

Summary Report of Consolidated Financial Results

For the First Quarter of the Fiscal Year ending March 31, 2004

Company name: **NIPRO CORPORATION**

(URL: <http://www.nipro.co.jp/>)

Stock exchanges on which the shares
are listed:

Tokyo Stock Exchange – First Section

Code No:

8086

Representative:

Minoru Sano, President and Representative Director

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1. Matters related to the preparation of quarterly financial summary
 - (1) Difference in the method of accounting recognition from the most recent fiscal year: N/A
 - (2) Changes of reporting entities: N/A
2. Business results and financial position for the First Quarter of the Fiscal Year ending March 31, 2004 (From April 1, 2003 to June 30, 2003)

(1) Results of Operations (Millions of yen, unless otherwise stated)

	Net Sales	Operating Income	Recurring Income	Net (Quarter) Income
	%	%	%	%
1st Quarter ended June 30, 2003	46,191 -	3,731 -	3,243 -	1,490 -
1st Quarter ended June 30, 2002	- -	- -	- -	- -
Previous fiscal year	180,369	14,899	11,397	5,077

	Basic Earnings per Share	Diluted Earnings per Share
1st Quarter ended June 30, 2003	23.41 yen	-
1st Quarter ended June 30, 2002	-	-
Previous fiscal year	84.25 yen	78.48 yen

(Note) Figures on the previous first quarter and year-on-year rates are not given, as the preparation of the consolidated quarterly financial statements was initiated this year.

[Supplementary information on the consolidated results of operations]

Looking back at the Japanese economy for the first quarter of the fiscal year ending March 2004, while there were some signs of recovery in certain economic aspects, individual consumption and exports remained sluggish.

Under such conditions, Nipro has focused on Research and Development and made efforts to develop sales activities.

As a result, net sales for the first quarter was ¥46,191 million, operating income was ¥3,731 million, recurring income was ¥3,243 million and net income was ¥1,490 million.

(2) Financial Position (Millions of yen, unless otherwise stated)

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	Shareholder' Equity per Share
1st Quarter ended June 30, 2003	253,469	84,896	33.5%	1,334.03 yen
1st Quarter ended June 30, 2002	-	-	-	-
Previous fiscal year	252,847	83,532	33.0%	1,310.72 yen

(Note) Figures on the previous first quarter are not given, as the preparation of the consolidated quarterly financial statements was initiated this year.

Cash Flows

(Millions of yen)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents
1st Quarter ended June 30, 2003	2,506	(3,120)	564	29,467
1st Quarter ended June 30, 2002	-	-	-	-
Previous Fiscal Year	5,453	(30,107)	11,469	29,393

(Note) Figures on the previous first quarter are not given, as the preparation of the consolidated quarterly financial statements was initiated this year.

[Supplementary information on the changes in the financial position]

(1) Changes in the financial position

Total assets increased by ¥621 million from the end of the previous fiscal year to ¥253,469 million, mainly due to the increase in investment securities. Liabilities decreased by ¥760 million from the end of the previous fiscal year to ¥166,786 million, primarily due to the decrease in current portion of bonds. Shareholders' equity increased by ¥1,363 million from the end of the previous fiscal year to ¥84,896 million. Shareholders' equity ratio was 33.5%, compared with 33.0% at the end of the previous fiscal year.

(2) Cash flows

Net cash provided by operating activities was ¥2,506 million, primarily reflecting the income before income taxes. Net cash used in investing activities was ¥3,120 million, mainly due to purchases of property, plant and equipment. Net cash provided by financing activities was ¥564 million. This was mainly a result of reimbursement of cash deposited for redemption of convertible bonds.

As a result, cash and cash equivalents increased by ¥74 million from the end of the previous fiscal year to ¥29,467 million.

3. Consolidated Business Forecasts for the Fiscal Year ending March 31, 2004 (From April 1, 2003 to March 31, 2004)

(Millions of yen, unless otherwise stated)

	Sales	Recurring Income	Net Income	Net Income per Share
Half-year ending September 30, 2003	96,000	6,900	3,650	57.35 yen
Year ending March 31, 2004	197,000	14,000	7,500	116.10 yen

[Supplementary information on the business forecasts]

Due to the uncertainty about the conditions of Japanese economy such as employment and individual income, the harsh business environment is anticipated to continue. Under such circumstances, Nipro will strive to improve the result of operations by active Research and Development and aggressive sales activities.

There is no amendment to the forecast announced on May 22, 2003.

The above forecasts are based on the information available to the management as of the date of this report. The actual results may be different from these forecasts due to various factors occurring hereafter.

Consolidated Balance Sheets

(Millions of yen)

Account	Period		1st Quarter ended June 30, 2003		Previous Fiscal Year ended March 31, 2003	
	Amount	%	Amount	%		
(ASSETS)						
Current assets	<u>113,855</u>	44.9	<u>116,431</u>	46.0		
Cash and bank deposits	33,197		32,539			
Trade notes and accounts receivable	43,307		42,761			
Inventories	32,056		31,213			
Deferred tax assets	1,941		2,244			
Others	3,490		7,873			
Allowance for doubtful accounts	(137)		(201)			
Fixed assets	<u>139,614</u>	55.1	<u>136,416</u>	54.0		
Tangible fixed assets	<u>92,619</u>	36.5	<u>91,146</u>	36.1		
Buildings and structures	40,726		38,841			
Machinery and equipment	20,089		19,748			
Land	22,463		22,459			
Construction in progress	6,014		6,852			
Others	3,324		3,245			
Intangible fixed assets	<u>1,205</u>	0.5	<u>1,271</u>	0.5		
Consolidation adjustments	169		213			
Others	1,035		1,057			
Investments and other assets	<u>45,789</u>	18.1	<u>43,998</u>	17.4		
Investment securities	29,106		27,018			
Long-term loans receivable	2,636		2,601			
Deferred tax assets	193		175			
Lease deposits	11,867		12,234			
Others	2,658		2,660			
Allowance for doubtful accounts	(672)		(692)			
Total Assets	253,469	100.0	252,847	100.0		

Consolidated Balance Sheets

(Millions of yen)

Account	Period		1st Quarter ended June 30, 2003		Previous Fiscal Year ended March 31, 2003	
	Amount	%	Amount	%		
(LIABILITIES)						
Current liabilities	<u>86,702</u>	34.2	<u>88,888</u>	35.2		
Trade notes and accounts payable	28,795		27,085			
Short-term bank loans	35,052		36,257			
Current portion of bonds	-		2,000			
Other payables	3,630		3,783			
Income taxes payable	1,098		2,619			
Reserve for employees bonuses	864		1,587			
Allowance for price reduction	1,250		1,359			
Notes payable for plant and equipment	5,423		3,356			
Commercial paper	7,000		7,000			
Others	3,587		3,838			
Non-current liabilities	<u>80,083</u>	31.6	<u>78,657</u>	31.1		
Bonds	36,000		36,000			
Long-term borrowings	37,099		36,821			
Deferred tax liabilities	1,410		541			
Accrued pension and severance cost	2,219		1,977			
Others	3,354		3,317			
Total Liabilities	166,786	65.8	167,546	66.3		
(MINORITY INTERESTS)						
Minority interests	1,786	0.7	1,768	0.7		
(SHAREHOLDERS' EQUITY)						
Common stock	28,663	11.3	28,663	11.3		
Additional paid-in capital	29,972	11.8	29,972	11.9		
Retained earnings	28,583	11.3	27,904	11.0		
Net unrealized gains on securities	4,272	1.7	2,850	1.1		
Foreign currency translation adjustments	(6,130)	(2.4)	(5,406)	(2.1)		
Treasury stock	(463)	(0.2)	(451)	(0.2)		
Total Shareholders' equity	84,896	33.5	83,532	33.0		
Total Liabilities, minority interests and shareholders' equity	253,469	100.0	252,847	100.0		

Consolidated Statements of Income

(Millions of yen)

Account	Period		1st Quarter ended June 30, 2003 (From April 1, 2003 to June 30, 2003)		Previous Fiscal Year ended March 31, 2003 (From April 1, 2002 to March 31, 2003)	
	Amount	%	Amount	%		
Sales	46,191	100.0	180,369	100.0		
Cost of sales	33,006	71.5	128,775	71.4		
Gross profit	13,185	28.5	51,594	28.6		
Selling, general and administrative expenses	9,453	20.5	36,695	20.3		
Operating Income	3,731	8.0	14,899	8.3		
Non-operating Income	<u>302</u>	0.7	<u>755</u>	0.4		
Interest income	40		207			
Dividend income	92		190			
Others	169		357			
Non-operating expenses	<u>790</u>	1.7	<u>4,256</u>	2.4		
Interest expenses	407		1,671			
Equity in losses of affiliate	216		657			
Exchange losses	153		1,749			
Others	12		177			
Recurring Income	3,243	7.0	11,397	6.3		
Extraordinary profits	<u>168</u>	0.4	<u>1,334</u>	0.7		
Reversion of allowance for doubtful accounts	105		42			
Subsidies received	-		1,129			
Others	62		163			
Extraordinary losses	<u>728</u>	1.6	<u>3,951</u>	2.2		
Losses on sales and disposal of fixed assets	189		341			
Losses on devaluation of investment securities	98		628			
Losses on compression of fixed assets	-		1,129			
Losses on complaints	2		308			
Compensation for breach of contract	-		1,178			
Others	437		365			
Net income before adjustment for taxes	2,683	5.8	8,780	4.8		
Corporate, inhabitant and enterprise taxes	988	2.1	4,957	2.7		
Adjustment for taxes	188	0.4	(1,340)	(0.7)		
Minority interests in net income of consolidated subsidiaries	17	0.1	85	0.0		
Net income	1,490	3.2	5,077	2.8		

Consolidated Statements of Cash Flows

(Millions of yen)

Account	Period	1st Quarter ended June 30, 2003 (From April 1, 2003 to June 30, 2003)	Previous Fiscal Year ended March 31, 2003 (From April 1, 2002 to March 31, 2003)
		Amount	Amount
Cash flows from operating activities			
Net income before adjustment for taxes		2,683	8,780
Depreciation and amortization		2,233	8,766
Amortization of consolidation adjustments		43	222
Equity in losses of affiliate		216	657
Increase (decrease) in allowance for doubtful accounts		(82)	(15)
Interest and dividend income		(133)	(397)
Interest expenses		407	1,671
Exchange losses (gains)		(110)	1,039
Other non-operating income/expenses and extraordinary profits/losses		455	2,727
Decrease (increase) in trade receivables		(482)	(3,883)
Decrease (increase) in inventories		(752)	(4,517)
Increase (decrease) in trade payables		1,642	(1,004)
Decrease (increase) in other assets		616	(675)
Increase (decrease) in other liabilities		(1,131)	436
Bonuses to directors and corporate auditors		(111)	(168)
Sub-total		5,495	13,639
Proceeds from Interest and dividends		89	362
Payment of Interest		(624)	(1,755)
Other expenditures		(235)	(1,702)
Other revenues		312	736
Payment of corporate tax, etc.		(2,530)	(5,826)
Cash flows from operating activities		2,506	5,453
Cash flows from investing activities			
Deposits in time deposits		(965)	(3,493)
Proceeds from time deposits		406	1,373
Payments for purchases of securities		(13)	(4,060)
Proceeds from sales of securities		-	20
Payments for purchases of fixed assets		(2,536)	(23,886)
Proceeds from sales of fixed assets		1	143
Payments for lending of loans		(1)	(257)
Proceeds from collections of loans receivable		12	56
Payment for investments in capital		(23)	(4)
Proceeds from return of investments in capital		-	1
Cash flows from investing activities		(3,120)	(30,107)
Cash flows from financing activities			
Net increase (decrease) in short-term bank loans		(2,532)	3,718
Net increase (decrease) in commercial paper		-	7,000
Proceeds from long-term borrowings		3,164	23,598
Repayment of long-term borrowings		(1,556)	(8,181)
Proceeds from issuance of bonds		-	5,966
Payments for redemption of bonds		(2,000)	(13,122)
Proceeds from issuance of common stock		-	105
Payments for purchases of treasury stock		(12)	(396)
Payments for finance lease obligations		(2)	(268)
Payments for dividends		(637)	(2,810)
Reimbursement (deposit) of funds for redemption of convertible bonds		4,141	(4,141)
Cash flows from financing activities		564	11,469
Effect of exchange rate changes on cash and cash equivalents		123	(206)
Increase (decrease) in cash and cash equivalents		74	(13,391)
Balance of cash and cash equivalents at the beginning of fiscal year		29,393	42,784
Balance of cash and cash equivalents at the end of fiscal year		29,467	29,393

Segment information

1. Segment information by business category

(1) 1st Quarter (From April 1, 2003 to June 30, 2003)

(Millions of yen)

	Medical	Pharmaceutical	Glass & Materials	Supermarket	Other	Total	Eliminations /Corporate	Consolidated
Net sales								
(1) Outside customers	19,688	5,716	2,727	17,953	105	46,191	-	46,191
(2) Intersegment	116	-	665	-	155	937	(937)	-
Total	19,805	5,716	3,393	17,953	260	47,129	(937)	46,191
Costs and expenses	16,292	5,092	2,985	17,683	208	42,263	196	42,459
Operating income (loss)	3,513	623	407	269	52	4,865	(1,134)	3,731

(2) Previous fiscal year (From April 1, 2002 to March 31, 2003)

(Millions of yen)

	Medical	Pharmaceutical	Glass & Materials	Supermarket	Other	Total	Eliminations /Corporate	Consolidated
Net sales								
(1) Outside customers	76,008	21,979	11,063	69,559	1,758	180,369	-	180,369
(2) Intersegment	534	-	2,473	0	667	3,674	(3,674)	-
Total	76,542	21,979	13,536	69,559	2,425	184,044	(3,674)	180,369
Costs and expenses	62,368	19,997	11,760	68,450	2,277	164,854	615	165,470
Operating income (loss)	14,174	1,981	1,776	1,109	147	19,189	(4,290)	14,899

- Note: 1. Classification of business categories and main products in each business category
 Business categories are classified on basis of the market nature of products.
 Main products belonging to each business categories are as follows

Business category	Main products
Medical	Dialyzers, blood tubing sets, injection needles, syringes, and infusion sets, etc.
Pharmaceutical	Half-type and full-type kits, double-bag kits, pre-filled syringes, and dialysate solution, etc.
Glass & Materials	Glass tubes for ampoules and vials, internal glass sections for vacuum flasks, small light bulbs, and rubber stoppers, etc.
Supermarket	Fresh and daily foods, general groceries, household goods, and medicine, etc.
Other	Machinery for manufacture of medical equipment and real estate rental income, etc.

2. Costs and expenses of "Eliminations/Corporate" for the first Quarter ended June 30, 2003 and the previous fiscal year ended March 31, 2003 included unallocated corporate costs of ¥1,134 million and ¥4,290 million, respectively. The unallocated corporate costs consisted primarily of research and development costs and the parent company's headquarters administration costs.

2. Segment information by geographical area

(1) 1st Quarter (From April 1, 2003 to June 30, 2003)

(Millions of yen)

	Japan	America	Europe	Asia	Total	Eliminations /Corporate	Consolidated
Net sales							
(1) Outside customers	43,382	1,023	1,350	434	46,191	-	46,191
(2) Intersegment	2,478	95	-	2,074	4,648	(4,648)	-
Total	45,861	1,119	1,350	2,509	50,840	(4,648)	46,191
Costs and expenses	40,981	1,240	1,374	2,259	45,856	(3,396)	42,459
Operating income (loss)	4,879	(121)	(23)	249	4,983	(1,252)	3,731

(2) Previous fiscal year (From April 1, 2002 to March 31, 2003)

(Millions of yen)

	Japan	America	Europe	Asia	Total	Eliminations /Corporate	Consolidated
Net sales							
(1) Outside customers	168,847	4,544	5,360	1,617	180,369	-	180,369
(2) Intersegment	8,801	419	34	8,234	17,488	(17,488)	-
Total	177,648	4,963	5,394	9,851	197,858	(17,488)	180,369
Costs and expenses	159,549	4,710	5,239	8,966	178,467	(12,996)	165,470
Operating income (loss)	18,098	253	154	884	19,391	(4,492)	14,899

- Note:
- Classification of countries or areas is based on geographical proximity.
 - The major countries included in each geographical area are as follows
 - America The United States of America and Brazil
 - Europe Belgium
 - Asia China and Thailand
 - Costs and expenses of "Eliminations and Corporate" for the first Quarter ended June 30, 2003 and the previous fiscal year ended March 31, 2003 included unallocated corporate costs of 1,134 million yen and 4,290 million yen, respectively. The unallocated corporate costs consisted primarily of research and development costs and the parent company's headquarters administration costs.

3. Overseas sales

(1) 1st Quarter (From April 1, 2003 to June 30, 2003)

(Millions of yen)

	America	Europe	Asia	Total
1. Overseas sales	4,581	4,495	1,446	10,523
2. Consolidated net sales				46,191
3. Percentage of overseas sales against consolidated net sales (%)	9.9%	9.8%	3.1%	22.8%

(2) Previous fiscal year (From April 1, 2002 to March 31, 2003)

(Millions of yen)

	America	Europe	Asia	Total
1. Overseas sales	19,031	17,364	5,427	41,822
2. Consolidated net sales				180,369
3. Percentage of overseas sales against consolidated net sales (%)	10.6%	9.6%	3.0%	23.2%

- Note:
1. Classification of countries or areas is based on geographical proximity.
 2. The major countries included in each geographical area are as follows
 - America The United States of America, Canada and Brazil
 - Europe Belgium, Denmark and Germany
 - Asia China, Taiwan and Thailand
 3. Overseas sales represent those of the Company and the consolidated subsidiaries to countries and areas outside of Japan.

Production, Orders received and Sales

1. Production

(Millions of yen)

Business segment	1st Quarter From April 1, 2003 to June 30, 2003		Previous fiscal year From April 1, 2002 to March 31, 2003	
	Amount produced	Year-on-year change (%)	Amount produced	Year-on-year change (%)
Medical	14,656	-	57,473	1.3
Pharmaceutical	6,099	-	23,126	42.1
Glass & Materials	953	-	3,396	(14.4)
Other	103	-	1,239	94.7
Total	21,812	-	85,236	9.8

- Note:
1. Amounts produced are calculated based on average selling prices.
 2. The above amounts are after eliminations of the intersegment transactions.
 3. The above amounts do not include the related consumption taxes etc.

2. Orders received

Since we adopt the production system based on estimated orders, there is nothing applicable hereto regarding the amount and the balance of orders received.

3. Sales

(Millions of yen)

Business segment	1st Quarter From April 1, 2003 to June 30, 2003		Previous fiscal year From April 1, 2002 to March 31, 2003	
	Amount sold	Year-on-year change (%)	Amount sold	Year-on-year change (%)
Medical	19,688	-	76,008	(2.0)
Pharmaceutical	5,716	-	21,979	37.8
Glass & Materials	2,727	-	11,063	(1.5)
Supermarket	17,953	-	69,559	7.4
Other	105	-	1,758	3.4
Total	46,191	-	180,369	5.3

- Note:
1. The above amounts are after eliminations of the intersegment transactions.
 2. The above amounts do not include the related consumption taxes etc.