Consolidated Financial Statements

November 25, 2004

For the Six Months Period ended September 30, 2004(Fiscal Year ending March 31, 2005)

Company name: **NIPRO CORPORATION**
Stock Exchange where listed: Tokyo and Osaka
Code No: 8086
Head Office: Osaka, Japan
(URL: http://www.nipro.co.jp/)
Representative: Minoru Sano, President and Representative Director
Contact: Akihiko Yamabe, Director, General Manager of Accounting & Corporate Planning Division
TEL (06) 6372-2331

Date of the meeting of the Board of Directors for approval of the financial statements: November 25, 2004
Adoption of U.S. GAAP: No

1. Consolidated Results for the Six Months ended September 30, 2004(From April 1 to September 30, 2004)

(1) Consolidated Results of Operations (Note: Amounts are rounded off per 1 million yen)

	Net Sales		Operating Income		Recurring Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended Sept. 30, 2004	95,683	4.0	6,019	6.0	5,589	32.0
Six months ended Sept. 30, 2003	92,029	2.9	5,678	(23.1)	4,234	(23.0)
Year ended March 31, 2004	188,700	4.6	12,557	(15.7)	9,539	(16.3)

	Net Income		Earnings per Share	Diluted Earnings per Share
	Millions of yen	%	Yen	Yen
Six months ended Sept. 30, 2004	3,776	100.1	59.37	-
Six months ended Sept. 30, 2003	1,887	(27.2)	29.66	-
Year ended March 31, 2004	4,216	(17.0)	64.90	-

Notes:
1. Equity in losses of affiliate for the six months ended September 30, 2004, 2003 and for the fiscal year ended March 31, 2004 was (382) million yen, (486) million yen and (771) million yen, respectively.
2. The weighted average number of shares outstanding for the six months ended September 30, 2004, 2003 and for the fiscal year ended March 31, 2004 was 63,607,103 shares, 63,639,242 shares and 63,631,774 shares, respectively.
3. Change in accounting methods: N/A
4. Percentages in the above table for Net Sales, Operating Income, Recurring Income and Net Income are based on the previous interim period.

(2) Consolidated Financial Position

	Total Assets	Shareholders' Equity	Ratio of Shareholders' Equity to Total Assets	Shareholder' Equity per Share
	Millions of yen	Millions of yen	%	Yen
Six months ended Sept. 30, 2004	283,150	93,652	33.1	1,472.64
Six months ended Sept. 30, 2003	267,283	87,129	32.6	1,369.33
Year ended March 31, 2004	279,701	94,711	33.9	1,487.50

Note: 1. The number of shares outstanding as of September 30, 2004, 2003 and March 31, 2004 was 63,594,527 shares, 63,629,277 shares and 63,613,567 shares, respectively.

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Six months ended Sept. 30, 2004	7,494	(4,772)	4,774	49,825
Six months ended Sept. 30, 2003	6,679	(5,185)	12,949	43,909
Year ended March 31, 2004	15,432	(12,786)	10,400	42,228

(4) Matters related to scope of consolidation and application of equity method

Number of consolidated subsidiaries: 15
Number of unconsolidated subsidiaries accounted for by the equity method: 0
Number of affiliate company accounted for by the equity method: 1

(5) Change of reporting entities

Number of consolidated companies Added: 1 Removed: 0
Number of companies accounted for by the equity method Added: 0 Removed: 0

2. Projected Consolidated Financial Results for the Fiscal Year ending March 31, 2005 (From April 1, 2004 to March 31, 2005)

	Net Sales	Recurring Income	Net Income
	Millions of yen	Millions of yen	Millions of yen
Year ending March 31, 2005	194,000	10,900	6,300

(Reference) Projected Earnings per Share for the Fiscal Year ending March 31, 2005: 99.07 yen

* The projections shown above are prepared based on information available as of the issuing date of this report. The actual results may differ from the projected figures due to various factors. Concerning the matters related to the above projections, please refer to the Page 8.

Corporate Group

Our group consists of the Reporting Company (“the Company”), its 19 subsidiaries and 1 affiliate, and is primarily engaged in manufacture and sales of medical equipment, pharmaceutical products and glass and material products as well as the management of supermarkets and drugstores.
Positioning of each company in connection with the businesses of our group and the relation to the business segments are as follows:

<Medical Division>

Domestic: The Company and Nipro Medical Industries, Ltd., a consolidated subsidiary, manufacture medical equipment, and the Company sells medical equipment manufactured by its foreign subsidiaries.

Overseas: Consolidated subsidiaries Nipro (Thailand) Corporation Ltd. (Thailand), Fuzhou Nipro Co., Ltd. (China), Nipro (Shanghai) Co., Ltd. (China) and Nipro Medical LTDA. (Brazil) purchases some of raw materials for their production as well as production machinery from the Company, manufacture medical equipment, sell through the Company and its subsidiaries as well as locally on their own.

Consolidated subsidiaries Nipro Europe N.V. (Belgium), Nipro Medical Corporation (U.S.A.), Nipro Medical Panama S.A. (Panama) and Nipro Medical de Mexico S.A. DE C.V. (Mexico), and unconsolidated subsidiaries Nipro Asia Pte. Ltd. (Singapore) and Nipro Trading (Shanghai) Co., Ltd. (China) sell medical equipment etc. in the areas of their locations.

A consolidated subsidiary Nipro Diabetes Systems, Inc. (U.S.A.) develops and sells portable diabetes-related products such as Insulin Pump.

<Pharmaceutical Division>

The Company, Nipro Pharma Corporation, consolidated subsidiary and Takeshima Pharmaceutical Co., Ltd., an unconsolidated subsidiary, manufacture and sell pharmaceutical products.

Bipha Corporation, an affiliate accounted for by the equity method, is engaged in research and development, manufacture and sales of pharmaceutical products such as blood products.

<Glass and Materials Division>

Domestic: The Company sells glass tubes in the Kansai area as well as manufactures and sells other glass products.

In the Kanto area, Shinwa Shoji Co., Ltd., a consolidated subsidiary, purchases glass tubes as raw materials, and manufactures and sells glass products.

Overseas: Shanghai Nissho Vacuum Flask Refill Co., Ltd. (China) manufactures internal glass sections of vacuum flask and other glass products, and sells locally as well as exports.

<Supermarket Division>

Nissho Corporation, a consolidated subsidiary, operates supermarkets in the Keihanshin region, selling fresh produce etc.

Nissho Drug Co., Ltd., a consolidated subsidiary, carries out drugstores mainly in Hanshin region, retailing medicine and general grocery, etc.

<Other>

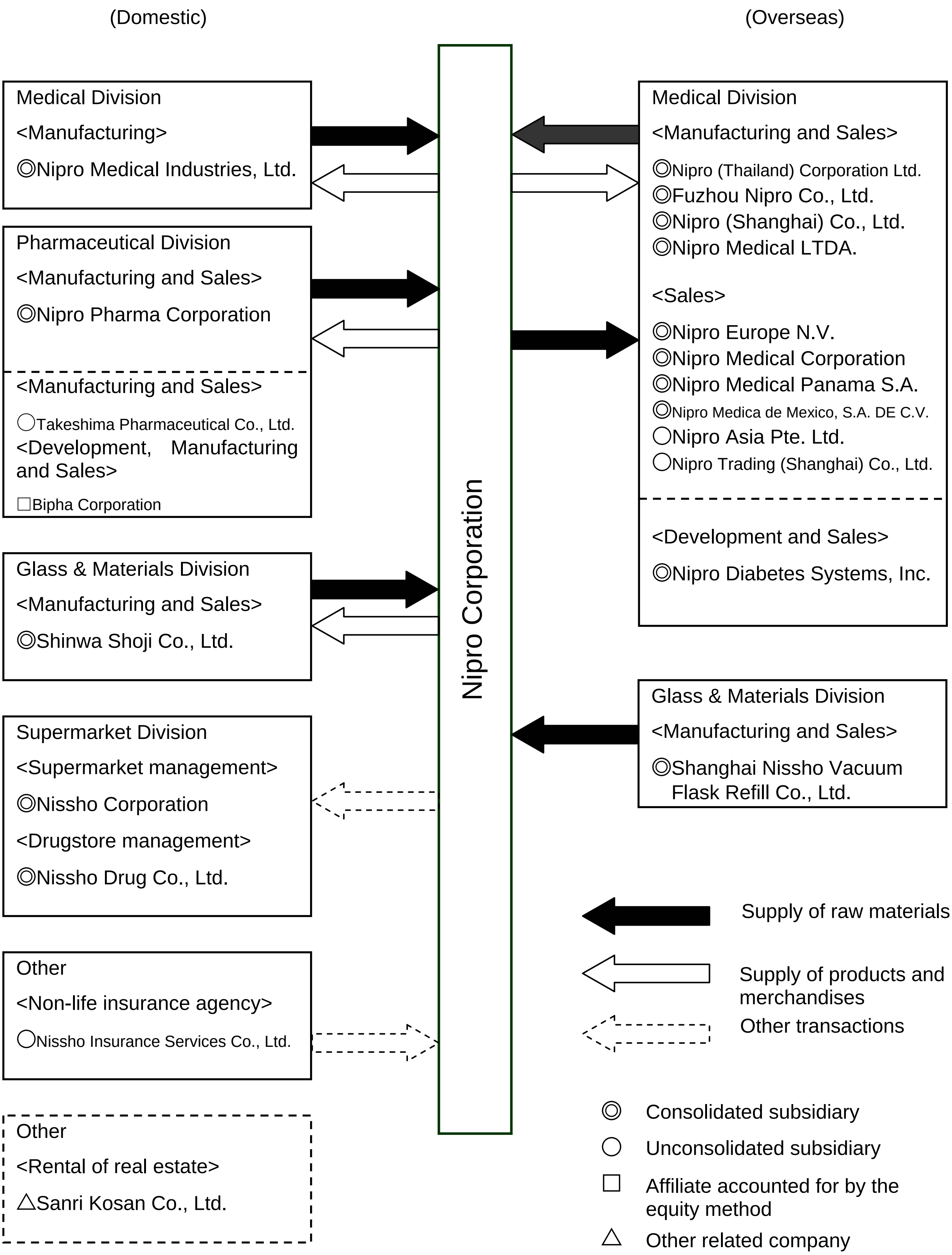
The Company manufactures (purchases, in some cases) and sells machinery for manufacture of medical equipment.

The Company and Nissho Corporation lease real estate properties.

Nissho Insurance Services Co., Ltd. operates non-life insurance agency mainly for the group companies.

Sanri Kosan Co., Ltd., an other affiliate company, is engaged in leasing of real estate properties.

The above explanations are illustrated as follows:


(Domestic)
(Overseas)
Nipro Corporation
Medical Division
<Manufacturing>
◎Nipro Medical Industries, Ltd.
Pharmaceutical Division
<Manufacturing and Sales>
◎Nipro Pharma Corporation
<Manufacturing and Sales>
○Takeshima Pharmaceutical Co., Ltd.
<Development, Manufacturing and Sales>
□Bipha Corporation
Glass & Materials Division
<Manufacturing and Sales>
◎Shinwa Shoji Co., Ltd.
Supermarket Division
<Supermarket management>
◎Nissho Corporation
<Drugstore management>
◎Nissho Drug Co., Ltd.
Other
<Non-life insurance agency>
○Nissho Insurance Services Co., Ltd.
Other
<Rental of real estate>
△Sanri Kosan Co., Ltd.
Medical Division
<Manufacturing and Sales>
◎Nipro (Thailand) Corporation Ltd.
◎Fuzhou Nipro Co., Ltd.
◎Nipro (Shanghai) Co., Ltd.
◎Nipro Medical LTDA.
<Sales>
◎Nipro Europe N.V.
◎Nipro Medical Corporation
◎Nipro Medical Panama S.A.
◎Nipro Medica de Mexico, S.A. DE C.V.
○Nipro Asia Pte. Ltd.
○Nipro Trading (Shanghai) Co., Ltd.
<Development and Sales>
◎Nipro Diabetes Systems, Inc.
Glass & Materials Division
<Manufacturing and Sales>
◎Shanghai Nissho Vacuum Flask Refill Co., Ltd.
Supply of raw materials
Supply of products and merchandises
Other transactions
◎ Consolidated subsidiary
○ Unconsolidated subsidiary
□ Affiliate accounted for by the equity method
△ Other related company

Management Policies

1. Basic Policies of Management

Since our foundation, we have based ourselves on “technology” and aimed at manufacturing better products at lower costs. We set our management objective in contributing to the society through corporate activities, especially focusing on developing new products in the field of medical and pharmaceutical products.

As a management structure in pursuit of compatibility between “stability” and “growth”, which are essential for an enterprise, we implement the “Sliding wage scale system” that is the rule of profit sharing among shareholders, employees and management, and carry out active business operations, holding the employees responsible for boosting the performance of individual businesses.

2. Basic Policies on Distribution of Profits

Our policy is that 50% of the non-consolidated net income is to be distributed to the shareholders. Employees’ bonuses are determined according to the business performance of the division where the employees belong, and the bonuses of the directors and the statutory auditors are determined based on the business performance of the Company.

Retained earnings are to be invested in sales and production facilities as well as in research and development for establishing the management structure and future expansion of the business is based on a long-term view., in order to ensure stable profits for the future,

3. Position and Policy on Reduction of Trading Unit of Stock

We consider that reduction of trading unit of stock will promote individual investors into the market and lead to the vitalization of the securities market.

For the future, in view of the large amount of implementation costs, we consider to reduce the trading unit at the occasion of implementing the non-issurance of share certificate.

4. Target Management Indicators

Our performance targets are to achieve 300 billion yen of consolidated net sales, 20 billion yen of consolidated recurring income and 10% of return on equity by the fiscal year 2010.

As a fundamental perspective for achieving these targets, we will continuously strengthen research and development, production capacity, and sales force to expand the business, while seeking the mutual complement among Medical Division, Pharmaceutical Division, Glass & Materials Division and Supermarket Division.

Especially as for research and development, we will progress research of cutting-edge medical technologies, such as regenerative medicine and recombinant pharmaceutical formulations, etc. based on a long-term view.

On the other hand, about strengthening of production capacity, we will carry out expansion and utilization of domestic and overseas production bases of medical equipment and expand the production facilities for outsourcing at the Pharmaceutical business.

5. Medium- and Long-term Management Strategies

In the Medical Division, we, as a general medical equipment manufacturer, will seek to enhance the added-value of Nipro brand and increase the market share by strengthening the sales in the field of dialysis-related products such as dialyzers and maintaining the leading share in the market, as well as forging ahead to the field of advanced medical technologies such as catheters and artificial organs, reinforcing the line-up of new products, and conducting active marketing in the overseas markets.

In the Pharmaceutical Division, we devote efforts to developments of pharmaceutical products and research of new formulation technologies in the fields of kidney disease, blood, and nutrition infusion. At the same time, we will promote commercialization of kit products that integrate container, device, drug and solution, expand sales of double-bag kits and powdered dialysate solutions, start the infusion-related business in earnest, and focus on development of products that would take the leading share.

In the Glass and Materials Division, we will increase competitiveness by reducing manufacturing costs of various glass products based on our peerless glass processing technologies, conduct global sales activities and strive to secure stable profit.

In the Supermarket Division, we will strive to make attractive product offerings for fresh food and medicine etc. and bear closely on the daily needs of neighborhood customers.

6. Issues and challenges that the Nipro Group faces

In the domestic business of the Medical Division, we will focus on dialysis-related products such as dialyzers, blood tubing sets, substitution fluid for hemofiltration and hemodiafiltration, powdered dialysate solutions and dialysis machines, endeavor to react to the market needs promptly, develop and market new products, improve the product quality, strengthen sales activities and increase the market share. In the field of injection, infusion and catheters, we will attempt to increase our market share of injection and infusion-related products such as infusion sets and syringes, as well as to develop market and promote new products such as intravascular catheters. With regard to the products related to circulatory organs, we will introduce market and promote new products such as thrombus vacuum aspiration catheter and PTCA Balloon, and increase our market share. In addition, as for the examination-related products, we will market and promote blood glucose monitoring system for diabetic patients and test reagents, introduce new products of blood collection tubes and enlarge our market share.

For the international business, since the market is becoming oligoplisitc and price competition is intensifying further, we strengthen market competitiveness to expand business. In order to correspond to internationalization of products, we standardize the quality. Especially as for CE marking, it is becoming obligatory in the countries outside EU and the requirement for high quality is increasingly stern, we will obtain CE marking for all the products for overseas markets. Concerning the supply of general purpose medical products, we attempt to establish cooperation with foreign manufacturers by technical assistance and aim at expanding further. In the field of dialysis where we provide some staple products, we actively promote to the major customers not only supply of consumables but also OEM production of hardware of dialysis machines. With regard to the products related to circulatory organs, introduction to the market is in progress and we will expand the sales channel. Concerning the sales activities, we will get recruits for strengthening sales activities of foreign subsidiaries and expand the direct sales organization. In Europe, in order to promote sales activities, we will actively open the branch offices at the areas where the market is expanding.

In the Pharmaceutical Division, we are adding to products such as “liquid-and-powder” double-bag kits for antibiotics and pre-filled syringes and we will be engaged in development of new kit products with new functions. With regard to development of oral drugs, we will increase in product numbers and at the same time proceed with development of new type of drug designed elaborating in view of pharmaceutics, for instance, drugs with prominent easiness to drink. We will make efforts for early materialization of pharmaceutical products in application of recombinant human serum albumin such as artificial blood and Drug Delivery System (DDS) and products related to recombinant protein for the renal diseases. We will endeavor to expand our pharmaceutical business, performing interrelated development of both injection drugs including kit products and oral drugs.

In the Glass and Materials Division, we will develop applied uses of large-sized glass tubes and expand production of the glass pre-filled syringes. With regard to the glass for lighting, we will strive to increase sales of glass materials for LCD backlights following the market expansion of FPD (Flat Panel Display) and processed goods of colored glass.

In the food supermarkets of the Supermarket Division, in the highly competitive situation by other companies’ openings of new stores and renewals, we will reduce opportunity losses and strengthen the management ability by the “Weekly Change System”. We will also enhance self-supportiveness of all stores, make up the selling places based closely on the needs of neighboring customers, reinforce promotion by member card system (FSP: Fregnent Shoppers Program), and develop differentiated goods. Moreover, we will control the proper level of labor costs and improve the productivity by coupling the new personnel management system and the work schedule system (LSP) and secure profit by reducing expenses.

In the drugstores, we will strive to improve profitability aiming at further increase in customers, while strengthening the specialty nature of health care sections such as medicines and health food and attaining differentiation from the competitors and also promoting rationalization.

7. Basic Perspective on Corporate Governance and Implementation of Related Measures

(1) Basic Perspective on Corporate Governance

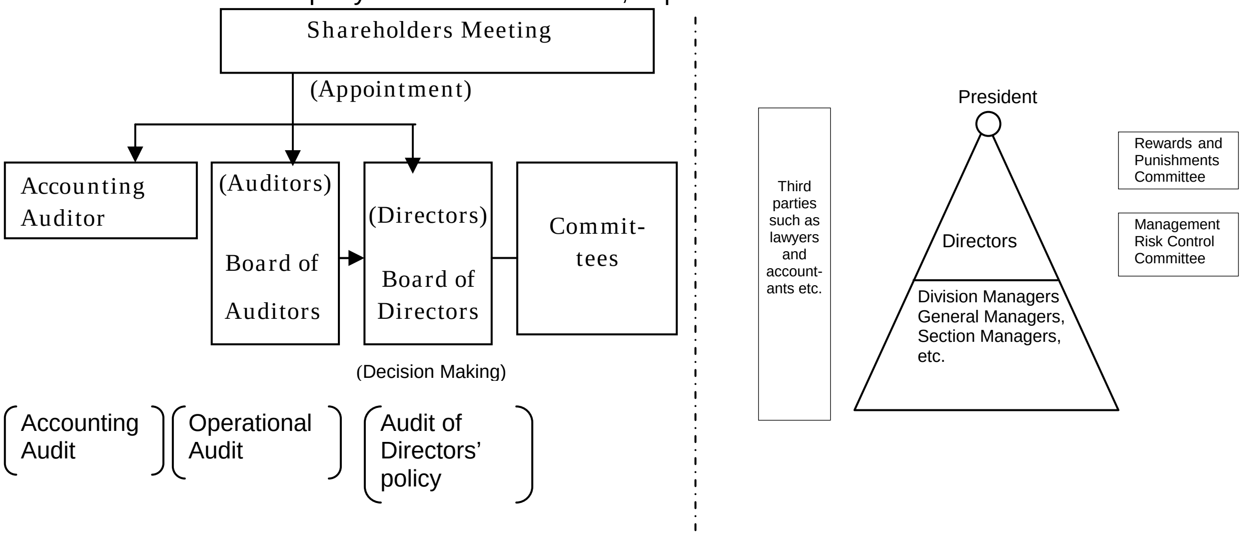
We consider improvement of Corporate Governance to be one of the most critical issues in view of a corporate social responsibility (CSR), and we endeavor to strengthen our administration system and to make sound and efficient management structure.

(2) Implementation of Measures Related to Corporate Governance

a. Current Condition of the Corporate Governance System

- Our management administration organization related to the Company's management decision making, policy execution, and supervision is basically in accordance with the systems of board of directors and board of auditors, as set forth in the Japanese Commercial Code. Specifically, we have established a self-sufficient management administration framework for each business division, which clearly define the responsibilities and improve the administration system.
- All of the current three auditors are outside auditors as provided in the paragraph 1 of the Article 18 of "Law for Special Exceptions to the Commercial Code Concerning Audit etc. of Joint Stock Corporations (Kabushiki-kaisha)". Currently, no outside directors are appointed. Although outside auditors do not have the full-time staff, they cooperate closely with the staff of the Internal Audit Section through internal auditing and endeavor to execute proper audit.

- Structure of the Company's business execution, supervision and internal control



- The Company retains lawyers, accountants; tax accountants, patent attorneys and other professionals under advisory contracts with regard to law, labor, accounting, taxation, and intellectual property etc. so that we can conduct our business properly and timely and have managerial advices from an objective viewpoint.
- In order to establish the promotion system about control of management risks and compliance with corporate ethics, including laws and ordinances, we set up "the Management Risk Control Committee" in April 2003. A booklet (the Code of Conduct for Compliance with Laws, Ordinances and Corporate Ethics) is distributed to directors and employees and we are striving for consciousness-raising and thorough enlightenment of each member by giving lectures, education by the company's newsletter and installation of the Compliance Hotline, etc. In addition, we set up "the Reward and Punishments Committee", whose chairman is the President of the Company, and endeavor to bring up sound management through fair and proper operation as regards commendations and penalties.

b. Personal, Capital or Transactional Relationships, and/or Other Interests Between the Company and its Outside Directors and Auditors

There are no such special relationships between the Company and its outside auditors.

c. Implementation in the Past Year of Measures Designed to Strengthen the Company's Corporate Governance

- In order to establish the promotion system about control of management risks and compliance with corporate ethics including laws and ordinances, we set up the Compliance Hotline in February 2004, and endeavor to discover management risks at an early stage and to prevent such risks.
- The Act for Protection of Personal Information will be in force in April 2004 and also revisions of the Pharmaceutical Affairs Law, the Japanese Commercial Code and other related laws, etc. are scheduled, and at this occasion we reviewed, maintenance and build up operation system. We conduct business activities with Corporate Social Responsibility (CSR) in mind as the fundamental principle, corresponding to the increasing interests in environment protection issues, measures for saving resources and energy, and the measures for quality and safety of products.

Business Results and Financial Conditions

1. Business Results

(1) Summary of Overall Business and Results by Segments

The Japanese economy for the six months period under review generated the improved mood of recovery, led by exports and capital investments. However the prospects have been increasing opacity due to decelerating economy of the U.S.A. and China and a jump in crude oil price. Under such conditions, the Company continued to focus on reinforcement of production capacity and sales capability to improve business performance.

As a result, the consolidated net sales for the period under review increased to 95,683 million yen (up 4.0% compared with the same period of the previous fiscal year). By segments, although Medical Division and Pharmaceutical Division grew in good condition, Glass & Materials Division and Supermarket Division were in a slump.

On the other hand, operating income increased to 6,019 million yen (up 6.0% compared with the same period of the previous fiscal year) due to increase in net sales of Medical and Pharmaceutical Divisions and recurring income increased to 5,589 million yen (up 32.0% compared with the same period of the previous fiscal year) due to exchange gains etc. Net income increased to 3,776 million yen (up 100.1% compared with the same period of the previous fiscal year) due additionally to gain on sales of investment securities etc.

The results by segments were as follows:

a. Medical Division

For the domestic business, the environment has been difficult as price competition in the market was intensified further as the controls on medical expenditures became ever harder after the substantial downward revision of the drug prices this year. Under these circumstances, we sought to enhance the efficiency of sales activities and reinforce the sales bases. We also made efforts to develop and market new products in the fields of dialysis, injection and infusion, treatment on circulatory organs and examination, promote expansion of the business by means of product offerings in the systematized package, etc., and expanded both our market shares and sales.

As for the international business, sales of OEM products expanded in terms of dialysis–related products, blood-collection-related products and transfer needles and so on. Nipro-branded products trended relatively well, as we received large orders supported by enhanced quality and price competitiveness. The condition was severe on the other hand, as we have been obliged to reduce the prices following the decline in market prices.

As a result, net sales of this division increased to 40,843 million yen (up 8.2% compared with the same period of the previous fiscal year) due to increase in net sales of dialysis-related products and injection and infusion products.

b. Pharmaceutical Division

The market of the pharmaceutical business has been awfully harsh, due to governmental controls to suppress medical expenditures such as promotion of prospective payment system, etc. and the intense price war with competing products. Under these circumstances, we endeavored to increase sales of powdered dialysate solutions and substitution fluid for hemofiltration and hemodiafiltration, etc. We also exerted ourselves to expand sales of “liquid-and-powder” double-bag kits and pre-filled syringe kits, etc.

As a result, net sales of this division increased to 13,015 million yen (up 9.4% compared with the same period of the previous fiscal year).

c. Glass & Materials Division

In the Glass & Materials Division, although demands for glass materials for liquid crystal display (LCD) backlight bulbs grew significantly along with the expansion of the market, the sales of glass for pharmaceutical purposes decreased by changes in types of medical containers, such as the shift to ampoules made of plastic, pre-filled syringes, and the use of plastic bags to replace vials, and the sales of general consumer products were in a downward trend.

As a result, net sales of this division decreased to 5,584 million yen (down 1.0% compared with the same period of the previous fiscal year).

d. Supermarket Division

In the Supermarket Division, while constantly sluggish personal consumption, the competition was extremely severe due to the competitors' opening new stores and redecorating existing stores. Moreover, we were affected by the tax-inclusive price indication obligated in April this year, which caused the consumers to feel rise in prices, and the unit purchase per customers and the number of purchased items dropped. In addition, although the heat wave from the end of July brought good sales of summer items such as drinking water and ice cream, net sales were less than the corresponding period of last year by the influence of large scale typhoons from the end of August.

Despite such circumstances, our food supermarkets strived to obtain returning customers by creative actions such as collaboration with suppliers in use of FSP (Frequent Shoppers Program), and to review the sales promotion strategy drastically to improve profitability. As a result, we could maintain the number of customers as the previous year. However largely affected by the above-mentioned factors, net sales decreased compared with the same period of the previous fiscal year.

Drugstores, on the other hand, although we were affected by sluggish consumptions and the effect of heat wave for the sales of summer items was limited, net sales increased due to the effect of opening new stores.

As a result, net sales of this division increased to 35,717 million yen (down 1.1% compared with the same period of the previous year).

e. Other Division

Net sales of this division, consisting mainly of sales of machine for manufacture of medical equipment and real estate rentals, decreased to 522 million yen (down 18.8% compared with the same period of the previous year).

(2) Prospects for the Fiscal Year Ending March 31, 2005

The business environment is anticipated to remain severe, as the uncertainty for the future is spreading due to appreciation of yen and rise of interest rates as well as stalled foreign economy and jump in crude oil price.

Under the conditions, we will strive to improve the business performance by focusing on development of new products and reinforcement of production capacity and sales capability.

For the fiscal year ending March 31, 2005, we project the consolidated net sales of 194,000 million yen (up 2.8% compared with the previous fiscal year), recurring income of 10,900 million yen (up 14.3% compared with the previous fiscal year), and net income of 6,300 million yen (up 49.4% compared with the previous fiscal year).

2. Financial Conditions

(1) Analysis of the conditions of assets, liability, shareholders' equity and cash flows

Total assets as of September 30, 2004 increased by 3,449 million yen from the end of the previous fiscal year to 283,150 million yen. Current assets increased by 6,427 million yen to 131,361 million yen, and fixed assets increased by 2,977 million yen to 151,789 million yen. Current assets increased mainly due to increase in cash on hand and in banks by 7,655 million yen caused by increase in fixed liabilities, and fixed assets decreased mainly due to decrease in investment securities by 5,345 million yen caused by fall in stock prices, etc.

Total liabilities increased by 4,594 million yen from the end of the previous fiscal year to 187,889 million yen. Current liabilities decreased by 4,170 million yen to 92,193 million yen, and fixed liabilities increased by 8,764 million yen to 95,696 million yen. Commercial paper decreased by 6,500 million yen in the current liabilities, and long-term borrowings increased by 7,386 million yen in the fixed liabilities.

Total shareholders' equity decreased by 1,059 million yen from the end of the previous fiscal year to 93,652 million yen. In this section, earned surplus increased by 2,450 million yen to 33,060 million yen, and valuation differences of other securities decreased by 2,605 million yen to 9,857 million yen.

Net cash provided by operating activities was 7,494 million yen, net cash used in investing activities was 4,772 million yen, net cash provided by financing activities was 4,774 million yen, and cash and cash equivalents increased by 7,597 million yen to 49,825 million yen. Net cash provided by operating activities mainly reflected net income before adjustment for taxes and depreciation and amortization. Net cash used in investing activities mainly reflected the payments for acquisition of fixed assets for 6,487 million yen. Net cash provided by financing activities was mainly from the proceeds from long-term borrowings for 12,694 million yen.

(2) Trend of the cash flow indicators

	Fiscal Year ended March 31, 2003	Six Months ended Sept. 30, 2003	Fiscal Year ended March 31, 2004	Six Months ended Sept. 30, 2004
Shareholders' equity ratio (%)	33.0	32.6	33.9	33.1
Ratio of market value of shareholders' equity (%)	45.7	45.4	35.5	36.2
Debt redemption (years)	21.7	-	7.3	-
Interest coverage ratio	3.1	8.2	9.4	9.2

Note: Shareholders' equity ratio = Shareholders' equity / Total Assets
Ratio of market value of shareholders' equity = Aggregate market value of the outstanding shares / Total Assets
Debt redemption = Interest-bearing liabilities / Cash flow from operating activities (omitted for the six months periods)
Interest coverage ratio = Cash flow from operating activities / Interest payments

- Each indicator is calculated from consolidated financial data.
- Aggregate market value of the outstanding shares is calculated as the share price at the fiscal year-end multiplied by the number of issued shares (excluding treasury stock).
- Cash flow from operating activities is taken from cash flows from operating activities on the consolidated statements of cash flows. Interest-bearing liabilities represent all liabilities on the consolidated balance sheets for which interest is payable. The amount of interest payments is the taken from the payments of interests on the consolidated statements of cash flows.

Consolidated Balance Sheets

(Unit: Millions of yen)

Account \ Period	As of September 30, 2003		As of September 30, 2004		As of March 31, 2004	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
(ASSETS)		%		%		%
Current Assets	126,181	47.2	131,361	46.4	124,934	44.7
Cash on hand and in banks	45,909		52,897		45,241	
Trade notes and accounts receivable	40,806		40,694		41,524	
Inventories	33,763		31,973		32,541	
Deferred tax assets	1,903		1,833		1,734	
Other current assets	3,958		4,171		4,100	
Allowance for doubtful accounts	(159)		(208)		(208)	
Fixed Assets	141,101	52.8	151,789	53.6	154,767	55.3
Tangible fixed assets	92,712	34.7	96,816	34.2	94,004	33.6
Buildings and structures	40,511		41,943		40,545	
Machinery, equipment and vehicles	20,585		23,232		21,018	
Land	22,474		22,460		22,456	
Construction in progress	5,844		4,976		6,143	
Others	3,296		4,202		3,840	
Intangible fixed assets	1,147	0.4	921	0.3	1,012	0.4
Consolidation adjustments	131		2		54	
Others	1,016		918		958	
Investments and other assets	47,241	17.7	54,052	19.1	59,749	21.3
Investment securities	30,387		37,177		42,522	
Long-term loans receivable	2,712		2,496		2,843	
Deferred tax assets	192		225		193	
Lease deposits	11,805		11,696		11,774	
Other assets	2,833		3,088		3,085	
Allowance for doubtful accounts	(689)		(632)		(670)	
Total Assets	267,283	100.0	283,150	100.0	279,701	100.0

(Notes)

	As of September 30, 2003		As of September 30, 2004		As of March 31, 2004	
1. Accumulated depreciation of tangible fixed assets	87,364	mil.yen	93,047	mil.yen	89,922	mil.yen
2. Notes receivable discounted	8	mil.yen	25	mil.yen	51	mil.yen
3. Obligations under guarantee contracts	3,000	mil.yen	2,455	mil.yen	2,728	mil.yen
4. Pledged assets	16,481	mil.yen	14,371	mil.yen	15,795	mil.yen

Consolidated Balance Sheets

(Unit: Millions of yen)

Account \ Period	As of September 30, 2003 Amount	Ratio	As of September 30, 2004 Amount	Ratio	As of March 31, 2004 Amount	Ratio
(LIABILITIES)		%		%		%
Current liabilities	84,757	31.7	92,193	32.6	96,363	34.4
Trade notes and accounts payable	29,140		27,689		29,048	
Short-term borrowings	35,680		37,875		35,503	
Current portion of bonds	-		10,000		10,000	
Other payables	3,711		3,751		4,769	
Accrued income taxes	1,517		3,250		1,580	
Accrued bonuses	1,793		1,586		1,444	
Notes payable for plant and equipment	3,485		3,685		4,207	
Commercial paper	6,500		-		6,500	
Other current liabilities	2,928		4,355		3,310	
Fixed liabilities	93,612	35.0	95,696	33.8	86,931	31.1
Bonds	36,000		29,000		26,000	
Convertible-bond-type bonds with stock acquisition rights	14,000		14,000		14,000	
Long-term borrowings	35,632		41,570		34,183	
Deferred tax liabilities	2,086		4,887		6,688	
Accrued pension and severance cost	2,445		2,724		2,528	
Others	3,447		3,513		3,531	
Total liabilities	178,370	66.7	187,889	66.4	183,295	65.5
(MINORITY INTERESTS)						
Minority interests	1,783	0.7	1,609	0.5	1,693	0.6
(SHAREHOLDERS' EQUITY)						
Capital	28,663	10.7	28,663	10.1	28,663	10.2
Capital surplus	29,972	11.2	29,972	10.6	29,972	10.7
Earned surplus	28,981	10.8	33,060	11.7	30,610	10.9
Valuation differences of other securities	5,374	2.0	9,857	3.5	12,462	4.5
Foreign currency translation adjustments	(5,378)	(2.0)	(7,364)	(2.6)	(6,489)	(2.3)
Treasury stock	(482)	(0.1)	(537)	(0.2)	(506)	(0.1)
Total shareholders' equity	87,129	32.6	93,652	33.1	94,711	33.9
Total liabilities, minority interests, and shareholders' equity	267,283	100.0	283,150	100.0	279,701	100.0

(Notes)

	As of September 30, 2003	As of September 30, 2004	As of March 31, 2004
5. Number of treasury stock			
Common stock	249,228 shares	283,978 shares	264,938 shares

Consolidated Statements of Income

(Unit: Millions of yen)

Account \ Period	From April 1, 2003 To September 30, 2003		From April 1, 2004 To September 30, 2004		From April 1, 2003 To March 31, 2004	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
		%		%		%
Net sales	92,029	100.0	95,683	100.0	188,700	100.0
Cost of goods sold	66,979	72.8	69,146	72.3	137,153	72.7
Gross profit	25,050	27.2	26,536	27.7	51,547	27.3
Selling, general and administrative expenses	19,372	21.0	20,517	21.4	38,989	20.6
Operating income	5,678	6.2	6,019	6.3	12,557	6.7
Non-operating income	520	0.5	873	0.9	963	0.5
Interest income	85		58		160	
Dividend income	93		112		184	
Gain on sale of investment securities	139		-		139	
Exchange gains	-		531		-	
Others	200		171		479	
Non-operating expenses	1,963	2.1	1,303	1.4	3,982	2.1
Interest expenses	830		808		1,635	
Equity in loss of affiliate	486		382		771	
Exchange loss	534		-		1,429	
Others	112		111		145	
Recurring income	4,234	4.6	5,589	5.8	9,539	5.1
Extraordinary gains	151	0.1	1,268	1.3	573	0.3
Reversion of allowance for doubtful accounts	109		48		108	
Subsidies received	-		-		445	
Gain on sale of investment securities	-		1,108		-	
Others	41		111		18	
Extraordinary losses	852	0.9	350	0.3	2,068	1.1
Losses on sales and disposals of fixed assets	216		105		427	
Loss on devaluation of investment securities	98		-		102	
Advanced depreciation deductions	-		-		445	
Abnormal manufacturing cost	155		137		271	
Amortization of transitional difference from change in accounting standards of pension and severance benefits	38		38		76	
Loss from bad debts	290		-		290	
Settlement by reconciliation regarding sales rights	-		-		272	
Others	51		68		180	
Net income before adjustment of taxes	3,533	3.8	6,508	6.8	8,043	4.3
Corporate, inhabitants and enterprise taxes	1,476	1.6	3,011	3.1	3,765	2.0
Adjustment for deferred taxes	154	0.1	(161)	(0.1)	85	0.1
Minority shareholders’ share in net income of consolidated subsidiaries	15	0.0	-	-	-	-
Minority shareholder’ share in net loss of consolidated subsidiaries	-	-	118	0.1	23	0.0
Net income	1,887	2.1	3,776	3.9	4,216	2.2

Consolidated Statements of Surplus

(Unit: Millions of yen)

Account / Period	From April 1, 2003 To September 30, 2003	From April 1, 2004 To September 30, 2004	From April 1, 2003 To March 31, 2004
	Amount	Amount	Amount
(CAPITAL SURPLUS)			
Beginning balance of capital surplus	29,972	29,972	29,972
Ending balance of capital surplus	29,972	29,972	29,972
(EARNED SURPLUS)			
Beginning balance of earned surplus	27,904	30,610	27,904
Increase in earned surplus	1,887	3,778	4,216
Net income	1,887	3,776	4,216
Increase in surplus resulting from adding a consolidated subsidiary	-	1	-
Decrease in earned surplus	811	1,327	1,511
Dividends	700	1,240	1,400
Bonuses to directors and corporate auditors	111	86	111
[Bonuses to corporate auditors, inclusive]	[5]	[2]	[5]
Ending balance of earned surplus	28,981	33,060	30,610

Consolidated Statements of Cash Flows

(Unit: Millions of yen)

Account \ Period	From April 1, 2003 To September 30, 2003	From April 1, 2004 To September 30, 2004	From April 1, 2003 To March 31, 2004
	Amount	Amount	Amount
Cash flows from operating activities			
Net income before adjustment for taxes	3,533	6,508	8,043
Depreciation and amortization	4,606	4,822	9,819
Amortization of consolidation adjustments	82	52	159
Equity in loss of affiliate	486	382	771
Loss from bad debts	290	-	290
Increase (decrease) in allowance for doubtful accounts	(43)	(39)	(13)
Interest and dividend income	(179)	(170)	(344)
Interest expenses	830	808	1,635
Exchange loss (gain)	534	(518)	502
Decrease (increase) in trade receivables	1,557	1,200	1,093
Decrease (increase) in inventories	(2,312)	510	(1,515)
Increase (decrease) in trade payables	1,957	(1,391)	2,172
Decrease (increase) in other assets	(187)	(224)	(981)
Increase (decrease) in other liabilities	(1,256)	(1,377)	(133)
Bonuses to directors and corporate auditors	(111)	(86)	(111)
Other non-operating income/expenses and extraordinary gains/losses	171	(975)	512
Subtotal	9,961	9,498	21,902
Interest and dividends received	115	121	261
Interest paid	(819)	(811)	(1,637)
Other revenues	454	292	911
Other expenditures	(447)	(278)	(1,195)
Income taxes paid	(2,585)	(1,328)	(4,809)
Cash flows from operating activities	6,679	7,494	15,432
Cash flows from investing activities			
Deposits in time deposits	(1,214)	(2,257)	(3,064)
Proceeds from matured time deposits	2,393	2,183	3,117
Payments for purchases of securities	(14)	(119)	(516)
Proceeds from sales of securities	447	1,737	448
Payments for acquisition of fixed assets	(7,017)	(6,487)	(13,244)
Proceeds from sales of fixed assets	219	146	578
Lending of loans	(1)	(2)	(134)
Collections of loans receivable	26	27	53
Expenditures for other investments	(23)	-	(23)
Revenues from other investments	-	0	0
Cash flows from investing activities	(5,185)	(4,772)	(12,786)
Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	(2,028)	1,684	(1,763)
Net increase (decrease) in commercial paper	(500)	(6,500)	(500)
Proceeds from long-term borrowings	3,566	12,694	6,126
Repayment of long-term borrowings	(3,307)	(4,621)	(7,734)
Proceeds from issuance of bonds	13,965	2,979	13,921
Payments for redemption of bonds	(2,000)	-	(2,000)
Payments for purchases of treasury stock	(31)	(31)	(54)
Repayments for finance lease obligations	(156)	(193)	(336)
Payments for dividends	(700)	(1,237)	(1,399)
Reimbursement of funds for redemption of convertible bonds	4,141	-	4,141
Cash flows from financing activities	12,949	4,774	10,400
Effect of exchange rate changes on cash and cash equivalents	71	80	(211)
Increase (decrease) in cash and cash equivalents	14,515	7,577	12,835
Balance of cash and cash equivalents at the beginning of the period	29,393	42,228	29,393
Effect of new consolidated subsidiary on cash and cash equivalents at the beginning of the period	-	19	-
Balance of cash and cash equivalents at the end of the period	43,909	49,825	42,228

Basis of Preparation for the Consolidated Financial Statements

1. Scope of Consolidation

   1) Consolidated subsidiaries: 15

      - Nipro Medical Industries, Ltd.
      - Fuzhou Nipro Co., Ltd.
      - Nipro Medical LTDA.
      - Nipro Medical Corporation
      - Nipro Medica de Mexico S.A. DE C.V.
      - Nipro Pharma Corporation
      - Shanghai Nissho Vacuum Flask Refill Co., Ltd.
      - Nissho Drug Co.,Ltd.
      - Nipro (Thailand) Corporation Ltd.
      - Nipro (Shanghai) Co., Ltd.
      - Nipro Europe N.V.
      - Nipro Medical Panama S.A.
      - Nipro Diabetes Systems,Inc.
      - Shinwa Shoji Co., Ltd.
      - Nissho Corporation

      Considering materiality, we decided to include Nipro Diabetes Systems,Inc. in the scope of consolidation from this accounting period.

   2) Unconsolidated subsidiaries: 4

      The unconsolidated subsidiaries, Nissho Insurance Services Co., Ltd., Nipro Asia Pte. Ltd., Nipro Trading (Shanghai) Co., Ltd., and Takeshima Pharmaceutical Co., Ltd., are small-sized companies, whose combined total assets, net sales, net income and earned surplus in the aggregate (averaged for recent 5 years) are not material to the consolidated financial statements.

2. Application of Equity Method

   Number of affiliate accounted for by the equity method: 1 Bipha Corporation

   The equity method is not applied to the 4 unconsolidated subsidiaries, since they are not material to the consolidated net income and earned surplus etc., either individually or in the aggregate.

3. Date of Interim Closing of Consolidated Subsidiaries

   Among the consolidated subsidiaries, Nipro (Thailand) Corporation Ltd. (Thailand), Fuzhou Nipro Co., Ltd. Nipro (Shanghai) Co., Ltd., Shanghai Nissho Vacuum Flask Refill Co., Ltd. (China), Nipro Medical LTDA. (Brazil), Nipro Europe N.V. (Belgium), Nipro Medical Corporation, Nipro Diabetes System,Inc (U.S.A.), Nipro Medical Panama S.A. (Panama) and Nipro Medica de Mexico S.A. DE C.V. (Mexico) close their interim accounts on June 30. Significant transactions occurred between June 30 and September 30 is reflected properly in preparing for the consolidated financial statements.

4. Accounting Principles and Practices

   1) Valuation standards and methods for significant assets

      a. Securities

         Other securities:

         Securities with market quotations ·························Valued at the market price quoted on the balance sheet date. (Differences in valuation are presented as a component of shareholders' equity. Costs are determined by the weighted average method.)

         Securities without market quotations·············Valued at cost by the weighted average method

      b. Inventories

         Medical, Pharmaceutical and Glass & Materials Divisions ···························Valued at cost principally by the weighted average method. Partially first-in first-out method is used.

         Supermarket Division ·······Valued at cost by the retail method

2) Method of depreciation and amortization for significant depreciable assets

Tangible fixed assets:·······Declining-balance method

Durable years and residual values are based on the same standards as provided by the Corporate Income Tax Law.

Buildings acquired after April 1, 1998 (excluding attached structures), are depreciated by straight-line method.

The 10 foreign subsidiaries use straight-line method in accordance with the tax laws of their countries.

3) Standards for recognition of significant allowances

a. Allowance for doubtful accounts ··························· In order to cover the probable losses on collection, an allowance for doubtful accounts is provided for the estimated amount of uncollectible receivables. For general receivables, the amount of provision is based on historical write-off rates, and for the doubtful receivables, based on the specific collectibility.

b. Accrued bonuses·············· In order to cover the payment of bonuses to employees, an allowance is provided for the estimated amount of bonuses to be paid, prorated for the consolidated accounting period.

c. Accrued pension and severance cost ·············· An allowance is provided for employees' pension and severance payments based on the estimated amounts of projected benefit obligation and plan assets at the end of the fiscal year.

The transitional difference that arose from the change in accounting standards (519 million yen) is amortized for five years by the straight-line method.

Actuarial difference is expensed in the following fiscal years after the year of such recognition, using the straight-line method for five years.

4) Standards for translation of significant assets and liabilities denominated in foreign currencies into Japanese Yen

Monetary assets and liabilities denominated in foreign currencies are translated to Japanese yen using the spot exchange rate of the consolidated balance sheet date, and translation differences are recognized as gains or losses. The assets and liabilities of foreign subsidiaries etc. are translated to Japanese yen using the spot exchange rate of their balance sheet date, while revenues and expenses are translated using the average rate for the period. Translation differences are included in foreign currency translation adjustments in the Shareholders' Equity section.

5) Accounting method for lease transactions

Finance leases, except for those where ownership of the leased assets is deemed to be transferred to the lessee, are accounted for by the method similar to that applicable to ordinary operating leases.

6) Other significant basis on preparation for consolidated financial statements

Consumption Taxes

Consumption taxes are excluded from revenues and expenses accounts.

5. Scope of Funds in the Consolidated Statements of Cash Flows

Funds (cash and cash equivalents) in the consolidated statements of cash flows are comprised of cash in hand, bank deposits that can be withdrawn on demand, and short-term investments redeemable within three months from the date of acquisition and ready to be converted into cash with little risk against change in value.

(Additional Information)

Presentation of factor-based portion of corporate enterprise tax in the consolidated statement of income

In accordance with the Practical Issues Tasks Force Report No.12 Presentation of factor-based portion of corporate enterprise tax in an income statement" (published on February 13, 2004 by the Accounting Standard Board of Japan), as from this consolidated accounting period, the added-value portion and capital portion of the corporate enterprise tax amounting to 166 million yen was accounted for in the selling, general and administrative expenses.

(Lease Transactions)

Finance lease transactions, except for those where ownership of the leased assets is deemed to be transferred to the lessee

	Six Months ended Sept. 30, 2003		Six Months ended Sept. 30, 2004		Fiscal Year ended March 31, 2004	
Acquisition price equivalent	9,116	mil.yen	7,224	mil.yen	9,435	mil.yen
Accumulated depreciation equivalent	5,177	mil.yen	4,429	mil.yen	6,456	mil.yen
Book value equivalent	3,939	mil.yen	2,795	mil.yen	2,978	mil.yen
Lease commitments						
Due within one year	1,428	mil.yen	1,585	mil.yen	1,162	mil.yen
Due after over one year	3,205	mil.yen	1,234	mil.yen	2,370	mil.yen
Total	4,633	mil.yen	2,820	mil.yen	3,533	mil.yen
Lease payments	827	mil.yen	673	mil.yen	2,150	mil.yen
Depreciation equivalent	670	mil.yen	535	mil.yen	1,883	mil.yen
Interest expense equivalent	83	mil.yen	57	mil.yen	152	mil.yen

Method of calculation of depreciation equivalent

For the tangible fixed assets, ten ninth of the amount computed by the declining-balance method with 10% of hypothetical residual value for the lease term as remaining life is allocated to each period over the lease term.

Method of calculation of interest equivalent

Difference between total lease payments and acquisition cost equivalent of leased assets comprises interest expense equivalent, and interest expense equivalent is allocated to each period over the lease term by the interest method.

(Segment information)

1. Segment information by business category

(1) Six Months ended September 30, 2003 (From April 1, 2003 to September 30, 2003) (Millions of yen)

	Medical	Pharma-ceutical	Glass & Materials	Super-market	Other	Total	Eliminations /Corporate	Consolidated
Net sales and operating income Net sales								
(1) Sales to third parties	37,745	11,893	5,637	36,110	643	92,029	-	92,029
(2) Inter-segment sales and transfers	254	-	1,340	-	297	1,892	(1,892)	-
Total	37,999	11,893	6,977	36,110	941	93,922	(1,892)	92,029
Operating expenses	32,550	10,805	6,090	35,778	698	85,923	428	86,351
Operating income	5,449	1,088	887	331	242	7,999	(2,321)	5,678

(2) Six Months ended September 30, 2004 (From April 1, 2004 to September 30, 2004) (Millions of yen)

	Medical	Pharma-ceutical	Glass & Materials	Super-market	Other	Total	Eliminations /Corporate	Consolidated
Net sales and operating income Net sales								
(1) Sales to third parties	40,843	13,015	5,584	35,717	522	95,683	-	95,683
(2) Inter-segment sales and transfers	517	-	1,141	15	283	1,958	(1,958)	-
Total	41,361	13,015	6,725	35,733	806	97,641	(1,958)	95,683
Operating expenses	35,230	11,688	5,766	35,767	640	89,092	571	89,663
Operating income (loss)	6,131	1,326	959	(33)	165	8,549	(2,530)	6,019

(3) Fiscal Year ended March 31, 2004 (From April 1, 2003 to March 31, 2004) (Millions of yen)

	Medical	Pharma-ceutical	Glass & Materials	Super-market	Other	Total	Eliminations /Corporate	Consolidated
Net sales and operating income Net sales								
(1) Sales to third parties	78,726	25,338	11,890	71,357	1,386	188,700	-	188,700
(2) Inter-segment sales and transfers	639	-	2,356	-	596	3,592	(3,592)	-
Total	79,365	25,338	14,247	71,357	1,983	192,292	(3,592)	188,700
Operating expenses	67,248	22,868	12,428	70,937	1,578	175,061	1,081	176,142
Operating income	12,117	2,470	1,818	420	404	17,231	(4,673)	12,557

Note: 1. Classification of business categories and main products in each business category
Business categories are classified based on the proximity in terms of purposes and manners of usage of the products in the market.
Main products belonging to each business categories are as follows

Business category	Main products
Medical	Dialyzes, blood tubing sets, injection needles, syringes, and infusion sets, etc.
Pharmaceutical	Half-type and full-type kits, double-bag kits, pre-filled syringes, dialysate solution, and circulatory drugs, etc.
Glass & Materials	Glass for pharmaceutical containers, glass for thermos bottles, glass for lighting purposes, stoppers for plastic containers and rubber stoppers, etc.
Supermarket	Fresh meat and fish, vegetables, fruits, processed food, daily foods, frozen foods, general groceries and medicine, etc.
Other	Machinery for manufacture of medical equipment and real estate rental income, etc.

2. Operating expenses of "Eliminations/Corporate" for the six months ended September 30, 2003, 2004 and the previous fiscal year ended March 31, 2004 included unallocated corporate costs of 2,321 million yen, 2,530 million yen and 4,673 million yen, respectively. The unallocated corporate costs consisted primarily of the parent companys' research and development costs and headquarters administration costs.

2. Segment information by geographical area

(1) Six Months ended September 30, 2003 (From April 1, 2003 to September 30, 2003) (Millions of yen)

	Japan	America	Europe	Asia	Total	Eliminations /Corporate	Consolidated
Net sales and operating income Net sales							
(1) Sales to third parties	86,005	2,090	3,019	913	92,029	-	92,029
(2) Inter-segment sales and transfers	4,677	175	0	4,304	9,158	(9,158)	-
Total	90,683	2,266	3,020	5,217	101,188	(9,158)	92,029
Operating expenses	82,796	2,558	3,271	4,486	93,113	(6,761)	86,351
Operating income (loss)	7,887	(292)	(251)	730	8,074	(2,396)	5,678

(2) Six Months ended September 30, 2004 (From April 1, 2004 to September 30, 2004) (Millions of yen)

	Japan	America	Europe	Asia	Total	Eliminations /Corporate	Consolidated
Net sales and operating income Net sales							
(1) Sales to third parties	87,899	4,385	2,962	435	95,683	-	95,683
(2) Inter-segment sales and transfers	5,898	160	1	4,924	10,985	(10,985)	-
Total	93,798	4,545	2,964	5,360	106,668	(10,985)	95,683
Operating expenses	85,707	4,628	2,822	5,122	98,282	(8,618)	89,663
Operating income (loss)	8,090	(83)	141	237	8,386	(2,366)	6,019

(3) Fiscal Year ended March 31, 2004 (From April 1, 2003 to March 31, 2004) (Millions of yen)

	Japan	America	Europe	Asia	Total	Eliminations /Corporate	Consolidated
Net sales and operating income Net sales							
(1) Sales to third parties	176,373	4,707	5,922	1,696	188,700	-	188,700
(2) Inter-segment sales and transfers	9,609	377	27	8,470	18,485	(18,485)	-
Total	185,983	5,085	5,949	10,167	207,185	(18,485)	188,700
Operating expenses	169,172	5,265	5,833	9,755	190,026	(13,883)	176,142
Operating income (loss)	16,810	(180)	116	412	17,159	(4,602)	12,557

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 and Brazil
   Europe ……… Belgium
   Asia ………… China and Thailand
3. Operating expenses of "Eliminations and Corporate" for the six months ended September 30, 2003 and 2004, and the previous fiscal year ended March 31, 2004 included unallocated corporate costs of 2,321 million yen, 2,530 million yen and 4,673 million yen, respectively. The unallocated corporate costs consisted primarily of the parent company's research and development costs and the headquarters administration costs.

3. Overseas sales

(1) Six months ended September 30, 2003 (From April 1, 2003 to September 30, 2003) (Millions of yen)

	America	Europe	Asia	Total
1. Overseas sales	9,851	9,527	2,732	22,111
2. Consolidated net sales				92,029
3. Percentage of overseas sales against consolidated net sales (%)	10.7%	10.3%	3.0%	24.0%

(2) Six months ended September 30, 2004 (From April 1, 2004 to September 30, 2004) (Millions of yen)

	America	Europe	Asia	Total
1. Overseas sales	14,255	9,318	2,467	26,040
2. Consolidated net sales				95,683
3. Percentage of overseas sales against consolidated net sales (%)	14.9%	9.7%	2.6%	27.2%

(1) Fiscal Year ended March 31, 2004 (From April 1, 2003 to March 31, 2004) (Millions of yen)

	America	Europe	Asia	Total
1. Overseas sales	21,136	18,861	5,425	45,422
2. Consolidated net sales				188,700
3. Percentage of overseas sales against consolidated net sales (%)	11.2%	10.0%	2.9%	24.1%

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.

(Securities)

1. Other securities with market quotations

(Unit: Millions of yen)

Classification	As of September 30, 2003			As of September 30, 2004			As of March 31, 2004		
	Acquisition cost	Carrying value on consolidated B/S	Difference	Acquisition cost	Carrying value on consolidated B/S	Difference	Acquisition cost	Carrying value on consolidated B/S	Difference
Stocks	12,418	20,005	7,586	11,786	26,914	15,128	12,415	31,937	19,522
Bonds	-	-	-	-	-	-	-	-	-
Others	60	47	(12)	60	50	(9)	60	54	(5)
Total	12,478	20,052	7,574	11,846	25,965	15,118	12,475	31,991	19,516

(Note) Impairment losses for the six months ended September 30, 2003 and the previous fiscal year ended March 31, 2004 were 98 million yen and 102 million yen, respectively. No impairment loss was posted for the six months ended September 30, 2004.
Impairment losses are recorded on the securities whose fair values at the end of the period have declined by more than 50%, unless the values are reasonably considered to be recoverable.

2. Securities that do not have market quotations

(Unit: Millions of yen)

	Carrying value on Consolidated Balance Sheet As of Sept. 30, 2003	Carrying value on Consolidated Balance Sheet As of Sept. 30, 2004	Carrying value on Consolidated Balance Sheet As of March 31, 2004
Other securities			
Unlisted stocks (excluding those traded on the over-the-counter market)	4,437	4,447	4,417
Stocks of subsidiaries and affiliates			
Stocks of unconsolidated subsidiaries	186	722	687
Stocks of affiliated companies	5,710	5,042	5,425
Total	10,334	10,212	10,530

(Derivative transactions)

No transactions to be noted

Production, Orders received and Sales

1. Production

(1) Six months ended September 30, 2003 (From April 1, 2003 to September 30, 2003)

(Unit: Millions of yen)

Business segment	Amount produced	Ratio of change from t the same period of the previous fiscal year (%)
Medical	28,201	(3.3)
Pharmaceutical	12,664	15.2
Glass & Materials	1,835	12.2
Other	496	24.6
Total	43,198	2.4

(2) Six months ended September 30, 2004 (From April 1, 2004 to September 30, 2004)

(Unit: Millions of yen)

Business segment	Amount produced	Ratio of change from t the same period of the previous fiscal year (%)
Medical	29,036	3.0
Pharmaceutical	12,690	0.2
Glass & Materials	1,812	(1.2)
Other	381	(23.2)
Total	43,922	1.7

(3) Fiscal Year ended March 31, 2004 (From April 1, 2003 to March 31, 2004)

(Unit: Millions of yen)

Business segment	Amount produced	Ratio of change from t the same period of the previous fiscal year (%)
Medical	57,577	0.2
Pharmaceutical	24,785	7.2
Glass & Materials	3,829	12.7
Other	720	(41.9)
Total	86,913	2.0

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

(1) Six months ended September 30, 2003 (From April 1, 2003 to September 30, 2003)

(Unit: Millions of yen)

Business segment	Amount sold	Ratio of change from t the same period of the previous fiscal year (%)
Medical	37,745	(1.4)
Pharmaceutical	11,893	18.3
Glass & Materials	5,637	5.9
Supermarket	36,110	3.3
Other	643	(20.6)
Total	92,029	2.9

(2) Six months ended September 30, 2004 (From April 1, 2004 to September 30, 2004)

(Unit: Millions of yen)

Business segment	Amount sold	Ratio of change from t the same period of the previous fiscal year (%)
Medical	40,843	8.2
Pharmaceutical	13,015	9.4
Glass & Materials	5,584	(1.0)
Supermarket	35,717	(1.1)
Other	522	(18.8)
Total	95,683	4.0

(3) Fiscal Year ended March 31, 2004 (From April 1, 2003 to March 31, 2004)

(Unit: Millions of yen)

Business segment	Amount sold	Ratio of change from t the same period of the previous fiscal year (%)
Medical	78,726	3.6
Pharmaceutical	25,338	15.3
Glass & Materials	11,890	7.5
Supermarket	71,357	2.6
Other	1,386	(21.2)
Total	188,700	4.6

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

Summary of Non-consolidated Financial Statements

November 25, 2004

For the Six Months Period ended September 30, 2004 (Fiscal Year ending March 31, 2005)

Company name: **NIPRO CORPORATION**
Stock Exchange where listed: Tokyo and Osaka
Code No: 8086
Head Office: Osaka, Japan
(URL: http://www.nipro.co.jp/)

Representative: Minoru Sano, President and Representative Director
Contact: Akihiko Yamabe, Director, General Manager of Accounting & Corporate Planning Division
TEL (06) 6372-2331

Date of the meeting of the Board of Directors for approval of the financial statements: November 25, 2004
Date of commencement of payment of interim dividends: December 10, 2004
Interim dividend plan: Adopted
Unit share system: Adopted (1,000 shares/unit)

1. Results for the Six Months ended September 30, 2004 (From April 1 to September 30, 2004)

(1) Results of Operations (Note: Amounts are rounded off per one million yen)

	Net Sales		Operating Income		Recurring Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended Sept. 30, 2004	53,792	6.4	4,498	16.8	4,634	55.0
Six months ended Sept. 30, 2003	50,579	2.0	3,853	(24.4)	2,990	(32.8)
Year ended March 31, 2004	106,119	5.4	9,227	(9.9)	7,807	(11.8)

	Net Income		Earnings per Share
	Millions of yen	%	Yen
Six months ended Sept. 30, 2004	3,256	132.5	51.20
Six months ended Sept. 30, 2003	1,400	(44.5)	22.00
Year ended March 31, 2004	4,060	(1.1)	62.46

Notes:
1. The weighted average number of shares outstanding for the six months ended September 30, 2004,for the six months ended September 2003 and for the fiscal year ended March 31, 2004 was 63,607,103 shares, 63,639,242 shares and 63,631,774 shares respectively.
2. Change in accounting method: N/A
3. Percentages in the above table for Net Sales, Operating Income, Recurring Income and Net Income represent changes from the corresponding period of the previous fiscal year.

(2) Dividends

	Interim dividend per Share	Annual dividend per Share
	Yen	Yen
Six months ended Sept. 30, 2004	25.50	-
Six months ended Sept. 30, 2003	11.00	-
Year ended March 31, 2004	-	30.50

(3) Financial Position

	Total Assets	Shareholders' Equity	Ratio of Shareholders' Equity to Total Assets	Shareholder' Equity per Share
	Millions of yen	Millions of yen	%	Yen
Six months ended Sept. 30, 2004	249,639	105,697	42.3	1,662.06
Six months ended Sept. 30, 2003	239,053	97,688	40.9	1,535.27
Year ended March 31, 2004	252,413	106,370	42.1	1,670.78

Notes:
1. The number of shares outstanding as of September 30, 2004, 2003 and March 31, 2004 was 63,594,527 shares, 63,629,277 shares and 63,613,567 shares, respectively.
2. The number of treasury stock as of September 30, 2004, 2003 and March 31, 2004 was 283,978 shares, 249,228 shares and 264,938 shares, respectively

2. Projections for the Results for the Fiscal Year ending March 31, 2005
(From April 1, 2004 to March 31, 2005)

	Net Sales	Recurring Income	Net Income	Annual dividend per Share	
				Year-end Dividend	
	Millions of yen	Millions of yen	Millions of yen	Yen	Yen
Year ending March 31, 2004	109,000	9,100	5,750	19.50	45.00

(Reference) Projected Earnings per Share for the Fiscal Year ending March 31, 2005: 90.42 yen

* The projections shown above are prepared based on information available as of the issuing date of this report. The actual results may differ from the projected figures due to various factors. Concerning the matters related to the above projections, please refer to the Page 8.

Balance Sheets

(Unit: Millions of yen)

Account \ Period	As of September 30, 2003		As of September 30, 2004		As of March 31, 2004	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
(ASSETS)		%		%		%
Current Assets	96,729	40.5	103,569	41.5	95,315	37.8
Cash on hand and in banks	35,410		42,587		34,932	
Trade notes receivable	15,350		13,367		14,868	
Accounts receivable	24,321		25,759		24,763	
Inventories	18,748		15,840		17,083	
Deferred tax assets	526		758		681	
Other current assets	2,376		5,260		2,.990	
Allowance for doubtful accounts	(5)		(5)		(5)	
Fixed Assets	142,324	59.5	146,070	58.5	157,097	62.2
Tangible fixed assets	32,818	13.7	33,233	13.3	32,733	12.9
Buildings	10,874		10,143		10,506	
Machinery and equipment	6,728		7,434		6,621	
Land	12,440		12,440		12,440	
Others	2,775		3,214		3,165	
Intangible fixed assets	271	0.1	209	0.1	241	0.1
Investments and other assets	109,233	45.7	112,627	45.1	124,122	49.2
Investment securities	23,009		29,402		34,342	
Investment in subsidiaries and affiliates - stock	51,558		53,692		53,584	
Investment in subsidiaries and affiliate – other than stock	10,790		10,790		10,790	
Long-term loans receivable	17,610		12,781		19,271	
Other assets	6,749		6,424		6,618	
Allowance for doubtful accounts	(485)		(464)		(486)	
Total Assets	239,053	100.0	249,639	100.0	252,413	100.0

Balance Sheets

(Unit: Millions of yen)

Account \ Period	As of September 30, 2003		As of September 30, 2004		As of March 31, 2004	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
(LIABILITIES)		%		%		%
Current liabilities	61,273	25.6	70,188	28.1	74,403	29.5
Trade notes payable	14,179		14,244		15,097	
Accounts payable	10,914		10,706		11,312	
Short-term borrowings	23,622		26,740		24,313	
Current portion of bonds	-		10,000		10,000	
Accrued income taxes	965		2,730		1,300	
Accrued bonuses	974		830		704	
Commercial paper	6,500		-		6,500	
Other current liabilities	4,118		4,935		5,175	
Fixed liabilities	80,091	33.5	73,753	29.6	71,639	28.4
Bonds	36,000		29,000		26,000	
Convertible-bond-type bonds with stock acquisition rights	14,000		14,000		14,000	
Long-term borrowings	25,988		23,852		23,037	
Deferred tax liabilities	1,671		4,331		6,113	
Accrued pension and severance cost	1,461		1,589		1,517	
Lease deposits received	970		979		969	
Total liabilities	141,364	59.1	143,941	57.7	146,042	57.9
(SHAREHOLDERS' EQUITY)						
Capital	28,663	12.0	28,663	11.5	28,663	11.3
Capital surplus	29,972	12.6	29,972	12.0	29,972	11.9
Capital reserve	29,972		29,972		29,972	
Earned surplus	35,669	14.9	39,559	15.8	37,629	14.9
Revenue reserve	1,196		1,196		1,196	
Voluntary reserve	32,732		34,743		32,732	
Unappropriated income	1,740		3,619		3,700	
Valuation differences of other securities	3,866	1.6	8,040	3.2	1,0,611	4.2
Treasury stock	(482)	(0.2)	(537)	(0.2)	(506)	(0.2)
Total shareholders' equity	97,688	40.9	105,697	42.3	106,370	42.1
Total liabilities and shareholders' equity	239,053	100.0	249,639	100.0	252,413	100.0

Statements of Income

(Unit: Millions of yen)

Account \ Period	From April 1, 2003 To September 30, 2003		From April 1, 2004 To September 30, 2004		From April 1, 2003 To March 31, 2004	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
		%		%		%
Net sales	50,579	100.0	53,792	100.0	106,119	100.0
Cost of goods sold	38,583	76.3	40,980	76.2	80,813	76.2
Gross profit	11,996	23.7	12,811	23.8	25,305	23.8
Selling, general and administrative expenses	8,142	16.1	8,312	15.4	16,077	15.1
Operating income	3,853	7.6	4,498	8.4	9,227	8.7
Non-operating income	446	0.9	829	1.5	864	0.8
Interest income	148		170		320	
Dividend income	87		106		168	
Gain on sale of investment securities	139		-		139	
Exchange gain	-		504		-	
Others	70		48		235	
Non-operating expenses	1,310	2.6	693	1.3	2,285	2.1
Interest expenses	215		195		411	
Interest on bonds	453		459		905	
Exchange loss	552		-		866	
Others	88		39		101	
Recurring income	2,990	5.9	4,634	8.6	7,807	7.4
Extraordinary gains	138	0.3	1,165	2.2	113	0.1
Gain on sales of investment securities	-		1,108		-	
Others	138		57		113	
Extraordinary losses	585	1.2	99	0.2	1,015	1.0
Loss on sales and disposals of fixed assets	195		78		328	
Loss on devaluation of investment securities	98		-		102	
Loss from bad debts	290		-		290	
Settlement by reconciliation regarding sales rights	-		-		272	
Others	1		20		20	
Net income before adjustment of taxes	2,542	5.0	5,700	10.6	6,905	6.5
Corporate, inhabitants and enterprise taxes	932	1.8	2,552	4.7	2,937	2.8
Adjustment for deferred taxes	210	0.4	(108)	(0.2)	(93)	(0.1)
Net income	1,400	2.8	3,256	6.1	4,060	3.8
Retained earnings at the beginning of the period	339		363		339	
Interim dividends paid	-		-		699	
Unappropriated income	1,740		3,619		3,700	

Basis of Preparation for the Interim Financial Statements

1. Valuation standards and methods for significant assets

a. Securities

Stocks issued by subsidiaries and affiliated companies ············Valued at cost by the weighted average method

Other securities

Securities with market quotations·······························Valued at market price quoted on the balance sheet date. (Differences in valuation are presented as a component of shareholders' equity. Costs of sales are determined by the weighted average method.)

Securities without market quotations·······························Valued at cost by the weighted average method

b. Inventories

Merchandises, Finished goods and Semi-finished goods············Valued at cost by the weighted average method

Raw materials and Supplies········Valued at cost by the First-in First-Out method

2. Method of depreciation and amortization for significant depreciable assets

Tangible fixed assets: ·················Declining-balance method

Durable years and residual values are based on the same standards as provided by the Corporate Income Tax Law.

Buildings acquired after April 1, 1998 (excluding attached structures), are depreciated by straight-line method.

Intangible fixed assets·················Straight-line method

Durable years are based on the same standards as provided by the Corporate Income Tax Law.

However, the software for internal use is amortized by the straight-line method for the period during which it is available in the Company (5 years).

3. Standards for recognition of significant allowances

Allowance for doubtful accounts ····································· In order to cover the probable losses on collection, an allowance for doubtful accounts is provided for the estimated amount of uncollectible receivables. For general receivables, the amount of provision is based on historical write-off rates, and for the doubtful receivables, based on the specific collectibility.

Accrued bonuses ························ In order to cover the payment of bonuses to employees, an allowance is provided for the estimated amount of bonuses to be paid, prorated for the consolidated accounting period.

Accrued pension and severance cost ···························· An allowance is provided for employees' pension and severance payments based on the estimated amounts of projected benefit obligation and plan assets at the end of the fiscal year.

The transitional difference that arose from the change in accounting standards (147 million yen) is amortized for five years by the straight-line method.

Actuarial difference is expensed in the following fiscal years after the year of such recognition, using the straight-line method for five years.

4. Accounting method for lease transactions

Finance leases, except for those where ownership of the leased assets is deemed to be transferred to the lessee, are accounted for by the method similar to that applicable to ordinary operating leases.

5. Other significant basis on preparation for consolidated financial statements

Consumption Taxes

Consumption taxes are excluded from revenues and expenses accounts.

(Additional Information)

Presentation of factor-based portion of corporate enterprise tax in the consolidated statement of income

In accordance with the Practical Issues Tasks Force Report No.12 Presentation of factor-based portion of corporate enterprise tax in an income statement" (published on February 13, 2004 by the Accounting Standard Board of Japan), as from this consolidated accounting period, the added-value portion and capital portion of the corporate enterprise tax amounting to 111 million yen was accounting for in the selling, general and administrative expenses.

Notes to the Interim Financial Statements

(Balance Sheet)

	As of September 30, 2003	As of September 30, 2004	As of March 31, 2004
1. Accumulated depreciation of tangible fixed assets	45,000 mil.yen	45,918 mil.yen	45,250 mil.yen
2. Pledged assets			
Buildings	5,773 mil.yen	5,378 mil.yen	5,590 mil.yen
Land	2,714 〃	2,714 〃	2,714 〃
3. Obligations under guarantee contracts	17,629 mil.yen	14,767 mil.yen	15,657 mil.yen
4. Obligations as a co-surety	1,979 mil.yen	1,834 mil.yen	1,917 mil.yen
5. Notes receivable discounted	8 mil.yen	25 mil.yen	51 mil.yen
6. Number of treasury stock	249,228 shares	283,978 shares	264,938 Shares

(Statement of Income)

	From April 1, 2003 To September 30, 2003	From April 1, 2004 To September 30, 2004	From April 1, 2003 To March 31, 2004
Amount of depreciation			
Tangible fixed assets	1,451 mil.yen	1,515 mil.yen	3,186 mil.yen
Intangible fixed assets	44 mil.yen	34 mil.yen	85 mil.yen

Net Sales by Division and the Proportion to the Total

(Unit: Millions of yen)

Period / Segment	From April 1, 2003 To September 30, 2003		From April 1, 2004 To September 30, 2004		From April 1, 2003 To March 31, 2004	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
		%		%		%
Medical Division	36,468	72.1	39,091	72.7	76,179	71.8
Pharmaceutical Division	7,252	14.4	8,236	15.3	16,018	15.1
Glass & Materials Division	5,727	11.3	5,656	10.5	11,919	11.2
Other	1,131	2.2	807	1.5	2,002	1.9
Total	50,579	100.0	53,792	100.0	106,119	100.0
[Exports, inclusive]	[16,086]	31.8	[18,257]	33.9	[33,106]	31.2

(Lease Transactions)

Finance lease transactions, except for those where ownership of the leased assets is deemed to be transferred to the lessee

	Six Months ended Sept. 30, 2003		Six Months ended Sept. 30, 2004		Fiscal Year ended March 31, 2004	
Acquisition price equivalent	885	mil.yen	947	mil.yen	899	mil.yen
Accumulated depreciation equivalent	555	〃	540	〃	612	〃
Book value equivalent	330	〃	407	〃	286	〃
Lease commitments						
Due within one year	172	mil.yen	189	mil.yen	159	mil.yen
Due after over one year	273	〃	336	〃	245	〃
Total	446	〃	526	〃	405	〃
Lease payments	101	mil.yen	109	mil.yen	205	mil.yen
Depreciation equivalent	82	mil.yen	104	mil.yen	184	mil.yen
Interest expense equivalent	5	mil.yen	5	mil.yen	10	mil.yen

Method of calculation of depreciation equivalent

For the tangible fixed assets, ten ninth of the amount computed by the declining-balance method with 10% of hypothetical residual value for the lease term as remaining life is allocated to each period over the lease term.

Method of calculation of interest equivalent

Difference between total lease payments and acquisition cost equivalent of leased assets comprises interest expense equivalent, and interest expense equivalent is allocated to each period over the lease term by the interest method.

(Securities)

As of September 30, 2003 2004and March 31, 2004 there was no stock issued by subsidiaries or affiliated companies that have market quotations.