment	6,530	5,169	12,585	1,615	11,802	6,803	8,598
Purchase of intangible assets	(3,467)	(1,695)	-	-	-	-	-
Purchase of investment securities	(32,582)	(62,591)	(74,149)	(11,972)	(45,092)	(4,671)	(9,854)
Proceeds from sales and redemption of investment securities	12,485	8,217	14,022	11,483	9,687	11,558	11,525
Purchase of investments in subsidiaries resulting in change in scope of consolidation	-	(156,859)	-	-	-	-	-
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	-	9,248	-	-	-	-	-
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	-	722	-	-	-	-	-
Payment for sales of investments in subsidiaries resulting in change in scope of consolidation	(117)	-	-	-	-	-	-
Decrease (increase) in loans receivable, net	7,316	6,832	8,347	(5,825)	3,284	10,788	1,271
Proceeds from sales of business	-	-	-	-	-	-	535
Payments for purchases of securities	-	-	-	-	-	-	-
Purchase of long-term prepaid expenses	(3,014)	(5,459)	-	-	-	-	-
Other, net	(758)	(5,931)	(3,112)	(7,693)	(948)	(4,591)	(4,595)
Net cash used in investing activities	(101,064)	(327,006)	(189,233)	(177,985)	(133,434)	(74,365)	(57,642)
Cash flows from financing activities:							
Increase (decrease) in short-term debt, net	(133,770)	71,086	110,179	(6,604)	65,513	(72,750)	(96,006)
Proceeds from issuance of long-term debt	133,355	162,856	179,315	180,465	134,606	77,446	69,733
Repayments of long-term debt	(125,941)	(119,361)	(78,998)	(84,621)	(100,446)	(81,682)	(132,027)
Cash dividends paid	(12,374)	(11,013)	(22,026)	(20,544)	(20,555)	(19,570)	(8,701)
Cash dividends paid to minority shareholders	(12,129)	(8,516)	-	-	-	-	-
Purchase of treasury stock	(182)	(87)	-	-	-	-	-
Proceeds from sales of treasury stock	1,619	-	-	-	-	-	-
Other, net	(71)	(528)	(8,944)	2,175	(4,626)	(625)	(4,305)
Net cash provided by/used in financing activities	(149,493)	94,437	179,526	70,871	74,492	(97,181)	(171,306)
Effect of exchange rate changes on cash and cash equivalents	(7,946)	1,422	(9,429)	296	1,791	1,429	414
Net increase (decrease) in cash and cash equivalents	30,350	(115,074)	57,013	49,355	6,192	9,606	(5,713)
Cash and cash equivalents at beginning of the year	112,591	226,410	165,748	67,995	61,547	52,575	57,538
Increase in cash and cash equivalents resulting from change in scope of consolidation	806	1,255	3,649	48,398	256	(634)	750
Cash and cash equivalents at end of the year	¥143,747	¥112,591	¥226,410	¥165,748	¥67,995	¥61,547	¥52,575

Notes: Financial results of Mitsubishi Chemical Holdings Corporation (MCHC) for the fiscal year ended March 31, 2006 comprise Mitsubishi Chemical Corporation's (MCC) consolidated financial results for the first half and MCHC's consolidated financial results for the second half of the year.