Your Partner in Health Care

Annual Report 2014

Year Ended March 31, 2014

Contents

Disclaimer regarding Forward-looking Statements

This report contains forward-looking statements regarding business indices, strategies and performance representing the expectations and judgments of the management, based on information available to the Company and publishable at the time this report was prepared.
When reading this report, please understand that forward-looking statements involve potential risks and uncertainties; actual future business performance and forecasts may therefore differ materially from those contained in these statements, given the possible emergence of new factors or changes in economic circumstances and/or the business environment.

To Become a Truly Global Multidisciplinary Medical Manufacturer

Since its establishment in 1954, Nipro has expanded its business from glass materials to medical devices and pharmaceutical products, based on our corporate management philosophy “to contribute to society through its business activities” and our concept of technological innovation. We provide products and technologies in a wide range of fields to meet the needs of patients and medical professionals. The aim of Nipro now is to become a truly global and multidisciplinary medical manufacturer that can fulfill the desire of people of the world, having different cultures, customs and lifestyles, “to lead a healthy life”. Our mission therefore is to strive earnestly to create new value from a “user-focused” unwavering attitude of how to contribute to medical services on a global scale.

Nipro's Strength — A "Trinity" Business Model

Medical devices, pharmaceuticals and glass products are the three pillars of Nipro's business. We shall continue to further develop these business areas in a harmonious manner. Nipro's unique strength of technology and know-how about medical devices, pharmaceuticals and glass products is manifested to the maximum extent, for instance, in our full-system products like Double Bag Kit and Pre-filled Syringe.
Making full use of this strength would ensure safety of patients and labor saving in clinical practice. It would also enable speedy response to a wide range of emerging needs felt across the world and to seed ideas.

Medical-Related Business

Our diverse product line supports people across the world working in medicine and fighting disease. We have carved out a leading market share worldwide in artificial kidney products (Dialyzer). We aim to make further gains as a leading manufacturer of medical devices through marketing activities closely tuned to the needs of the region under a local production for local consumption model in different countries all over the world.

Dialysis products

Pharmaceutical-Related Business

As the largest contract manufacturer group in Japan, we have made progress through marketing distinctive products. We also contribute to safety and user-friendliness in the medical field by developing pharmaceutical kit products that combine our technology and knowledge of both medical products and pharmaceuticals.

Kit preparation

Glass-Related Business

We produce high-performance and high-quality glass for use in the medical field, as well as physical and chemical sciences and industry. We also sell heat-resistant, impact-resistant and chemically durable glass, and high-precision glass for medical and industrial use.

Glass products

An enterprise that contributes to global healthcare with a sense of purpose

Yoshihiko Sano
President

Achieving consolidated net sales of 300 billion yen

We could fortunately exceed consolidated net sales of 300 billion yen in this fiscal year, an increase of about 60 billion yen from the previous year. The domestic economic environment of Japan was a factor that contributed to this. In general, the medical field is relatively unaffected by market fluctuations. Nevertheless, the weaker yen brought about by economic policies of the government resulted in a major rise in export profitability, which boosted our profits.

Needless to say, the active efforts of the Company made a major contribution to sales. Last year in particular, in addition to enrichment of the product line, Goodman Co., Ltd. which has a prominent market share of cardiac catheters became our subsidiary, followed by Nichihos Co., Ltd. which has 24 dispensing pharmacies. The synergistic effect of these subsidiaries was also a major factor in increasing sales.

The sales target was achieved, but all of us at the Nipro group will continue to make concerted efforts to reach our long-term management goal of achieving "consolidated net sales of 500 billion yen in fiscal 2020 and 1 trillion yen in fiscal 2030".

In this fiscal year, the first year of profit structuring, we at the Nipro group made earnest efforts to improve the Company's profit structure and succeeded in increasing the gross profit to sales ratio for the second successive year. However there are some unresolved issues and we will continue further strengthening of the profit structure in the current year also.

Establishing a Global Production Division and making overseas plants profitable

The Nipro group which has been globalizing its business has actively pursued overseas expansion of manufacturing bases under its management policy of "local production for local consumption". At the same time, some profitability-related and other issues are now becoming apparent.

We therefore set up the Global Production Division on April 1, 2014 to make overseas plants profitable and have a solid profit structure. The new division will identify problem areas in the concerned overseas plants using as benchmarks the approaches to production and management techniques used at the Odate plant, the mother plant. At the same time, inputs for improvements will be provided by the Production Technology Center which has handled the development of numerous mass production machines and has been looking after the mass production technologies of the Company so far. Through such activities we will be pursuing standardization and profit structuring of our production bases across the world and consolidating the position of the Nipro brand in the global market.

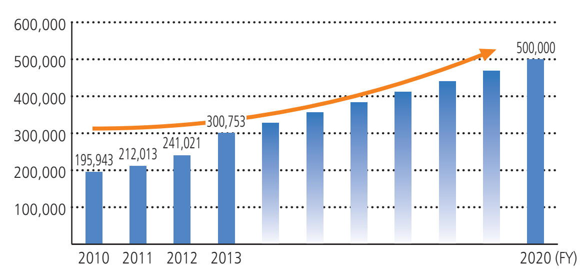
Increasing product value

The only way a private company can continue to exist and grow is to enhance the value of its products. For this it is very important to seek the opinions of medical professionals.

Many medical care workers feel that they are exposed to the risk of medical accidents in their day-to-day work. In our opinion, improvement of product value means to provide user-focused products that would cause fewer medical accidents, designed based on cases of point-of-care accidents. Through such efforts we hope that the users would recognize better the product value of the Nipro brand.

Transition and Plan for Consolidated Net Sales

(Millions of yen)



Opening of the “iMEP” training facility for medical professionals this fall

Hospitals generally adopt various measures like TQC (*1), standardization, infection prevention, and safety measures to prevent medical accidents. We believe that making users thoroughly understand the product before use, so that no medical errors occur while using a Nipro product, is also a part of the product value.

Nipro therefore decided to set up a training facility where doctors, nurses and medical technologists can learn the relevant technology and skills. This is for preventing medical accidents by making them acquire a good understanding of the Nipro products. We will gather the opinions and impressions of the medical professionals while they undertake the training and feed the information back to product development to make our products and services more user-focused.

Expanding the area of business

We have been pursuing business activities by leveraging the strength of Nipro’s trinity business model which comprises the medical devices, pharmaceuticals and glass products businesses. Our medical devices are of 3 types, i.e., disposable devices, electronic equipment and testing and diagnostic kits. These will be separately handled in the future to make 5 business areas. Later we intend to add cell medicine and medical equipment that utilizes physical force, to make total of 7 business areas.

At the end of last year, we established Nipro Amtes Co., Ltd. as a medical equipment unit of the group. We also made Cell Science & Technology Institute, Inc. one of our subsidiaries in March end to make a cell medicine unit. These are strategic moves for expansion of our business areas and will become the foundation for achieving consolidated net sales of 500 billion yen in fiscal 2020.

A team-based creative way of working

It is not easy to make a staff member well-trained both in dialysis and interventional medicine (*2), for instance. This is because the technology involved in these two fields is very different. Moreover, the desired treatments and product specifications also differ depending on the country and region.

We consider it appropriate under these circumstances to assign teams rather than individuals to deal with specific issues. Creative responses to wide ranging needs and seed ideas will be possible only by deploying organic and mobile teams where several individuals with expert knowledge cooperate closely.

We firmly believe that we will get grateful smiles from medical professionals and patients if our products and services are of higher value than those of others. This would become a reason to work at Nipro and tens and even hundreds of such teams would be created. This in turn, I am sure, would lead to enhanced market share and increased sales.

(*1) TQC: Company-wide application of quality management principles to all areas of business from design to delivery. In the case of hospitals, it refers to continuous improvement of work done by the frontline staff, and management and improvement of the quality of medical care, including service to patients and safety of the treatment.

(*2) Mainly the method of treating the affected area by inserting a thin tube called a catheter through a few mm diameter hole made in the skin.

FISH Philosophy and profit distribution

We are trying to newly incorporate FISH Philosophy to Nipro whose motto since its establishment has been “will”. This philosophy was born in a fish market of Seattle. In essence it is the idea of creating joy at work and customer satisfaction and maintaining these so that workers enjoy doing their job and customers are more satisfied, all of which generates repeat business.

If we view work more positively and creatively, the entire work force will do their work in a more enjoyable way with a sense of inclusiveness, and this would satisfy and inspire the customers. We wish to develop our business in such an atmosphere.

At the same time, it is necessary to improve the precision of the “profit distribution” system and adjust the balance to create an environment where the employees do their work eagerly and voluntarily. We will gradually perfect a system where the remuneration of each employee is determined not by the employee’s designation or rights but by the results, i.e., the value created by him or her by making a product or service more useful for the customer.

Returning profits to the shareholders, one of our key business policies

Nipro has been paying dividend to shareholders by positioning the return of profits as an important management policy. Retained earnings of the Company will be actively invested in the research and development division, in addition to the sales division and production division, as a part of expansion of the business base and long-term business development in order to ensure stable profit and achieve continued growth.

Based on this dividend policy, we disbursed 16 yen per share as interim dividend, and 14.5 yen per share as year-end dividend, which made the annual dividend from the surplus for the fiscal year 30.5 yen per share.

This basic policy of dividend disbursal will continue in the next year. The exact dividend will be decided, balancing it against the internal reserves required in view of the expected increase in the demand for funds, etc.

Entering the field of health therapy, which prolongs health expectancy

Japan is one of the world’s leading countries for longevity. However, in the future, health expectancy will receive more attention than the simple average life expectancy. Such a shift would be a global theme, not just in advanced countries including Japan. Nipro is therefore planning to expand its view to cover preventive medicine and health medicine also to contribute globally to health therapy that enhances health expectancy. This move would make the aim of achieving consolidated net sales of 1 trillion yen in 2030 more realistic.

Becoming a blessing to people the world over

Each type of treatment in today’s clinical practice requires unique and high level technology. The technology is renewed almost on a daily basis for further improvement in response to new needs. Under these circumstances Nipro will continue to establish unwaveringly user-focused and patient-focused proprietary technologies, and systems and organizations. We will thus strive to become, by our contributions to people’s health the world over through our products and services, an enterprise that people would consider a blessing.

As ever, I would like to express my sincere gratitude to all our shareholders and investors who have supported us and seek their continued long-term support.

July 2014

Yoshihiko Sano
President

Board of Directors and Auditors

President & Representative Director

Yoshihiko Sano

Managing Directors

Makoto Sato

Kazuo Wakatsuki

Kiyotaka Yoshioka

Toshiaki Masuda

Kyoetsu Kobayashi

Directors

Akihiko Yamabe
Mitsutaka Ueda
Tsuyoshi Yamazaki
Hideo Okamoto
Masanobu Iwasa
Yozo Sawada
Kimihito Minoura
Hideto Nakamura
Yasushi Kutsukawa
Masayuki Ito

Itsuo Akasaki
Kazuhiko Sano
Akio Shirasu
Hiroshi Yoshida
Hiroshi Sudoh
Takeo Kikuchi
Kenichi Nishida
Toyoshi Yoshida
Kouki Hatakeyama
Yasushi Ohyama

Kenju Fujita
Yoshiko Tanaka (External Director)

Standing Statutory Auditor

Takayuki Nomiya

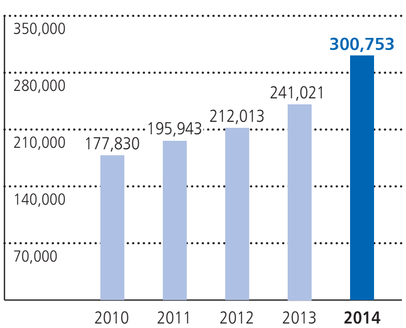
Statutory Auditors

Kazumichi Irie
Masayoshi Hasegawa

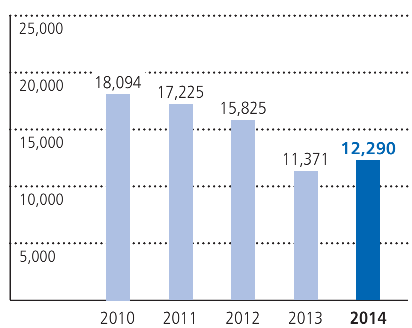
Consolidated Financial Highlights

Nipro Corporation and its Consolidated Subsidiaries Years ended March 31, 2014 and 2013	Millions of yen		Thousands of U.S. dollars
	2014	2013	**2014**
For the year:			
Net sales	¥ **300,753**	¥ 241,021	$ **2,922,202**
Operating income	**12,290**	11,371	**119,413**
Net income	**2,861**	10,232	**27,798**
Capital expenditures	**35,093**	37,997	**340,974**
Depreciation and amortization	**25,151**	21,210	**244,374**
R&D Expenses	**7,891**	6,464	**76,671**
At the year-end:			
Total assets	¥ **619,655**	¥ 579,302	$ **6,020,744**
Net assets	**135,961**	128,763	**1,321,036**
Per share data (in yen and U.S. dollars)			
Net income:			
Basic	¥ **18.2**	¥ 60.0	$ **0.18**
Diluted	**16.3**	54.1	**0.16**
Cash dividends	**30.5**	27.5	**0.30**
Equity	**832.1**	703.5	**8.09**

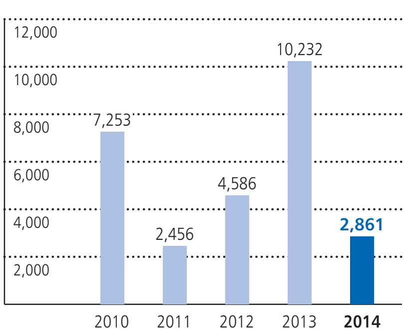
Net Sales (Millions of yen)



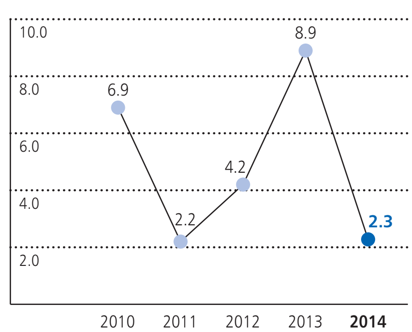
Operating Income (Millions of yen)



Net Income (Millions of yen)



Return on Equity (%)



It is important that the production division is also "user-focused".

Kyoetsu Kobayashi
Managing Director

Global Production Division launched on April 1

Overseas business, including production plants, has so far been overseen by Global Business Division which is mainly sales-oriented. However, sales activities are inadequate for the transfer, to these production sites, of all the production technology and know-how that Nipro has nurtured until now. Global Production Division was set up because it was felt that guidance by persons well-versed in manufacturing was needed.

Before describing the details of the activities of Global Production Division, I shall give a brief account about a committee for plant management formed the year before last.

This committee for plant management is one of several committees set up to provide horizontal linkages in the corporation in addition to the existing vertical divisional structure. The purpose of this committee is for the top managers and executives of different plants to deliberate on various issues concerning production technology in relation to quality control, cost reduction, stable supply, etc., and to exchange information and technology. The committee has been working to establish a Nipro brand of even higher quality by sharing the concepts of manufacturing among all the plants.

The objective of setting up Global Production Division was to create global scale production technologies and the constituents of the Nipro group working together as one, relying also on information and technologies shared through the committee for plant management.

Making overseas plants profitable

Kazuhiko Sano, director of Production Technology Center, who has expert knowledge about production equipment, and I, the manager of the Odate plant, lead a team of Global Production Division that visits each plant, identifies issues concerning quality, cost, equipment, etc. and gives instructions for adopting remedial measures. The staff members at each production site then work for improvement on the basis of these instructions.

Another objective of Global Production Division is to improve the profit structure of our overseas plants to the level of our mother plant. In the case of medical devices, for instance, the mother plant at Odate and Nipro Medical Industries Co., Ltd. have common concepts and approaches towards profit and product quality. Our plan is to raise the newly opened overseas plants also to a similar level of profitability as the mother plant. For this, we will transfer know-how and management techniques for highly productive manufacturing, while simultaneously reviewing the equipment used for production.

By supporting both these soft and hard aspects of starting up of new plants, we will be creating systems that can ensure Nipro brand products of identical quality from any of our plants in the world while simultaneously realizing rapid improvement in the profitability of new overseas plants.

We intend to establish the foundations of proper manufacturing technology, first with plants in India and then plants in Indonesia, Bangladesh, and Hefei in China.

“People”are the key

“People” who work at the plant are the key to making an overseas plant profitable, we believe. Nipro’s overseas plants have advanced equipment, but more important are the ways of thinking and the awareness of people who use the equipment. How to train them is the question.

We start by conveying Nipro’s approach to manufacturing. When we explain Japan’s thorough management techniques, the local workers initially show a confused response. We then explain until they understand. It is our view that they embark voluntarily on making improvements and show inventiveness only when their ways of thinking and awareness are altered in this manner.

Manufacturing with a user-focused approach

A high quality product with excellent productivity is not always highly appreciated in the clinical setting. I came to realize this after our president Yoshihiko Sano mentioned about the user-focused approach.

The president also pointed out the difference between user friendliness-centric specifications and the final product specifications. The former are those decided by the product technology development division after a product is planned on the basis of the needs of the users as identified by sales personnel and the latter are those finalized by the production division after establishing the production technology for the user friendliness-centric specifications received and factoring in stable supply, etc.

If the user friendliness-centric specifications based on the needs and seed ideas of patients and medical professionals are changed in the plant by giving priority to high productivity and cost reduction, there is a danger of the user-friendliness, etc. of the product being sacrificed. This approach lacks “user-focus”.

Therefore, we decided to hold regular meetings between the production division and operations division for exchange of views.
A sample of the product is made in the plant after receiving requests from medical professionals.
The sales personnel then get feedback from medical personnel about the sample, which is reflected in the final product specifications.
The user-focused approach is incorporated in manufacturing in this way.

Taking plant managers to actual clinical settings

Another new scheme that we have started this year is to make executives of Odate plant to participate in sales training. They visit hospitals along with sales personnel to directly see whether the products of the Company are used in a manner envisaged in the product specifications and whether their user-friendliness is properly appreciated in the busy clinical setting. We believe that such first-hand experience also is an important foundation for user-focused manufacturing.

Delivering to the world products that are well-tuned to user’s needs

The immediate objective of the production division is to make the overseas plants profitable. We shall work to the best of our ability in the future also to advance standardization of the production setup and management of all the plants, Global Production Division taking charge so that the plants would shift to a profit-generating structure. At the same time, we will establish the Nipro way of user-focused manufacturing through collaboration with other divisions including the operations division and deliver to the world products closely tuned to the needs of users.

Our efforts in regenerative medicine

Market expansion and intensified global competition are anticipated in the near future in the field of regenerative medicine using stem cells such as iPS cells. Accordingly, Nipro has been actively collaborating with universities and other research institutions to develop a variety of devices that are required in the field of regenerative medicine.

Patent license agreement for commercialization of "the first cell-based drug in Japan in the field of regenerative medicine"

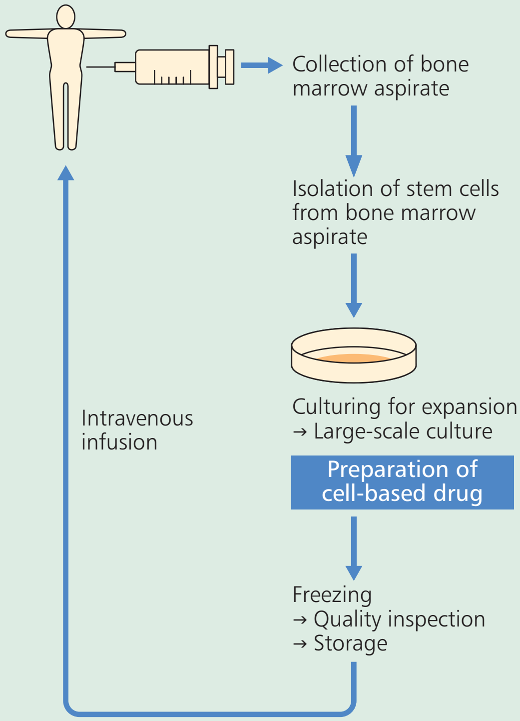
In April 2014, Nipro entered into a license agreement with Sapporo Medical University for their patent on "autologous bone marrow mesenchymal cells for the treatment of cerebral infarction and spinal cord injury" in order for all patients to benefit from their research achievements. We aim to manufacture and market regenerative medicine products, which are anticipated to be covered by health insurance.

Sapporo Medical University has been conducting studies aiming to realize cell-based therapies for regenerative medicine, and investigator-initiated clinical trials got underway for cerebral infarction patients last February and for patients with spinal cord injury last December. Under the joint research agreement between Sapporo Medical University and Nipro, we deployed several of our research investigators to the university last April and have been developing manufacturing methods and various devices to promote large-scale production and commercialization of standardized cell-based therapeutic products with stable quality.

Under the licensing agreement Nipro would be responsible for developing purely indigenous cell-based therapeutic products based on the novel research achievements of Sapporo Medical University, as well as for manufacturing and marketing the regenerative medicine products in accordance with the Pharmaceutical Affairs Law.

Mesenchymal stem cells

Mesenchymal stem cells are stem cells that are capable of differentiating into various types of cells, which constitute nerves, blood vessels, cardiac muscles, and other tissues. In our strategy for regenerative medicine, mesenchymal stem cells derived from the patient's own bone marrow are used to repair damaged cranial nerves, blood vessels, and central nerves. The expected results include an improvement in the neurological symptoms and functional impairments which arise as sequelae after cerebral infarction or spinal cord injury, as well as a reduced requirement for nursing care.



About the patent
The patent relates to the treatment by which mesenchymal stem cells derived from the bone marrow of patients are expanded *in vitro* up to about 10,000-fold, and given back to patients through an intravenous infusion. This is a revolutionary treatment that can reduce the burden on patients, requiring no surgical procedures and risking fewer adverse reactions due to the use of autologous cells.

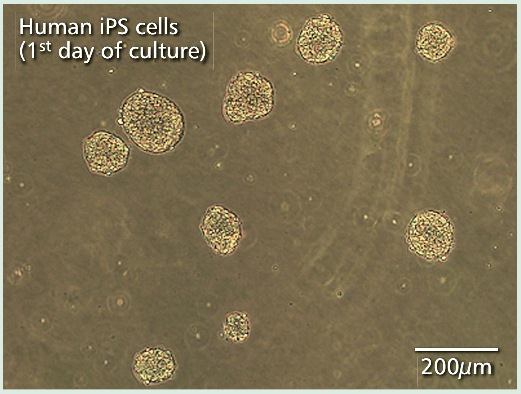
Nipro, in collaboration with Sapporo Medical University, focuses on the effort to expand the cell-based drug business making the most of our technology, built over years in the development of medical devices and pharmaceutical products. We also aim to pave the way for insurance coverage of regenerative medicine to turn this innovative therapy into a commonly available treatment, which would benefit many patients suffering from sequelae.

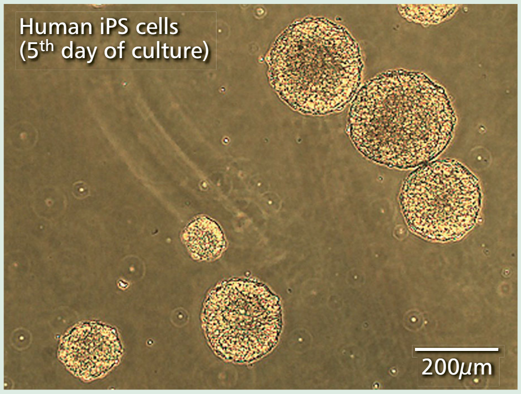
Development of a prototype culture bag for a novel 3-dimensional (3D) culture system that allows mass culture and large-scale production of human pluripotent stem cells (ES/iPS cells) without causing damage

In April 2014, Kyoto University's Institute for Integrated Cell-Material Sciences (iCeMS, Founding Director Norio Nakatsuji) and Nipro released a prototype culture bag for the 3D mass culture system for human pluripotent stem cells (ES/iPS cells), newly developed by Kyoto University and Nissan Chemical Industries, Ltd. This culture bag was developed under the project "Evaluation basis technology development to promote practical applications of human stem cells" supported by the New Energy and Industrial Technology Development Organization (NEDO).

By combining our culture bag and two types of functional polymers, the 3D culture system overcomes shortcomings of conventional dish or suspension culture systems, such as physical damage to cells, and ensures stable mass production of high quality human pluripotent stem cells. This achievement is expected to make a significant contribution to the practical use and future commercialization of regenerative medicine and drug discovery using such cells.

Our recently developed 3D culture system is a breakthrough technology that enables mass production of human pluripotent stem cells, which is indispensable to the future practical use of regenerative medicine. A research paper reporting the details of this accomplishment has recently been published online in Stem Cell Reports (2014), http://dx.doi.org/10.1016/j.stemcr.2014.03.012.



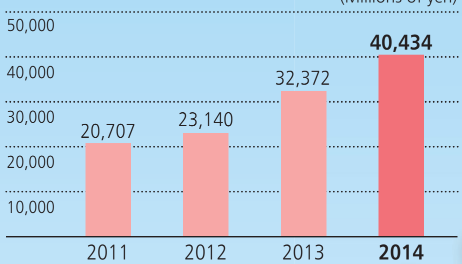


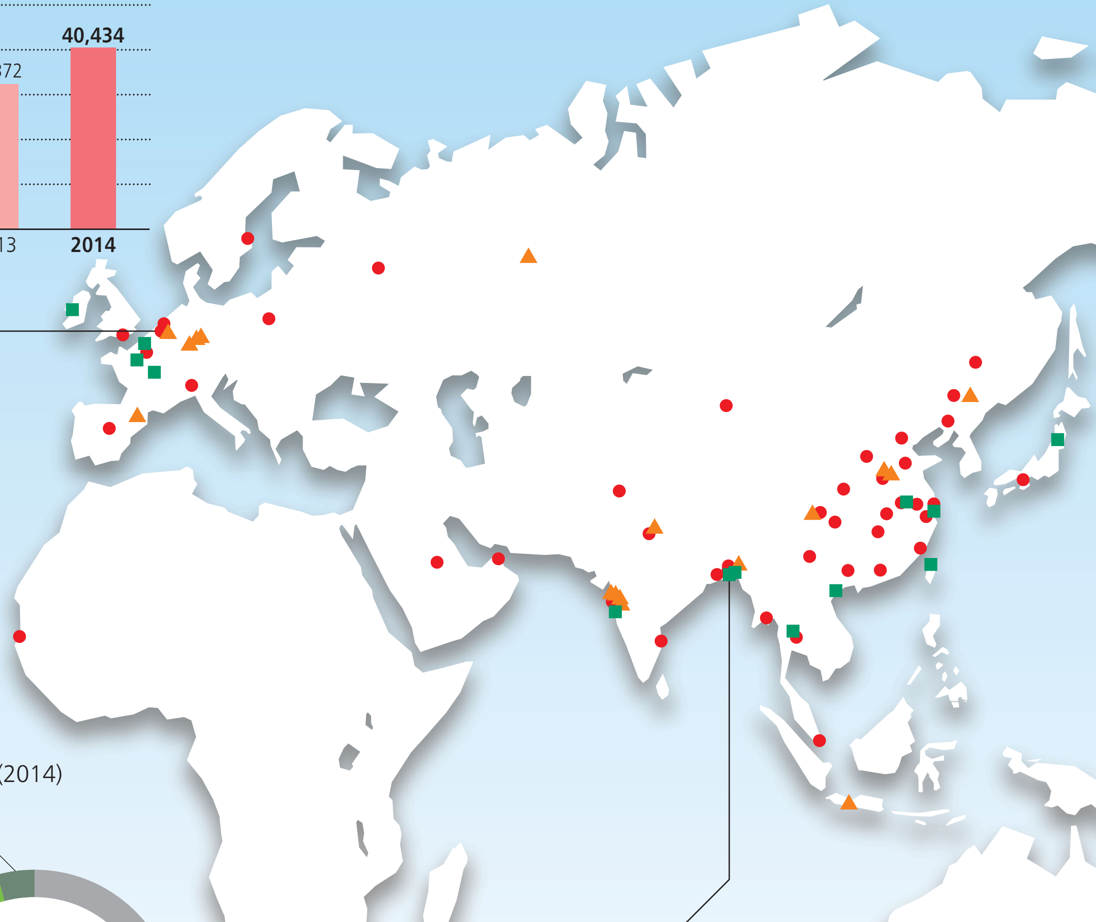
*Data acquired by Nipro Corporation

Nipro continues to actively promote regenerative medicine and advanced therapies based on the motto "user-focused". It is our endeavor to develop and provide safer and more environmentally conscious products, as well as to improve the QOL of patients.

Global Activities

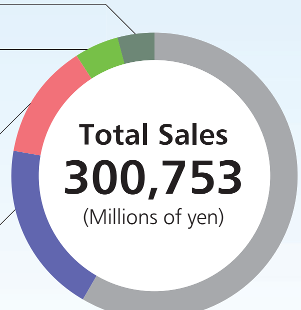
Europe





Nipro Europe N.V.

Sales Ratio by Region (2014)



Nipro JMI Co., Ltd.

Demand in the global medical market continues to increase every year. There has been a rapid increase in demand particularly in Asian, Central and South American and African countries due to the increase in population, economic growth and improvement of medical infrastructure.

Given these market conditions, we have continued to expand our sales network, enhance production capacity and efficiency of overseas plants, and to expand our product portfolio. These efforts are being carried out under our mission of providing high quality products at low prices to as many users as possible, consistent with our philosophy of "user-focused and patient-focused" business development. These efforts have contributed to a major increase in consolidated net sales. Nipro's foreign sales in fiscal 2013 reached ¥125.892 billion (US$1,223.2 million), up 23.4% from the previous fiscal year.

Currently, Nipro group has a total of 131 manufacturing and sales locations (including those under construction) in 45 countries. The Company is positioning its workforce to realize a "local production for local consumption" model in the medical device, pharmaceutical and medical glass business areas.

In fiscal 2013, we opened sales offices in Bolivia and Ecuador, which strengthened our sales network in South America. Nipro Nordics A.B., Nipro group's first sales subsidiary in Northern Europe, started operation in February 2014.
A sales office was opened in New Jersey, USA as a strategic business base for the North American market. Our objective is to enhance the Nipro brand presence in the United States which is a global leader in advanced medical care.

The recently opened medical device production plants, Nipro India Corporation Pvt. Ltd. and Nipro JMI Company Ltd. (Bangladesh), are operating smoothly. P.T. Nipro Indonesia Jaya, which has been manufacturing and marketing blood tubings, has expanded its product line to include syringes,

Nipro Diagnostics, Inc.

Nipro Medical Ltda.

arteriovenous fistula needles and intravenous catheters. In May 2014, Nipro Medical (Hefei) Co., Ltd. (China) started production of dialyzers which will be shipped to Asia and the Middle East. Nipro Pharma Corporation is working diligently to prepare for operations at its Nipro Pharma Vietnam Co., Ltd. pharmaceutical production plant in April 2015. Among the glass plants, a new furnace, which produces glass tubes, has been installed to manufacture highly stable pharmaceutical packaging containers at Nipro Glass India Pvt. Ltd. A new plant that will produce high quality glass tubes is under construction at the Chengdu Pingyuan Nipro Pharmaceutical Packaging Co., Ltd. (China).

In addition, we engaged in M&A activities to strengthen our core business in order to provide more comprehensive services. In August 2013, Nipro Diagnostics, Inc., a company that manufactures and markets diabetes products in the United States, acquired P.J. Noyes Company, Inc., a US manufacturer of healthcare products, and renamed it Nipro Consumer Healthcare, Inc. Nipro Diagnostics, Inc. is expanding its activities as a total provider of healthcare products for people with diabetes. In January 2014, Nipro Europe N.V., our headquarters for the European region, acquired the German water treatment system manufacturer, Phoenix Pure Water GmbH (now renamed Nipro Pure Water GmbH) in order to expand the dialysis product line, the core product line of Nipro Europe N.V. The company plans to expand the sales of these products within Germany and other major European markets, as well as in other regions and countries, by leveraging the sales network of Nipro group.

There are great opportunities for growth in the fields of medical devices, pharmaceuticals and medical glass products, where we have been operating. While the medical market environment is complex, Nipro intends to contribute to global healthcare while further expanding our business in different fields, utilizing our global network and strong workforce.


Research and Development Laboratory

Nipro group is engaged, in research and development of medical devices and pharmaceuticals, with Nipro Corporation playing a central role, at the Nipro Life Science Site located in Minami Kusatsu, Shiga Prefecture.

In Medical-Related business, in the coming fall we plan to open a new training facility for medical professionals at the same site, called "institute for Medical Practice (iMEP)". We intend to create a setup for directly gathering the views of medical professionals as they undertake training in the use of medical devices, and promptly reflect them in our R&D and also use them for developing new products and improving existing ones. We will also set up CR center in the R&D center by merging the clinical trials division and the pharmaceutical approval applications division in order to further speed up the procedures of pharmaceutical approval applications and strive to become a truly global multidisciplinary medical manufacturer. We are making earnest efforts to further secure the high quality of our products as befits a global manufacturer.

In the Pharmaceutical-Related business, we have been developing high quality generic drugs for many types of diseases, targeting branded drugs of all dosage forms to meet the need for low drug prices and improved quality of treatment. Efforts are also on to develop high added value products such as kit products that incorporate ease of handling in medical practice and orally disintegrating tablets for patients who find it difficult to swallow pills.

The total R&D expenditure in this consolidated fiscal year was ¥7.9 billion (US$76.7 million).

R&D activities of the different business segments are described below.

1. Medical-Related Business

R&D has been undertaken in the following fields, with the Research and Development Laboratory of our company playing a pivotal role.

Division of Cell Devices

In the area of regenerative medicine, we are participating in industry – university – government collaborative research projects to pursue the development of cell drugs and automated cell culture systems for induced pluripotent stem (iPS) cells. With cell drugs, our objective has been to make autologous bone marrow cells into practically applicable pharmaceutical products for use in regenerative treatment of cerebral infarction and spinal cord injury. Early development of such cell drugs is much awaited, as aftereffects like loss of motor function for which no effective therapy is currently available often persist after such ailments. The performance of an automated prototype cell culture system for iPS cells was evaluated at several research facilities last fiscal year and a mass production model will now be developed on the basis of the evaluation.

Division of Medical Devices

In the field of safe transfusion products, we have released arteriovenous anti-needle stick indwelling winged infusion needles of 2 types, i.e., with and without injection port. We also released a general-purpose *SAFETOUCH®* needle that combined an anti-stick needle protector with a hypodermic needle, in the European market. We released *SAFETOUCH® PSV mini*, a safe scalp vein set needle created by further miniaturizing the existing anti-stick mechanism-equipped PSV to produce a less bulky product with better user-friendliness and safety. To counter cracking that develops in pharmaceutical products containing fat emulsions or oily components and solubilizers like surfactants or ethanol, we released a highly safe 3-way stopcock for regulating fluid passage, which is made of materials having excellent chemical resistance and therefore can be used with a wide range of pharmaceuticals. We also released an extension tube for the stopcock. In addition to having good chemical resistance, it is small and its shape is gentle on the skin. Among dialysis products, we have launched a gamma ray-sterilized blood tubing set made with highly safe novel materials that permit better visual checking of the blood as its transparency does not deteriorate by the gamma ray radiation.

Division of Diagnosis and Testing Products

This term, we launched the genetic test kit *Genescholar™ INH TB* that can rapidly detect through a simple procedure drug resistant tuberculosis against which the widely used TB drug isoniazid is ineffective. Isoniazid resistance has many genetic mutation sites and only about 60% of the cases are detected with earlier genetic tests. However, with the discovery of new genes associated with this drug resistance, it is now possible to detect about 90% of the cases. We also released *Nephroscholar™*

Capture PR3 ANC, a diagnostic kit for rapidly progressive glomerular nephritis with improved sensitivity in detecting relapse. *TRUEpico®*, the world's smallest blood glucose meter meant to be used by diabetic patients, was also launched.

Division of Functional Pharmaceutical Containers

We developed Leuprorelin Acetate Injection Kit for use in the treatment of gynecological diseases like endometriosis and uterine myoma and also prostate cancer. It was first approved in Japan as a generic pharmaceutical product, and marketing was started in February. The kit consists of a glass barrel with a bypass, a metal needle, specially-shaped gaskets, and a pre-filled double chamber syringe made of plastic components. These make the product more compact and functionally superior than the original product. The pharmaceutical agents used in this product were also developed at the Nipro Pharmaceutical Research Center. The entire development and production of the structural components and pharmaceutical agents of these products was done within Nipro group. The pre-filled syringe with barrel made of a cycloolefin polymer (COP) resin was developed and launched in the market in August. This syringe barrel is a high value-added container with the advantageous features of high transparency, low leaching, low adsorption and good chemical resistance.

Division of Circulatory and Interventional Products

Manufacturing and marketing approval was obtained this term for our PTCA catheter (trade name *CELSUS®*), which has the highest guaranteed pressure resistance (RBP 24 Atm) for such catheters in Japan, and is used for dilation of calcified lesions and for post-stenting dilation. This is a type of PTCA balloon catheter used for balloon dilation of stenosis in percutaneous coronary intervention (PCI) for coronary artery diseases, such as acute myocardial infarction or coronary artery occlusion. We also got manufacturing and marketing approval for a Nipro directional coronary atherectomy (DCA) catheter that ablates and removes atheromas in narrowed or occluded arteries with a small embedded rotary cutter. For percutaneous peripheral interventions (PPI) on peripheral blood vessels, this term we released the thrombus aspiration catheter *E-VAC®*. This product aspirates thrombi from thrombotic occlusive lesions in peripheral blood vessels that may have dialysis shunts and restores blood flow. We also launched *FINESTREAM® GR*, a PTA balloon catheter used for balloon dilation of stenosis in peripheral arteries. Its inner shaft is a tungsten braided tube that has greater flexibility and pushability than conventional products.

Division of Artificial Organs

Our membrane-type artificial lung with venous reservoir, meant for use during heart surgery, received the "CE Mark" this term and its marketing in European and other target countries has started. This product includes a high efficiency artificial lung that removes carbon dioxide from blood and oxygenates the blood in place of the lungs, and a venous reservoir with excellent operational performance which allows filtration and recovery of lost blood, removal of air bubbles from the blood and maintenance of bodily blood volume. For the Japanese market, we have applied for pharmaceutical approval of a biocompatible coating product, under the new materials category. Certification was granted for the venous reservoir made of the same material for which a pre-certification application had been filed, and the product will be marketed shortly. Certification has also been obtained for an arterial filter for removing thrombi and bubbles that develop in the extracorporeal circulation during heart surgery, and preparations are underway for its market launch.

The basic concept of our R&D center is to develop and provide high-value added products by approaching medical needs and problems from unique viewpoints. Our primary aim is to carry out exhaustive research on medical devices, and to act as a driving force to produce high-quality Nipro products.

The total research and development cost of this business segment in the fiscal year was ¥4.1 billion (US$40.2 million).

2. Pharmaceutical-Related Business

The following research and development activities have been carried out, with the Nipro Pharmaceutical Research Center playing a pivotal role.

Injectable Drugs: Injection Kits, etc.

We have been actively pursuing the development of formulations for injection kits that have superior ease in handling in medical practice. This term, we have released to the market a double-chamber prefilled syringe (1 month depot dosage form) of leuprorelin acetate (branded version: Takeda Pharmaceutical's *LEUPLIN®*) used in hormone therapy for prostate cancer and endometritis. In a continuation of this product line, we are engaged in the development of a 3-month depot formulation of leuprorelin acetate and highly difficult-to-develop extended release injectables. Development of premixed bag drugs, in which the already diluted drug solution is packed in a bag, and liquid-powder double bag drugs is also underway.

Oral Drugs: Orally-disintegrating Tablets, etc.

Apart from the development of ordinary oral drugs, we develop high value-added pharmaceutical products that use ingenious drug formulation techniques. One example is the development of orally-disintegrating (OD) tablets that can be ingested without water. In the Fexofenadine (branded version: Sanofi's *ALLEGRA™*) OD tablets used to treat allergic diseases launched this term, the bitter taste of the main active ingredient is reduced through a microparticle coating technology developed by our company. We could successfully produce OD tablets of ambroxol hydrochloride also which was available in a slow release capsule form, and we are planning to release it in the market next term.

External Use Products

Tape, hydrogel-patch and gel containing the anti-inflammatory analgesic loxoprofen sodium (branded version: Daiichi Sankyo's *LOXONIN™*) were launched this term.

We applied to US FDA for manufacturing approval of hydrogel-patches of lidocaine hydrochloride, a generic product.

Research for the development of tapes and hydrogel-patches that are thin and light-weight, and have good tackiness and stretchability, is planned to be continued in the future, keeping in mind the release of the products in overseas markets as well.

Generic Anti-cancer Drugs and Biosimilars

Anti-cancer drugs and biologics the demand for which is expanding rapidly at present are generally expensive. The introduction of generics, which will be cheaper, is much awaited. Taking this into account, we commercialized a total of 4 generics, 1 oral and 3 injectable anti-cancer drugs this term. For biosimilars, which are the generics of biologics, we have been striving for speedy productization through tie-ups with firms manufacturing drug substances and drug products with favorable prices and excellent quality and are at the pre-nonclinical study stage with one antibody drug. In the future also, we intend to actively pursue development work to provide high quality, low cost and safe generics to reduce the spiraling cost of medicines.

The research and development cost of this business segment in the fiscal year was ¥3.8 billion (US$ 36.4 million).

1. System for Corporate Governance

(1) System for Corporate Governance and Reasons for Adoption

Nipro Corporation has an established corporate governance system including organizations for the Meeting of Shareholders and directors as required under the Companies Act, in addition to a Board of Directors, auditors, Board of Auditors and an Accounting Auditor. Nipro Corporation has also established internal committees such as the Operational Risk Management Committee. This committee continuously maintains close coordination with external parties such as the company attorney, to enable effective monitoring and supervision of the efficiency and propriety of operations across the company as a whole.

Since its establishment, Nipro Corporation has diversified its business and has established an independent management system for each division. Nipro group operations are integrated through mutual collaboration and company-wide governance by Nipro Corporation. The foundations for this system are the management systems of each business unit. Our corporate governance system functions effectively as a traditional and coordinated management system for the Nipro group, by clarifying responsibilities and enhancing management systems.

(2) Internal Control Systems

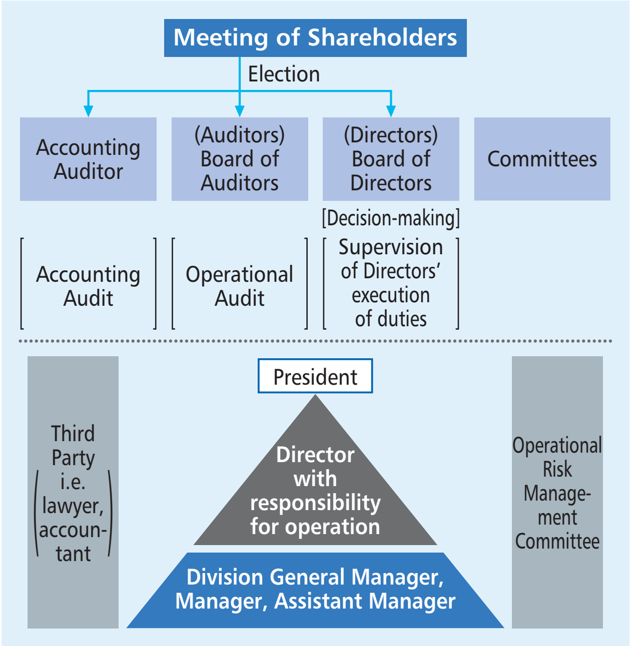
Nipro Corporation's basic policy for internal control systems, as stipulated in Article 362, Paragraph 5 of the Companies Act, was approved at the Board of Directors meeting convened on April 29 and implemented from May 1, 2006.

Nipro Corporation strives to make business units the foundations of its internal control system for the Nipro group overall. Nipro Corporation's directors and auditors, as well as representatives of each of the major companies of the group, hold a group management meeting on a monthly basis. These meetings are used to report on the progress of business activities, decide key operating matters, and deliberate on pending matters. To build awareness of and compliance with laws, regulations and corporate ethics among executives and employees, Nipro Corporation is engaged in efforts to raise awareness and promote compliance. Examples of this are preparing a compliance handbook and legal compliance manuals and making them available on the corporate portal site, implementing an internal reporting system to collect and respond to risk data, and distributing appropriate information via net bulletin boards and the intranet. These internal control systems are targeted at the executives and employees of each company in the Nipro group, and are operated under an integrated management mechanism which seeks to ensure close mutual collaboration.

(3) Risk Management System

Nipro Corporation has established risk management regulations and a system for managing business and other specific risks. Its purpose is to recognize and capture risks that could have a material impact on business operations, in an appropriate and comprehensive manner. Nipro Corporation has also established an Operational Risk Management Committee to ensure cross-sectional management across all group companies. The committee endeavors to further strengthen risk management systems to prevent, avoid and learn from risks and crises. Nipro Corporation has also established a Sanction Committee, chaired by the President, which endeavors to ensure sound business management through the appropriate handling of sanctions. Nipro Corporation produced the Disaster Prevention and Crisis Management handbook and distributed it to each employee within the Nipro group. Nipro Corporation tries hard to keep employees fully informed about taking calm and appropriate action when faced with disasters and about reassessing and renewing business continuity plans as appropriate.

(4) Basic Structure of Corporate Governance and Risk Management



Conceptual Diagram of Corporate Governance

2. Internal and Statutory Auditing

(1) Internal Auditing

Nipro Corporation has established an Internal Audit Division, consisting of an Audit Office and an Overseas Audit Office, and conducts audits of accounting and other operations based on internal audit protocols. In addition to the two full-time employees in the Internal Audit Division, employees are dispatched as necessary from the Head Office Management Division or other divisions. Auditors carry out inspections and ensure smooth and efficient performance. Audits are carried out efficiently in accordance with audit policies and schedules as determined each fiscal year. Nipro Corporation endeavors to ensure smooth accounting and statutory audits through mutual collaboration between our auditors and accounting auditors.

(2) Statutory Auditing

For each statutory audit, auditors attend key meetings such as those of the Board of Directors, in accordance with the auditing policy and roles determined by the Board of Auditors. Auditors receive performance reports from directors and employees, and are able to request further explanation when necessary, and inspect key documents. Auditors also undertake other auditing duties such as investigating the state of operations and assets in key places of business. Board of Auditors Meetings are held regularly, or as necessary, in order to exchange views and hold discussions.

3. External Directors and External Auditors

(1) External Directors and External Auditors

One of the directors is an external director, two of the three auditors are external auditors and one of them is designated as an independent auditor.

(2) Personal, Capital, Business or Other Interests between Nipro Corporation, External Directors and External Auditors

There are no particular interests or relations between Nipro Corporation, the external director and the two external auditors.

(3) Function and Role of External Directors and External Auditors in the Corporate Governance of Nipro Corporation

Nipro Corporation has newly appointed one external director at the Meeting of Shareholders held on June 26, 2014 to strengthen corporate governance. The external director has excellent insight and wide-ranging experience developed through her current and former position and provides a management function with the appropriate advice and guidance in order to reinforce supervision. The External auditors are expected to apply their profound knowledge from past experience of business management to the examination of the management of Nipro Corporation from a broad perspective. They work in close collaboration with the internal auditors, employees of the Audit Office, auditors and accounting auditors of subsidiaries. Their role is to effectively demonstrate an objective auditing function, and to effectively ensure integrated and effective audit activities across the Nipro group as a whole.

(4) Policy and Criteria for Independence from the Filing Company in Election of External Directors and External Auditors

Nipro Corporation has no criteria or policy in place regarding independence from the filing company with respect to the election of external directors and external auditors. However, the evaluation criteria used for the independence of stock exchanges are referenced in such elections.

(5) Approach to the Election of External Directors and External Auditors

Close coordination with the external director and the full-time auditors, employees of the Audit Office and assigned staff from the management section of the head office (as needed) ensures sufficient cover to implement the supervision and the audit function and role as required by the current corporate governance system.

In the event that the number of auditors falls below the legal minimum, a pre-nominated standing auditor who meets the requirements to qualify as an external auditor would be called upon.

Should the need arise to improve the audit function in accordance with business developments and future expansion, a review of the audit system would be considered, including an increase in the number of auditors.

(6) Mutual Collaboration between External Audits and Internal, Statutory and Accounting Audits, and the Relationship between Internal Control Divisions

The external director attends meetings of the Board of Directors and supervises our management based on her extensive knowledge and management experience from an independent standpoint. External auditors carry out auditing activities including attending key meetings such as meetings of the Board of Directors in accordance with the audit policy and roles determined by the Board of Auditors. They are able to access reports via the full-time auditors or directly from directors and employees, and inspect key documents. External auditors also attend periodic or occasional meetings of the Board of Auditors to contribute to discussion and exchange opinions from an objective and independent viewpoint.

External auditors strive to facilitate a smooth audit service through close collaboration with employees of the Audit Office, the full-time auditors, auditors of subsidiaries and the accounting auditor.

4. Remuneration of Directors and Auditors

(1) Total Amount of Remuneration for Each Class of Filing Company Officer, Total Amount of Remuneration by Type, and Number of Directors and Auditors Eligible for Remuneration

	Millions of yen					
	Total amount of remuneration by type	Total amount of remuneration by type				Number of eligible corporate officers
		Annual remuneration	Bonus	Retirement benefits		
Directors	¥ 576	¥ 117	¥ 415	¥ 44	27
Auditors excluding external auditors	6	6	—	—	1
External auditors	2	2	—	—	3

	Thousands of U.S. dollars				
	Total amount of remuneration by type	Total amount of remuneration by type			Number of eligible corporate officers
		Annual remuneration	Bonus	Retirement benefits	
Directors	$ 5,597	$ 1,137	$ 4,032	$ 428	27
Auditors excluding external auditors	58	58	—	—	1
External auditors	19	19	—	—	3

(2) Total Amount of Remuneration etc. for Each Filing Company Officer

As there was no director or auditor whose total consolidated remuneration exceeded 100 million yen, this information is not disclosed.

(3) Policy for Determination of Officer Remuneration

- Director's Remuneration, etc.
  Director's remuneration is determined by the Board of Directors or based on fixed standards set out by the Board of Directors.
  Annual remuneration is determined considering the market rate and the salary level of employees. Bonuses are calculated by a fixed method based on a sliding scale system in accordance with the performance of the business. Retirement benefits are granted by a resolution of the Board of Directors, up to a ceiling approved by the Meeting of Shareholders.
- Auditor Remuneration, etc.
  The annual remuneration is determined by mutual accord with the auditors.
  Ceilings on the amounts of remuneration for directors and auditors are determined by a resolution taken at the Meeting of Shareholders. Annual directors' remuneration may be up to 800 million yen, based on a resolution of the 57th Meeting of Shareholders held on June 25, 2010.
  Annual auditors' remuneration may be up to 30 million yen, based on a resolution of the 54th Meeting of Shareholders held on June 27, 2007.

5. Accounting Audits

Name of Accounting Auditor: Osaka Audit Corporation
Names of Certified Public Accountants conducting the Audit:
Yoshitsugu Hashimoto,
Kouichi Aki,
Takashi Kinoshita
Support Staff for Audits:
Certified Public Accountants: 10 people
Other staff : 5 people

Financial Review

Overview
During the current period under review, the global economy exhibited a basic tone of moderate recovery overall. Signs of an upturn finally began to appear in Europe, and both stock prices and personal consumption held firm in the United States. In Japan, the effects of policies for monetary easing and economic stimulus brought a correction of the yen's appreciation and steady progress on the path to recovery. Nevertheless, the economic outlook remained clouded by some uncertainty because of apprehensions over the effects of the consumption tax hike and rise in prices for imported materials.

Under such circumstances, the Nipro group continued its all-out efforts to expand sales, reduce production costs, and thereby improve its operating results.

Consolidated Business Results

Net Sales
In the year ended March 31, 2014, consolidated sales for the current period under review increased by 24.8% from the previous year to ¥300.8 billion (US$2,922.2 million).

Medical-Related Business

In this segment, through the integration of our pharmaceutical product sales units in April 2013, we pursued synergistic effects as an all-around medical enterprise spanning the fields of medical equipment (Medical Sales Division) and drugs (Pharmaceutical Sales Division). We also became able to promptly provide a wide range of goods and services from the customer's perspective. Under these circumstances, the Medical Sales Division saw favorable sales of Heart Mate II (the implantable ventricular assisting device launched in April). Similarly, the existing cardiovascular (CVS) products such as extracorporeal ventricular assist devices posted substantial increases in both sales and profit.

In the field of vascular products, SeQuent® Please, the drug-eluting balloon catheter whose sales were launched in January 2014, traced favorable trends for both sales and profit thanks to collaboration with Goodman Co., Ltd. Sales of dialysis products (e.g., dialysis machines and HDF filters) and dialysis pharmaceuticals also increased greatly along with the spread of on-line HDF treatment. Sales also held firm for injection-transfusion products, enteral-alimentation products, and testing products. In the Pharmaceutical Sales Division, there was some hold-off from purchase before the April 2014 revision of pharmaceutical reimbursement prices, but there was more prevalent switching to generic drugs at DPC hospitals and dispensing pharmacies with an eye on the revision of diagnosis and treatment reimbursement accompanying official policy to promote use of generic drugs. This division as well consequently recorded favorable sales along with an increase in first-time adoption, chiefly of drugs for oral and external use.

Turning to overseas sales, profits greatly expanded because of the dramatic improvement in export payability under the influence of the yen's depreciation against the US dollar and Euro in the foreign exchange market. In addition, our setup for sales through local sales subsidiaries resting on local production for local consumption took root, allowing sales activities with close ties to the markets. As a reflection, firm sales were recorded for dialysis products such as dialyzers (artificial kidneys) as well as diabetes products.

As a result, net sales in this business came to ¥244.2 billion (US$2,372.7 million).

Pharmaceutical-Related Business

In our Pharmaceutical-Related business, we engaged in finely-tuned development of contracted business, through provision of various services in contracted development and support for addition of value in addition to the conventional contracted manufacturing. The period under review saw the launch of shipments of biosimilar preparations and anti-cancer agents, and strong sales of major generic drugs. We also promoted consigned sales based on joint development with the generic drug divisions and new drug development divisions of leading pharmaceutical companies inside and outside Japan.

Sales of pharmaceutical containers and devices related to pharmaceutical preparation and administration were strong because of our efforts to provide containers and systems suitable for each pharmaceutical product, address various needs on the medical care site for items such as small-volume bags for antimicrobial agents or osteoporosis drugs and materials for pre-filled syringes as well as rubber stoppers for pharmaceutical and vaccine use and containers for kit products. These containers and systems were developed by the Group or through joint development with pharmaceutical manufacturers based on our original processing technologies for plastics, rubbers, and metals. Furthermore, under governmental policy to curb medical expenses, we continued to work together with domestic and foreign pharmaceutical manufacturers for total lifecycle management of pharmaceutical products extending to future development of combination products, self-injection systems, and dosage form modification.

As a result, net sales in this business amounted to ¥51.5 billion (US$500.5 million).

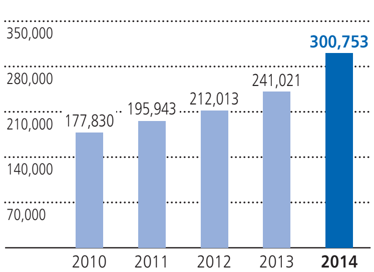
Glass-Related Business

Sales of tube glass for ampoules were on a par with those of the same period of the previous year. Although the domestic demand continued to decline, there was a slight upturn in orders from domestic glass-processing companies. Sales of tube glass for vials also were up, thanks to an expansion of domestic sales driven by increased orders in connection with flu vaccines and antimicrobial preparations.

Sales of glass containers for medical recorded an overall increase from the same period of the previous year, because the decrease in domestic sales of existing products was more than offset by the increase in sales of imported vials for special preparations.

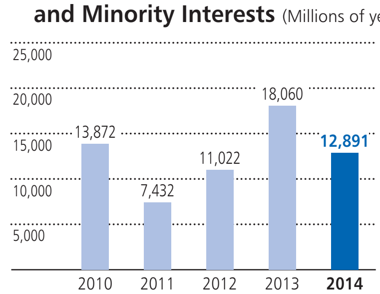
Among other glass-related products, sales of thermos bottles fell from the same period of the previous year due to a decline in export and sluggish domestic demand. Regarding glass for lighting purpose, demand for automotive electric lamp products continued in the trend of growth supported by the increased auto industry production, and this drove the increase in sales of all electric lamp glass products.

Net Sales (Millions of yen)



Operating Income (Millions of yen)

Income Before Income Taxes and Minority Interests (Millions of yen)



Similarly, sales of tube glass for electric lamps increased along with the growth in demand for tube glass for lamps, and this translated into a sales increase for glass for lighting purpose as a whole.

As a result, net sales in this business totaled ¥4.8 billion (US$46.4 million).

Other Business

Sales from real estate rental income were ¥0.3 billion (US$2.6 million).

Cost of Sales

The cost of sales increased 21.6% compared with the previous fiscal year to ¥213.2 billion (US$2,071.7 million). The increase corresponded with the increase in net sales, however, the ratio of cost of sales to net sales decreased 1.8 percentage points compared with the previous fiscal year to 70.9%, mainly due to the commencement of operations in new plants.

As a result, gross profit increased 33.2% compared with the previous fiscal year to ¥87.5 billion (US$850.5 million).

Sales, General and Administrative Expenses

Sales, general and administrative expenses increased 38.5% compared with the previous fiscal year to ¥75.2 billion (US$731.1 million), mainly as a result of the addition of Goodman Co., Ltd. and 3 other companies into the scope of consolidation and an increase in depreciation and amortization of goodwill.

Operating Income

As a result of the aforementioned factors, operating income increased 8.1% compared with the previous fiscal year to ¥12.3 billion (US$119.4 million). The ratio of operating income to net sales decreased 0.6 percentage points to 4.1%, owing to an increase in sales, general and administrative expenses.

Operating Income by Business Segment

Medical-Related Business

Operating income of the Medical-Related business increased 23.9% compared with the previous fiscal year to ¥17.7 billion (US$171.9 million), due to the effect of the exchange rate and the addition of Goodman Co., Ltd. and other 3 companies.

Pharmaceutical-Related Business

Operating income of the Pharmaceutical-Related business increased 100.9% compared with the previous fiscal year to ¥8.0 billion (US$77.9 million), due to strong sales in contracted business.

Glass-Related Business

Operating income of the Glass-Related business decreased 7.3% compared with the previous fiscal year to ¥0.6 billion (US$5.4 million), due to expenses for improving manufacturing facilities.

Other Business

Operating income of other business amounted to ¥0.2 billion (US$2.1 million), mainly from real estate rental income.

Adjustment

Unallocated corporate costs, consisting mainly of R&D-related expenses and headquarters administration expenses, increased 83.7% compared with the previous fiscal year to ¥14.2 billion (US$137.9 million) mainly due to an occurrence of allowance for doubtful debts.

Other Income (Expenses)

We recorded other income of ¥0.6 billion (US$5.8 million) compared with other income of ¥6.7 billion in the previous fiscal year. In the period under review, we recorded ¥1.3 billion (US$13.1 million) in foreign exchange gains, a decrease of 56.1% compared with the previous fiscal year, and a decrease on sales of investment securities of ¥2.8 billion (US$27.7 million).

Income before Income Taxes and Minority Interests

As a result of the factors outlined above, income before income taxes and minority interests decreased 28.6% compared with the previous fiscal year to ¥12.9 billion (US$125.3 million).

Income Taxes

Income taxes, including deferred taxes, increased 31.6% compared with the previous fiscal year to ¥9.8 billion (US$95.1 million) due to the increase in income before income taxes and minority interests. The effective tax rate was 75.9%, higher than the rate of 41.2% for the previous fiscal year, mainly because of an increase in the amortization of goodwill and valuation allowance.

Minority Interests in Income from Consolidated Subsidiaries

Minority interests in net income from consolidated subsidiaries amounted to ¥0.2 billion (US$2.3 million).

Net Income

Net income decreased 72.0% compared with the previous fiscal year to ¥2.9 billion (US$27.8 million). Net income per share decreased to ¥18.2 (US$0.18) from ¥60.0 for the previous fiscal year. Return on equity decreased 6.6 percentage points to 2.3% from 8.9% for the previous fiscal year because of the higher net income.

Net Sales by Geographic Segment

Japan

In Japan, net sales increased 25.8% compared with the previous fiscal year to ¥174.9 billion (US$1,699.0 million) due to the addition of Goodman Co., Ltd. and Nichihos Co., Ltd. into the scope of consolidation.

America

In America, net sales increased 22.8% compared with the previous fiscal year to ¥56.9 billion (US$552.7 million). The major reason of the increase was the expansion of the distribution network and strong sales of diabetes products.

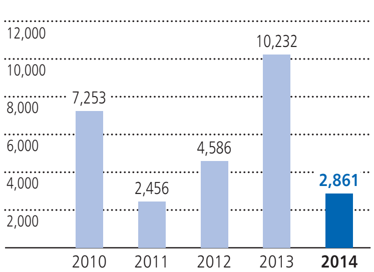
Europe

In Europe, net sales increased 24.9% compared with the previous fiscal year to ¥40.4 billion (US$392.9 million) due to strong sales of dialysis products and glass products for medical purposes.

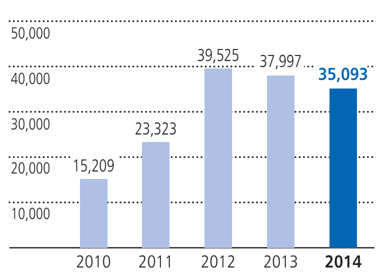
Asia

In Asia, net sales increased 22.2% compared with the previous fiscal year to ¥28.6 billion (US$277.6 million) due to a steady expansion of sales of dialysis products in the Asian market, especially in China.

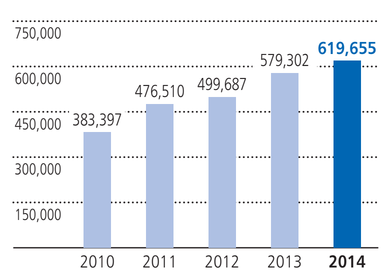
Net Income (Millions of yen)



Capital Expenditures (Millions of yen)



Total Assets (Millions of yen)



Financial Position

Total assets as of March 31, 2014 stood at ¥619.7 billion (US$6,020.7 million), an increase of 7.0% from the end of previous fiscal year.

Current assets increased 2.8% from the end of previous fiscal year to ¥296.1 billion (US$2,877.2 million), due mainly to an increase in trade notes and accounts receivable.

Property, plant and equipment, net of accumulated depreciation, stood at ¥191.6 billion (US$1,861.6 million), an increase of 9.7% compared with previous fiscal year.

Capital investments in property, plant and equipment totaled ¥31.1 billion (US$302.1 million). By business segment, capital investments amounted to ¥16.8 billion (US$163.2 million) in the Medical-Related business and ¥10.5 billion (US$102.0 million) in the Pharmaceutical-Related business.

Intangible assets increased 23.2% to ¥42.2 billion (US$410.2 million) due to an increase in goodwill.

Investment and other assets increased 8.9% to ¥89.7 billion (US$871.8 million), due mainly to the increase in investment in unconsolidated subsidiaries and an affiliate accounted for by the equity method.

Current liabilities increased 17.3% from the end of previous fiscal year to ¥250.7 billion (US$2,436.0 million), mainly due to an increase in current portion of convertible bond-type bonds with subscription rights to shares.

Long-term liabilities decreased 1.6% from the end of previous fiscal year to ¥233.0 billion (US$2,263.7 million), owing to a decrease in convertible bond-type bonds with subscription rights to shares.

Total net assets increased 5.6% from the end of previous fiscal year to ¥136.0 billion (US$1,321.0 million). Shareholders' equity decreased ¥19.3 billion and accumulated other comprehensive income increased ¥24.8 billion from the end of previous fiscal year.

Cash Flow

Net cash provided by operating activities amounted to ¥21.6 billion (US$209.4 million), mainly because of net income and depreciation and amortization.

Net cash used in investing activities amounted to ¥31.9 billion (US$310.3 million), mainly due to purchase of property, plants and equipment.

Net cash used in financing activities amounted to ¥16.3 billion (US$158.8 million) as a result of repayment of long-term loans payable.

As a result, net cash and cash equivalents decreased ¥21.7 billion compared with the end of the previous fiscal year to ¥70.9 billion (US$688.8 million).

Staff

Total number of employees at the end of the period under review increased 2,499 compared with the end of the previous fiscal year to 21,826. Employees in Japan increased 384 to 6,208, and overseas employees increased 2,115 to 15,618.

Basic Policy on Distribution of Profit

Nipro has been paying dividend to shareholders by positioning the return of profits as an important management policy. Retained earnings will be actively invested in the research and development division, in addition to the sales division and production division, as a part of expansion of the business base and long-term business development in order to ensure stable profit and achieve continued growth.

Risk Factors

The following are risks that may have an effect on Nipro group's operational results and/or financial condition.

The items concerned were determined as of March 31, 2014.

(1) Risks Related to Product Safety

Nipro group brings all of its capabilities to bear in ensuring product safety in the design, development and manufacturing of medical devices and pharmaceutical products. There are still the risks, however, those accidental defects or adverse effects could result in damages to a third party and our being sued for liability.

To cover these risks, we therefore maintain general liability and product liability insurance. In the unlikely event of a successful claim in excess of the insurance coverage, however, there could be a material adverse effect on our operational results and/or financial condition.

(2) Risks Related to Supplier Concentration

Nipro group procures materials and parts for its operations from a large number of suppliers. Some key materials or parts may be obtained only from a single supplier or a limited group of suppliers. If circumstances at any of these suppliers make it impossible for us to acquire a sufficient quantity of materials or parts to meet our production needs in a timely and cost-effective manner, there could be a material adverse effect on our operational results and financial condition.

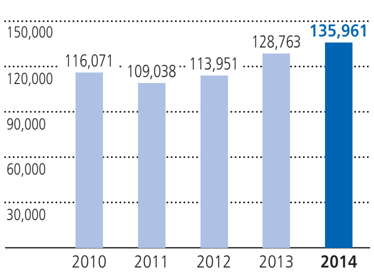
(3) Risks Related to Changes in Government Healthcare Policies

The business sector to which Nipro group belongs is intimately connected with the healthcare system and is subject to the regulations laid out by government organizations, including the National Health Insurance System and the Pharmaceutical Affairs Law. Should circumstances arise in which we were unable to respond to changes in the environment brought about by unforeseeable wholesale changes in government healthcare policies, there could be a material adverse effect on our operational results and financial condition.

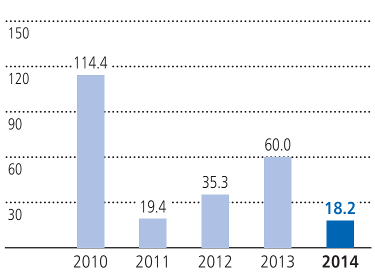
(4) Risks Related to Changes in Sale Prices

The products sold by Nipro group include some that are affected on an irregular two year basis by price reductions under the Japanese payment system for medical care, drug prices and reimbursement prices for medical materials and supplies. Moreover, should measures to hold down medical costs also become pervasive worldwide, resulting in intensified competition between corporations and leading to prices falling to a greater degree than

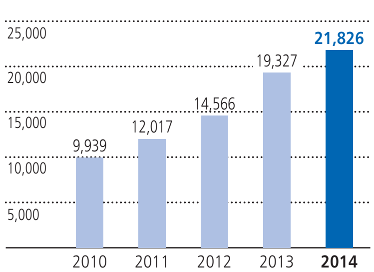
Net Assets (Millions of yen)



Basic Earnings Per Share (yen)



Number of Employees



anticipated, there could be a material adverse effect on our operational results and financial condition.

(5) Risks Related to Changes in Prices of Raw Materials
The products manufactured by Nipro group include some that are made from petrochemical products such as plastics. Should the cost of raw materials such as petrochemicals rise, there could be a material adverse effect on our operational results and financial condition.

(6) Risks Related to Overseas Expansion
Nipro group maintains manufacturing bases and sales offices around the world for the production and supply of its products. Should there be unexpected revisions to legal regulations or political or economic changes in these countries or regions, there could be a material adverse effect on our operational results and financial condition.

(7) Risks Related to Intellectual Property
Nipro group owns numerous patents and trademarks, and maintains various proprietary rights for the products it manufactures. Additionally, we take all possible measures to avoid infringing the patents and proprietary rights of any third party, and to avoid breaching any license agreements we have concluded concerning technologies. Nevertheless, if an unanticipated claim for damages were to be made by a third party and the defense of Nipro group were to be rejected, there could be a material adverse effect on its operational results and financial condition.

(8) Risks Related to Environmental Regulations
Nipro group believes it has taken adequate precautions to comply with applicable regulations in the course of its business activities. Should our activities cause an unforeseen environmental problem, however, with a claim for damages made against us, there could be a material adverse effect on our operational results and financial condition.

(9) Risks Related to Exchange Rate Fluctuations
Nipro group, including its overseas subsidiaries, carries out its foreign currency transactions primarily in US Dollars and Euros, but calculates financial statements for its overseas subsidiaries using Japanese Yen for the purpose of producing consolidated financial statements. Fluctuations in exchange rates may therefore have a material adverse effect on our operational results and financial condition.

(10) Risks Related to Investment Value
Nipro group's assets include investments in stocks and other securities. These investments have been made for purposes such as building good business relationships with the issuers of such securities, or for gathering useful information for the development of new products or new business opportunities. Should the value of these investments decline significantly owing to fluctuations in the stock market, circumstances at an issuer, or a change in the accounting methods used to deal with these investments, there could be a material adverse effect on our operational results and financial condition.

(11) Risks Related to Controls on Personal Information
Nipro group has established strict precautions to protect the confidentiality of personal information in our possession. However, if due to unforeseen events or an accident this personal information is leaked outside the group, causing a loss of trust or customers, there could be a material adverse effect on our operational results and financial condition.

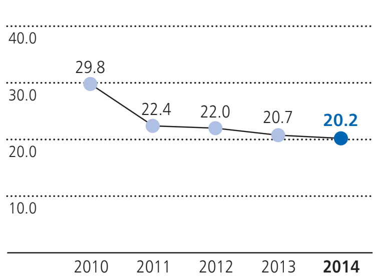
(12) Risks Related to Litigation
On December 7, 2007, a damage suit was filed at the Tokyo Higher Court by Naigai Co., Ltd. and Naigai Glass Kogyo Co., Ltd. (collectively the "Plaintiff") against the Company, based on Article 25 of the Antitrust Law. The claimed amount was ¥2,032 million (US$19,743 thousand, based on a rate of ¥102.92=US$1). On December 21, 2012, the Tokyo High Court made a judgment that the Company pay to the Plaintiff a sum of ¥133 million (US$1,292 thousand) together with an amount thereon at the rate of 5% per annum until full payment of such sum shall has been made. The Plaintiff was not satisfied with the judgment and a petition for acceptance of final appeal has been filed on January 7, 2013. The purpose is to reverse the part of the original judgment (high court ruling) denying the Plaintiff's appeal and to claim that the Company pay to the Plaintiff a sum of ¥1,352 million (US$13,136 thousand) together with an equivalent amount thereon at the rate of 5% per annum besides the accepted amount in the original judgment. Should the defense of the Company be unsuccessful and a judgment to order the payment of compensation be given to the Company, there could be a material adverse effect on our operational results and financial condition.

(13) Risks Related to Fund Raising
Nipro group relies on debt finance in the form of loans from financial institutions or issuance of corporate bonds and commercial papers, etc. to raise business and investment funds. Due to turmoil in financial markets, reduction of lending from financial institutions to us or a significant downgrade of our credit rating by credit rating agency, we may not be able to raise the necessary funds when we need them on acceptable terms, our fund raising may be restricted or the cost of fund raising could increase, and there could be a material adverse effect on our operational results and financial condition.

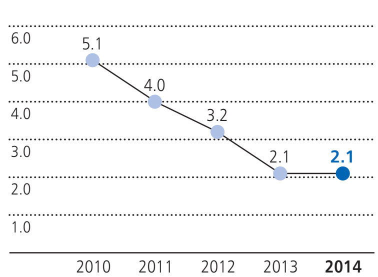
(14) Risks Related to M&A and Business Alliances
Nipro group conducts M&A activities and enters into business alliances to reinforce its business base. Prior to concluding these deals, we carry out a thorough investigation of the target company. However, should any problems arise such as the discovery of unrecognized liabilities or should the development of the acquired business not proceed as planned, there could be a material adverse effect on our operational results and financial condition.

(15) Other Risks
Fires, earthquakes, acts of terrorism, wars, epidemics, or other unforeseen man-made or natural disasters affecting areas or facilities where Nipro group conducts its business activities may cause a delay or interruption in production, sales, distribution, or provision of services. Should such a delay or interruption be extended, there could be a material adverse affect on our operational results and financial condition.

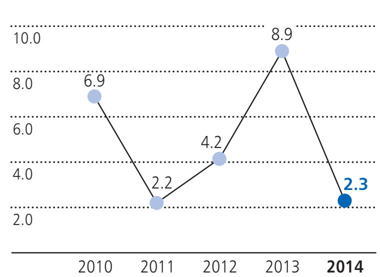
Equity Ratio (%)



Return on Assets (%)



Return on Equity (%)



10 Year Summary

Nipro Corporation and its Consolidated Subsidiaries
Years ended March 31

	Millions of yen			
	2014	2013	2012	2011
Income Statement Data:				
Net sales	**¥ 300,753**	¥ 241,021	¥ 212,013	¥ 195,943
Medical-Related (*1)	**244,197**	169,971	145,082	132,817
Pharmaceutical-Related(*1)	**51,508**	66,212	59,715	38,005
Glass-Related (*1)	**4,777**	4,603	6,954	24,704
Other (*1)	**271**	235	262	417
Store (*1)	**—**	—	—	—
Cost of sales	**213,221**	175,314	149,253	137,768
Selling, general and administrative expenses	**75,242**	54,336	46,935	40,950
Operating income	**12,290**	11,371	15,825	17,225
Medical-Related (*2)	**17,696**	14,287	17,078	18,437
Pharmaceutical-Related(*2)	**8,013**	3,988	4,940	1,658
Glass-Related(*2)	**557**	601	454	2,701
Other (*2)	**216**	222	230	88
Store(*2)	**—**	—	—	—
Income before income taxes and minority interests	**12,891**	18,060	11,022	7,432
Net income	**2,861**	10,232	4,586	2,456
Capital expenditures	**35,093**	37,997	39,525	23,323
Depreciation and amortization	**25,151**	21,210	21,581	21,244
R&D expenses	**7,891**	6,464	5,957	4,977
Balance Sheet Data:				
Total assets	**¥ 619,655**	¥ 579,302	¥ 499,687	¥ 476,510
Property, plant and equipment-net	**191,594**	174,703	145,679	128,506
Working capital	**45,405**	74,216	61,346	40,621
Current liabilities	**250,715**	213,758	189,090	176,401
Long-term liabilities	**232,979**	236,781	196,646	191,071
Common stock	**84,398**	84,398	84,398	28,663
Capital surplus	**689**	636	636	29,973
Net Assets	**135,961**	128,763	113,951	109,038

	Yen			
Per Share Data:				
Basic earnings (*3)	**¥ 18.2**	¥ 60.0	¥ 35.3	¥ 19.4
Diluted earnings (*3)	**16.3**	54.1	31.0	17.4
Cash dividends	**30.5**	27.5	23.5	50.0
Equity (*3)	**832.1**	703.5	643.9	839.7
Number of common shares issued	**171,459,479**	171,459,479	171,459,479	63,878,505
Number of employees	**21,826**	19,327	14,566	12,017
Selected Data and Ratios:				
Equity ratio (*4) (%)	**20.2**	20.7	22.0	22.4
Return on assets (*4) (%)	**2.1**	2.1	3.2	4.0
Return on equity (*4) (%)	**2.3**	8.9	4.2	2.2
Price earnings ratio(*4) (times)	**51.0**	14.0	17.5	42.5

(*1) Effective the fiscal year ended March 31, 2011, the Company has adopted ASBJ Statement No.17 "Accounting Standard for Disclosures about Segment of an Enterprise and Related Information" (March 27, 2009) and ASBJ Guidance No.20 "Guidance on Accounting Standard for Disclosures about Segment of an Enterprise and Related Information" (March 21, 2008). Net sales and operating income for the period for the fiscal year ended March 31, 2010 have been restated to show what the Group's result would have been if the new accounting standards had been applied in that year. Before the fiscal year ended March 31, 2009, net sales and operating income have been stated in compliance with previous accounting rules. In addition, the corporate reorganization was conducted effective on October 1, 2012 in order to enforce Pharmaceutical-Related business and build a strong cooperative relationship among Medical-Related, Pharmaceutical-Related and Glass-Related business. As a result of this reorganization, some business divisions included in Glass-Related business were changed to Pharmaceutical-Related business. The segment information is presented as if the aforementioned reorganization had been conducted at the beginning of the financial year 2012, and the presentation for the prior financial years are not restated.

(*2) Operating income at the operating segment level is not adjusted for intra-segment transactions. See Note 16. "Segment Reporting" to the consolidated financial statements.

(*3) Effective the fiscal year ended March 31, 2012, the Company has adopted ASBJ Statement No.2 "Accounting Standard for Earnings Per Share" (June 30, 2010), ASBJ Guidance No.4 "Guidance on Accounting Standard for Earnings Per Share" (June 30, 2010) and ASBJ PITF No.9 "Practical Solution on Accounting for Earnings Per Share" (June 30, 2010). In addition, the Company has split one share of common stock into two shares on October 1, 2011 based on the resolution at the board of directors' meeting held on

	Millions of yen						Thousands of U.S. dollars (Note 1)
	2010	2009	2008	2007	2006	2005	**2014**
	¥ 177,830	¥ 175,945	¥ 172,113	¥ 184,363	¥ 206,801	¥ 192,320	**$ 2,922,202**
	118,517	112,970	111,084	97,300	90,868	82,504	**2,372,688**
	34,528	52,726	48,754	42,152	35,220	26,207	**500,466**
	24,338	9,554	11,437	12,919	11,934	11,667	**46,415**
	447	695	838	1,019	1,518	1,101	**2,633**
	—	—	—	30,973	67,261	70,841	
	126,145	124,396	123,108	132,142	149,971	140,072	**2,071,716**
	33,591	36,774	35,328	39,168	44,498	41,844	**731,073**
	18,094	14,775	13,677	13,053	12,332	10,404	**119,413**
	19,923	16,209	15,830	14,334	13,430	11,039	**171,939**
	2,102	4,082	3,271	3,298	2,111	2,261	**77,857**
	3,103	1,772	1,890	1,865	1,836	1,889	**5,412**
	64	4	13	151	529	288	**2,099**
	—	—	—	270	578	115	**—**
	13,872	9,379	8,260	16,776	9,061	8,660	**125,253**
	7,253	4,531	4,454	8,555	4,513	4,519	**27,798**
	15,209	33,142	25,900	23,093	20,874	16,312	**340,974**
	18,421	18,109	15,054	12,470	12,315	10,266	**244,374**
	4,846	5,352	6,194	4,461	3,760	3,422	**76,671**
	¥ 383,397	¥ 330,641	¥ 349,302	¥ 336,660	¥ 338,741	¥ 293,749	**$ 6,020,744**
	124,209	126,739	118,812	104,882	106,195	98,788	**1,861,582**
	41,725	46,070	53,911	43,128	34,579	39,123	**441,168**
	138,204	114,796	108,835	104,105	111,285	96,242	**2,436,018**
	129,122	119,285	120,923	105,535	113,453	99,198	**2,263,690**
	28,663	28,663	28,663	28,663	28,663	28,663	**820,035**
	29,973	29,973	29,975	29,973	29,972	29,972	**6,695**
	116,071	96,560	119,544	127,020	114,003	98,309	**1,321,036**
	Yen						U.S. dollars (Note 1)
	¥ 114.4	¥ 71.4	¥ 70.2	¥ 134.7	¥ 69.6	¥ 69.4	**$ 0.18**
	114.1	—	—	—	—	—	**0.16**
	53.0	32.0	37.5	80.0	37.5	38.5	**0.30**
	1,802.3	1,498.5	1,861.8	1,979.2	1,767.7	1,519.6	**8.09**
	63,878,505	63,878,505	63,878,505	63,878,505	63,878,505	63,878,505	
	9,939	9,354	9,020	8,807	9,048	8,617	
	29.8	28.7	33.8	37.3	33.2	32.9	
	5.1	4.3	4.0	3.9	3.9	3.6	
	6.9	4.2	3.7	7.2	4.3	4.7	
	15.8	21.5	24.8	17.1	26.0	25.6	

August 27, 2011. In accordance with this adoption, equity per share, basic earnings per share and diluted earnings per share are calculated on the assumption that the two-for-one stock split of common stock was conducted at the beginning of fiscal year ended March 31, 2011. Before the fiscal year ended March 31, 2010, each amount has been stated in compliance with previous accounting rules.

(*4) Equity ratio is the ratio of the sum of total shareholders' equity and accumulated other comprehensive income to total assets at the period end. Return on assets is the ratio of operating income for the period to average of total assets during the period. Return on equity is the ratio of net income for the period to average of the sum of total shareholders' equity and accumulated other comprehensive income during the period. Price earnings ratio is the ratio of the closing price of the Company's shares listed on the First Section of the Tokyo Stock Exchange on the last trading day in March of each year to basic earnings per share.

Consolidated Balance Sheets

Nipro Corporation and its Consolidated Subsidiaries
As of March 31, 2014 and 2013

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2014	2013	**2014**
Assets			
Current assets:			
Cash and cash equivalents	**¥ 70,892**	¥ 92,623	**$ 688,807**
Time deposits (over three months)	**14,065**	13,378	**136,660**
Trade notes and accounts receivable (Note 5)	**103,179**	83,665	**1,002,517**
Allowance for doubtful receivables	**(2,011)**	(464)	**(19,539)**
Inventories (Note 3)	**90,486**	81,655	**879,188**
Deferred income taxes (Note 4)	**7,354**	5,375	**71,454**
Other current assets	**12,155**	11,742	**118,099**
Total current assets	**296,120**	287,974	**2,877,186**
Property, plant and equipment (Note 5):			
Land	**23,368**	22,173	**227,050**
Buildings and structures	**158,109**	138,548	**1,536,232**
Machinery and equipment	**232,371**	206,840	**2,257,783**
Construction in progress	**20,534**	23,787	**199,514**
	434,382	391,348	**4,220,579**
Accumulated depreciation	**(242,788)**	(216,645)	**(2,358,997)**
Property, plant and equipment-net	**191,594**	174,703	**1,861,582**
Intangible assets (Note 5):			
Goodwill	**28,494**	22,740	**276,856**
Other	**13,722**	11,525	**133,327**
Total intangible assets	**42,216**	34,265	**410,183**
Investments and other assets:			
Investment in unconsolidated subsidiaries and an affiliate accounted for by the equity method	**11,139**	2,158	**108,230**
Investment securities (Note 6)	**60,953**	60,983	**592,237**
Lease deposits	**1,213**	815	**11,786**
Deferred income taxes (Note 4)	**8,454**	8,805	**82,141**
Other	**7,966**	9,599	**77,399**
Total investments and other assets	**89,725**	82,360	**871,793**
Total	**¥ 619,655**	¥ 579,302	**$ 6,020,744**

The accompanying notes are an integral part of these statements.

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2014	2013	2014
Liabilities and net assets			
Current liabilities:			
Short-term bank loans (Notes 5 and 10)	¥ 77,630	¥ 83,572	$ 754,275
Current portion of long-term debt (Notes 5 and 10)	68,965	44,944	670,084
Trade notes and accounts payable	45,661	40,879	443,655
Accrued income taxes	10,253	3,854	99,621
Accrued expenses	18,453	15,959	179,295
Allowance for loss on clearance of business	2,439	1,955	23,698
Commercial papers (Note 10)	10,000	10,000	97,163
Notes and accounts payable for plant and equipment	8,936	5,742	86,825
Other current liabilities	8,378	6,853	81,402
Total current liabilities	250,715	213,758	2,436,018
Long-term liabilities:			
Long-term debt (Notes 5 and 10)	222,837	226,954	2,165,148
Accrued pension and severance liabilities (Note 11)	—	2,855	—
Net defined benefit liability (Note 11)	4,043	—	39,283
Deferred income taxes (Note 4)	1,977	2,213	19,209
Other long-term liabilities	4,122	4,759	40,050
Total long-term liabilities	232,979	236,781	2,263,690
Commitments and contingent liabilities (Note 12)			
Net Assets (Notes 15):			
Common stock	84,398	84,398	820,035
Authorized: 400,000,000 shares			
Issued: 171,459,479 shares			
Capital surplus	689	636	6,695
Retained earnings	52,568	54,788	510,766
Less cost of common shares of treasury stock	(18,000)	(865)	(174,893)
(20,730,973 shares in 2014 and 914,107 shares in 2013)			
Total shareholders' equity	119,655	138,957	1,162,603
Unrealized gain (loss) on available-for-sale securities	(7,444)	(12,547)	(72,328)
Deferred gains or losses on hedges	38	—	369
Foreign currency translation adjustments	13,535	(6,437)	131,510
Remeasurements of defined benefit plans	(357)	—	(3,469)
Accumulated other comprehensive income	5,772	(18,984)	56,082
Minority interests	10,534	8,790	102,351
Total net assets	135,961	128,763	1,321,036
Total	¥ 619,655	¥ 579,302	$ 6,020,744

The accompanying notes are an integral part of these statements.

Consolidated Statements of Income

Nipro Corporation and its Consolidated Subsidiaries
For the years ended March 31, 2014 and 2013

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2014	2013	2014
Net sales	¥ 300,753	¥ 241,021	$ 2,922,202
Cost of sales	213,221	175,314	2,071,716
Gross profit	87,532	65,707	850,486
Selling, general and administrative expenses (Notes 17 and 18)	75,242	54,336	731,073
Operating income	12,290	11,371	119,413
Other income (expenses):			
Interest and dividend income	2,617	2,716	25,428
Interest expense	(3,857)	(3,447)	(37,476)
Loss on sale and disposal of property, plant and equipment-net	(348)	(320)	(3,381)
Exchange gain (loss)	1,345	3,063	13,068
Equity in profit (loss) of an affiliated company	—	(38)	—
Gain (loss) on sale of investment securities (Note 6)	1,322	4,168	12,845
Loss on impairment of fixed assets	(2)	(2)	(19)
Other income (loss)-net	(476)	549	(4,625)
Income before income taxes and minority interests	12,891	18,060	125,253
Income taxes (Note 4):			
Current	13,740	6,865	133,502
Deferred	(3,951)	575	(38,389)
Net income before minority interests	3,102	10,620	30,140
Minority interests in income (loss) of consolidated subsidiaries	241	388	2,342
Net income	¥ 2,861	¥ 10,232	$ 27,798

	Yen		U.S. dollars (Note 1)
Amounts per common share:			
Basic earnings	¥ 18.2	¥ 60.0	$ 0.18
Diluted earnings	16.3	54.1	0.16
Cash dividends	30.5	27.5	0.30

The accompanying notes are an integral part of these statements.

Consolidated Statements of Comprehensive Income

Nipro Corporation and its Consolidated Subsidiaries
For the years ended March 31, 2014 and 2013

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2014	2013	2014
Net income before minority interests	¥ 3,102	¥ 10,620	$ 30,140
Other comprehensive income:			
Unrealized gain (loss) on available-for-sale securities	5,104	(6,018)	49,592
Deferred gains or losses on hedges	38	—	370
Foreign currency translation adjustment	21,259	10,266	206,558
Comprehensive income	¥ 29,503	¥ 14,868	$ 286,660
Comprehensive income attributable to:			
Shareholders of the parent	27,975	13,985	271,813
Minority interests	1,528	883	14,847

The accompanying notes are an integral part of these statements.

Consolidated Statements of Changes in Net Assets

Nipro Corporation and its Consolidated Subsidiaries
For the years ended March 31, 2014 and 2013

	Thousands	Millions of yen											
	Outstanding number of shares of common stock	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Unrealized gain on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Accumulated other comprehensive income	Minority interests	Total net assets
Balance at March 31, 2012	170,546	¥ 84,398	¥ 636	¥ 48,389	¥ (865)	¥ 132,558	¥ (6,528)	¥ —	¥ (16,209)	¥ —	¥ (22,737)	¥ 4,130	¥ 113,951
Net income				10,232		10,232							10,232
Increase (decrease) in retained earnings due to inclusion of new subsidiaries in consolidation				320		320							320
Cash dividends				(4,009)		(4,009)							(4,009)
Purchase of treasury stock	(1)				(0)	(0)							(0)
Disposal of treasury stock	0		(0)		0	0							0
Decrease of retained earnings (Other)				(144)		(144)							(144)
Other net change during the year						—	(6,019)	—	9,772	—	3,753	4,660	8,413
Balance at March 31, 2013	170,545	84,398	636	54,788	(865)	138,957	(12,547)	—	(6,437)	—	(18,984)	8,790	128,763
Net income				2,861		2,861							2,861
Increase (decrease) in retained earnings due to inclusion of new subsidiaries in consolidation				—		—							—
Cash dividends				(5,055)		(5,055)							(5,055)
Purchase of treasury stock					(18,179)	(18,179)							(18,179)
Disposal of treasury stock			53		1,044	1,097							1,097
Decrease of retained earnings (Other)				(26)		(26)							(26)
Other net change during the year						—	5,103	38	19,972	(357)	24,756	1,744	26,500
Balance at March 31, 2014	170,545	¥ 84,398	¥ 689	¥ 52,568	¥ (18,000)	¥ 119,655	¥ (7,444)	¥ 38	¥ 13,535	¥ (357)	¥ 5,772	¥ 10,534	¥ 135,961

	Thousands	Thousands of U.S. dollars (Note 1)											
	Outstanding number of shares of common stock	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Unrealized gain on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Accumulated other comprehensive income	Minority interests	Total net assets
Balance at March 31, 2013	170,545	$ 820,035	$ 6,179	$ 532,336	$ (8,405)	$1,350,145	$ (121,910)	$ —	$ (62,544)	$ —	$ (184,454)	$ 85,406	$1,251,097
Net income				27,798		27,798							27,798
Increase (decrease) in retained earnings due to inclusion of new subsidiaries in consolidation				—		—							—
Cash dividends				(49,116)		(49,116)							(49,116)
Purchase of treasury stock					(176,632)	(176,632)							(176,632)
Disposal of treasury stock			516		10,144	10,660							10,660
Decrease of retained earnings (Other)				(252)		(252)							(252)
Other net change during the year						—	49,582	369	194,054	(3,469)	240,536	16,945	257,481
Balance at March 31, 2014	170,545	$ 820,035	$ 6,695	$ 510,766	$ (174,893)	$1,162,603	$ (72,328)	$ 369	$ 131,510	$ (3,469)	$ 56,082	$ 102,351	$1,321,036

The accompanying notes are an integral part of these statements.

Consolidated Statements of Cash Flows

Nipro Corporation and its Consolidated Subsidiaries
For the years ended March 31, 2014 and 2013

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2014	2013	**2014**
Operating activities:			
Net income	**¥ 2,861**	¥ 10,232	**$ 27,798**
Adjustments to reconcile net income to net cash provided operating activities:			
Depreciation and amortization	**25,151**	21,210	**244,374**
Amortization of goodwill	**4,827**	2,834	**46,901**
Loss on impairment of fixed assets	**2**	2	**19**
Equity in loss (profit) of an affiliated company	**—**	38	**—**
Allowance for doubtful receivables	**1,072**	194	**10,416**
Gain on sales of available for sales securities	**(1,161)**	(4,164)	**(11,281)**
Provision for deferred taxes	**(3,951)**	575	**(38,389)**
Exchange loss (gain)	**(2,998)**	(1,694)	**(29,129)**
Loss on devaluation of marketable securities	**10**	28	**97**
Loss on sale and disposal of property, plant and equipment-net	**342**	320	**3,323**
Other, net	**739**	426	**7,180**
Changes in operating assets and liabilities:			
Trade receivables	**(10,730)**	(8,965)	**(104,256)**
Inventories	**(2,441)**	(3,183)	**(23,717)**
Other current assets	**2,061**	518	**20,025**
Lease deposits	**(212)**	(178)	**(2,060)**
Trade payables	**(2,468)**	(830)	**(23,980)**
Accrued income taxes	**6,468**	990	**62,845**
Other, net	**1,980**	4,241	**19,239**
Total adjustments	**18,691**	12,362	**181,607**
Net cash provided by operating activities	**21,552**	22,594	**209,405**
Investing activities:			
Purchase of property, plant and equipment	**(27,921)**	(36,254)	**(271,288)**
Proceeds from sales of property, plant and equipment	**379**	152	**3,682**
Purchase of available-for-sale securities	**(627)**	(11,567)	**(6,092)**
Purchase of investments in unconsolidated subsidiaries	**(6,780)**	(3,825)	**(65,876)**
Proceeds from sales of available-for-sale securities	**9,059**	18	**88,020**
Purchases of investments in consolidated subsidiaries affecting scope of consolidation	**(6,959)**	(2,386)	**(67,616)**
Proceeds from investments in consolidated subsidiaries affecting scope of consolidation	**—**	3,216	**—**
Proceeds from sale of investments in subsidiaries and affiliates	**—**	5,800	**—**
Net decrease (increase) in short-term loans to affiliates	**—**	1,813	**—**
Deposits (Over three months)	**1,125**	7,776	**10,931**
Other, net	**(214)**	(2,174)	**(2,080)**
Net cash used in investing activities	**(31,938)**	(37,431)	**(310,319)**
Financing activities:			
Net increase (decrease) in short-term loans	**(9,340)**	9,445	**(90,750)**
Proceeds from long-term loans	**63,280**	61,629	**614,846**
Repayment of long-term loans	**(49,029)**	(43,039)	**(476,380)**
Proceeds from issuance of bonds	**2,980**	9,941	**28,955**
Repayment of bonds	**(1,282)**	(10,100)	**(12,456)**
Proceeds from issuance of common stock	**151**	262	**1,467**
Proceeds from sales of treasury shares	**1,196**	—	**11,621**
Purchase of treasury shares	**(18,278)**	—	**(177,594)**
Cash dividends paid	**(5,057)**	(4,009)	**(49,135)**
Other, net	**(967)**	(770)	**(9,396)**
Net cash provided by financing activities	**(16,346)**	23,359	**(158,822)**
Effect of exchange rate changes on cash and cash equivalents	**4,982**	3,031	**48,407**
Net increase (decrease) in cash and cash equivalents	**(21,750)**	11,553	**(211,329)**
Cash and cash equivalents, beginning of period	**92,623**	79,450	**899,951**
Cash and cash equivalents of newly consolidated subsidiary, beginning of period	**19**	1,620	**185**
Cash and cash equivalents, end of period	**¥ 70,892**	¥ 92,623	**$ 688,807**

The accompanying notes are an integral part of these statements.

Notes to Consolidated Financial Statement

1. Basis of Presenting Consolidated Financial Statements

The financial statements of Nipro Corporation ("the Company") and its consolidated domestic subsidiaries have been prepared in accordance with the provisions set forth in the Financial Instruments and Exchange law of Japan 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. Effective from the year ended March 31, 2009, the Company has adopted the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (PITF No. 18) and as a result, the accounts of consolidated overseas subsidiaries are prepared in accordance with either International Financial Reporting Standards or generally accepted accounting principles in the United States, with adjustments for the specified five items as applicable.

In preparing the accompanying consolidated financial statements, certain reclassifications have been made to the consolidated financial statements issued domestically, in order to present them in a form which is more familiar to readers outside Japan. However, no adjustment has been made which would change the financial position or the results of operations presented in the original financial statements. In addition, the notes to consolidated financial statements include additional information which is not required under generally accepted accounting principles and practices in Japan.

The financial statements presented herein are expressed in Japanese yen and, solely for the convenience of the reader, have been translated into United States dollars at the rate of ¥102.92=US$1, the approximate exchange rate on March 31, 2014. These translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollar amounts at that or any other rate.

2. Summary of Significant Accounting Policies

(a) Basis of Consolidation

The consolidated financial statements include the accounts of the Company and the significant subsidiaries and affiliated company accounted for by the equity method.

Investments in unconsolidated subsidiaries are stated at cost and the equity method is not applied for the valuation of such investments since they are considered immaterial in the aggregate.

All significant intercompany balances and transactions have been eliminated in consolidation. All material unrealized profits included in assets resulting from transactions within the Company and its consolidated subsidiaries have been eliminated. The difference between the cost of investments in subsidiaries and affiliates and the equity in their net assets at the dates of acquisition is amortized on a straight-line basis over five to twenty years.

All accounts herein have been presented on the basis of the twelve months ended March 31, 2014 for the Company and for consolidated domestic subsidiaries, and December 31, 2013 for all consolidated overseas subsidiaries.

Adjustments have been made for any significant intercompany transactions which took place during the period between the end of accounting period of the consolidated overseas subsidiaries and that of the Company.

(b) Translation of Foreign Currencies

Balance sheets of consolidated overseas subsidiaries are translated into Japanese yen at the current exchange rates as of the balance sheet date except for shareholders' equity, which is translated at the historical rates. Income statements of consolidated overseas subsidiaries are translated into Japanese yen at the average exchange rates for the period. Resulting translation adjustments are shown as "Foreign currency translation adjustments" in "Accumulated other comprehensive income" section of net assets.

(c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, readily available deposits and short-term highly liquid investments with original maturities of three months or less.

(d) Allowance for Doubtful Receivables

An allowance for possible losses from trade notes and accounts receivable, loans and other receivables is provided based on the actual rate of past bad debts and the uncollectible amounts of certain individual receivables.

(e) Inventories

Inventories are stated principally at the lower of average cost or net realizable value.

(f) Property, Plant and Equipment

Depreciation of property, plant and equipment of the Company and its consolidated domestic subsidiaries is computed principally by the declining-balance method. The straight-line method is applied to buildings acquired by the domestic companies after April 1, 1998, and is principally applied to the property, plant and equipment of consolidated overseas subsidiaries.

(g) Intangible Assets

Amortization of intangible assets, including software for the Company's own use, is computed by the straight-line method over the estimated useful life of the asset.
Goodwill is amortized on a straight-line basis over the period the Company benefits from its use. If the amount is not significant, it is expensed when incurred.

(h) Investment Securities

Investment securities are classified and accounted for, depending on management's intent, as follows:

i) held-to-maturity debt securities, which are expected to be held to maturity with the positive intent and ability to hold to maturity are stated at amortized cost

ii) available-for-sale securities, which are not classified as the aforementioned securities, are stated at fair value. Unrealized gains and losses, net of applicable taxes, are reported as "Accumulated other comprehensive income" of net assets.

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

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

(i) Allowance for Loss on Clearance of Business

The Company has withdrawn from retail business and a provision for anticipated losses of sales of related fixed assets is provided.

(j) Employees' Retirement and Severance Benefits

Method of attributing expected benefit to periods

In calculating retirement benefit obligation, the estimated amount of retirement benefit is attributed to the periods on the straight-line basis.

Accounting Method of Actuarial gains and losses and prior service costs

Prior service costs are amortized on the straight-line basis over certain period (mainly 5 years) which is within the average of the estimated remaining service years of the employees when they occur.

Actuarial gains and losses are amortized on the straight-line basis over certain period (mainly 5 years) which is within the average of the estimated remaining service years of the employees commencing with from the following the year which they arise.

(k) Derivatives

Derivatives are stated at fair value, with changes in fair value included in net income or loss for the period in which they arise, unless derivatives are used for hedging purposes. Please see (m) Hedge Accounting below.

(l) Leases

Finance leases, except for certain immaterial leases, are capitalized in the balance sheet. Amortization of finance lease assets is calculated by straight-line method over the lease period assuming no residual value.

The Company and its consolidated domestic subsidiaries account for certain finance leases as operating leases, which do not transfer ownership to the lessee and existed prior to April 1, 2008. The information of such leases on "as if capitalized" basis is presented in Note 7. "Leases".

(m) Hedge Accounting

<Method of hedge accounting>

The deferral hedge accounting method is applied in principle. The allocation method is applied to currency swap and the exceptional accounting method is applied to interest rate swap when certain hedging criteria are met.

<Hedge instrument and hedge items>

(Hedging instruments)	(Hedged items)
Currency swap	Short-term and long term debt denominated in foreign currency
Interest rate swap	Interests on short-term and long term debt

<Hedge policy>

The Company uses currency swaps and interest rate swaps to reduce currency exposure and interest volatility risk.

<Method for assessing hedge effectiveness>

Hedge effectiveness is not assessed for currency swap which meets certain criteria of the allocation method and interest rate swaps which meets certain criteria of the exceptional accounting method.

(n) Income Taxes

The provision for income taxes is computed based on income for financial statement purpose. The asset and liability approach is used to recognize deferred tax assets and liabilities for the future tax consequences of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

(o) Amounts per Common Share

Basic earnings per share is computed by dividing net income available to common shareholders by the weighted-average number of common shares outstanding for the period. Diluted earnings per share reflect the potential dilution that could occur if securities were exercised or converted into common stock. Diluted earnings per share of common stock assume full conversion of the outstanding convertible notes and bonds at the beginning of the year (or at the time of issuance) with an applicable adjustment for related interest expense, net of tax, and full exercise of outstanding warrants.

(p) Changes in Accounting Policy

Application of Accounting Standard for Retirement Benefits and its Guidance

The Company applied "Accounting Standard for Retirement Benefits" (ASBJ Statement No.26, May 17, 2012) and "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No.25, May 17, 2012) effective the end of the fiscal year; except for the provisions specified in Paragraph 35 of Accounting Standard for Retirement Benefits and Paragraph 67 of Guidance on Accounting Standard for Retirement Benefits. Under the new accounting policy, the amount of retirement benefit obligations minus plan assets is recorded as net defined benefit liability, and the unrecognized actuarial gains and losses and unrecognized prior service costs are recognized in net defined benefit liability (in case that the amount of plan assets exceeds retirement benefit obligation, it is recorded as net defined benefit asset). In applying the Accounting Standard for Retirement Benefits and its Guidance, the Company follows the provisional treatment prescribed in Paragraph 37 of Accounting Standard for Retirement Benefits. Consequently, the effects of the changes in accounting policies were recognized in remeasurements of defined benefit plans as accumulated other comprehensive income in the fiscal year ended March 31, 2014.

As a result, as of March 31, 2014, net defined benefit asset of ¥98 million (US$952 thousand), and net defined benefit liability of ¥4,043 million (US$39,283 thousand) were recorded respectively. Also, the above impacts were to decrease accumulated other comprehensive income by ¥357 million (US$3,469 thousand).

(q) Unapplied Accounting Standards, etc.

Accounting Standard for Retirement Benefits (Accounting Standards Board of Japan (ASBJ) Statement No.26 of May 17, 2012), and Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No.25 of May 17, 2012)

1) Outline

Under the revised accounting standard, actuarial gains and losses and past service costs shall be recognized within net assets on the consolidated balance after adjusting for tax effects, and the accumulated deficit or surplus shall be recognized as a liability or asset. Also, regarding the estimated amount of retirement benefits and the method of attributing them to accounting periods, in addition to the straight line attribution standard, the benefit formula may be used and the method of calculating the discount rate has been revised.

2) Scheduled Date of Adoption

The revision to how retirement benefit obligations and current service costs are determined will be adopted from the start of the year ending March 31, 2015.

3) Impact of Adoption of New Accounting Standard

The impact in the consolidated financial statements as a result of the adoption of this accounting standard is currently being evaluated.

3. Inventories

Inventories consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2014	2013	**2014**
Finished goods and merchandises	**¥ 59,517**	¥ 53,899	**$ 578,284**
Raw materials	**16,387**	13,916	**159,221**
Work in process	**10,968**	10,480	**106,568**
Packing and other	**3,614**	3,360	**35,115**
Total	**¥ 90,486**	¥ 81,655	**$ 879,188**

4. Income Taxes

The Company and its domestic subsidiaries are subject to several taxes based on income which, in aggregate, resulted in a normal statutory tax rate of approximately 37.8% for the years ended March 31, 2014 and 2013.
The significant components of deferred tax assets and liabilities were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2014	2013	**2014**
Deferred tax assets			
Tax loss carryforwards	**¥ 9,061**	¥ 5,135	**$ 88,039**
Intercompany profits	**1,535**	518	**14,914**
Valuation loss on inventories	**1,031**	854	**10,017**
Allowance for bonuses to employees	**1,013**	918	**9,843**
Allowance for loss on clearance of business	**863**	739	**8,384**
Sales Allowance	**246**	230	**2,389**
Loss on impairment of fixed assets	**119**	613	**1,156**
Excess of allowance for doubtful accounts over tax allowable amounts	**1,012**	900	**9,833**
Accrued pension and severance liabilities	**—**	864	**—**
Net defined benefit liability	**1,313**	—	**12,757**
Accrued enterprise taxes	**747**	362	**7,258**
Unrealized loss on available-for-sale securities	**4,831**	6,974	**46,939**
Goodwill	**2,045**	—	**19,870**
Other	**4,170**	2,826	**40,517**
Gross deferred tax assets	**¥ 27,986**	¥ 20,933	**$ 271,916**
Less: Valuation allowance	**(10,604)**	(5,896)	**(103,031)**
Total deferred tax assets	**¥ 17,382**	¥ 15,037	**$ 168,885**
Deferred tax liabilities			
Unrealized gain on available-for-sale securities	**443**	5	**4,304**
Revaluation reserve for land	**676**	674	**6,568**
Revaluation reserve for intangible assets	**1,194**	1,427	**11,601**
Revaluation reserve for fixed assets – other	**682**	496	**6,627**
Other	**590**	486	**5,733**
Total deferred tax liabilities	**¥ 3,584**	¥ 3,087	**$ 34,833**
Net deferred tax assets (liabilities) (*1)	**¥ 13,798**	¥ 11,950	**$ 134,052**

Reconciliation of the differences between the statutory tax rates and the effective income tax rates was as follows:

	2014	2013
Statutory tax rate	**37.8%**	37.8%
Expenses not deductible for tax purposes	**4.9**	2.0
Non-taxable dividend income	**(3.3)**	(3.1)
Loss in subsidiaries	**—**	1.6
Amortization of goodwill	**13.7**	5.5
Tax credits primarily for research and development costs	**(5.3)**	(2.5)
Tax loss carryforwards	**—**	(0.5)
Valuation Allowance	**17.2**	7.6
Other	**10.9**	(7.2)
Effective income tax rate	**75.9**	41.2

(*1) The current portion of Deferred Tax Liabilities for the year ended March 31, 2014 is ¥34 million (US$327 thousand) and is accounted for as "Others" of Current Liabilities.
* Adjustment of deferred tax assets and liabilities following the change in the statutory tax rates
"Act on Partial Revision of the Income Tax Act" was promulgated on March 31, 2014 and the imposition of a special reconstruction corporation tax will be abolished from the fiscal year beginning on April 1, 2014.
Accordingly, the statutory tax rates for calculating deferred tax assets and liabilities has changed from 37.8% of the previous fiscal year to 35.4% for temporary differences that are expected to be eliminated from the fiscal year beginning on April 1, 2014.
Following these changes, net deferred tax assets decreased ¥273 million (US$2,653 thousand), while income taxes deferred increased the same amount.

5. Pledged Assets

The following assets were pledged as collateral:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2014	2013	**2014**
Buildings and structures	**¥ 12,703**	¥ 11,042	**$ 123,426**
Machinery and equipment	**2,701**	2,373	**26,244**
Land	**2,606**	3,010	**25,321**
Trade notes receivable	**7,158**	5,485	**69,549**
Other	**13,037**	10,420	**126,671**
Total	**¥ 38,205**	¥ 32,330	**$ 371,211**

The above assets were pledged against the following liabilities:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2014	2013	**2014**
Short term bank loans	**¥ 2,029**	¥ 1,887	**$ 19,714**
Current portion of long-term debt	**1,508**	2,383	**14,652**
Long-term debt	**6,748**	5,884	**65,565**
Total	**¥ 10,285**	¥ 10,154	**$ 99,931**

6. Investment Securities

Investment securities as of March 31, 2014 and 2013 consisted of the followings:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2014	2013	**2014**
Non-current:			
Marketable:			
Marketable equity securities	**¥ 59,473**	¥ 59,146	**$ 577,857**
Investment trust funds and other	**0**	49	**0**
Sub total	**¥ 59,473**	¥ 59,195	**$ 577,857**
Non-marketable securities	**¥ 1,480**	¥ 1,788	**$ 14,380**
Total	**¥ 60,953**	¥ 60,983	**$ 592,237**

The carrying amounts and aggregate fair values of marketable securities for investments as of March 31, 2014 and 2013 were as follows:

	Millions of yen			
	2014			
	Cost	Unrealized gain	Unrealized loss	Fair Value
Available-for-sale securities				
Equity securities	**¥ 72,000**	**¥ 7,185**	**¥ 19,712**	**¥ 59,473**
Debt securities and other	**—**	**—**	**—**	**—**
Total	**¥ 72,000**	**¥ 7,185**	**¥ 19,712**	**¥ 59,473**

	Thousands of U.S. dollars (Note 1)			
	2014			
	Cost	Unrealized gain	Unrealized loss	Fair Value
Available-for-sale securities				
Equity securities	**$ 699,572**	**$ 69,812**	**$ 191,527**	**$ 577,857**
Debt securities and other	**—**	**—**	**—**	**—**
Total	**$ 699,572**	**$ 69,812**	**$ 191,527**	**$ 577,857**

	Millions of yen			
	2013			
	Cost	Unrealized gain	Unrealized loss	Fair Value
Available-for-sale securities				
Equity securities	¥ 79,419	¥ 4,300	¥ 24,573	¥ 59,146
Debt securities and other	47	2	—	49
Total	¥ 79,466	¥ 4,302	¥ 24,573	¥ 59,195

Proceeds from sales of securities and gross realized gains or losses on those sales for the years ended March 31, 2014 and 2013 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2014	2013	**2014**
Proceeds	**¥ 9,059**	¥ 18	**$ 88,020**
Gains on sales	**1,322**	9	**12,845**
Losses on sales	**161**	3	**1,564**

7. Leases

Finance leases entered into prior to April 1, 2008 that do not transfer ownership of leased property to the lessee are accounted for as if they were operating leases. The details of such finance leases accounted for as operating leases at March 31, 2014 and 2013 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2014	2013	2014
Acquisition cost	¥ 123	¥ 221	$ 1,195
Accumulated depreciation	121	217	1,176
Net leased property	¥ 2	¥ 4	$ 19

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2014	2013	2014
Payments due within one year	¥ 3	¥ 7	$ 29
Payments due after one year	0	1	0
Total	¥ 3	¥ 8	$ 29

Lease payments under such leases for the years ended March 31, 2014 and 2013 were ¥13 million (US$126 thousand) and ¥56 million, respectively.

8. Financial Instruments

(1) Circumstances on financial instruments

(a) Policy for financial instruments

The Company and its consolidated subsidiaries manage the temporary surplus funds by deposit with banks that have a high level of safety.

The Company and its consolidated subsidiaries raise funds for business operation with mainly bank loans and bonds considering their business investment and cash planning.

(b) Details and risk of financial instruments and its risk management

Receivable such as trade notes and accounts receivable are exposed to customer's credit risk. Receivables denominated in foreign currencies are exposed to the market risk of fluctuation in foreign currency exchange rates.

In order to reduce the customer's risk, the Company monitors the dues and balances by customer in accordance with the Company's regulations of credit administration.

Investment securities are exposed to the market fluctuation risk, but mainly consist of equity of the companies which conduct business with the Company. The Company periodically reviews the market price of such securities.

Payables such as trade notes, accounts payable and accounts payable other are due within 1 year. Payables denominated in foreign currency are exposed to the risk of fluctuation in foreign currency exchange rates.

Short-term loans payable are mainly borrowed to raise operating capital and long-terms loans payable are mainly borrowed to make capital expenditures. A part of long-term loans with the floating interest rate has the risk of interest rate fluctuation, but the Company and its consolidated subsidiaries use interest rate swap to solidify the interest rate. For some of the loans denominated in foreign currency, the Company and its consolidated subsidiaries use currency swap to hedge the currency fluctuation risk.

Bonds and commercial papers are mainly issued to raise the funds for bonds retirement.

Lease obligations are mainly for the capital expenditures, free from interest-rate risk because the interest rate is fixed.

Payables, loans and bonds are exposed the liquidity risk, but the Company and its consolidated subsidiaries manage the risk by establishing cash planning.

(c) Supplemental information on fair values of financial instruments

Fair values of financial instruments include values based on market price and reasonably estimated values when market price is not available. Because variable factors are counted in the estimation, the estimated values may vary by adopting different assumptions.

(2) Fair values of financial instruments

The book values, fair values and the differences between them as of March 31, 2014 and 2013 are as follows (Financial instruments for which the market value is extremely difficult to determine are not included as described in remark 2.):

	Millions of yen			Millions of yen		
	2014			2013		
	Book value	Fair value	Difference	Book value	Fair value	Difference
Cash and cash equivalents, time deposits	¥ 84,957	¥ 84,957	¥ —	¥ 106,001	¥ 106,001	¥ —
Trade notes and accounts receivable, net of allowance for doubtful receivables	101,168	101,168	—	83,201	83,201	—
Investment securities	66,058	66,058	—	59,195	59,195	—
Assets total	¥ 252,183	¥ 252,183	¥ —	¥ 248,397	¥ 248,397	¥ —
Trade notes and accounts payable	¥ 45,661	¥ 45,661	¥ —	¥ 40,879	¥ 40,879	¥ —
Short-term bank loans, current portion of long-term debt, and commercial paper	156,595	156,595	—	138,516	138,516	—
Other notes and account payable (*1)	17,500	17,500	—	14,028	14,028	—
Long-term debt	222,837	221,941	896	226,954	226,520	434
Lease obligations (*2)	2,460	2,369	91	3,053	2,911	142
Liabilities total	¥ 445,053	¥ 444,066	¥ 987	¥ 423,430	¥ 422,854	¥ 576

	Thousands of U.S. dollars (Note 1)		
	2014		
	Book value	Fair value	Difference
Cash and cash equivalents, time deposits	**$ 825,466**	**$ 825,466**	**$ —**
Trade notes and accounts receivable, net of allowance for doubtful receivables	**982,977**	**982,977**	**—**
Investment securities	**641,839**	**641,839**	**—**
Assets total	**$ 2,450,282**	**$ 2,450,282**	**$ —**
Trade notes and accounts payable	**$ 443,655**	**$ 443,655**	**$ —**
Short-term bank loans, current portion of long-term debt, and commercial paper	**1,521,522**	**1,521,522**	**—**
Other notes and account payable (*1)	**170,035**	**170,035**	**—**
Long-term debt	**2,165,148**	**2,156,442**	**8,706**
Lease obligations (*2)	**23,902**	**23,018**	**884**
Liabilities total	**$ 4,324,262**	**$ 4,314,672**	**$ 9,590**

(*1) This is included in accrued expenses and notes and accounts payable for plant and equipment on the balance sheet.
(*2) This is included in other current liabilities and other long-term liabilities on the balance sheet.

Remark 1 Methods used to calculate fair values of financial instruments and the details of securities

<Assets>

- Cash and cash equivalents, time deposits and trade notes and accounts receivable
  Cash and cash equivalents and trade notes and accounts receivable are stated at the relevant book value because the settlement periods are short and the fair values are almost the same as the book value.
- Investments securities
  Equity securities are stated at market value. See Note 6. "Investment securities" for the detailed information by classification.

<Liabilities>

- Trade notes and accounts payable and short-term bank loans and current portion of long-term debt and commercial paper
  Because the settlement periods of the above items are short and their fair values are almost the same as their book values, the relevant book values are used.
- Other notes and account payable
  Because the settlement periods of the above items are short and their fair values are almost the same as their book values, the relevant book values are used.
- Long-term debt
  The fair value of long-term debt is calculated by applying a discount rate to the total of principal and interest. The discount rate is based on the assumed interest rate if a similar new loan was entered into.
- Lease obligation
  The fair value of lease obligations is calculated by applying a discount rate to the total of principal and interest. The discount rate is based on the assumed interest rate if a current lease transaction was renewed.

Remark 2 Financial instruments for which the fair value is extremely difficult to determine

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2014	2013	**2014**
Unlisted equity securities	**¥ 6,034**	¥ 3,946	**$ 58,628**

Because these items have no market value and are difficult to estimate the future cash flow and it is extremely difficult to determine their fair values, they are not included in investment securities above.

Remark 3 Planned redemption amounts after the balance sheet date for monetary receivables with maturity dates are as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2014	2013	**2014**
	Within 1 year	Within 1 year	Within 1 year
Cash and cash equivalents, time deposits	**¥ 84,957**	¥ 106,001	**$ 825,466**
Trade notes and accounts receivable	**101,169**	83,201	**982,987**

Remark 4 Planned repayment amounts after the balance sheet date for monetary payables with maturity dates

Planned repayment amounts after the balance sheet date for monetary payables with maturity dates at March 31, 2014 are as follows:

	Millions of yen					
	2014					
	Within 1 year	Over 1 year but within 2 years	Over 2 years but within 3 years	Over 3 years but within 4 years	Over 4 years but within 5 years	Over 5 years
Trade notes and accounts payable	**¥ 45,661**	**¥ —**	**¥ —**	**¥ —**	**¥ —**	**¥ —**
Short-term bank loans, current portion of long-term debt, and commercial paper	**156,595**	**—**	**—**	**—**	**—**	**—**
Other notes and account payable	**17,500**	**—**	**—**	**—**	**—**	**—**
Long-term debt	**—**	**72,138**	**62,349**	**53,456**	**15,077**	**19,817**
Lease obligations	**949**	**574**	**301**	**139**	**65**	**432**
Total	**¥ 220,705**	**¥ 72,712**	**¥ 62,650**	**¥ 53,595**	**¥ 15,142**	**¥ 20,249**

	Thousands of U.S. dollars (Note 1)					
	2014					
	Within 1 year	Over 1 year but within 2 years	Over 2 years but within 3 years	Over 3 years but within 4 years	Over 4 years but within 5 years	Over 5 years
Trade notes and accounts payable	**$ 443,655**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**
Short-term bank loans, current portion of long-term debt, and commercial paper	**1,521,522**	**—**	**—**	**—**	**—**	**—**
Other notes and account payable	**170,035**	**—**	**—**	**—**	**—**	**—**
Long-term debt	**—**	**700,913**	**605,801**	**519,394**	**146,492**	**192,548**
Lease obligations	**9,221**	**5,577**	**2,925**	**1,351**	**632**	**4,196**
Total	**$ 2,144,433**	**$ 706,490**	**$ 608,726**	**$ 520,745**	**$ 147,124**	**$ 196,744**

9. Derivatives

The Company and its consolidated subsidiaries had the following derivatives contracts outstanding at March 31, 2014 and 2013.

(1) Derivatives for which hedge accounting has not been applied.

(a) Currency related

N/A in 2014

		Millions of yen		
		2013		
	Type of Derivatives	Contract amount	Over 1 year out of contract amount	Fair value
Transaction other than market transaction	Currency option			
	Buying call option/U.S. dollars	¥ 279	¥ —	¥ 3
	Selling put option/U.S. dollars	564	—	(42)
	Currency swap			
	Buying U.S. dollars	¥ 752	¥ —	¥ (125)

(b) Interest related

		Millions of yen		
		2014		
	Type of Derivatives	Contract amount	Over 1 year out of contract amount	Fair value
Transaction other than market transaction	Interest rate option	**¥ 73**	**¥ —**	**¥ 0**
	Interest rate swap			
	To receive variable/To pay fixed	**¥ 60**	**¥ 40**	**¥ (5)**

		Thousands of U.S. dollars (Note 1)		
		2014		
	Type of Derivatives	Contract amount	Over 1 year out of contract amount	Fair value
Transaction other than market transaction	Interest rate option	**$ 709**	**$ —**	**$ 0**
	Interest rate swap			
	To receive variable/To pay fixed	**$ 583**	**$ 389**	**$ (49)**

		Millions of yen		
		2013		
	Type of Derivatives	Contract amount	Over 1 year out of contract amount	Fair value
Transaction other than market transaction	Interest rate option	¥ 57	¥ —	¥ 0
	Interest rate swap			
	To receive variable/To pay fixed	¥ 72	¥ 47	¥ (6)

Fair value is based on information provided by financial institution at the end of fiscal year.

(2) Derivatives for which hedge accounting has been applied.

(a) Interest related

			Millions of yen		
			2014		
Method of hedge accounting	Type of Derivatives	Principal Hedge item	Contract amount	Over 1 year out of contract amount	Fair value
Principle method	Interest rate swap	long-term loans	**¥ 258**	**¥ 194**	**¥ 3**
Exceptional accounting method of interest rate swap	Interest rate swap	long-term loans	**¥ 3,216**	**¥ 2,719**	**(*1)**

			Thousands of U.S. dollars (Note 1)		
			2014		
Method of hedge accounting	Type of Derivatives	Principal Hedge item	Contract amount	Over 1 year out of contract amount	Fair value
Principle method	Interest rate swap	long-term loans	**$ 2,507**	**$ 1,885**	**$ 29**
Exceptional accounting method of interest rate swap	Interest rate swap	long-term loans	**$ 31,248**	**$ 26,419**	**(*1)**

			Millions of yen		
			2013		
Method of hedge accounting	Type of Derivatives	Principal Hedge item	Contract amount	Over 1 year out of contract amount	Fair value
Exceptional accounting method of interest rate swap	Interest rate swap	long-term loans	¥ 2,864	¥ 2,216	(*1)

(b) Currency related

			Millions of yen		
			2014		
Method of hedge accounting	Type of Derivatives	Principal Hedge item	Contract amount	Over 1 year out of contract amount	Fair value
Principle method	Currency swap	Account Receivable	**¥ 526**	**¥ —**	**¥ 42**
Allocation method of forward foreign exchange contract, etc.	Currency swap	long-term loans	**¥ 1,268**	**¥ 1,196**	**(*1)**

			Thousands of U.S. dollars (Note 1)		
			2014		
Method of hedge accounting	Type of Derivatives	Principal Hedge item	Contract amount	Over 1 year out of contract amount	Fair value
Principle method	Currency swap	Account Receivable	$ 5,111	$ —	$ 408
Allocation method of forward foreign exchange contract, etc.	Currency swap	long-term loans	$ 12,320	$ 11,621	(*1)

			Millions of yen		
			2013		
Method of hedge accounting	Type of Derivatives	Principal Hedge item	Contract amount	Over 1 year out of contract amount	Fair value
Allocation method of forward foreign exchange contract, etc.	Currency swap	long-term loans	¥ 1,339	¥ 1,268	(*1)

(*1) The fair value of interest rate swap to which the exceptional accounting method is applied and the fair value of forward foreign exchange contract etc. to which the allocation method is applied are included in the fair value of long-term loans in Note 8. "Financial Instruments" because such interest rate swap and forward foreign exchange contract etc. are accounted for as a single item with the corresponding long-term loans.

10. Short-Term Loans and Long-Term Debt

Short-term loans comprised overdrafts and promissory notes.
The weighted-average interest rates of short-term bank loans for the years ended March 31, 2014 and 2013 were 1.005% and 1.001%, respectively.
The weighted-average interest rate of commercial paper for the years ended March 31, 2014 and 2013 were 0.104% and 0.112% respectively.
Long-term debt comprised the following:

	Millions of yen		Thousands ofU.S. dollars (Note 1)
	2014	2013	2014
1.37% unsecured bonds due 2014	¥ 3,000 [3,000]	¥ 3,000	$ 29,149 [29,149]
2.04% unsecured bonds due 2018	10,000	10,000	97,163
0.877% unsecured bonds due 2016	20,000	20,000	194,326
0.83% unsecured bonds due 2016	6,000	6,000	58,298
1.09% unsecured bonds due 2018	4,000	4,000	38,865
0.61% unsecured bonds due 2019	2,000	—	19,433
Zero coupon convertible bonds due 2015	14,895 [14,895]	14,900	144,724 [144,724]
0.64% unsecured bonds due 2016	1,000	1,000	9,716
0.30%–0.86% unsecured bonds due 2017 (*1)	4,147 [1,315]	4,424 [1,277]	40,293 [12,777]
Long-term bank loans due through 2074, with weighted-average interest rate of 1.230% for the year ended March 31, 2014, and of 1.213% for the year ended March 31, 2013	226,760	208,574	2,203,265
Less current portion of long-term debt	(68,965)	(44,944)	(670,084)
Total	¥ 222,837 [19,210]	¥ 226,954 [1,277]	$2,165,148 [186,650]

(*1) [1,315] is the amount of current portion of bonds.
(*1) This is total amount of the bonds Goodman Co., Ltd. issued.
In September 2009, the Company issued ¥3,000 million (US$29,149 thousand) of 1.37% privately-placed bonds due 2014.
In March 2008, the Company issued ¥10,000 million (US$97,163 thousand) of 2.04% unsecured bonds due 2018.
In March 2011, the Company issued ¥20,000 million (US$194,326 thousand) of 0.877% unsecured bonds due 2016.
In March 2013, the Company issued ¥6,000 million (US$58,298 thousand) of 0.83% unsecured bonds due 2016.
In March 2013, the Company issued ¥4,000 million (US$38,865 thousand) of 1.09% unsecured bonds due 2018.
In March 2014, the Company issued ¥2,000 million (US$19,433 thousand) of 0.61% unsecured bonds due 2019.
In March 2010, the Company issued ¥15,000 million (US$144,724 thousand) of zero coupon convertible bonds due 2015.
In April 2011, Tohoku Nipro Pharmaceutical Corporation issued ¥1,000 million (US$9,716 thousand) of 0.64% privately-placed bonds due 2016.
From November 2010 to February 2014, Goodman Co., Ltd. issued ¥4,424 million (US$40,293 thousand) of 0.30%–0.86% unsecure bonds due from 2014 to 2019.

The aggregate annual maturities of long-term debt outstanding at March 31, 2014 are as follows:

	Millions of yen	Thousands of U.S. dollars (Note 1)
	2014	2014
2014	¥ 68,965	$ 670,084
2015	72,138	700,913
2016	62,349	605,801
2017 and thereafter	88,350	858,434
Total	¥ 291,802	$2,835,232

As is customary in Japan, long-term and short-term bank loans are made under general agreements which provide that additional securities and guarantees for present and future indebtedness will be given under certain circumstances at the request of the bank.
In addition, the agreements provide that the bank has the right to offset cash deposits against any long-term and short-term bank loan that becomes due, and in case of default and certain other specified events, against all other loans payable to the bank.

11. Accrued Pension and Severance Liabilities

The Company and certain consolidated subsidiaries have defined benefit pension plans and unfunded retirement benefit plans, and defined contribution pension plan for employees.
Certain consolidated subsidiaries have recorded liabilities for retirement benefit and assets for a retirement benefit based on the simplified method.

(1) Defined Benefit Plans

(a) The reconciliation of beginning and ending balances of the benefit obligation (excluding the defined benefit plans applied based on the simplified method) are as follows.

	Millions of yen	Thousands of U.S. dollars (Note 1)
	2014	2014
Obligation at April 1	¥ 9,870	$ 95,900
Service cost	676	6,568
Interest cost	152	1,477
Actuarial (gain) loss	381	3,702
Bebefit payments	(662)	(6,432)
Prior service cost	381	3,702
Other (foreign currency translation adjustments, etc.)	205	1,991
Obligation at March 31	¥ 11,003	$ 106,908

(b) The reconciliation of beginning and ending balances of the fair value of the plan assets (excluding the defined benefit plans applied based on the simplified method) are as follows.

	Millions of yen	Thousands of U.S. dollars (Note 1)
	2014	2014
Fair value of plan assets at April 1	¥ 6,923	$ 67,266
Expected return on plan assets	122	1,185
Actuarial (gain) loss	389	3,780
Company contribution	506	4,916
Benefit payments	(432)	(4,197)
Other (foreign currency translation adjustments, etc.)	69	670
Fair value of plan assets at March 31	¥ 7,577	$ 73,620

(c) The reconciliation of beginning and ending balances of liabilities for retirement benefit applied based on the simplified method are as follows.

	Millions of yen	Thousands of U.S. dollars (Note 1)
	2014	2014
Liabilities for retirement benefit at April 1	¥ 417	$ 4,052
Begenning balance of new consolidated subsidiary	62	602
Retirement benefit cost	165	1,603
Retirement payments	(43)	(418)
Contribution for the plan	(71)	(690)
Other (foreign currency translation adjustments, etc.)	(11)	(106)
Liabilities for retirement benefit at March 31	¥ 519	$ 5,043

(d) The reconciliation of ending balance of the benefit obligation and the fair value of the plan assets, and liabilities and assets for retirement benefit are as follows.

	Millions of yen	Thousands of U.S. dollars (Note 1)
	2014	2014
Benefit obligation on funded scheme	¥ 11,223	$ 109,046
Plan assets	(8,135)	(79,042)
	¥ 3,088	$ 30,004
Benefit obligations on non-funded scheme	¥ 857	$ 8,327
Net assets (liabilities) on the consolidated balance sheet	3,945	38,331
Net defined benefit liability	4,043	39,283
Net defined benefit asset	(98)	(952)
Net assets (liabilities) on the consolidated balance sheet	¥ 3,945	$ 38,331

(*) Including the defined benefit plans applied based on the simplified method

(e) The breakdown of net pension and severance costs are as follows.

	Millions of yen	Thousands of U.S. dollars (Note 1)
	2014	2014
Service cost	¥ 676	$ 6,568
Interest cost	152	1,477
Expected return on plan assets	(122)	(1,185)
Amortization of actuarial	259	2,517
Amortization of past service obligation	91	884
Retirement benefit cost based on the simplified method	165	1,603
Other	98	952
Total	¥ 1,319	$ 12,816

(f) Remeasurements of defined benefit plans

The breakdown of the items recorded in adjustments to defined benefit plans are as follows.

	Millions of yen		Thousands of U.S. dollars (Note 1)	
	2014		2014	
Unrecognized prior service cost	¥	274	$	2,662
Unrecognized actuarial (gain) loss		271		2,633
Total	¥	545	$	5,295

(g) Items concerning the pension assets

1) The breakdown of the pension assets

The ratio of the plan assets are as follows.

	2014
Bonds	35%
Equities	27%
Cash and deposits	0%
General account	34%
Others	4%
Total	100%

(*) Including the defined benefit plans applied based on the simplified method

2) Setting of the long-term expectated rate of return

The long-term expected rate of return is to be determined considering the current and future allocation of plan assets, and the current and expected long-term rate of return from the diverse assets composing the plan assets.

(h) Calculation basis of actuarial methods

The main calculation basis of actuarial methods at the end of the period is as follows.

	2014
Discount rate	Primarily 1.2%
Expected long-term rate of return	Primarily 1.5%

(2) Defined Contribution Retirement Plans

The amounts of necessary contributions to defined contribution retirement plans within the company and consolidated subsidiaries were ¥326 millions (US$3,168 thousand).

The following table sets forth the project benefit obligation, plan assets and funded status of the Company and its consolidated subsidiaries at March 31, 2013.

	Millions of yen	
	2013	
1) Projected benefit obligation	¥	(10,739)
2) Fair value of plan assets		7,375
3) Projected benefit obligation in excess of plan assets 1)+2)		(3,364)
4) Unrecognized actuarial (gain) loss		532
5) Unrecognized past service obligation		(6)
6) Total 3)+4)+5)		(2,838)
7) Prepaid pension cost		17
8) Accrued pension and severance liabilities 6)−7)	¥	(2,855)

The breakdown of net pension and severance costs for the years ended March 31, 2013 was as follows:

	Millions of yen	
	2013	
Service cost	¥	665
Interest cost		174
Expected return on plan assets		(110)
Amortization of actuarial gain		358
Amortization of past service obligation		(3)
Other		419
Net pension and severance costs	¥	1,503

The assumptions used in the accounting for the above benefit plans were as follows:

	2013
Discount rate	Primarily 1.2%
Expected rate of return on plan assets	Primarily 1.5%
Amortization period of past service obligation	Primarily 5 years
Amortization period of actuarial differences	Primarily 5 years

12. Commitments and Contingent Liabilities

The Company and its consolidated subsidiaries had the following commitments and contingent liabilities:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2014	2013	**2014**
Export drafts discounted	**¥ —**	¥ 37	**$ —**
Trade notes receivable discounted	**36**	—	**350**
Total	**¥ 36**	¥ 37	**$ 350**

13. Stock Options

The stock options outstanding as of March 31, 2014 and 2013 were as follows:
Consolidated subsidiary (Goodman Co., Ltd.)

	2014			
	November 25, 2005 at board of directors' meeting	January 6, 2006 at board of directors' meeting	April 14, 2006 at board of directors' meeting	April 27, 2006 at board of directors' meeting
Persons granted	Directors of Goodman Co., Ltd: 4 Employees of Goodman Co., Ltd: 348 Others: 4	Employees of Goodman Co., Ltd: 2	Employees of Goodman Co., Ltd: 16	Employees of Goodman Co., Ltd: 6
Class and number of share	878,500 shares of common stock of Goodman	6,500 shares of common stock of Goodman	31,000 shares of common stock of Goodman	7,000 shares of common stock of Goodman
Grant date	December 5, 2005	January 6, 2006	April 14, 2006	April 28, 2006
Exercise period	From December 6, 2005 to August 31, 2015	From September 23, 2007 to August 31, 2015	From September 23, 2007 to August 31, 2015	From April 28, 2006 to August 31, 2015
Terms for vesting	—	—	—	—
Specified term of years before vesting	—	—	—	—

	2013			
	November 25, 2005 at board of directors' meeting	January 6, 2006 at board of directors' meeting	April 14, 2006 at board of directors' meeting	April 27, 2006 at board of directors' meeting
Persons granted	Directors of Goodman Co., Ltd: 4 Employees of Goodman Co., Ltd: 348 Others: 4	Employees of Goodman Co., Ltd: 2	Employees of Goodman Co., Ltd: 16	Employees of Goodman Co., Ltd: 6
Class and number of share	878,500 shares of common stock of Goodman	6,500 shares of common stock of Goodman	31,000 shares of common stock of Goodman	7,000 shares of common stock of Goodman
Grant date	December 5, 2005	January 6, 2006	April 14, 2006	April 28, 2006
Exercise period	From December 6, 2005 to August 31, 2015	From September 23, 2007 to August 31, 2015	From September 23, 2007 to August 31, 2015	From April 28, 2006 to August 31, 2015
Terms for vesting	—	—	—	—
Specified term of years before vesting	—	—	—	—

In addition to the aforementioned information of the stock options outstanding, the stock option activity is as follows:
Consolidated subsidiary (Goodman Co., Ltd.)

	2014			
	November 25, 2005 at board of directors' meeting	January 6, 2006 at board of directors' meeting	April 14, 2006 at board of directors' meeting	April 27, 2006 at board of directors' meeting
Non-vested shares				
At the beginning of the year	—	—	—	—
Granted during the year	—	—	—	—
Forfeited and expired during the year	—	—	—	—
Vested during the year	—	—	—	—
At the end of the year	—	—	—	—
Vested shares				
At the beginning of the year	**709,000**	**6,500**	**28,500**	**2,500**
Vested during the year	—	—	—	—
Exercised during the year	—	—	—	—
Forfeited and expired during the year	**456,000**	**6,500**	**28,500**	**500**
Unexercised at the end of the year	**253,000**	—	—	**2,000**

	2013			
	November 25, 2005 at board of directors' meeting	January 6, 2006 at board of directors' meeting	April 14, 2006 at board of directors' meeting	April 27, 2006 at board of directors' meeting
Non-vested shares				
At the beginning of the year	—	—	—	—
Granted during the year	—	—	—	—
Forfeited and expired during the year	—	—	—	—
Vested during the year	—	—	—	—
At the end of the year	—	—	—	—
Vested shares				
At the beginning of the year	709,000	6,500	28,500	2,500
Vested during the year	—	—	—	—
Exercised during the year	—	—	—	—
Forfeited and expired during the year	—	—	—	—
Unexercised at the end of the year	709,000	6,500	28,500	2,500

The number of stock options were converted into that of common stocks.

	Yen			
	2014			
	November 25, 2005 at board of directors' meeting	January 6, 2006 at board of directors' meeting	April 14, 2006 at board of directors' meeting	April 27, 2006 at board of directors' meeting
Exercise price	**¥ 2,169**	**¥ 2,410**	**¥ 2,490**	**¥ 2,415**
Average stock price at exercise	—	—	—	—
Fair value price at the grant date	—	—	—	—

	U.S. dollars (Note 1)			
	2014			
	November 25, 2005 at board of directors' meeting	January 6, 2006 at board of directors' meeting	April 14, 2006 at board of directors' meeting	April 27, 2006 at board of directors' meeting
Exercise price	**$ 21**	**$ 23**	**$ 24**	**$ 23**
Average stock price at exercise	—	—	—	—
Fair value price at the grant date	—	—	—	—

	Yen			
	2013			
	November 25, 2005 at board of directors' meeting	January 6, 2006 at board of directors' meeting	April 14, 2006 at board of directors' meeting	April 27, 2006 at board of directors' meeting
Exercise price	¥ 2,169	¥ 2,410	¥ 2,490	¥ 2,415
Average stock price at exercise	—	—	—	—
Fair value price at the grant date	—	—	—	—

14. Business Combination

(1) Outline of the business combination

1) Name of the acquired company
Nichihos Co., Ltd. and other 10 companies

2) Business of the acquired company
Management of Dispensing Pharmacies and Sales of Pharmaceutical Products

3) Date of the business combination
June 14, 2013

4) Legal form of the business combination
Cash acquisition of shares

5) Ratio of voting rights acquired
100.0%

(2) Period for which the operating results of the acquired company in the consolidated statements of income

From April 1, 2013 to March 31, 2014

(3) Acquisition cost

	Millions of yen	Thousands of U.S. dollars (Note 1)
Value of acquisition	**¥ 6,157**	**$ 59,823**
Others expenses	—	—
Total	**¥ 6,157**	**$ 59,823**

(4) Amount, cause, method and period of amortization of goodwill

1) Amount of goodwill
¥7,044 million (US$68,442 thousand)

2) Cause of goodwill
Anticipated future profitability

3) Method and period of amortization of goodwill
Straight-line method over the period the Company will benefit from its use

(5) Amounts of assets acquired and liabilities assumed on the day of the business combination

	Millions of yen	Thousands of U.S. dollars (Note 1)
Current assets	¥ 2,435	$ 23,659
Fixed assets	938	9,114
Total assets	¥ 3,373	$ 32,773
Current liabilities	¥ 2,723	$ 26,457
Fixed liabilities	1,538	14,944
Total liabilities	¥ 4,261	$ 41,401

15. Net Assets

The significant provisions in the Corporate Law of Japan (the "Corporate Law") that influence financial and accounting matters are summarized below:

(a) Dividends

Under the Corporate Law, 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 service period of the directors is prescribed as one year rather than the normal term of two years by its articles of incorporation, the board of directors may declare dividends (except for dividends in kind) if the company has prescribed so in its articles of incorporation. The Company's present system meets the first three criteria but the two-year service period of the directors does not meet the fourth criterion.

Interim dividends may also be paid once a year by the resolution of the board of directors if the articles of incorporation of the company stipulate so. The Company's articles of incorporation contain such a stipulation, and it pays interim dividend semi-annually by the resolution of the Board of Directors.

The Corporate Law provides certain limitations on the amounts available for dividends or the purchase of treasury stock.

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

The Corporate Law requires that an amount equal to 10% of dividends must be appropriated as 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 Corporate Law, the total amount of additional paid-in capital and legal reserve may be reversed without limitation.

The Corporate Law 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 by the resolution of the shareholders' meeting.

The Company's legal reserve, which is included in retained earnings, amounted to ¥2,179 million (US$21,172 thousand) as of March 31, 2014, and its additional paid-in capital, which is included in capital surplus, amounted to ¥635 million (US$ 6,170 thousand) as of March 31, 2014.

16. Segment Reporting

Outline of Reportable Operating Segments

Applied ASBJ Statement No.17 "The Revised Accounting Standard for Disclosures of Segments of an Enterprise and Related Information", the reportable operating segments are components of an entity for which separate financial information is available and such information is evaluated regularly by the board of directors in deciding how to allocate management resources and in assessing performance.

The Company currently operates its business on a stand-alone basis with the divisional organization and evaluates the performance of sales and manufacture of each division regardless of their products. Accordingly, the Company has three reportable operating business segments according to the divisions (Medical-Related business, Pharmaceutical-Related business and Grass-Related business), which are divided mainly by their products.

Medical-Related

Domestic division sells injection and infusion products, artificial organ products, highly functional products, dialysis products and diabetes products. In the Global business division, head office plays the center role and place overseas sales and manufacturing base for medical equipment and glass products for medical purpose and sales injection and infusion products, artificial organ products, diabetic products and glass for vials and ampoules.

Pharmaceutical-Related

Pharmaceutical division sells containers for combination products (injectable kit products) and pharmaceutical products consigned by other pharmaceutical companies. Domestic subsidiaries sell and manufacture injectable drugs, oral drugs and combination products.

Glass-Related

Glass-Related segment sells tube glass for pharmaceuticals, vials and ampoules, and grass material products for thermos bottles and lighting.

(1) Effective from the first quarter ended June 30, 2013, the pharmaceutical product sales unit of Nipro Pharma Corporation has been integrated into the Company's Domestic Division in order to enhance the Company's management capability through close coordination between the three divisions: the Medical Devices Division, the Pharmaceutical Products Division, and the Glass and Materials Division. In accordance with this change, the sales unit, which had previously been categorized into the Pharmaceutical-Related segment, is reclassified to the Medical-Related segment.

The segment information for the period ended March 31, 2013 under the reclassification is not disclosed, because it is practically difficult to trace accurate amounts of cost of sales and selling, general and administrative expenses. In addition, the segment information for the current period under review before the reclassification is not disclosed due to the aforementioned reason.

Sales to the external customers for the period ended March 31, 2013, if prepared based on the segments before the reclassification, would have been ¥191,074 million (US$1,857 thousand) for the Medical-Related segment and ¥45,109 million (US$438 thousand) for the Pharmaceutical-Related segment.

(2) Effective from the first quarter ended June 30, 2013, Chengdu Pingyuan Nipro Pharmaceutical Packaging Co., Ltd., Jilin Nipro Jiaheng Pharmaceutical Packing Co., Ltd. and Anyang Nipro Changda Pharmaceutical Packaging Co., Ltd., which had previously been categorized into the Glass-Related segment, are reclassified to the Medical-Related segment, as part of re-evaluating international management strategy.

The segment information for the period ended March 31, 2013 is prepared based on the reportable segment after the reclassification.

Business segment information for the years ended March 31, 2014 and 2013 was as follows:

	Millions of yen								
	2014								
	Reportable Segment								
	Medical-Related	Pharmaceutical-Related	Glass-Related	Total	Other (*1)	Total	Adjustment (*2)	Consolidated financial statements
Net sales:								
Outside	**¥ 244,197**	**¥ 51,508**	**¥ 4,777**	**¥ 300,482**	**¥ 271**	**¥ 300,753**	**¥ —**	**¥ 300,753**
Intersegment	**1,400**	**7,511**	**575**	**9,486**	**—**	**9,486**	**(9,486)**	**—**
Total	**245,597**	**59,019**	**5,352**	**309,968**	**271**	**310,239**	**(9,486)**	**300,753**
Operating income	**17,696**	**8,013**	**557**	**26,266**	**216**	**26,482**	**(14,192)**	**12,290**
Identifiable assets	**¥ 368,330**	**¥ 137,193**	**¥ 7,561**	**¥ 513,084**	**¥ 4,497**	**¥ 517,581**	**¥ 102,074**	**¥ 619,655**
Other items								
Depreciation and amortization	**¥ 15,204**	**¥ 8,777**	**¥ 87**	**¥ 24,068**	**¥ 46**	**¥ 24,114**	**¥ 1,037**	**¥ 25,151**
Amortization of goodwill	**4,824**	**3**	**—**	**4,827**	**—**	**4,827**	**—**	**4,827**
Capital expenditures	**19,617**	**10,647**	**89**	**30,353**	**—**	**30,353**	**4,740**	**35,093**

	Thousands of U.S. dollars (Note 1)							
	2014							
	Reportable Segment							
	Medical-Related	Pharmaceutical-Related	Glass-Related	Total	Other (*1)	Total	Adjustment (*2)	Consolidated financial statements
Net sales:								
Outside	**$2,372,688**	**$ 500,466**	**$ 46,415**	**$2,919,569**	**$ 2,633**	**$2,922,202**	**$ —**	**$2,922,202**
Intersegment	**13,603**	**72,979**	**5,587**	**92,169**	**—**	**92,169**	**(92,169)**	**—**
Total	**2,386,291**	**573,445**	**52,002**	**3,011,738**	**2,633**	**3,014,371**	**(92,169)**	**2,922,202**
Operating income	**171,939**	**77,857**	**5,412**	**255,208**	**2,099**	**257,307**	**(137,894)**	**119,413**
Identifiable assets	**$3,578,799**	**$1,333,006**	**$ 73,465**	**$4,985,270**	**$ 43,694**	**$5,028,964**	**$ 991,780**	**$6,020,744**
Other items								
Depreciation and amortization	**$ 147,726**	**$ 85,280**	**$ 845**	**$ 233,851**	**$ 447**	**$ 234,298**	**$ 10,076**	**$ 244,374**
Amortization of goodwill	**46,871**	**29**	**—**	**46,900**	**—**	**46,900**	**—**	**46,900**
Capital expenditures	**190,604**	**103,449**	**865**	**294,918**	**—**	**294,918**	**46,055**	**340,973**

	Millions of yen							
	2013							
	Reportable Segment							
	Medical-Related	Pharmaceutical-Related	Glass-Related	Total	Other (*1)	Total	Adjustment (*2)	Consolidated financial statements
Net sales:								
Outside	¥ 169,971	¥ 66,212	¥ 4,603	¥ 240,786	¥ 235	¥ 241,021	¥ —	¥ 241,021
Intersegment	1,277	6,907	491	8,675	45	8,720	(8,720)	—
Total	171,248	73,119	5,094	249,461	280	249,741	(8,720)	241,021
Operating income	14,287	3,988	601	18,876	222	19,098	(7,727)	11,371
Identifiable assets	¥ 304,753	¥ 132,829	¥ 7,090	¥ 444,672	¥ 4,542	¥ 449,214	¥ 130,088	¥ 579,302
Other items								
Depreciation and amortization	¥ 12,085	¥ 8,191	¥ 78	¥ 20,354	¥ 49	¥ 20,403	¥ 807	¥ 21,210
Amortization of goodwill	2,835	(1)	—	2,834	—	2,834	—	2,834
Capital expenditures	26,365	10,340	10	36,715	—	36,715	1,282	37,997

(*1) "Other" is the business segment which is not included in the reportable segment and consists of real estate income and sales by headquarters.

(*2) Adjustment is as follows:

- Adjustments for the operating income ended March 31, 2014 and 2013 include ¥(2,483) million (US$(24,126) thousand) and ¥(44) million of elimination of inter-segment transaction and ¥(11,709) million (US$(113,768) thousand) and ¥(7,683) million of corporate cost, respectively. Corporate cost consists primarily of sales, general and administrative expenses and research and development cost which do not belong to the reportable segment.
- Adjustments for Identifiable assets ended March 31, 2014 and 2013 include ¥(65,201) million (US$(633,511) thousand) and ¥(51,050) million of elimination of inter-segment transaction and ¥167,276 million (US$1,625,301 thousand) and ¥181,138 million of corporate assets, respectively. Corporate assets consisted primarily of cash and deposit, investment securities, assets for development and assets for management division of head office which do not belong to the reportable segment.
- Adjustments for depreciation and amortization ended March 31, 2014 and 2013 are for corporate assets. Depreciation and amortization and Capital expenditures include long-term prepaid expenses.
- Adjustment for capital expenditures is increase in corporate assets.

Loss on impairment of fixed assets and Unamortized balance of goodwill by business segments were as follows:

	Millions of yen						Millions of yen					
	2014						2013					
	Reportable Segment				Other	Total	Reportable Segment				Other	Total
	Medical-Related	Pharmaceutical-Related	Glass-Related	Total			Medical-Related	Pharmaceutical-Related	Glass-Related	Total		
Loss on impairment of fixed assets	**¥ 2**	**¥ —**	**¥ —**	**¥ 2**	**¥ —**	**¥ 2**	¥ 2	¥ —	¥ —	¥ 2	¥ —	¥ 2
Unamortized balance of goodwill	**28,477**	**17**	**—**	**28,494**	**—**	**28,494**	22,732	9	—	22,741	—	22,741

	Thousands of U.S. dollars (Note 1)					
	2014					
	Reportable Segment				Other	Total
	Medical-Related	Pharmaceutical-Related	Glass-Related	Total		
Loss on impairment of fixed assets	**$ 19**	**$ —**	**$ —**	**$ 19**	**$ —**	**$ 19**
Unamortized balance of goodwill	**276,691**	**165**	**0**	**276,856**	**—**	**276,856**

Net sales and Property, plant and equipment for each area were as follows:

	Millions of yen					Millions of yen				
	2014					2013				
	Japan	America	Europe	Asia	Total	Japan	America	Europe	Asia	Total
Net sales	**¥ 174,862**	**¥ 56,887**	**¥ 40,434**	**¥ 28,570**	**¥ 300,753**	¥ 138,962	¥ 46,311	¥ 32,372	¥ 23,376	¥ 241,021
Property, plant and equipment	**103,368**	**16,306**	**11,104**	**60,816**	**191,594**	102,527	12,199	7,870	52,107	174,703

	Thousands of U.S. dollars (Note 1)				
	2014				
	Japan	America	Europe	Asia	Total
Net sales	**$1,699,010**	**$ 552,730**	**$ 392,868**	**$ 277,594**	**$2,922,202**
Property, plant and equipment	**1,004,352**	**158,434**	**107,890**	**590,906**	**1,861,582**

17. Selling, General and Administrative Expenses

Significant components of selling, general and administrative expenses for the years ended March 31, 2014 and 2013 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2014	2013	**2014**
Salaries	**¥ 17,795**	¥ 13,192	**$ 172,901**
Freight charges	**6,527**	5,706	**63,418**

18. Research and Development Expenses

Research and development expenses for the years ended March 31, 2014 and 2013 were ¥7,891 million (US$76,671 thousand) and ¥6,464 million, respectively.

19. Supplemental Disclosures of Cash Flow Information

Supplemental information related to the Consolidated Statements of Cash Flows was as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2014	2013	**2014**
Cash paid during the year for:			
Interest	**¥ 3,908**	¥ 3,439	**$ 37,971**
Income tax	**7,501**	6,288	**72,882**

Report of Independent Auditors

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Nipro Corporation

We have audited the accompanying consolidated balance sheet of Nipro Corporation and its consolidated subsidiaries as of March 31, 2014, and the related consolidated statements of income, comprehensive income, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in conformity with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in conformity with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Nipro Corporation and its consolidated subsidiaries as of March 31, 2014, and the consolidated results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2014, are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

Osaka, Japan
June 26, 2014

PKF Osaka Audit Corporation

PKF Osaka Audit Corporation

Corporate Information (As of March 31, 2014)

Date of Establishment
July 8, 1954

Head Office
3-9-3 Honjo-nishi, Kita-ku, Osaka 531-8510, Japan
Telephone: +81-6-6372-2331
Facsimile : +81-6-6375-0669
URL: http://www.nipro.co.jp/english/

Tokyo Office
4-3-4 Hongo, Bunkyo-ku, Tokyo 113-0033, Japan
Telephone: +81-3-5684-5611
Facsimile : +81-3-5684-5610

Number of Employees

Parent Company	2,831
Consolidated subsidiaries	18,995
Total	21,826

Common Stock

Authorized	400,000,000 shares
Issued	171,459,479 shares
Outstanding	151,916,006 shares
Number of Shareholders	67,282

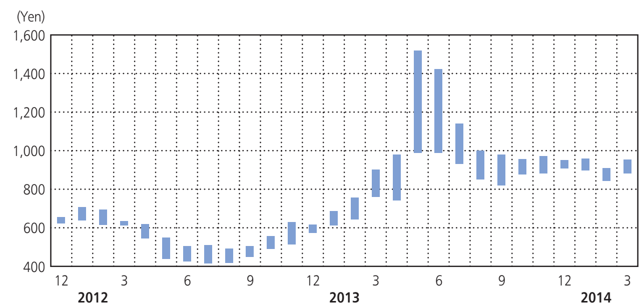
Stock Listings
Tokyo Stock Exchange
Ticker Code: 8086

Transfer Agent
Mizuho Trust & Banking Co., Ltd., Head Office
Stock Transfer Agency Dpt.
1-2-1 Yaesu, Chuo-ku, Tokyo 103-8670, Japan

Principal Shareholders

	Number of Shares Held (in thousands)	Percentage of Total Shares in Issue (%)
Nippon Electric Glass Co., Ltd.	25,718	15.00
Japan Trustee Services Bank, Ltd.	7,601	4.43
Resona Bank Limited	5,360	3.13
Trust & Custody Services Bank, Ltd.	3,702	2.16
Kazumi Sano	1,910	1.11
BBH Boston GMO International Intrinsic Value.	1,869	1.09
Mizuho Bank, Ltd.	1,565	0.91
The Master Trust Bank of Japan, Ltd.	1,471	0.86
Nipro employees' stock ownership associations	1,360	0.79
Mitsubishi Tanabe Pharma Corporation	1,166	0.68
Total	51,725	30.17

Stock Price Range(Tokyo Stock Exchange)



Major Subsidiaries (As of June 30, 2014)

Area	Country	Name	Principal business
Domestic	Japan	Nipro Medical Industries Co., Ltd.	Manufacturing and Marketing of medical devices
		Goodman Co., Ltd.	Manufacturing and Marketing of medical devices
		Nipro Pharma Corporation	Manufacturing and Marketing of pharmaceuticals
		Zensei Pharmaceutical Industries Co., Ltd.	Manufacturing and Marketing of pharmaceuticals
		Nichihos Co., Ltd.	Management of dispensing pharmacies and Marketing of pharmaceutical products
		Cell Science & Technology Institute, Inc.	Development and Manufacture of cell culture fluid
Oversea	Thailand	Nipro (Thailand) Corporation Limited	Manufacturing and Marketing of medical devices
		Nipro Sales (Thailand) Co., Ltd.	Marketing of medical devices
	China	Nipro (Shanghai) Co., Ltd.	Manufacturing and Marketing of medical devices
		Nipro Trading (Shanghai) Co., Ltd.	Marketing of medical devices
		Chengdu Pingyuan Nipro Pharmaceutical Packaging Co., Ltd.	Manufacturing and Marketing of medical glass products
		Jilin Nipro Jiaheng Pharmaceutical Packaging Co., Ltd.	Manufacturing and Marketing of medical glass products
		Anyang Nipro Changda Pharmaceutical Packaging Co., Ltd.	Manufacturing and Marketing of medical glass products
		Nipro Medical (Hefei) Co., Ltd.	Manufacturing and Marketing of medical devices
		Shanghai Nissho Vacuum Flask Refill Co., Ltd.	Marketing of glass products
	Singapore	Nipro Asia Pte Ltd.	Marketing of medical devices
	India	Nipro India Corporation Pvt. Ltd.	Manufacturing and Marketing of medical devices
		Nipro Glass India Pvt. Ltd.	Manufacturing and Marketing of medical glass products
		Nipro Tube Glass Pvt. Ltd.	Manufacturing and Marketing of medical glass products
	Bangladesh	Nipro JMI Company Ltd.	Manufacturing and Marketing of medical devices
		Nipro JMI Pharma Ltd.	Manufacturing and Marketing of pharmaceuticals
	Indonesia	P.T. Nipro Indonesia Jaya	Manufacturing and Marketing of medical devices and medical glass products
	UAE	Nipro Middle East Free Zone Establishment	Marketing of medical devices
	Brazil	Nipro Medical Ltda.	Manufacturing and Marketing of medical devices
	U.S.A.	Nipro Medical Corporation	Marketing of medical devices
		Nipro Diagnostics, Inc.	Manufacturing and Marketing of diabetes products
		Nipro Glass Americas Corporation	Manufacturing and Marketing of medical glass products
	Belgium	Nipro Europe N.V.	Marketing of medical devices
		Nipro Glass Belgium N.V.	Manufacturing and Marketing of medical glass products
	France	Nipro Glass France S.A.S.	Manufacturing and Marketing of medical glass products
	Germany	Nipro Glass Germany AG	Manufacturing and Marketing of medical glass products
		Nipro Sterile Glass Germany AG	Manufacturing and Marketing of medical glass products
	Switzerland	Nipro Pharma Glass AG	Business Management

NIPRO

NIPRO CORPORATION
3-9-3 Honjo-nishi, Kita-ku, Osaka 531-8510, Japan
Telephone: +81-6-6372-2331
Facsimile : +81-6-6375-0669
http://www.nipro.co.jp/en