Consolidated Financial Statements

For the year ended March 31, 2008 — May 19, 2008

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

Date of the general shareholder's meeting to be held: June 26, 2008
Scheduled date of the annual securities report filing: June 26, 2008
Scheduled date to commence payment of dividends: June 27, 2008

1. Consolidated Results for the Year ended March 31, 2008 (From April 1, 2007 to March 31, 2008)

(1) Consolidated Results of Operations (Note: Amounts are truncated to 1 million yen)

	Net Sales		Operating Income		Recurring Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2008	172,113	(6.6)	13,677	4.8	9,669	(14.8)	4,454	(47.9)
Year ended March 31, 2007	184,362	(10.9)	13,053	5.9	11,355	(7.1)	8,555	89.6

	Earnings per Share	Diluted Earnings per share	Ratio of Net Income to Shareholders' Equity	Ratio of Recurring income to Total Assets	Ratio of Operating Income to Net Sales
	Yen	Yen	%	%	%
Year ended March 31, 2008	70.17	-	3.7	2.8	7.9
Year ended March 31, 2007	134.71	-	7.2	3.4	7.1

Note: Equity in profit (loss) of affiliate Year ended March 31, 2008: 15 million yen Year ended March 31, 2007: (791) million yen

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
Year ended March 31, 2008	349,302	119,544	33.8	1,861.79
Year ended March 31, 2007	336,659	127,020	37.3	1,979.21

Note: Shareholders' equity: Year ended March 31, 2008: 118,155 million yen Year ended March 31, 2007: 125,651 million yen

(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
Year ended March 31, 2008	9,675	(30,072)	22,267	47,656
Year ended March 31, 2007	14,488	(2,924)	(15,654)	46,109

2. Dividends

	Annual dividends per share			Annual total of dividends	Pay-out ratio (Consolidated)	Ratio of dividends to Net Assets (Consolidated)
	Interim dividends	Year-end dividends	Annual dividends			
	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2007	43.00	37.00	80.00	5,079	59.4	4.3
Year ended March 31, 2008	28.00	9.50	37.50	2,380	53.4	2.0
Year ending March 31, 2009 (Projected)	21.00	28.00	49.00		51.0	

3. Projected Consolidated Financial Results for the Year ending March 31, 2009 (From April 1, 2008 to March 31, 2009)

	Net Sales		Operating Income		Recurring Income		Net Income		Earnings per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending Sept. 30, 2008	88,400	4.9	5,800	(22.0)	4,900	(25.0)	2,700	(18.9)	42.54
Year ending March 31, 2009	184,000	6.9	12,800	(6.4)	11,200	15.8	6,100	37.0	96.10

Note: The % displays in the line of six months ending Sept. 30, 2008 show increase/decrease ratio against the six months ended Sept.30, 2007. The % displays in the line of Year ending March 31, 2009 show increase/decrease ratio against the year ended March 31, 2008

4. Others

(1) Change in significant subsidiaries during the year ended March 31, 2008(Resulting in a change in scope of consolidation): Yes

Addition: 1 (Saitama Daiichi Pharmaceutical Co., Ltd.)　　Removal:0

(Note) Please see page 6. “Corporate group” for further details.

(2) Changes in accounting principles, procedures or presentation related to the preparation of consolidated financial statements (i.e., changes in the basis of significant accounting policies)

1) Changes due to adoption of new accounting standards: Yes

2) Changes other than those included in 1) above: None

(Note) Please see page 18 “Change in significant matter of basis of preparation for consolidated financial statements” for further details.

(3) Total number of common shares issued

1) Total number of common shares issued (Including treasury stock):

Year ended March 31, 2008: 63,878,505 shares	Year ended March 31, 2007: 63,878,505 shares

2) Total number of shares in treasury:

Year ended March 31, 2008: 415,037 shares	Year ended March 31, 2007: 393,067 shares

(Note) Please see page 29 “Per share information” to confirm the share numbers to be basis of calculation of Earning per share (Consolidated).

(Reference) Overview of Non-consolidated financial results

1. Results for the year ended March 31, 2008 (From April 1, 2007 to March 31, 2008)

(1) Results of Operations　　(Note: % shows increase/decrease ratio against the previous years)

	Net Sales		Operating Income		Recurring Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2008	135,035	6.0	12,273	14.7	8,618	(21.9)
Year ended March 31, 2007	127,407	8.9	10,696	1.3	11,031	(4.0)

	Net Income		Earnings per Share	Diluted Earnings per share
	Millions of yen	%	Yen	Yen
Year ended March 31, 2008	4,848	(53.5)	76.39	-
Year ended March 31, 2007	10,420	110.0	164.08	-

(2) Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
Year ended March 31, 2008	309,863	124,172	40.1	1,956.60
Year ended March 31, 2007	306,347	133,768	43.7	2,107.07

Note: Shareholders’ equity: Year ended March 31, 2008: 124,172 million yen Year ended March 31, 2007: 133,768 million yen

2. Projections for the Results of the Year ending March 31, 2009 (From April 1, 2008 to March 31, 2009)

	Net Sales		Operating Income		Recurring Income		Net Income		Earnings per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending Sept. 30, 2008	65,500	(2.5)	4,800	(26.2)	4,500	(27.5)	2,700	(24.5)	42.54
Year ending March 31, 2009	136,000	0.7	11,300	(7.9)	10,900	26.5	6,350	31.0	100.04

Note: The % displays in the line of six months ending Sept. 30, 2008 show increase/decrease ratio against the six months ended Sept.30, 2007. The % displays in the line of Year ending March 31, 2009 show increase/decrease ratio against the year ended March 31, 2008

*Disclaimer regarding projection information including appropriate use of forecasted financial results, and other special notes

The projection figures shown above are based on information that was available at the time of preparation and may contain certain uncertainties. Actual performance and other factors may differ from these projections due to changes in circumstances and other developments. More information concerning these forecasts can be found in section 1. Business results on page 3 in the attachments.

1. Business Results

(1) Analysis concerning business results

1) Business results for the period under review and the results by segments

Japanese economy for the period under review appeared to be gradually declining due to sudden rise in oil and raw material prices and affection from strong yen rate in fear of the underperforming economy in the United States.

Meanwhile, a dramatic change has happened in the medical field having developed regenerative medicine and cell therapy to be very severe circumstance for our operation.

Under such circumstance, our group has promoted to develop innovative medical equipment in the fields of artificial organs and regenerative medicine as well as made effort to injection drug and oral drug business to establish a worldwide leading brand and be a true global enterprise.

As a result, the consolidated net sales for the period under review was 172,113 million yen, decreased 12,249 million yen from the previous period mainly because of discontinuation of store business which had 30,973 million yen of sales in the previous period.

Operating income increased 4.8% to 13,677 million yen from the previous period, however, recurring income decreased 14.8% to 9,669 million yen from the previous period, due to accrual of foreign exchange loss by dramatic progression of strong yen rate. Accordingly, net income decreased 47.9% to 4,454 million yen from the previous period, having also the decreases of extraordinary profit.

The results by segments were as follows:

a. Medical equipment division

In the domestic business, its environment remained severe due to the price discounts for intensive sales competition with other competitors caused by the performance-based classification of dialyzers, downward pressures on medical costs in medical institutions and promotion of joint purchase for consumables in the market.

Under such circumstances, we sought to enhance the efficiency of sales activities, increase the sales forces, and made efforts to develop and market new products in the fields of dialysis, treatment on circulatory organs, injection and infusion, and examination, as well as to promote expansion of the business by means of product offerings in the systematized package and to expand both our market shares and sales.

In the international business, although we were affected by fluctuation by foreign exchange due to the dramatic progression of strong yen rate and weak U.S. dollars rate, our sales marked a good growth. Especially, sales of dialyzers, our main products in the dialysis-related-products, showed good results in both of Nipro branded products and OEM branded products, and sales of dialysis machine highly increased by enriching models and upgrading functions.

After the acquisition of oxygenator business in the previous period, we started to sell Nipro branded products. We, also, showed a firm growth in the fields of diabetes-related-products which market is continuously expanding, though price competition is being intensified more and more.

As a result, net sales of this division increased by 14.2% from the previous period to 111,084 million yen.

b. Pharmaceutical division

In the Pharmaceutical division, the environment of market also remained very severe, due to the governmental measures extremely hard to suppress medicine costs by the reform of medical administration against augmentation of the domestic medical cost for advanced age persons, and the intensive price competitions against the product of competitors.

Under such severe circumstances, we strove to increase sales of powdered dialysate solutions, kit product of substitution fluid for hemofiltration and hemodiafiltration and pre-filled syringe kits. We also exerted ourselves to expand sales of “liquid-and-powder” double-bag kits and injectables in plastic-ampoules, which resulted a firm growth.

As a result, net sales of this division increased 15.7% to 48,753 million yen.

c. Glass & Materials division

In the filed of glass for pharmaceutical purposes, sales of glass tubes for ampoule decreased due to the impact from the change of container forms, but then sales of glass for tube bottle resulted in good order due to the steady sales of the products for pharmaceuticals, make-up, and others for cartridge and pre-filled syringe.

In the field of other glass & materials products, good sales in export of glass for vacuum bottle mainly to middle east area covered the drop of domestic demand, however, sales of glass for lighting purpose, especially the related materials for backlight, largely decreased for application to the requirements by makers of Liquid Cristal Display panel for drastic cost reduction. The materials other than glass showed little growth generally due to the underperforming consumers trend, in spite of strenuous efforts in health-food-related products of Ashitaba(Angelica keiskei), and so on.

As a result, net sales of this division decreased 11.5% to 11,437 million yen.

d. Other division

Net sales of this division, consisting mainly of sales of machine for manufacture of medical equipment and real estate rentals, decreased 17.7% to 837 million yen.

2) Prospects for the Year Ending March 31, 2009 and projections by segments

The business environment is anticipated to remain severer and more unpredictable.

Under the conditions, we will strive to develop new products, promote reinforcement of production capacity and sales capability and improve our business performance.

For the year ending March 31, 2009, we project the consolidated net sales of 184,000 million yen (to increase 6.9% compared with the period under review), operating income of 12,800 million yen (to decrease 6.4% compared with the period under review), recurring income of 11,200 million yen (to increase 15.8% compared with the period under review), and net income of 6,100 million yen (to increase 37.0% compared with the period under review), under the projected exchange rate of 100 yen per U.S. dollars

Projections on net sales by segments are as follows:

Medical Equipment division:	117,000 million yen (to increase 5.3% compared with the period under review),
Pharmaceutical division:	55,000 million yen (to increase 12.8% compared with the period under review)
Glass & Materials division:	11,300 million yen (to decrease 1.2% compared with the period under review)
Other division:	700 million yen (to decrease 16.4% compared with the period under review)

(2) Analysis concerning financial position (consolidated)

1) Analysis concerning the conditions of assets, liabilities, net assets and cash flows

Total assets increased 12,642 million yen from the end of the previous period to 349,302 million yen. Current assets increased 15,513 million yen to 162,746 million yen, and fixed assets decreased 2,870 million yen to 186,555 million yen.

Main reason for the increase in current assets was that accounts receivable and inventories increased due to increase of sales, and main reason for the decrease in fixed assets was that investment securities decreased due to the underperforming stock exchange market.

Total liabilities increased 20,119 million yen to 229,758 million yen. Current liabilities increased 4,730 million yen to 108,835 million yen, and fixed liabilities increased 15,388 million yen to 120,923 million yen.

Main reason for the increase in current liabilities was that current portion of bonds increased, and main reason for the increase in fixed liabilities was that long-term borrowings increased.

Net assets decreased 7,476 million yen to 119,544 million yen, mainly due to decrease of valuation differences of other securities.

The ending balance of cash and cash equivalents in the period under review increased 1,547 million yen to 47,656 million yen.

The conditions and main factors of each cash flow during the period under review were as follows.

(Cash flows from operating activities)

Net cash provided by operating activities was 9,675 million yen, decreased 33.2% from the previous period.

The main accounts of cash inflow were net income before adjustment of taxes, 8,260 million yen, depreciation and amortization, 15,054 million yen. The main accounts of cash outflow were increase of inventories, 6,650 million yen and payment of corporate income tax, 10,137 million yen.

(Cash flows from investing activities)

Net cash used in investing activities was 30,072 million yen.

The main account of cash outflow was payments for acquisition of fixed assets, 25,180 million yen.

(Cash flows from financing activities)

Net cash provided by investing activities was 22,267 million yen.

The main accounts of cash inflow were proceeds from long-term borrowings, 33,775 million yen, and proceeds from issuance of bonds, 19,880 million yen. The main accounts of cash outflow were repayment of long-term borrowings, 24,325 million yen, and payment for dividends, 4,120 million yen.

2) Trend of the cash flow indicators

	The 52nd period Year ended March 31, 2005	The 53rd period Year ended March 31, 2006	The 54th period Year ended March 31, 2007	The 55th period Year ended March 31, 2008
Shareholders' equity ratio (%)	32.9	33.2	37.3	33.8
Ratio of market value of shareholders' equity (%)	38.3	33.9	43.4	31.6
Debt redemption (years)	7.1	21.1	8.3	15.6
Interest coverage ratio	10.3	4.6	8.5	5.1

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
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 taken from the payments of interests on the consolidated statements of cash flows.

(3) Basic Policies on Distribution of Profits and Dividends for years ended March 31, 2008 and ending March 31, 2009.

As we position profit return in the important administrative measures, our policy is that 50% of the non-consolidated net income is to be distributed to shareholders. Orienting a rational system for distribution of profits linked to operation results, not only bonuses of directors and statutory auditors but also employees' bonuses are determined based on the business performance of the Company.

Retained earnings are to be invested in the sales and production facilities as well as in research and development, in view of enlarging the firm management basis and long-term business developments, so as to ensure stable profits and continuous growth.

Annual dividends are calculated to be 37.50 yen per share. As we already paid interim dividends of 28.00 yen per share, year-end dividends are to be 9.50 yen per share; this will be proposed to the Company's 55th ordinary general meeting of shareholders.

Dividends for year ending March 31, 2009 are expected to be made according to the above-mentioned policy.

Corporate Group

Our group consists of the Reporting Company (“the Company”), its 29 subsidiaries and 1 affiliate, and is primarily engaged in manufacture and sale of medical equipment, pharmaceutical products and glass and material products.

Positioning of each company in connection with the businesses of our group and the relation to the business segments are as follows:

<Medical Equipment Division>

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

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

Nipro Europe N.V. (Belgium), Nipro Medical Corporation (U.S.A.), and Nipro Asia Pte. Ltd. (Singapore) and other sales subsidiaries sell medical equipment etc. in the areas of their locations.

Nipro Diabetes Systems, Inc. (U.S.A.) develops and sells diabetes-related products such as insulin pump.

<Pharmaceutical Division>

The Company, Nipro Pharma Corporation and Nipro Genepha Corporation Zensei Pharmaceutical Industries Co., Ltd and Saitama Daiichi Pharmaceutical Co., Ltd. manufacture and sell pharmaceutical products. Tohoku Nipro Pharmaceutical Corporation manufactures pharmaceutical products.

Bipha Corporation, an affiliate accounted for by the equity method, is engaged in research and development, manufacture and sale 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. purchases glass tubes as raw materials, and manufactures and sells glass products.

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

<Other>

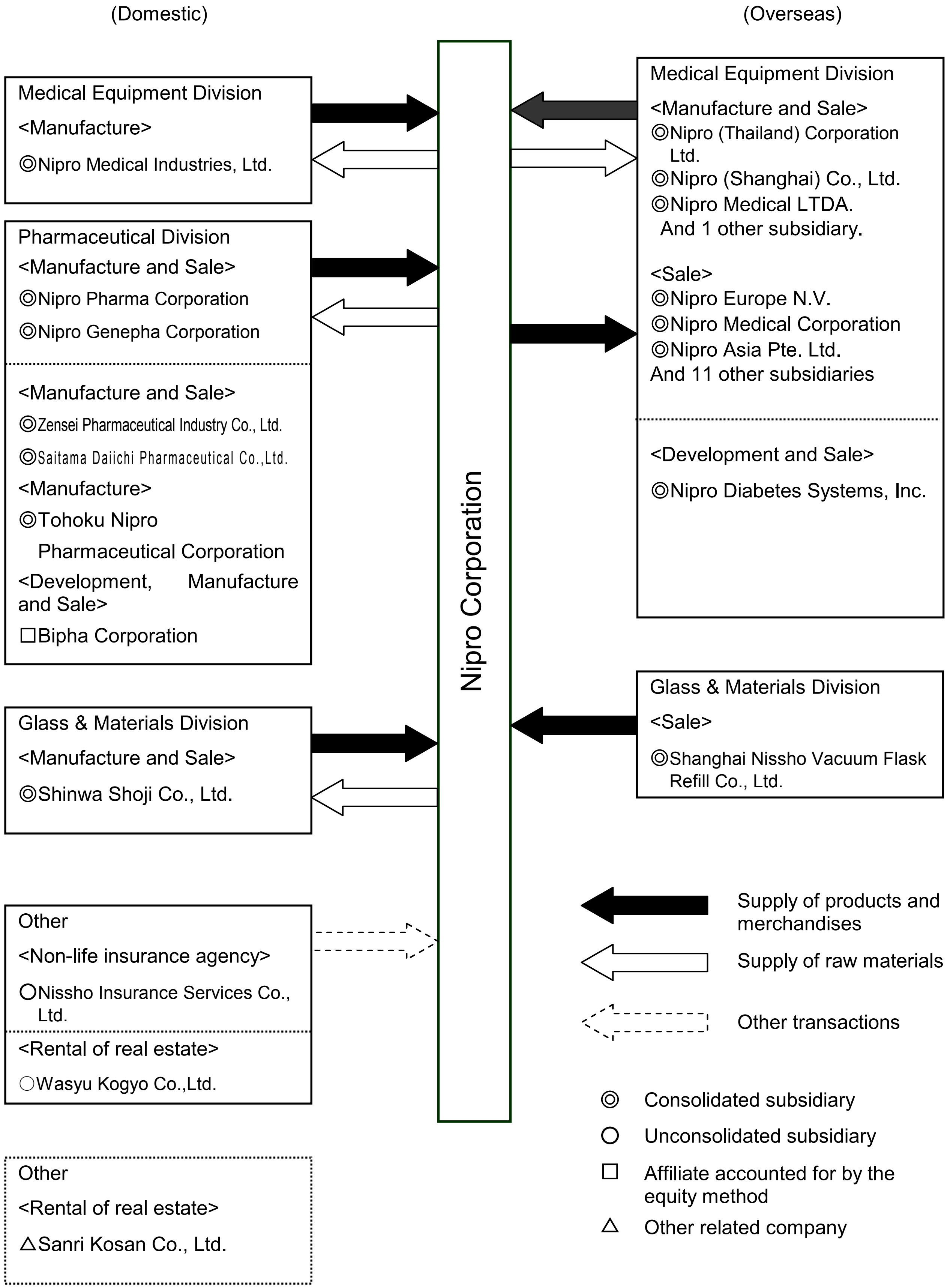
The Company manufactures (purchases, in some cases) and sells machinery for manufacture of medical equipment, etc.

The Company and Wasyu Kogyo Co., Ltd. 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 related company, is engaged in leasing of real estate properties.

The above explanations are illustrated as follows:


(Domestic)
(Overseas)
Nipro Corporation
Medical Equipment Division
<Manufacture>
◎Nipro Medical Industries, Ltd.
Pharmaceutical Division
<Manufacture and Sale>
◎Nipro Pharma Corporation
◎Nipro Genepha Corporation
<Manufacture and Sale>
◎Zensei Pharmaceutical Industry Co., Ltd.
◎Saitama Daiichi Pharmaceutical Co.,Ltd.
<Manufacture>
◎Tohoku Nipro Pharmaceutical Corporation
<Development, Manufacture and Sale>
□Bipha Corporation
Glass & Materials Division
<Manufacture and Sale>
◎Shinwa Shoji Co., Ltd.
Other
<Non-life insurance agency>
○Nissho Insurance Services Co., Ltd.
<Rental of real estate>
○Wasyu Kogyo Co.,Ltd.
Other
<Rental of real estate>
△Sanri Kosan Co., Ltd.
Medical Equipment Division
<Manufacture and Sale>
◎Nipro (Thailand) Corporation Ltd.
◎Nipro (Shanghai) Co., Ltd.
◎Nipro Medical LTDA.
And 1 other subsidiary.
<Sale>
◎Nipro Europe N.V.
◎Nipro Medical Corporation
◎Nipro Asia Pte. Ltd.
And 11 other subsidiaries
<Development and Sale>
◎Nipro Diabetes Systems, Inc.
Glass & Materials Division
<Sale>
◎Shanghai Nissho Vacuum Flask Refill Co., Ltd.
Supply of products and merchandises
Supply of raw materials
Other transactions
◎ Consolidated subsidiary
○ Unconsolidated subsidiary
□ Affiliate accounted for by the equity method
△ Other related company

3. Management Policies

(1) Basic Policies of Management

Since our foundation of year 1954 with concept of “technology innovation”, we have grown by pursuing the technologies of which unique products can always solve QOL (Quality of Life) of patients and subjects in Medical treatment sites, under philosophy in contributing to the society through corporate activities.

As a management structure considering compatibility between “stability” and “growth” that is most important for a company, we implement the “performance-linked remuneration 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) Target Management Indicators

Our performance targets are to achieve to 200 billion yen of consolidated net sales, 20 billion yen of recurring income and 10% of return on equity (ratio of net income to shareholders’ equity) by the fiscal year 2010.

(3) Medium- and Long-term Management Strategies

In the Medical Equipment division, we are aiming at top share of our main product, dialyzer in the world by intensive mass production, improvement of its quality and cost reduction driven from full self-production from the raw materials produced by self-spinning of hollow fibers. We will also strive to strengthen the product lineup and establishment of sales bases in the field of artificial lung and cardiovascular surgery, to market in the world.

In the Pharmaceutical division, we enhance our production capacity of contract manufacturing in each field of injection drug, oral drugs and external application drug as well as enrich high value-added technology of formulation for new kit drugs and drugs for Drug Delivery System (DDS) to promote the development type contract manufacturing. As for the generic medicines, we also devote efforts to quality upgrading and cost reduction of the products to establish mass production system entering oversea business in the view, promoting co-development or corporation with other companies.

In the Glass and Materials division, we will reinforce competitiveness by reducing manufacturing costs of each glass product based on our peerless glass processing technologies, conduct global sales activities and strive to secure stable profit.

(4) Issues and Challenges that the Group Faces

In the domestic business of the Medical Equipment division, although the market environment would be quite severe due to reduction of reimbursement price by the revision of pharmaceutical pricing in year 2008, we will effort in dialysis-related products such as dialyzers, blood tubing sets, and dialysis machines, to react to the market needs promptly, develop and market new products, improve product quality, strengthen sales capacity and increase the market share and sales more. In the field of related products to endovascular therapy, we develop and introduce new product such as PTCA balloon catheters, blood-clot trapping device and stent to enlarge product lineup and promote market development and reinforcement of sales capacity to expand our share. We will also make efforts to increase our market share of injection and infusion-related products such as infusion sets and syringes, as well as to develop products, market and reinforce sales capacity in such as nutrition infusion related products. As for the examination-related products, we will develop and market new products of blood glucose monitoring device for diabetics and test reagents, and strengthen sales of blood collection tubes for blood test and obtain market share by active marketing.

In the international business, we will continuously promote to enrich sales bases. As for our main product, dialyzer, we will expand our sales centering newly developed products together with the related products. Although dialyzers of synthetic membrane are mainly dominated in the market, we will effort to upgrade the performance and strengthen sales of dialyzers of tri-acetate membrane which is superior in organism conformity and still in firm demand. In diabetes related products, we will engage in development of products which are applicable for the globalizing market. We also will strive to upgrade customer service, train the local specialists abroad and advance expansion of service centers, as well as strengthen relationships with companies in co-operation for establishing main product group, aiming development of package business.

In the pharmaceutical division, it is prior subject for us to line enough products in order to cope with change of prescription form. As for injection drug, we are proactively developing the new products such as “liquid-and-powder” double-bag kits of antibiotics, pre-filled syringes and injectables in plastic-ampoules, as well as to improve the products including prevention measures of malpractice.

In terms of oral drugs, we will increase item numbers largely and promote co-developments with other companies to enhance efficiency in product development and reinforcement of contract manufacturing. We will also continuously develop pharmaceutically contrived products of new drug type, for instance, drugs with prominent easiness to drink. In the field of external application drugs centering transdermal therapeutic drugs, which has been newly added to our business portfolio, we will proactively proceed both of self-development and co-development as well as reinforce contract manufacturing.

In addition, we will make efforts for early realization of pharmaceutical products in biosimilar drug of recombinant erythropoietin, artificial blood, and Drug Delivery System (DDS) with application of recombinant human serum albumin. We will endeavor to enrich product lineup by actively developing injection drugs including kit products and oral drugs, and expand our pharmaceutical business by enlarging contract manufacturing, including research of pharmaceutical preparation, and selling routes to enhance productivity in manufacturing factories.

In the Glass and Materials division, we will continue to ensure and innovate glass-processing technology applying to demands by the pharmaceutical industry, developing mainly glass tubes as well as new materials actively to expand our sales. In terms of the glass for lighting purposes, we will strive to increase sales of glass materials for Liquid Cristal Display (LCD) backlights and glass-related products in the expanding LCD panel market.

Consolidated Balance Sheets

(Unit: Millions of yen)

Account \ Period	Previous Period (as of March. 31, 2007)		Current Period (as of March 31, 2008)		Change in amount
	Amount	Ratio	Amount	Ratio	
(ASSETS)		%		%	
Current Assets	147,233	43.7	162,746	46.6	15,513
Cash on hand and in banks	47,934		49,469		1,534
Trade notes and accounts receivable	50,972		53,507		2,534
Inventories	40,213		48,077		7,864
Deferred tax assets	3,033		2,902		(131)
Other current assets	5,581		9,264		3,683
Allowance for doubtful accounts	(501)		(473)		27
Fixed Assets	189,426	56.3	186,555	53.4	(2,870)
Tangible fixed assets	104,881	31.2	118,811	34.0	13,930
Buildings and structures	38,113		45,414		7,301
Machinery, equipment and vehicles	31,105		37,780		6,674
Land	18,032		19,412		1,380
Construction in progress	12,856		11,220		(1,636)
Others	4,773		4,983		210
Intangible fixed assets	1,902	0.6	3,163	0.9	1,260
Goodwill	240		1,425		1,184
Others	1,661		1,737		76
Investments and other assets	82,642	24.5	64,580	18.5	(18,061)
Investment securities	77,304		59,925		(17,378)
Long-term loans receivable	303		223		(79)
Deferred tax assets	61		159		97
Lease deposits	4,791		4,466		(325)
Other assets	3,198		2,779		(419)
Allowance for doubtful accounts	(3,017)		(2,972)		44
Total Assets	336,659	100.0	349,302	100.0	12,642

Consolidated Balance Sheets

(Unit: Millions of yen)

Account \ Period	Previous Period (as of March. 31, 2007)		Current Period (as of March 31, 2008)		Change in amount
	Amount	Ratio	Amount	Ratio	
(LIABILITIES)		%		%	
Current liabilities	104,104	30.9	108,835	31.2	4,730
Trade notes and accounts payable	26,547		30,008		3,461
Short-term borrowings	50,209		43,234		(6,974)
Current portion of bonds	60		15,150		15,090
Other payables	6,123		5,388		(735)
Accrued income taxes	8,404		2,226		(6,178)
Allowance for bonuses payable	1,461		1,528		67
Allowance for bonuses payable for directors and corporate auditors	230		75		(154)
Allowance for loss on clearance of business	1,954		1,954		-
Notes payable for plant and equipment	3,655		5,225		1,569
Others	5,457		4,043		(1,414)
Fixed liabilities	105,534	31.4	120,923	34.6	15,388
Bonds	31,450		36,300		4,850
Convertible type bonds with stock acquisition rights	14,000		14,000		-
Long-term borrowings	38,765		56,405		17,639
Deferred tax liabilities	17,417		9,833		(7,584)
Accrued pension and severance cost	2,564		2,128		(435)
Accrued severance indemnity for directors and corporate auditors	-		700		700
Allowance for loss on lawsuit	-		170		170
Other fixed liabilities	1,336		1,385		48
Total liabilities	209,639	62.3	229,758	65.8	20,119
(Net Assets)		%		%	
Shareholders' Equity	97,044	28.8	97,320	27.9	276
Capital	28,663	8.5	28,663	8.2	-
Capital surplus	29,973	8.9	29,975	8.6	2
Earned surplus	39,148	11.6	39,476	11.3	327
Treasury stock	(741)	(0.2)	(794)	(0.2)	(53)
Valuation and translation difference	28,606	8.5	20,835	5.9	(7,771)
Valuation differences of other securities	29,883	8.9	18,947	5.4	(10,935)
Foreign currency translation adjustments	(1,276)	(0.4)	1,887	0.5	3,164
Minority interests	1,369	0.4	1,388	0.4	19
Total Net Assets	127,020	37.7	119,544	34.2	(7,476)
Total Liabilities and Net Assets	336,659	100.0	349,302	100.0	12,642

Consolidated Statements of Income

(Unit: Millions of yen)

Account \ Period	Previous Period (From April 1, 2006 To March 31, 2007) Amount	Ratio	Current Period (From April 1, 2007 To March 31, 2008) Amount	Ratio	Change in amount
		%		%	
Net sales	184,362	100.0	172,113	100.0	(12,249)
Cost of goods sold	132,142	71.7	123,108	71.5	(9,033)
Gross profit	52,220	28.3	49,004	28.5	(3,215)
Selling, general and administrative expenses	39,167	21.2	35,327	20.5	(3,840)
Operating income	13,053	7.1	13,677	8.0	624
Non-operating income	1,657	0.9	1,805	1.0	147
Interest income	308		462		154
Dividend income	560		637		77
Exchange gain	313		-		(313)
Equity in profit of affiliate	-		15		15
Others	475		689		214
Non-operating expenses	3,355	1.8	5,813	3.4	2,457
Interest expenses	1,645		1,950		305
Depreciation	381		384		2
Amortization of long-term prepaid expense	198		-		(198)
Exchange loss	-		3,168		3,168
Equity in loss of affiliate	791		-		(791)
Others	338		309		(29)
Recurring income	11,355	6.2	9,669	5.6	(1,686)
Extraordinary gains	13,660	7.4	2,371	1.4	(11,289)
Gain on sale of fixed assets	30		52		21
Life insurance income	-		191		191
Governmental subsidies received	661		1,859		1,197
Gain on sale of investment securities	12,706		-		(12,706)
Others	261		268		6
Extraordinary losses	8,240	4.5	3,780	2.2	(4,460)
Loss on sale and disposal of fixed assets	516		671		155
Impairment loss on fixed assets	1,286		-		(1,286)
Allowance for loss on clearance of business	1,954		-		(1,954)
Loss on investment securities	268		-		(268)
Loss on disposal of inventories	253		138		(114)
Abnormal manufacturing cost	246		167		(78)
Advanced depreciation on fixed assets	650		1,842		1,191
Allowance for doubtful debts	2,361		6		(2,354)
Allowance for accrued severance indemnity for directors and corporate auditors in prior years	-		640		640
Others	703		313		(389)
Net income before adjustment of taxes	16,775	9.1	8,260	4.8	(8,515)
Corporate, inhabitants and enterprise taxes	10,059	5.5	3,758	2.2	(6,301)
Adjustment for deferred taxes	(1,873)	(1.0)	36	0.0	1,909
Minority shareholders' share in net income of consolidated subsidiaries	33	0.0	11	0.0	(22)
Net income	8,555	4.6	4,454	2.6	(4,101)

Consolidated Statement of Shareholders' Equity

Previous period (From April 1, 2006 to March 31, 2007)

	Shareholders' equity				
	Capital	Capital surplus	Earned surplus	Treasury stock	Total shareholders' equity
Balance at March 31, 2006	28,663	29,972	34,545	(648)	92,532
Increase (decrease) during the period					
Dividend of surplus			(4,096)		(4,096)
Bonuses to directors and corporate auditors			(91)		(91)
Net income			8,555		8,555
Acquisition of treasury stock				(101)	(101)
Disposal of treasury stock		1		9	10
Increase in earned surplus due to divest of consolidated subsidiaries			436		436
Decrease in earned surplus due to addition of consolidated subsidiaries			(201)		(201)
Increase (decrease) of the items other than shareholders' equity during the period					-
Net increase (decrease) during the period	-	1	4,602	(92)	4,512
Balance at March 31, 2007	28,663	29,973	39,148	(741)	97,044

	Valuation and translation differences			Minority interests	Total net assets
	Valuation differences of other securities	Foreign currency translation adjustments	Total valuation and translation differences		
Balance at March 31, 2006	25,563	(5,705)	19,858	1,612	114,003
Increase (decrease) during the period					
Dividend of surplus			-		(4,096)
Bonuses to directors and corporate auditors			-		(91)
Net income			-		8,555
Acquisition of treasury stock			-		(101)
Disposal of treasury stock			-		10
Increase in earned surplus due to divest of consolidated subsidiaries			-		436
Decrease in earned surplus due to addition of consolidated subsidiaries			-		(201)
Increase (decrease) of the items other than shareholders' equity during the period	4,319	4,428	8,748	(243)	8,505
Net increase (decrease) during the period	4,319	4,428	8,748	(243)	13,017
Balance at March 31, 2007	29,883	(1,276)	28,606	1,369	127,020

Consolidated Statement of Shareholders' Equity

Current period (From April 1, 2007 to March 31, 2008)

	Shareholders' equity				
	Capital	Capital surplus	Earned surplus	Treasury stock	Total shareholders' equity
Balance at March 31, 2007	28,663	29,973	39,148	(741)	97,044
Increase (decrease) during the period					
Dividend of surplus			(4,126)		(4,126)
Net income			4,454		4,454
Acquisition of treasury stock				(64)	(64)
Disposal of treasury stock		2		10	13
Increase (decrease) of the items other than shareholders' equity during the period					-
Net increase (decrease) during the period	-	2	327	(53)	276
Balance at March 31, 2008	28,663	29,975	39,476	(794)	97,320

	Valuation and translation differences			Minority interests	Total net assets
	Valuation differences of other securities	Foreign currency translation adjustments	Total valuation and translation differences		
Balance at March 31, 2007	29,883	(1,276)	28,606	1,369	127,020
Increase (decrease) during the period					
Dividend of surplus			-		(4,126)
Net income			-		4,454
Acquisition of treasury stock			-		(64)
Disposal of treasury stock			-		13
Increase (decrease) of the items other than shareholders' equity during the period	(10,935)	3,164	(7,771)	19	(7,752)
Net increase (decrease) during the period	(10,935)	3,164	(7,771)	19	(7,476)
Balance at March 31, 2008	18,947	1,887	20,835	1,388	119,544

Consolidated Statements of Cash Flows

(Unit: Millions of yen)

Account / Period	Previous Period (From April 1, 2006 To March 31, 2007) Amount	Current Period (From April 1, 2007 To March 31, 2008) Amount	Change in amount
Cash flows from operating activities			
Net income before adjustment for taxes	16,775	8,260	(8,515)
Depreciation and amortization	12,469	15,054	2,584
Impairment loss on fixed assets	1,286	-	(1,286)
Amortization of goodwill	129	263	133
Equity in loss of affiliate	791	(15)	(806)
Allowance for doubtful debts	2,361	-	(2,361)
Allowance for loss on clearance of business	1,954	-	(1,954)
Increase (decrease) in allowance for doubtful accounts	(92)	(75)	16
Interest and dividend income	(868)	(1,100)	(231)
Interest expenses	1,645	1,950	305
Exchange loss (gain)	(68)	286	354
Gain on sales of shares of subsidiary company	(12,706)	-	12,706
Decrease (increase) in trade receivables	(2,186)	2,608	4,795
Decrease (increase) in inventories	(3,061)	(6,650)	(3,589)
Increase (decrease) in trade payables	(1,982)	(464)	1,518
Decrease (increase) in other assets	(565)	753	1,319
Increase (decrease) in other liabilities	2,678	(1,367)	(4,045)
Bonuses to directors and corporate auditors	(96)	-	96
Other non-operating income/expenses and extraordinary gains/losses	882	465	(416)
Subtotal	19,347	19,970	622
Interest and dividends received	830	1,094	263
Interest paid	(1,697)	(1,889)	(191)
Other revenues	1,590	1,036	(554)
Other expenditures	(262)	(398)	(136)
Income taxes paid	(5,320)	(10,137)	(4,816)
Cash flows from operating activities	14,488	9,675	(4,812)
Cash flows from investing activities			
Deposits in time deposits	(5,792)	(2,242)	3,549
Proceeds from matured time deposits	7,665	2,246	(5,419)
Payments for purchases of securities	(2,244)	(1,015)	1,229
Proceeds from sales of securities	24	-	(24)
Payments for acquisition of shares with change in scope of consolidated subsidiary	(1,220)	(3,125)	(1,905)
Proceeds from sales of shares with change in scope of consolidated subsidiary	19,372	-	(19,372)
Payments for acquisition of fixed assets	(19,911)	(25,180)	(5,269)
Proceeds from sales of fixed assets	273	187	(85)
Increase(decrease) in short-term lending	(1,078)	(1,029)	49
Collections of loans receivable	59	94	35
Expenditures for other investments	(112)	(40)	72
Revenues from other investments	40	33	(6)
Cash flows from investing activities	(2,924)	(30,072)	(27,148)
Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	121	(2,787)	(2,909)
Net increase (decrease) in commercial paper	(9,000)	-	9,000
Proceeds from long-term borrowings	20,853	33,775	12,922
Repayment of long-term borrowings	(13,181)	(24,325)	(11,143)
Proceeds from issuance of bonds	-	19,880	19,880
Payments for redemption of bonds	(10,060)	(60)	10,000
Proceeds from issuance of shares	-	3	3
Proceeds from disposal of treasury stock	10	13	2
Payments for acquisitions of treasury stock	(101)	(64)	36
Repayments of finance lease obligations	(205)	(32)	172
Payments for dividends	(4,090)	(4,120)	(29)
Other payments	(0)	(14)	(13)
Cash flows from financing activities	(15,654)	22,267	37,921
Effect of exchange rate changes on cash and cash equivalents	208	(323)	(531)
Increase (decrease) in cash and cash equivalents	(3,881)	1,547	5,429
Balance of cash and cash equivalents at the beginning of the period	49,914	46,109	(3,804)
Increase in cash and cash equivalents due to inclusion of new subsidiary in consolidation	77	-	(77)
Balance of cash and cash equivalents at the end of the period	46,109	47,656	1,547

(5) Basis of Preparation for the Consolidated Financial Statements

1) Scope of Consolidation

[1] Consolidated subsidiaries: 25

Name of representative consolidated subsidiaries.

- Nipro Medical Industries, Ltd.
- Nipro Europe N.V.
- Nipro Pharma Corporation
- Saitama Daiichi Pharmaceutical Co., Ltd.
- Nipro (Thailand) Corporation Ltd.
- Nipro Medical Corporation
- Tohoku Nipro Pharmaceutical Corporation

We have included in the scope of consolidation from the current period, Nipro Sales (Thailand) Co., Ltd due to new foundation, Nipro Biocorp S.A. and Saitama Daiichi Pharmaceutical Co., Ltd. due to acquisition of the stocks.

[2] Unconsolidated subsidiaries: 4

The unconsolidated subsidiaries, Nissho Insurance Services Co., Ltd., Nipro Trading (Shanghai) Co., Ltd., Nipro Hospital Product, Inc. and Wasyu Kogyo 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) Accounting Period of Consolidated Subsidiaries

Among the consolidated subsidiaries, accounts closing date of the foreign subsidiaries is December 31. Consolidated financial statements as of that date are used in preparing for consolidated financial statements, and necessary adjustments are made to reflect significant transactions that occurred between December 31 and March 31.

4) Accounting Principles and Practices

[1] Valuation standards and methods for significant assets

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

Inventories

Valued at cost by the weighted average 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 foreign subsidiaries use straight-line method in accordance with the tax laws of their countries.

[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 collectability.

Allowance for bonuses payables .... 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.

Allowance for bonuses payables for directors and corporate auditors......... In order to cover the payment of bonuses to directors and corporate auditors, an allowance is provided for the estimated amount of bonuses to be paid, prorated for the consolidated accounting period.

Allowance for loss on clearance of business .... In connection with withdrawal from retail business which we sold the shares of the consolidated subsidiaries, the estimated loss at the end of the consolidated accounting period is posted for disposal of land, building and other properties to be sold accordingly.

Accrued pension and severance cost..................... An allowance is provided for employee's pension and severance payments based on the estimated amounts of projected benefit obligation and plan assets at the end of the consolidated accounting period.

Past service liabilities are expenses mainly for five years using the straight line method.

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

Accrued severance indemnity for directors and corporate auditors......... An allowance is provided for severance indemnity for directors and corporate directors based on the amounts to be paid at the end of the consolidated accounting period.

Allowance for loss on lawsuit................................. In order to cover the probable losses on lawsuit, an allowance for loss is provided for the estimated amount acceptable as needed.

[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 Net Assets 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) Evaluation of assets and liabilities of the consolidated subsidiaries

Partial fair market value method is used for valuation of assets and liabilities of consolidated subsidiaries.

6) Amortization of goodwill

Goodwill is amortized using the straight-line method for five years.

7) Range of cash and cash equivalent carried on the consolidated cash flow statement.

Cash and cash equivalent carried on the cash flow statement consist of cash on hand, cash in banks that is able to withdraw as needed, and short-term investment that will be matured within three months after acquisition, easy to be converted into cash without much risks from fluctuation of prices.

(6) Change in significant matter of basis of preparation for consolidated financial statements

(Change in Accounting Method)

1) Change in depreciation method of tangible fixed assets

Revised the corporate income tax law (Law for revision of a part of income tax law and related law, published on March 30, 2007, and Government ordinance for revision of a part of the enforcement ordinance of the corporate income tax law, published on March 30, 2007, the enforcement ordinance no.83), we have changed the depreciation method according to the method of the revised corporate income tax law for tangible fixed assets acquired on or after April 1, 2007, from the consolidated accounting period. As a result, gross profit decreased 431 million yen, operating income decreased 510 million yen, and recurring income and net income before adjustment of taxes decreased 537 million yen, comparing with the computation by the previous method.

As for the effect to the segment information, please see the notes in the segment information section.

2) Standard for recognition of accrued severance indemnity for directors and corporate auditors

Severance cost for directors and corporate auditors had been processed as expense when it was paid. However, we have adopted, since the current consolidated accounting period, “Treatment on audit concerning reserves based on the special taxation measures law and reserves or provisions based on special laws” (Japan Institute Certified Public Accountants, published on April 13, 2007, Audit, assurance practice committee report No.42) to change into the method as providing accrued severance indemnity for directors and corporate auditors at the end of the current consolidated accounting period, based on the internal regulation of the companies. As a result, selling, general and administrative expenses increased 53 million yen, operating income and recurring income decreased the same amount and net income before adjustment of taxes decreased 524 million yen, comparing with the computation by the previous method.

As for the effect to the segment information, please see the notes in the segment information section.

(Additional information)

Change in depreciation method for tangible fixed assets

Revised the corporate income tax law(Law for revision of a part of income tax law and related law, published on March 30, 2007, and Government ordinance for revision of a part of the enforcement ordinance of the corporate income tax law, published on March 30, 2007, the enforcement ordinance no.83), we have depreciated, included in cost of goods sold and selling, general and administrative expenses, the difference between 5% equivalent amount of acquisition cost of tangible fixed assets and its memorandum value for 5 years from next consolidated accounting period to consolidated accounting period when reached to 5% of its acquisition cost which was depreciated by application of the corporate income tax before the revision since the current consolidated accounting period. As a result, gross profit decreased 278 million yen, operating income, recurring income and net income before adjustment of taxes decreased 319 million yen, comparing with the computation by the previous method.

As for the effect to the segment information, please see the notes in the segment information section.

(7) Notes to the consolidated financial statements

(Notes to the Consolidated Statements of Income)

	(Previous period)	(Current Period)
1) Accumulated depreciation of tangible fixed assets	108,725 mil.yen	132,145 mil.yen
2) Pledged assets	16,178	12,021
3) Obligations under guarantee contracts	1,093	548

4) Discounted notes receivable	87		217	
5) Accounts related to unconsolidated subsidiaries and affiliate companies				
Investment securities (stock)	3,192	mil.yen	3,208	mil.yen
Investments other than stock	23		83	

6) Accounting process for matured bill on last day of the consolidated period

Matured bill on last day is processed on traded date of bill. Accordingly, because the last day of the previous consolidated accounting period was on holiday of financial institute, matured bill on the last day was included in following accounts.

	(Previous period)		(Current Period)	
Trade notes receivables	1,095	mil. yen	-	mil.yen
Trade notes payables	453		-	
Trade notes payables for plant and equipment	23		-	

(Notes to the Consolidated Statements of Income)

	(Previous period)	(Current period)
Research and development expenditure included in selling, general and administrative expenses and manufacturing cost.	4,460 mil yen	5,371 mil yen

(Notes to the Consolidated Statement of Shareholders' equity)

Previous period (From April 1, 2006 to March 31, 2007)

1. Sort and total numbers of Shared issues

Sort of shares	Number of shares As of March 31, 2006	Increased numbers	Decreased numbers	Number of shares As of March 31, 2007
Common stock	63,878,505	-	-	63,878,505

2. Sort and numbers of Treasury stock

Sort of shares	Number of shares As of March 31, 2006	Increased numbers	Decreased numbers	Number of shares As of March 31, 2007
Common stock	349,589	48,487	5,009	393,067

(Note) 1. The increased numbers are of purchase of shares which number is less than unit amount.
2. The decreased numbers are of selling of shares which number is less than unit amount.

3. Dividends

(1) Amount of dividends paid

Decision	Sort of shares	Total amount of dividends paid	Dividends per shares	Basis date	Effective date
June 29, 2006 at ordinary general shareholders' meeting	Common stock	Million of yen 1,365	Yen 21.50	March 31, 2006	June 30, 2006
November 20, 2006 at board of directors meeting	Common stock	Million of yen 2,730	Yen 43.00	September 30, 2006	December 8, 2006

(2) Dividends of basis date belonging to the consolidated accounting period to its effective date be in the next consolidated accounting period.

Decision	Sort of shares	Proceeds of dividends	Total amount of dividends paid	Dividends per shares	Basis date	Effective date
June 27, 2007 at ordinary general shareholders' meeting	Common stock	Earned surplus	Million of yen 2,348	Yen 37.00	March 31, 2007	June 28, 2007

Current period (From April 1, 2007 to March 31, 2008)

1. Sort and total numbers of Shared issues

Sort of shares	Number of shares As of March 31, 2007	Increased numbers	Decreased numbers	Number of shares As of March 31, 2008
Common stock	63,878,505	-	-	63,878,505

2. Sort and numbers of Treasury stock

Sort of shares	Number of shares As of March 31, 2007	Increased numbers	Decreased numbers	Number of shares As of March 31, 2008
Common stock	393,067	27,655	5,685	415,037

(Note) 1. The increased numbers are of purchase of shares which number is less than unit amount.
2. The decreased numbers are of selling of shares which number is less than unit amount.

3. Dividends

(1) Amount of dividends paid

Decision	Sort of shares	Total amount of dividends paid	Dividends per shares	Basis date	Effective date
June 27, 2007 at ordinary general shareholders' meeting	Common stock	Million of yen 2,348	Yen 37.00	March 31, 2007	June 28, 2007
November 19, 2007 at board of directors meeting	Common stock	Million of yen 1,777	Yen 28.00	September 30, 2007	December 10, 2007

(2) Dividends of basis date belonging to the consolidated accounting period to its effective date be in the next consolidated accounting period.

Decision	Sort of shares	Proceeds of dividends	Total amount of dividends paid	Dividends per shares	Basis date	Effective date
June 26, 2008 at ordinary general shareholders' meeting	Common stock	Earned surplus	Million of yen 602	Yen 9.50	March 31, 2008	June 27, 2008

(Related Party Transactions)

N/A

(Derivative Transactions)

N/A

(Stock Options)

N/A

(Business combinations, etc.)

N/A

(Segment information)

1. Segment information by business category

(1) Previous period (From April 1, 2006 to March 31, 2007) (Millions of yen)

	Medical Equipment	Pharma-ceutical	Glass & Materials	Store	Other	Total	Eliminations /Corporate	Consolidated
1. Net sales and operating income Net sales								
(1) Sales to third parties	97,300	42,152	12,918	30,973	1,017	184,362	-	184,362
(2) Inter-segment sales and transfers	3	-	3,445	-	220	3,668	(3,668)	-
Total	97,303	42,152	16,364	30,973	1,238	188,031	(3,668)	184,362
Operating expenses	82,970	38,854	14,498	30,702	1,087	168,113	3,195	171,309
Operating income	14,333	3,298	1,865	270	150	19,918	(6,864)	13,053
2. Assets, depreciation, impairment loss and capital expenditures Assets	114,945	80,341	12,482	-	6,008	213,778	122,881	336,659
Depreciation	5,327	5,495	533	383	88	11,829	640	12,469
Impairment loss	-	-	-	14	1,272	1,286	-	1,286
Capital expenditures	11,064	9,489	166	57	85	20,865	2,227	23,093

(2) Current period (From April 1, 2007 to March 31, 2008) (Millions of yen)

	Medical Equipment	Pharma-ceutical	Glass & Materials	Other	Total	Eliminations /Corporate	Consolidated
1. Net sales and operating income Net sales							
(1) Sales to third parties	111,084	48,753	11,437	837	172,113	-	172,113
(2) Inter-segment sales and transfers	-	0	3,166	75	3,241	(3,241)	-
Total	111,084	48,753	14,603	912	175,354	(3,241)	172,113
Operating expenses	95,253	45,482	12,713	899	154,349	4,086	158,435
Operating income	15,830	3,270	1,890	13	21,004	(7,327)	13,677
2. Assets, depreciation and capital expenditures Assets	133,580	93,142	12,326	5,701	244,751	104,551	349,302
Depreciation	7,057	6,612	471	80	14,222	832	15,054
Capital expenditures	16,419	8,351	386	58	25,216	684	25,900

Notes: 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 category are as follows:

Business category	Main products and commodities
Medical Equipment	Dialyzers, 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.
Store	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 previous and current consolidated accounting periods included unallocated corporate costs of 6,864 million yen and 7,327 million yen, respectively. The unallocated corporate costs consisted primarily of the parent company's research and development costs and headquarters administration costs.
3. As described in "Changes in accounting method" 1), revised the corporate income tax law, we have adopted the depreciation method based on the revised corporate income tax law for tangible fixed assets acquired on or after April 1, 2007, from the current consolidated accounting period. As a result, operating expenses in Medical Equipment, Pharmaceutical, Glass&Materials and Elimination/Corporate segment, are supposed to be increasing 225 million yen, 227 million yen, 11 million yen and 45 million yen respectively, and operating incomes are supposed to be decreasing respectively, comparing with the incomes calculated according to the previous method.
4. As described in "Changes in accounting method" 2), we have adopted, since the current consolidated accounting period, "Treatment on audit concerning reserves based on the special taxation measures law and reserves or provisions based on special laws" to change into the method as providing accrued severance indemnity for directors and corporate auditors at the end of the current consolidated accounting period, based on the internal regulation of the companies. As a result, operating expenses in Pharmaceutical and Elimination/Corporate segment, are supposed to be increasing 35 million yen and 17 million yen respectively, and operating incomes are supposed to be decreasing respectively, comparing with the incomes calculated according to the previous method.
5. As described in "Additional information", revised the corporate income tax law, we have depreciated, included in cost of goods sold and selling, general and administrative expenses, the difference between 5% equivalent amount of acquisition cost of tangible fixed assets and its memorandum value for 5 years from next consolidated accounting period to consolidated accounting period when reached to 5% of its acquisition cost which was depreciated by application of the corporate income tax before the revision since the current consolidated accounting period. As a result, operating expenses in Medical Equipment, Pharmaceutical, Glass&Materials, Others and Elimination/Corporate segment, are supposed to be increasing 112 million yen, 147 million yen, 38 million yen, 0 million yen, and 20 million yen respectively, and operating incomes are supposed to be decreasing respectively, comparing with the incomes calculated according to the previous method.
6. Assets of "Eliminations/Corporate" for the previous and current consolidated accounting periods included corporate assets of 122,930 million yen and 104,740 million yen, respectively. The corporate assets consisted mainly of parent company's surplus operating funds (cash on hand and in banks), long-term investment funds (investment securities) and assets related to research and development, as well as of the assets belonging to the headquarters administration department.
7. Depreciation and capital expenditures included long-term prepaid expenses and its amortization.

2. Segment information by geographical area

(1) Previous period (From April 1, 2006 to March 31, 2007) (Millions of yen)

	Japan	America	Europe	Asia	Total	Eliminations /Corporate	Consolidated
1. Net sales and operating income Net sales							
(1) Sales to third parties	156,042	17,382	7,102	3,835	184,362	-	184,362
(2) Inter-segment sales and transfers	23,610	804	86	12,373	36,875	(36,875)	-
Total	179,653	18,186	7,188	16,208	221,238	(36,875)	184,362
Operating expenses	159,255	19,133	7,050	15,755	201,193	(29,884)	171,309
Operating income (loss)	20,398	(946)	138	453	20,044	(6,991)	13,053
2. Assets	214,818	6,426	3,112	6,369	230,726	105,932	336,659

(2) Current period (From April 1, 2007 to March 31, 2008) (Millions of yen)

	Japan	America	Europe	Asia	Total	Eliminations /Corporate	Consolidated
1. Net sales and operating income Net sales							
(1) Sales to third parties	135,609	20,909	9,173	6,421	172,113	-	172,113
(2) Inter-segment sales and transfers	26,416	1,137	9	13,954	41,517	(41,517)	-
Total	162,025	22,046	9,183	20,375	213,630	(41,517)	172,113
Operating expenses	139,984	23,712	8,973	19,423	192,093	(33,658)	158,435
Operating income (loss)	22,041	(1,666)	209	952	21,536	(7,859)	13,677
2. Assets	241,543	8,661	4,565	9,585	264,355	84,946	349,302

Notes: · 1. Operating expenses of “Eliminations and Corporate” for the previous and current consolidated accounting periods included unallocated corporate costs of 6,864 million yen and 7,327 million yen, respectively. The unallocated corporate costs consisted primarily of the parent company’s research and development costs and the headquarters administration costs.

2. As described in “Changes in accounting method” 1), revised the corporate income tax law, we have adopted the depreciation method based on the revised corporate income tax law for tangible fixed assets acquired on or after April 1, 2007, from the current consolidated accounting period. As a result, operating expenses in Japan and Elimination/Corporate segment, are supposed to be increasing 464 million yen and 45 million yen respectively, and operating incomes are supposed to be decreasing respectively, comparing with the incomes calculated according to the previous method.

3. As described in “Changes in accounting method” 2), we have adopted, since the current consolidated accounting period, “Treatment on audit concerning reserves based on the special taxation measures law and reserves or provisions based on special laws” to change into the method as providing accrued severance indemnity for directors and corporate auditors at the end of the current consolidated accounting period, based on the internal regulation of the companies. As a result, operating expenses in Japan and Elimination/Corporate segment, are supposed to be increasing 35 million yen, 17 million yen, and operating incomes are supposed to be decreasing respectively, comparing with the incomes calculated according to the previous method.

4. As described in “Additional information”, revised the corporate income tax law, we have depreciated, included in cost of goods sold and selling, general and administrative expenses, the difference between 5% equivalent amount of acquisition cost of tangible fixed assets and its memorandum value for 5 years from next consolidated accounting period to consolidated

accounting period when reached to 5% of its acquisition cost which was depreciated by application of the corporate income tax before the revision since the current consolidated accounting period. As a result, operating expenses in Japan and Elimination/Corporate segment, are supposed to be increasing 298 million yen and 20 million yen respectively, and operating incomes are supposed to be decreasing respectively, comparing with the incomes calculated according to the previous method.

5. Assets of "Eliminations/Corporate" for the previous and current consolidated accounting periods included corporate assets of 122,930 million yen and 104,740 million yen, respectively. The corporate assets consisted mainly of parent company's surplus operating funds (cash on hand and in banks), long-term investment funds (investment securities) and assets related to research and development, as well as of the assets belonging to the headquarters administration department.
6. Classification of countries or areas is based on geographical proximity.
7. The major countries included in each geographical area are as follows:
   America…….. The United States of America and Brazil
   Europe……… Belgium
   Asia…………. China, Thailand and Singapore

3. Overseas sales

(1) Previous period (From April 1, 2006 to March 31, 2007) (Millions of yen)

	America	Europe	Asia	Total
1. Overseas sales	31,899	15,071	7,567	54,538
2. Consolidated net sales				184,362
3. Percentage of overseas sales to consolidated net sales (%)	17.3%	8.2%	4.1	29.6%

(2) Current period (From April 1, 2007 to March 31, 2008) (Millions of yen)

	America	Europe	Asia	Total
1. Overseas sales	35,687	19,140	10,284	65,112
2. Consolidated net sales				172,113
3. Percentage of overseas sales to consolidated net sales (%)	20.7%	11.1%	6.0	37.8%

Notes: 1. Overseas sales represent those of the Company and the consolidated subsidiaries to countries and areas outside of Japan.
2. Classification of countries or areas is based on geographical proximity.
3. 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, India, Indonesia, Taiwan and Thailand

(Lease Transactions)

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

	Previous period	Current period
Acquisition price equivalent	3,894 mil.yen	2,694 mil.yen
Accumulated depreciation equivalent	2,569	1,883
Book value equivalent	1,324	810
Lease commitments		
Due within one year	523 mil.yen	525 mil.yen
Due after over one year	630	656
Total	1,154	1,181
Lease payments	585 mil.yen	605 mil.yen
Depreciation equivalent	503 mil.yen	561 mil.yen
Interest expense equivalent	49 mil.yen	46 mil.yen

Method of calculation of depreciation equivalent

For the tangible fixed assets, ten ninths 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.

(Tax-effect accounting)

1. Major components of deferred tax assets and liabilities

	Previous period (as of March 31, 2007)		Current period (as of March 31, 2008)	
Deferred tax assets (current)				
Elimination of unrealized profits	717	mil. yen	986	mil. yen
Accrued enterprise tax	618		170	
Allowances for bonus payables	592		621	
Allowances for loss on clearance of business	791		791	
Accounts receivable	202		196	
Allowance for doubtful accounts	143		164	
Tax loss carryforwards	108		46	
Others	30		210	
Subtotal	3,206		3,187	
Allowance account	(153)		(273)	
Gross deferred tax assets (current)	3,053		2,914	
Offset with deferred tax liabilities (current)	(19)		(12)	
Net deferred tax assets (current)	3,033		2,902	
Deferred tax liabilities (current)				
Reserve for special depreciation	17	mil. yen	11	mil. yen
Others	2		0	
Gross deferred tax liabilities (current)	19		12	
Offset with deferred tax assets (current)	(19)		(12)	
Net deferred tax liabilities (current)	-		-	
Deferred tax assets (fixed)				
Impairment loss	848	mil. yen	846	mil. yen
Valuation difference of land	149		149	
Allowance for doubtful accounts	962		1,011	
Accrued pension and severance cost	1,009		837	
Accrued severance indemnity for directors and corporate auditors	-		284	
Disallowed loss from bad debt	117		117	
Tax loss carryforwards	2,358		3,133	
Others	61		168	
Subtotal	5,507		6,548	
Allowance account	(2,391)		(3,210)	
Gross deferred tax assets (fixed)	3,116		3,337	
Offset with deferred tax liabilities (fixed)	(3,054)		(3,178)	
Net deferred tax assets (fixed)	61		159	
Deferred tax liabilities (fixed)				
Valuation differences of other securities	20,403	mil. yen	12,941	mil. yen
Others	68		70	
Gross deferred tax liabilities (fixed)	20,471		13,011	
Offset with deferred tax assets (fixed)	(3,054)		(3,178)	
Net deferred tax liabilities (fixed)	17,417		9,833	

2. Reconciliation of the difference between statutory tax rate and effective tax rate after adoption of tax-effect accounting

	Previous period (as of March 31, 2007)		Current period (as of March 31, 2008)	
Statutory tax rate	40.5	%	40.5	%
(Adjustments)				
Permanently disallowed items such as entertainment expenses	2.3		2.9	
Permanently non-taxable items such as dividends received	(0.6)		(1.4)	
Unrecognized tax benefits of loss-making subsidiaries	4.6		10.9	
Per capita charges of inhabitants taxes	0.8		1.3	
Unrecognized tax benefits of equity in loss (profit) of affiliate	1.9		(0.1)	
Tax credits on research and development expenses, etc.	(2.0)		(5.1)	
Utilization of tax loss carryforwards	(0.8)		(2.0)	
Others	2.0		(1.1)	
Effective tax rate after adoption of tax-effect accounting	48.8		45.9	

(Securities)

1) Other securities with market quotations

(Unit: Millions of yen)

Classification	Previous period (as of March 31, 2007)			Current period (as of March 31, 2008)		
	Acquisition cost	Carrying value on consolidated B/S	Difference	Acquisition cost	Carrying value on consolidated B/S	Difference
Securities whose carrying value exceeds their acquisition cost						
Stock	22,958	72,386	49,428	22,937	54,240	31,302
Bonds	-	-	-	-	-	-
Others	60	81	20	-	-	-
Subtotal	23,018	72,467	49,448	22,937	54,240	31,302
Securities whose carrying value do not exceed their acquisition cost						
Stock	309	279	(29)	1,335	1,043	(291)
Bonds	-	-	-	-	-	-
Others	-	-	-	60	59	(1)
Subtotal	309	279	(29)	1,395	1,103	(292)
Total	23,328	72,746	49,418	24,333	55,343	31,010

(Note) Impairment loss is not recorded on the other securities with market quotations for the previous consolidated accounting period and the current consolidated accounting period.
Impairment loss is recorded on the securities whose fair values at the end of the consolidated accounting period have declined by more than 50%, unless the values are reasonably considered to be recoverable.

2. Other securities sold during the previous and current periods

(Unit: Millions of yen)

Previous period (From April 1, 2006 To March 31, 2007)			Current period (From April 1, 2007 To March 31, 2008)		
Sales proceeds	Total gains	Total losses	Sales proceeds	Total gains	Total losses
24	-	3	-	-	-

3. Securities that do not have market quotations

(Unit: Millions of yen)

	Previous period (as of March 31, 2007) Carrying value on Consolidated Balance Sheet	Current period (as of March 31, 2008) Carrying value on Consolidated Balance Sheet
Other securities		
Unlisted stock	1,175	1,173
Bonds	-	10
Stocks of subsidiaries and affiliates		
Stocks of unconsolidated subsidiaries	192	192
Stocks of affiliated companies	3,189	3,205
Total	4,557	4,581

(Employees Pension and Severance Benefits)

1. Outline of the adopted pension and severance benefit plan

The Company and its domestic consolidated subsidiaries have defined benefit plans, such as tax-qualified pension plan and lump-sum severance benefit plan, and certain domestic consolidated subsidiaries have defined contribution plans.
Certain foreign subsidiaries also have defined benefit plans and defined contribution plans, etc.

2. Matters related to pension and severance liabilities

	Previous period (as of March 31, 2007)	Current period (as of March 31,2008)
(1) Pension and severance liabilities	(7,749) mil.yen	(8,876) mil.yen
(2) Pension plan assets	6,538	6,991
(3) Unfunded pension and severance liabilities (1)+(2)	(1,210)	(1,884)
(4) Unrecognized actuarial differences	(1,353)	(173)
(5) Unrecognized past-service liabilities	-	(20)
(6) Net amount on the consolidated balance sheet (3)+(4)+(5)	(2,564)	(2,078)
(7) Prepaid pension cost	-	50
(8) Accrued pension and severance cost(6)-(7)	(2,564)	(2,128)

(Note) Certain subsidiaries adopt a simplified method in calculation of their pension and severance liabilities.

3. Matters related to pension and severance benefit expenses

	Previous period (From April 1, 2006 To March 31, 2007)	Current period From April 1, 2007) To March 31, 2008)
(1) Service cost	585 mil. yen	586 mil. yen
(2) Interest cost	204	208
(3) Expected return on plan assets	(98)	(123)
(4) Amortization of actuarial differences	(166)	(262)
(5) Amortization of past-service liabilities	-	(3)
(6) Others (Contribution to defined contribution plan)	-	32
(7) Others (Retirement allowance)	-	36
(8) Pension and severance benefit expenses (1)+(2)+(3)+(4)+(5)+(6)+(7)	524	474

(Note) Pension and severance benefit expenses of consolidated subsidiaries that adopt a simplified method are included in “(1) Service cost”.

4. Matters related to the basis of calculations of pension and severance liabilities, etc.

	Previous period (as of March 31, 2007)	Current period (as of March 31, 2008)
(1) Method of allocating expected pension and severance benefits to reporting periods	Fixed base for period	Fixed base for period
(2) Discount rate	Mainly 2.5%	Mainly 2.5%
(3) Expected rate of return on plan assets	1.5%	Mainly 1.5%
(4) Amortization period of past-service liabilities	-	Mainly 5 years by straight-line method
(5) Amortization period of actuarial differences	5 years by straight-line method from the following accounting period after the year of recognition of difference	Mainly 5 years by straight-line method from the following accounting period after the year of recognition of difference

(Per share information)

	Previous period (From April 1, 2006 To March 31, 2007)	Previous period (From April 1, 2007 To March 31, 2008)
Net assets per share	1,979.21 yen	1,861.79 yen
Earnings per share	134.71 yen Diluted earning per share is not presented because there is no potential stock which could have a dilutive effect.	70.17 yen Diluted earning per share is not presented because there is no potential stock which could have a dilutive effect.

(Notes) Basis of computation

1. Net assets per share

	Previous period As of March 31, 2007	Current period As of March 31, 2008
Total net assets in B/S (million yen)	127,020	119,544
Amount to be deducted from total net assets in B/S (Million yen) Minority interests	1,369	1,388
Net assets related to the common stocks(million yen)	125,651	118,155
Common stocks issued (Thousands shares)	63,878	63,878
Treasury stocks of common stock (Thousands shares)	393	415
Number of common stocks(thousand shares) utilized for computation of net assets per share	63,485	63,463

2. Earnings per share

	Previous period (From April 1, 2006 To March 31, 2007)	Previous period (From April 1, 2007 To March 31, 2008)
Net income (Million yen)	8,555	4,454
Amount not attributed to the common stock (Million yen)	-	-
Net income related to the common stock (Million yen)	8,555	4,454
Average shares of the common stock during the period (Thousands shares)	63,507	63,472
Overview of the potential shares not included in the computation of diluted earning share because of not having a dilutive effect	Sort of potential shares: Stock acquisition right Number of potential shares: 2,800 units	Sort of potential shares: Stock acquisition right Number of potential shares: 2,800 units

(Production, Orders received and Sales)

1. Production

(Unit: Millions of yen)

Business segment	Previous period (From April 1, 2006 To March 31, 2007)		Current period (From April 1, 2007 To March 31, 2008)	
	Amount produced	Ratio of change from the previous period (%)	Amount produced	Ratio of change from the previous period (%)
Medical Equipment	73,011	11.5	84,389	15.6
Pharmaceutical	41,744	16.4	47,814	14.5
Glass & Materials	3,253	(4.8)	2,689	(17.3)
Other	700	(23.3)	1,354	93.5
Total	118,709	12.4	136,247	14.8

Notes: 1. Amounts produced are calculated based on average selling prices.
2. The above amounts are after eliminations of the inter-segment 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

(Unit: Millions of yen)

Business segment	Previous period (From April 1, 2006 To March 31, 2007)		Current period (From April 1, 2007 To March 31, 2008)	
	Amount sold	Ratio of change from the previous period (%)	Amount sold	Ratio of change from the previous period (%)
Medical Equipment	97,300	7.1	111,084	14.2
Pharmaceutical	42,152	19.7	48,753	15.7
Glass & Materials	12,918	8.3	11,437	(11.5)
Store	30,973	(54.0)	-	-
Other	1,017	(33.0)	837	(17.7)
Total	184,362	(10.9)	172,113	(6.6)

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

Balance Sheets

(Unit: Millions of yen)

Account \ Period	Previous Period (as of March 31, 2007) Amount	Ratio	Current Period (as of March 31, 2008) Amount	Ratio	Change in amount
(ASSETS)		%		%	
Current Assets	116,129	37.9	121,234	39.1	5,104
Cash on hand and in banks	37,437		35,857		(1,579)
Trade notes receivable	13,722		11,518		(2,204)
Accounts receivable	36,090		39,921		3,830
Merchandise and finished products	17,074		18,801		1,727
Raw materials and supplies	2,848		3,487		638
Work in process	1,669		2,108		438
Prepaid expenses	303		209		(93)
Deferred tax assets	1,914		1,477		(436)
Short-term loan receivables from subsidiaries	2,344		4,289		1,945
Other receivables	1,280		1,663		383
Other current assets	1,481		1,954		472
Allowance for doubtful accounts	(38)		(56)		(18)
Fixed Assets	190,218	62.1	188,629	60.9	(1,589)
Tangible fixed assets	37,482	12.2	44,176	14.3	6,694
Buildings	10,619		13,624		3,005
Structures	361		424		62
Machinery	10,871		13,866		2,995
Vehicles	14		11		(3)
Tools and equipments	2,104		2,063		(41)
Land	11,225		11,430		205
Construction in progress	2,285		2,755		470
Intangible fixed assets	278	0.1	342	0.1	64
Software	176		274		97
Others	101		68		(33)
Investments and other assets	152,457	49.8	144,109	46.5	(8,348)
Investment securities	69,161		52,919		(16,242)
Stocks of related companies	48,433		57,046		8,613
Investments other than stock in related companies	9,482		11,485		2,002
Long-term loans receivable	294		222		(71)
Long-term loans receivable from subsidiaries	22,292		20,355		(1,937)
Long-term prepaid expenses	1,523		1,210		(312)
Lease deposits	4,624		4,259		(364)
Other assets	761		732		(29)
Allowance for doubtful accounts	(2,563)		(2,569)		(6)
Allowance for investment loss	(1,553)		(1,553)		-
Total Assets	306,347	100.0	309,863	100.0	3,515

Balance Sheets

(Unit: Millions of yen)

Account / Period	Previous Period (as of March 31, 2007) Amount	Ratio	Current Period (as of March 31, 2008) Amount	Ratio	Change in amount
(LIABILITIES)		%		%	
Current liabilities	86,253	28.1	83,580	27.0	(2,673)
Trade notes payable	16,941		15,893		(1,047)
Trade accounts payable	13,242		13,881		638
Short-term borrowings	18,600		18,400		(200)
Current portion of bonds	-		15,000		15,000
Current portion of long-term borrowings	19,613		11,498		(8,115)
Other payables	3,819		2,551		(1,268)
Accrued expenses	538		766		228
Accrued income taxes	7,500		600		(6,900)
Amounts withheld for income taxes, etc.	58		70		11
Allowance for bonuses payables	850		776		(74)
Allowance for bonuses payables for directors and corporate auditors	229		70		(158)
Allowance for loss on clearance of business	1,954		1,954		-
Notes payable for plant and equipment	737		1,842		1,105
Other current liabilities	2,168		275		(1,892)
Fixed liabilities	86,325	28.2	102,109	32.9	15,783
Bonds	31,000		36,000		5,000
Convertible-bond-type bonds with stock acquisition rights	14,000		14,000		-
Long-term borrowings	23,926		41,576		17,650
Deferred tax liabilities	14,645		7,529		(7,116)
Accrued pension and severance cost	1,543		1,095		(447)
Accrued severance indemnity for directors and corporate auditors	-		488		488
Allowance for loss on lawsuit	-		170		170
Lease deposits received	1,210		1,249		39
Total liabilities	172,579	56.3	185,690	59.9	13,110
(Net Assets)		%		%	
Shareholders' equity	106,937	34.9	107,608	34.7	670
Capital	28,663	9.3	28,663	9.2	-
Capital surplus	29,973	9.8	29,975	9.7	2
Capital reserve	29,972		29,972		-
Other capital surplus	1		3		2
Earned surplus	49,042	16.0	49,764	16.1	722
Revenue reserve	1,196		1,196		-
Other revenue reserve					
Reserve for dividends	16		16		-
Reserve for special depreciation	66		41		(25)
Special reserve	39,735		44,935		5,200
Retained earnings	8,028		3,576		(4,452)
Treasury stock	(741)	(0.2)	(794)	(0.3)	(53)
Valuation and translation difference	26,830	8.8	16,564	5.4	(10,266)
Valuation differences of other securities	26,830		16,564		(10,266)
Total Net Assets	133,768	43.7	124,172	40.1	(9,595)
Total liabilities and net assets	306,347	100.0	309,863	100.0	3,515

Statements of Income

(Unit: Millions of yen)

Account \ Period	Previous Period (From April 1, 2006 To March 31, 2007)		Current Period (From April 1, 2007 To March 31, 2008)		Change in amount	Ratio of change
	Amount	Ratio	Amount	Ratio		
		%		%		
Net sales	127,407	100.0	135,035	100.0	7,628	6.0
Cost of goods sold	96,439	75.7	101,889	75.5	5,450	5.7
Gross profit	30,968	24.3	33,145	24.5	2,177	7.0
Selling, general and administrative expenses	20,271	15.9	20,872	15.4	600	3.0
Operating income	10,696	8.4	12,273	9.1	1,576	14.7
Non-operating income	1,544	1.2	1,576	1.2	32	2.1
Interest income	578		658		80	
Dividend income	537		611		74	
Exchange gain	343		-		(343)	
Others	85		306		221	
Non-operating expenses	1,209	0.9	5,231	3.9	4,021	332.5
Interest expenses	526		836		310	
Interest on bonds	648		612		(36)	
Issuance expense for bonds	-		120		120	
Exchange loss	-		3,527		3,527	
Others	34		134		99	
Recurring income	11,031	8.7	8,618	6.4	(2,413)	(21.9)
Extraordinary gains	14,273	11.2	954	0.7	(13,318)	
Gains on sales of fixed assets	8		2		(6)	
Governmental subsidies	661		859		197	
Gain on sale of securities in affiliates	13,588		-		(13,588)	
Adjustments to the prior year's results	-		41		41	
Gain on compensation for loss	-		44		44	
Others	14		6		(7)	
Extraordinary losses	7,998	6.3	1,941	1.4	(6,057)	
Losses on sales and disposals of fixed assets	176		368		192	
Impairment loss on fixed assets	384		-		(384)	
Allowance for loss on clearance of business	1,954		-		(1,954)	
Loss on investment securities	268		-		(268)	
Loss on devaluation of investment in affiliates	700		-		(700)	
Allowance for investment loss on affiliated companies	1,553		-		(1,553)	
Advanced depreciation on fixed assets	650		842		191	
Allowance for doubtful debts	2,200		-		(2,200)	
Allowance for loss on lawsuit	-		170		170	
Allowance for accrued severance indemnity for directors and corporate auditors in prior years	-		471		471	
Abnormal manufacturing cost	-		44		44	
Others	110		43		(66)	
Net income before income taxes	17,306	13.6	7,632	5.7	(9,674)	(55.9)
Corporate, inhabitants and enterprise taxes	9,310	7.3	2,474	1.9	(6,835)	
Adjustment for deferred taxes	(2,424)	(1.9)	308	0.2	2,733	
Net income	10,420	8.2	4,848	3.6	(5,572)	(53.5)

(3) Statement of Shareholders' Equity

Previous period (From April 1, 2006 to March 31, 2007)

	Shareholders' equity											
	Capital	Capital surplus			Earned surplus						Treasury stock	Total shareholders' equity
		Capital reserve	Other capital surplus	Total capital surplus	Revenue reserve	Reserve for dividends	Reserve for special depreciation	Voluntary reserve	Retained earnings	Total Earned surplus		
Balance at March 31, 2006	28,663	29,972	-	29,972	1,196	16	145	37,135	4,315	42,808	(648)	100,794
Increase (decrease) during the period												
Dividend of surplus									(4,096)	(4,096)		(4,096)
Bonuses to directors and corporate auditors									(89)	(89)		(89)
Net income									10,420	10,420		10,420
Reversal of reserve for special depreciation							(78)		78	-		-
Addition to voluntary reserve								2,600	(2,600)	-		-
Acquisition of treasury stock											(101)	(101)
Disposal of treasury stock			1	1							9	10
Increase (decrease) of the items other than shareholders' equity during the period												
Net increase (decrease) during the period	-	-	1	1	-	-	(78)	2,600	3,712	6,234	(92)	6,143
Balance at March 31, 2007	28,663	29,972	1	29,973	1,196	16	66	39,735	8,028	49,042	(741)	106,937

	Valuation and translation differences		Total net assets
	Valuation differences of other securities	Total valuation and translation differences	
Balance at March 31, 2006	22,186	22,186	122,981
Increase (decrease) during the period			
Dividend of surplus			(4,096)
Bonuses to directors and corporate auditors			(89)
Net income			10,420
Reversal of reserve for special depreciation			-
Addition to voluntary reserve			-
Acquisition of treasury stock			(101)
Disposal of treasury stock			10
Increase (decrease) of the items other than shareholders' equity during the period	4,644	4,644	4,644
Net increase (decrease) during the period	4,644	4,644	10,787
Balance at March 31, 2007	26,830	26,830	133,768

Current period (From April 1, 2007 to March 31, 2008)

	Shareholders' equity											
	Capital	Capital surplus			Earned surplus						Treasury stock	Total shareholders' equity
		Capital reserve	Other capital surplus	Total capital surplus	Revenue reserve	Reserve for dividends	Reserve for special depreciation	Voluntary reserve	Retained earnings	Total Earned surplus		
Balance at March 31, 2007	28,663	29,972	1	29,973	1,196	16	66	39,735	8,028	49,042	(741)	106,937
Increase (decrease) during the period												
Dividend of surplus									(4,126)	(4,126)		(4,126)
Net income									4,848	4,848		4,848
Reversal of reserve for special depreciation							(25)		25	-		-
Addition to voluntary reserve								5,200	(5,200)	-		-
Acquisition of treasury stock											(64)	(64)
Disposal of treasury stock			2	2							10	13
Increase (decrease) of the items other than shareholders' equity during the period												
Net increase (decrease) during the period	-	-	2	2	-	-	(25)	5,200	(4,452)	722	(53)	670
Balance at March 31, 2008	28,663	29,972	3	29,975	1,196	16	41	44,935	3,576	49,764	(794)	107,608

	Valuation and translation differences		Total net assets
	Valuation differences of other securities	Total valuation and translation differences	
Balance at March 31, 2007	26,830	26,830	133,768
Increase (decrease) during the period			
Dividend of surplus			(4,126)
Net income			4,848
Reversal of reserve for special depreciation			-
Addition to voluntary reserve			-
Acquisition of treasury stock			(64)
Disposal of treasury stock			13
Increase (decrease) of the items other than shareholders' equity during the period	(10,266)	(10,266)	(10,266)
Net increase (decrease) during the period	(10,266)	(10,266)	(9,595)
Balance at March 31, 2008	16,564	16,564	124,172

(4) Significant Accounting Principles

1) Valuation standards and methods for 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

2) Valuation standards and methods for inventories

Merchandises, finished products and work in process	Valued at cost by the weighted average method
Raw materials and supplies	Valued at cost by the first-in first-out method

3) Method of depreciation and amortization for fixed 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).
Long-term prepaid expenses	Straight-line method

4) Standards for recognition of 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 collectability.
Allowance for investment loss	In order to cover the probable losses on investment to the affiliates, an allowance for loss is provided for the estimated amount considering the business results and assets situation.
Allowance for bonuses payables	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 current accounting period.
Allowance for bonuses payables for directors and corporate auditors	In order to cover the payment of bonuses to directors and corporate auditors, an allowance is provided for the estimated amount of bonuses to be paid, prorated for the current accounting period.
Allowance for loss on clearance of business	In connection with withdrawal from retail business which we sold the shares of the subsidiaries, the estimated loss at the end of the current accounting period is posted for disposal of land, building and other properties to be sold accordingly.
Accrued pension and	

severance cost ················ An allowance is provided for employee's pension and severance payments based on the estimated amounts of projected benefit obligation and plan assets at the end of the current accounting period.

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

Accrued severance indemnity for directors and corporate auditors...... An allowance is provided for severance indemnity for directors and corporate auditors based on the amounts to be paid at the end of the current accounting period based on the internal regulation of the company.

Allowance for loss on lawsuit............................ In order to cover the probable losses on lawsuit, an allowance for loss is provided for the estimated amount acceptable as needed.

6) 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.

7) Other significant basis on preparation for financial statements

Consumption Taxes

Consumption taxes are excluded from revenues and expenses accounts.

(5) Significant change in accounting method

(Change in Accounting Method)

1) Change in depreciation method of tangible fixed assets

Revised the corporate income tax law (Law for revision of a part of income tax law and related law, published on March 30, 2007, and Government ordinance for revision of a part of the enforcement ordinance of the corporate income tax law, published on March 30, 2007, the enforcement ordinance no.83), we have changed the depreciation method according to the method of the revised corporate income tax law for tangible fixed assets acquired on or after April 1, 2007, from the current accounting period. As a result, gross profit decreased 205 million yen, operating income, recurring income and net income before adjustment of taxes decreased 276 million yen, comparing with the computation by the previous method.

2) Standard for recognition of accrued severance indemnity for directors and corporate auditors

Severance cost for directors and corporate auditors had been processed as expense when it was paid. However, we have adopted, since the current accounting period, "Treatment on audit concerning reserves based on the special taxation measures law and reserves or provisions based on special laws" (Japan Institute Certified Public Accountants, published on April 13, 2007, Audit, assurance practice committee report No.42) to change into the method as providing accrued severance indemnity for directors and corporate auditors at the end of the current accounting period, based on the internal regulation of the companies. As a result, selling, general and administrative expenses increased 17 million yen, operating income and recurring income decreased the same amount, and net income before adjustment of taxes decreased 488 million yen, comparing with the computation by the previous method.

(Additional information)

Change in depreciation method for tangible fixed assets

Revised the corporate income tax law(Law for revision of a part of income tax law and related law, published on March 30, 2007, and Government ordinance for revision of a part of the enforcement ordinance of the corporate income tax law, published on March 30, 2007, the enforcement ordinance no.83), we have depreciated, included in cost of goods sold and selling, general and administrative expenses, the difference between 5% equivalent amount of acquisition cost of tangible fixed assets and its memorandum value for 5 years from next consolidated accounting period to consolidated accounting period when reached to 5% of its acquisition cost which was depreciated by application of the corporate income tax before the revision since the current accounting period. As a result, gross profit decreased 124 million yen, operating income, recurring income and net income before adjustment of taxes decreased 154 million yen, comparing with the computation by the previous method.

(6) Notes to the Financial Statements

(Balance Sheet)

	(Previous period)	(Current period)
1. Accumulated depreciation of tangible fixed assets	50,142 mil. yen	53,805 mil. yen
2. Balances with related companies		
Short-term receivables	19,006 mil. yen	24,022 mil. yen
Long-term receivables	22,292	20,355
Short-term payables	12,488	10,881
3. Pledged assets		
Buildings	4,936 mil. yen	3,805 mil. yen
Land	2,685	1,265
4. Obligations under guarantee contracts	7,825 mil. yen	7,495 mil. yen
5. Notes receivable discounted	24 mil. yen	18 mil. yen

6. Accounting processing for matured bill on last day of accounting period

Matured bill on last day was processed on traded date of bill. Accordingly, because the last day of the previous accounting period was on holiday of financial institute, matured bill on the last day was included in following accounts.

	(Previous period)	(Current period)
Trade notes receivable	753 mil. yen	- mil. yen
Trade notes payable	1,471 mil. yen	- mil. yen
Notes payable for plant and equipment	23 mil.yen	- mil. yen

(Statement of Income)

	(Previous Period)	(Current Period)
1. Amounts of transactions with related companies		
Sales	26,879 mil. yen	31,687 mil. yen
Purchases	35,180	37,685
Other operational transactions	169	217
Non-operational transactions	692	638
2. Research and development expenses included in selling, general and administrative expenses and manufacturing cost	3,370 mil. yen	4,234 mil. yen

(Notes to the Statement of Shareholders' equity)

Previous period (From April 1, 2006 to March 31, 2007)

Sort and numbers of Treasury stock

Sort of shares	Number of shares As of March 31, 2007	Increased numbers	Decreased numbers	Number of shares As of March 31, 2008
Common stock	349,589	48,487	5,009	393,067

(Note) 1. The increased numbers are of purchase of shares which number is less than unit amount.
2. The decreased numbers are of selling of shares which number is less than unit amount.

Current period (From April 1, 2007 to March 31, 2008)

Sort and numbers of Treasury stock

Sort of shares	Number of shares As of March 31, 2007	Increased numbers	Decreased numbers	Number of shares As of March 31, 2008
Common stock	393,067	27,655	5,685	415,037

(Note) 1. The increased numbers are of purchase of shares which number is less than unit amount.
2. The decreased numbers are of selling of shares which number is less than unit amount.

(Lease Transactions)

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

	(Previous period)	(Current period)
Acquisition price equivalent	858 mil. yen	1,051 mil. yen
Accumulated depreciation equivalent	553	642
Book value equivalent	305	408
Lease commitments		
Due within one year	168 mil. yen	209 mil. yen
Due after over one year	254	351
Total	422	560
Lease payments	208 mil. yen	240 mil. yen
Depreciation equivalent	188	260
Interest expense equivalent	10	15

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 March 31, 2007 and 2008, there was no stock issued by subsidiaries or affiliated companies that have market quotations.

(Net Sales by Division and Proportion to the Total)

(Millions of yen)

Division / Period	Previous Period (From April 1, 2006 To March 31, 2007)		Current Period (From April 1, 2007 To March 31, 2008)		Change in Amount	Ratio of change
	Amount	Proportion	Amount	Proportion		
		%		%		%
Medical Equipment division	92,557	72.6	100,904	74.7	8,347	9.0
Pharmaceutical division	19,154	15.0	19,496	14.4	341	1.8
Glass & Materials division	14,084	11.1	12,543	9.3	(1,540)	(10.9)
Other	1,611	1.3	2,091	1.6	479	29.8
Total	127,407	100.0	135,035	100.0	7,628	6.0
[including Exports]	[49,422]	38.8	[55,675]	41.2	[6,252]	12.7

(Tax-effect accounting)

1. Major components of deferred tax assets and liabilities

	Previous period(as of March 31, 2007)		Current period(as of March 31, 2008)	
Deferred tax assets (current)				
Accrued enterprise tax	587	mil. yen	101	mil. yen
Allowances for bonus payables	344		314	
Allowances for loss on clearance of business	791		791	
Accounts receivable	202		196	
Others	5		85	
Gross deferred tax assets (current)	1,931		1488	
Offset with deferred tax liabilities (current)	(17)		(11)	
Net deferred tax assets (current)	1,914		1,477	
Deferred tax liabilities (current)				
Reserve for special depreciation	17	mil. yen	11	mil. yen
Gross deferred tax liabilities (current)	17		11	
Offset with deferred tax assets (current)	(17)		(11)	
Net deferred tax liabilities (current)	-		-	
Deferred tax assets (fixed)				
Impairment loss	848	mil. yen	830	mil. yen
Valuation difference of land	149		149	
Devaluation of investment to affiliates	283		283	
Allowance for doubtful accounts	958		1,007	
Allowance for loss on investment	629		629	
Accrued pension and severance cost	624		443	
Accrued severance indemnity for directors and corporate auditors	-		197	
Loss from bad debt	117		117	
Others	34		102	
Gross deferred tax assets (fixed)	3,645		3,761	
Offset with deferred tax liabilities (fixed)	(3,645)		(3,761)	
Net deferred tax assets (fixed)	-		-	
Deferred tax liabilities (fixed)				
Reserve for special depreciation	27	mil. yen	16	mil. yen
Valuation differences of other securities	18,263		11,274	
Gross deferred tax liabilities (fixed)	18,290		11,291	
Offset with deferred tax assets (fixed)	(3,645)		(3,761)	
Net deferred tax liabilities (fixed)	14,645		7,529	

2. Reconciliation of the difference between statutory tax rate and effective tax rate after adoption of tax-effect accounting

	Previous period(as of March 31, 2007)	Current period(as of March 31, 2008)	
Statutory tax rate		40.5	%
(Adjustments)			
Permanently disallowed items such as entertainment expenses		2.2	
Permanently non-taxable items such as dividends received		(1.3)	
Per capita charges of inhabitant taxes		0.9	
Tax credits on research and development expenses, etc.		(4.9)	
Others		(0.9)	
Effective tax rate after adoption of tax-effect accounting	(Note)	36.5	

(Note) The note is omitted, because the difference between statutory tax rate and effective tax rate after adoption of tax-effect accounting is less than 5% of statutory tax rate.

6. Changes in Directors and Statutory Auditors

(1) Change in representative of the company

N/A

(2) Change in other directors or statutory auditors

1) Candidate for director to be newly assigned (Scheduled assignment date: June 26, 2008)
Director, general manager of product development and marketing of domestic division
Toshiaki Masuda
2) Candidate for director to be promoted (Scheduled assignment date: June 26, 2008)
Managing Director, general manager of international division
Kazuo Wakatsuki
3) Candidate for statutory auditors to be newly assigned (Scheduled assignment date: June 26, 2008)
Standing statutory auditor Takayuki Nomiya
Statutory auditor (*) Kiyoshi Kase
(Note *) Mr. Kiyoshi Kase is a candidate for external statutory auditor stipulated in article 2, no.16 in the Company code.
4) Candidate for spare statutory auditors (Scheduled assignment date: June 26, 2008)
Spare statutory auditor (*) Kazumichi Irie
(Note *) Mr. Kazumichi Irie is a candidate for external statutory auditor stipulated in article 2, no.16 in the Company code.
5) Director to resign (Scheduled resigning date: June 26, 2008)
Managing director, general manager of international division
Seiya Ishida (to be assigned to advisor on the same date)
6) Statutory auditors to resign (Scheduled resigning date: June 26, 2008)
Standing statutory auditor Hiroshi Kobayashi
Statutory auditor (*) Shuichi Tsuzuki