

Summary Report of Consolidated Financial Results

For the Six Months Period ended September 30, 2008 (Year ending March 31, 2009)



November 11, 2008

Company name: **NIPRO CORPORATION**

TSE/OSE-1st section

Code No.8086

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

Representative: Minoru Sano, President and Representative Director

Contact: Akihiko Yamabe, Director, General Manager of Accounting & Corporate Planning Division

Scheduled date of quarterly annual report filing: November 14, 2008

TEL: (06) 6372-2331

(Note: Amounts are truncated to one million yen)

1. Financial results for the six months ended September 30, 2008.(From April 1, 2008 to September 30, 2008)

(1) Consolidated Results of Operations (Note: The % displays show increase/decrease ratio against the same period of the previous year.)

	Net Sales		Operating Income		Recurring Income		Net(Quarter) Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
6 months ended Sep. 30,2008	86,575	-	6,952	-	6,937	-	3,402	-
6 months ended Sep. 30,2007	84,288	(15.9)	7,432	(25.1)	6,537	34.2	3,328	(17.1)

	Earnings per Share	Diluted Earnings per Share
6 months ended Sep. 30,2008	53.61 Yen	- Yen
6 months ended Sep. 30,2007	52.44	-

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
6 months ended Sep. 30,2008	330,939	111,961	33.4	1,740.99
Year ended March 31,2008	349,302	119,544	33.8	1,861.79

(Notes) Shareholders' equity 6 months ended Sep. 30, 2008 110,453 million yen, Year ended March 31, 2008 118,155 million yen

2. Dividends

(Basis date)	Dividends per share				
	End of 1st Quarter	End of 2nd Quarter	End of 3rd Quarter	Year end	Year Total
	yen	yen	yen	yen	yen
Year ended March 31,2008	-	28.00	-	9.50	37.50
Year ending March 31,2009	-	32.00	----	----	----
Year ending March 31,2009(Projection)	----	----	----	17.00	49.00

(Notes) Revision of projected total annual dividends: Yes

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

(Note: % shows increase/decrease ratio against March 31, 2008)

	Net Sales		Operating Income		Recurring Income		Net Income		Earnings Per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Year ending March 31,2009	184,000	6.9	12,800	(6.4)	11,200	15.8	6,100	37.0	96.10

(Notes) Revision of projected consolidated financial results for the year ending March 31, 2009: None

4. Others

- (1) Change in significant subsidiaries during the period ended Sep. 30, 2008(Resulting in a change in scope of consolidation): None
- (2) Adoption of accounting treatments simplified and unique for preparation of quarterly consolidated financial statements: Yes
(Note) Further detail information can be found in page 4. [Qualitative information, financial reports and others]
- (3) Change in policies and procedures for accounting treatment of preparation of quarterly consolidated financial reports (to be stipulated in significant matters for preparation of quarterly consolidated financial reports): Yes
[1] Change for revision of accounting standards: Yes [2] Change for other than [1]: Yes
(Note) Further detail information can be found in page 4. [Qualitative information, financial reports and others]
- (4) Issued shares (Common stock)

[1] Number of issued shares at end of the period	6 months ended Sep. 30,2008	Year ended March 31, 2008
	63,878,505 shares	63,878,505 shares
[2] Number of treasury stock at end of the period	6 months ended Sep. 30,2008	Year ended March 31, 2008
	435,516 shares	415,037 shares
[3] Number of average shares during the period	6 months ended Sep. 30,2008	6 months ended Sep. 30,2007
	63,458,025 shares	63,479,014 shares

*Disclaimer for appropriate use of forecasted financial results, and other special notes

1. The projection figures shown above are based on information that was available at the time of preparation and, therefore, 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 on page 4. [Qualitative information, financial reports and others]
4. Qualitative information on the projected consolidated financial results.
2. We have adopted "Accounting standards for quarterly financial reporting"(Accounting Standards Board of Japan(ASBJ), statement No.12, issued on March 14, 2007) and "Implementation guidance of accounting standards for quarterly financial reporting"(ASBJ guidance No.14, issued on March 14, 2007) " from this consolidated accounting period as well as prepared the quarterly consolidated financial reports in conformity with "Quarterly consolidated financial reporting regulation(Cabinet decree No.64 of year 2007).

1. Qualitative information on the consolidated results of operation

In the current second quarter period, the situation of world economy, including Asia, has decelerated by confusion of financial market in the United States. Also in Japanese economy, as the price appreciation of oil and raw material and the continuation of strong yen rate and weak U.S. dollars rate have generally given worry about business recession mind, the business circumstance around our group has still remained severe condition.

Under such situation, we have continuously promoted to develop innovative medical equipment in the fields of artificial organs and regenerative medicines as well as reinforced injection drug and oral drug business to expand business contents and to enhance revenues.

The overviews of the results by segment are as follows.

<Medical equipment division>

In the domestic business, prescription price and government-fixed reimbursement price for specific insured medical materials were largely lowered by revision of medical treatment fees effective as of April this year. Thus, our business environment remained very severe due to expansion of facilities having introduced the prescription system to reimburse comprehensively for acute stage inpatient which is called as DPC (Diagnosis Procedure Combination) and rise of prices such as raw material and freight.

Under such circumstances, we have promoted active market development, enhancing selling efficiency, enlarging line up of main products to show a good growth in product categories as dialysis-related products, diabetes-related products and injection-and-infusion-related products.

In the international business, we have enlarged selling entities and expanded the sales of dialysis-related-products such as dialyzer, blood tubing set, new type safety arteriovenous fistula needles, diabetes-related-products and oxygenator to show good growth in quantity, however, sluggish growth in amount affected by fluctuation of strong yen rate against weak dollar.

As a result, net sales of this division increased 0.8% from the same period of the previous year to 54,603 million yen.

<Pharmaceutical division>

In the Pharmaceutical division, although the environment of market remained very severe due to the governmental measures to suppress medicine costs by revision of the prescriptions prices and increase of facilities to introduce DPC system and the intensive price competitions against products by competitors, our generic drugs with high quality and reasonable price showed a good growth thanks to governmental measures to promote sales of generic drugs which have focused on our unique products such as powdered dialysate solution, kit product of substitution fluid for hemofiltration and hemodiafiltration, antibiotic agents by "liquid-and-powder" double-bag kits, pre-filled syringe kits and injectables in plastic-ampoules. Also we marked good results in the contract manufacturing business thanks to our own diverse technology and production ability.

As a result, net sales of this division increased 8.7% from the same period of the previous year to 26,525 million yen.

<Glass & Materials division>

In the field of glass for pharmaceutical purposes, sales of glass tubes for ampoule were sluggish due to decrease of demands in the domestic market, however, sales of glass for tube bottle increased mainly in products for pharmaceuticals, as well as products for laboratory and general use resulted in good order.

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 the domestic demand, however, sales of glass for lighting purpose largely decreased for application to the requirements for cost reduction of backlight for Liquid Cristal Display panel and weak sales in flat-screen television market. The materials other than glass showed sluggish 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 5.3% from the same period of the previous year to 5,080 million yen.

<Other division>

Net sales of this division, consisting mainly of sales of machine for manufacture of medical equipment and real estate rentals, increased 11.0% from the same period of the previous year to 366 million yen.

As a result, net sales for the six months ended September 30, 2008 was 86,575 million yen, increased by 2.7% from the same period of the previous year. As for profits, operating income decreased 6.5% from the same period of the previous year to 6,952 million yen due to the increase of selling, general and administrative expenses, while recurring income increased 6.1% from the same period of the previous year to 6,937 million yen due to the increase of non-operating income such as foreign exchange gain, and net quarter income increased 2.2% from the same period of the previous year to 3,402 million yen.

Please note that we disclosed the information of comparison with the same period of the previous year in qualitative information as a reference.

2. Qualitative information on the consolidated financial position

Total assets at end of September 30, 2008 decreased 18,362 million yen to 330,939 million yen from end of the previous period. Current assets decreased 5,920 million yen and fixed assets decreased 12,442 million yen from end of the previous period. Current assets decreased mainly due to the decrease of 758 million yen in the cash on hand in banks and fixed assets decreased mainly due to the decrease of 11,468 million yen in investment securities.

Total liabilities decreased 10,780 million yen to 218,978 million yen from end of the previous period. Current liabilities decreased 4,616 million yen and fixed liabilities decreased 6,163 million yen from end of the previous period. Current liabilities decreased mainly due to decrease of 7,010 million yen in current portion of bonds and fixed liabilities decreased mainly due to decrease of bonds and deferred tax liabilities.

Net assets amounted to 111,961 million yen, where shareholders' equity increased 2,845 million yen and valuation and translation difference decreased 10,547 million yen, from end of the previous period.

3. Qualitative information on the state of the consolidated cash flow

(Cash flows from operating activities)

Net cash provided by operating activities amounted to 8,098 million yen. The main accounts of inflow were net income before adjustment of taxes, 6,439 million yen, depreciation and amortization, 8,177 million yen and the main accounts of outflow were increase in trade receivables, 4,964 million yen, increase in inventories, 3,557 million yen.

(Cash flow from investing activities)

Net cash used in investing activity amounted to 9,613 million yen. The main account of outflow was payments for acquisition of fixed assets, 11,907 million yen.

(Cash flow from financing activities)

Net cash used in financing activities amounted to 6,459 million yen. The main accounts of outflow were redemption of bonds, 10,130 million yen and repayment of long-term borrowings, 7,431 million yen.

4. Qualitative information on the projected consolidated financial results

The world economy in future is still becoming more unpredictable as the business condition in the United States has retreated and European economy is not expected for improvement of its economical deceleration. It, also in Japanese economy, would make concern of decrease in corporate revenues by high raw material prices and strong yen rate, and escalation of further competitions among enterprises, where very severe business circumstance are to be prospective. We, however, continuously endeavor to enlarge our selling foundation and promote active business expansion as well as to enhance our business performance more by providing high quality and reasonable price products.

Thus, we will not change the figures of the projected consolidated financial results for the year ending March 31, 2009 (From April 1, 2008 to March 31, 2009) announced on May 19, 2008, focusing on continuous business expansion and strengthening of foundation.

5. Others

(1) Change in significant subsidiaries during six months ended September 30, 2008 (Resulting in a change in scope of consolidation)

N/A

(2) Adoption of accounting treatments simplified and unique for preparation of quarterly consolidated financial reports

[1] Simplified accounting treatments

1) Calculation of estimated impairment for general receivables.

As it is accepted that there is no significant change between the actual rate or index of bad debts accrual calculated at end of the current quarterly consolidated accounting period and at end of the previous consolidated accounting year, the later rate or index was utilized for estimation of impairment of general receivables.

2) Deferred tax assets and liabilities

As it is accepted that there is no significant change in the situation of accrued temporary differences from the end of the previous consolidated accounting year, same tax planning as used in the end of the previous consolidated accounting year for judgment of collect ability of deferred tax assets was utilized.

[2] Unique accounting treatment for preparation of quarterly consolidated financial reports

N/A

(3) Change in policies, procedures and presentation for accounting treatment of preparation of quarterly consolidated financial reports

[1] Adaptation of accounting standards for quarterly financial reporting

We have adopted the "Accounting standards for quarterly financial reporting" (Accounting Standards Board of Japan (hereafter called ASBJ), Statement No.12, issued on March 14, 2007) and the "Implementation guidance of accounting standards for quarterly financial reporting" (ASBJ guidance No.14, issued on March 14, 2007)" from this consolidated accounting period. We have prepared the quarterly consolidated financial reports in conformity with the "Quarterly consolidated financial reporting regulation (Cabinet decree No.64 of year 2007).

[2] Application of accounting standards for measurement of inventories

We have adopted the “Accounting standards for measurement of inventories”(ASBJ, Statement No.9, issued on July 5, 2006) from the current 1st quarter consolidated accounting period and the basis of measurement has been changed from cost method to writing down method below cost to the net selling value for decreased profitability. As a result, gross profit, operating profit and recurring profit, increased 26 million yen and net income before adjustment of taxes decreased 203 million yen, comparing with the computation by the previous method.

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

[3] Application of practical solution on unification of accounting policies applied to foreign subsidiaries for consolidated financial statements

We have adopted the “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (ASBJ Practical Issues Task Force No. 18) from the current 1st quarter consolidated accounting period to make necessary adjustments on consolidation closing process. As a result, gross profit increased 12 million yen, operating profit increased 1 million yen, recurring income decreased 25 million yen and net income before adjustment of taxes decreased 76 million yen.

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

[4] Application of accounting standard for lease transaction

We have adopted, in advance, the “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13, issued on June 7, 1993, ultimate revision on March 30, 2007) and the “Guidance on Accounting Standard for Lease Transactions” (ASBJ Guidance No.16, issued on January 18, 1994, ultimate revision on March 30, 2007) from the current 1st quarter consolidated accounting period to change the treatment of finance lease transaction that does not transfer ownership from the one similar to an ordinary rental transaction to the one similar to ordinary sale and purchase transaction, to be an assets under finance lease.

As for the method of depreciation of the assets under finance lease, its useful lives are equals to the lease term and the residual values are equal to zero.

However, we still have adopted the similar manner to an ordinary rental transaction for the finance lease transactions that do not transfer ownership and the starting dates of the lease transactions were before 1st April 2008. No affection against profit and loss will be given by the change.

(Additional information)

Change in useful life of tangible fixed assets

Nipro Corporation and its domestic subsidiary companies have changed the useful lives of machinery from the current 1st quarter consolidated accounting period according to the revision of the domestic corporate income tax law. As a result, gross profit and operating profit decreased 701 million yen, recurring income and net income before adjustment of taxes decreased 685 million yen, comparing with the computation by the previous useful lives.

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

5. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets at end of September 30, 2008

(Note: Amounts are truncated to one million yen)

	As of September 30, 2008	As of March 31, 2008
(ASSETS)		
Current Assets	<u>156,826</u>	<u>162,746</u>
Cash on hand and in banks	41,960	49,469
Trade notes and accounts receivable	54,307	53,507
Merchandise and finished goods	35,714	34,120
Work in process	6,289	4,810
Raw materials and supplies	9,041	9,146
Deferred tax assets	3,147	2,902
Other current assets	6,893	9,264
Allowance for doubtful accounts	(529)	(473)
Fixed Assets	<u>174,113</u>	<u>186,555</u>
Tangible fixed assets	<u>118,566</u>	<u>118,811</u>
Buildings and structures	44,849	45,414
Machinery and vehicles	34,924	37,780
Land	19,450	19,412
Construction in progress	14,674	11,220
Others	4,667	4,983
Intangible fixed assets	<u>2,922</u>	<u>3,163</u>
Goodwill	1,266	1,425
Others	1,655	1,737
Investments and other assets	<u>52,624</u>	<u>64,580</u>
Investment securities	48,456	59,925
Long-term loans receivable	224	223
Deferred tax assets	100	159
Lease deposits	4,363	4,466
Other assets	2,404	2,779
Allowance for doubtful accounts	(2,925)	(2,972)
Total Assets	330,939	349,302

(Note: Amounts are truncated to one million yen)

	As of September 30, 2008	As of March 31, 2008
(LIABILITIES)		
Current liabilities	<u>104,218</u>	<u>108,835</u>
Trade notes and accounts payable	29,801	30,008
Short-term borrowings	45,816	43,234
Current portion of bonds	8,140	15,150
Other payables	4,386	5,388
Accrued income taxes	3,282	2,226
Allowance for bonuses payable	1,653	1,528
Allowance for bonuses payable for directors and corporate auditors	1	75
Allowance for loss on clearance of business	1,954	1,954
Notes payable for plant and equipment	3,393	5,225
Others	5,788	4,043
Fixed liabilities	<u>114,760</u>	<u>120,923</u>
Bonds	33,180	36,300
Convertible bond type bonds with stock acquisition rights	14,000	14,000
Long-term borrowings	58,095	56,405
Deferred tax liabilities	5,203	9,833
Accrued pension and severance cost	2,022	2,128
Accrued severance indemnity for directors and corporate auditors	610	700
Allowance for loss on lawsuit	170	170
Other fixed liabilities	1,478	1,385
Total liabilities	218,978	229,758
(Net Assets)		
Shareholders' Equity	<u>100,165</u>	<u>97,320</u>
Capital	28,663	28,663
Capital surplus	29,975	29,975
Earned surplus	42,359	39,476
Treasury stock	(832)	(794)
Valuation and translation differences	<u>10,288</u>	<u>20,835</u>
Valuation differences of other securities	12,102	18,947
Foreign currency translation adjustments	(1,814)	(1,887)
Minority interests	<u>1,507</u>	<u>1,388</u>
Total Net Assets	111,961	119,544
Total Liabilities and Net Assets	330,939	349,302

(2) Quarterly Consolidated Statements of Income for the Six Months Period ended September 30, 2008 (Year ending March 31, 2009)

(Note: Amounts are truncated to one million yen)

Account	Current Period (From April 1, 2008 To September 30, 2008)
Net sales	86,575
Cost of goods sold	61,707
Gross profit	24,867
Selling, general and administrative expenses	17,914
Operating income	6,952
Non-operating income	<u>1,342</u>
Interest income	229
Dividend income	392
Exchange gain	385
Equity in profit of affiliate	18
Others	315
Non-operating expenses	<u>1,357</u>
Interest expenses	1,133
Depreciation	174
Others	49
Recurring income	6,937
Extraordinary gains	<u>317</u>
Gain on sale of fixed assets	269
Others	48
Extraordinary losses	<u>816</u>
Loss on sale and disposal of fixed assets	65
Impairment loss on fixed assets	130
Abnormal manufacturing cost	135
Loss on devaluation of inventories	229
Others	254
Net(Quarter) income before adjustment of taxes	6,439
Corporate, inhabitants and enterprise taxes	3,072
Adjustment for deferred taxes	(152)
Minority shareholders' share in net income of consolidated subsidiaries	116
Net(Quarter) income	3,402

(4) Quarterly Consolidated Statements of Cash Flow

(Note: Amounts are truncated to one million yen)

	Current Period (From April 1, 2008 To September 30, 2008)
Cash flows from operating activities	
Net income before adjustment for taxes	6,439
Depreciation and amortization	8,177
Impairment loss on fixed assets	130
Amortization of goodwill	174
Equity in loss(gain) of affiliate	(18)
Increase (decrease) in allowance for doubtful accounts	35
Interest and dividend income	(622)
Interest expenses	1,133
Exchange loss (gain)	285
Decrease (increase) in trade receivables	(4,964)
Decrease (increase) in inventories	(3,557)
Increase (decrease) in trade payables	3,527
Decrease (increase) in other assets	(283)
Increase (decrease) in other liabilities	(84)
Other non-operating income/expenses and extraordinary gains/losses	(216)
Subtotal	<u>10,154</u>
Interest and dividends received	601
Interest paid	(1,277)
Other revenues	185
Other expenditures	(61)
Income taxes paid	<u>(1,504)</u>
Cash flows from operating activities	8,098
Cash flows from investing activities	
Deposits in time deposits	(1,261)
Proceeds from matured time deposits	1,120
Payments for purchases of securities	(1)
Payments for acquisition of fixed assets	(11,907)
Proceeds from sales of fixed assets	352
Proceeds from governmental subsidies on investment to plant	1,838
Decrease(increase) in short-term lending	195
Collections of loans receivable	47
Revenues from other investments	1
Cash flows from investing activities	<u>(9,613)</u>
Cash flows from financing activities	
Net increase (decrease) in short-term borrowings	900
Proceeds from long-term borrowings	10,850
Repayment of long-term borrowings	(7,431)
Payments for redemption of bonds	(10,130)
Proceeds from issuance of shares for minority interests	9
Net decrease(increase) in treasury stock	(37)
Repayments of finance lease obligations	(19)
Payments for dividends	(600)
Other payments	(0)
Cash flows from financing activities	<u>(6,459)</u>
Effect of exchange rate changes on cash and cash equivalents	(460)
Increase (decrease) in cash and cash equivalents	<u>(8,435)</u>
Balance of cash and cash equivalents at the beginning of the period	47,656
Increase in cash and cash equivalents due to inclusion of new subsidiary in consolidation	808
Balance of cash and cash equivalents at the end of the period	<u>40,030</u>

We have adopted the “Accounting standards for quarterly financial reporting” (Accounting Standards Board of Japan (hereafter called ASBJ), Statement No.12, issued on March 14, 2007) and the “Implementation guidance of accounting standards for quarterly financial reporting” (ASBJ guidance No.14, issued on March 14, 2007)” from this consolidated accounting period. We have prepared the quarterly consolidated financial reports in conformity with the “Quarterly consolidated financial reporting regulation (Cabinet decree No.64 of year 2007).

(4) Notes related to going concern
N/A

(5) Segment information

[1] Segment information by business category

Current period (From April 1, 2008 to September 30, 2008) (Note: Amounts are truncated to one million yen)

	Medical Equipment	Pharmaceutical	Glass & Materials	Other	Total	Eliminations /Corporate	Consolidated
Net sales							
(1)Sales to third parties	54,603	26,525	5,080	366	86,575	-	86,575
(2)Inter-segment sales and transfers	-	0	1,620	39	1,660	(1,660)	-
Total	54,603	26,525	6,700	406	88,235	(1,660)	86,575
Operating income(loss)	7,308	2,175	953	11	10,449	(3,496)	6,952

(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 categories 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.
Other	Machinery for manufacture of medical equipment and real estate rental income, etc.

2. As described in “Change in policies, procedures and presentation for accounting treatment of preparation of quarterly consolidated financial reports” [2], we have adopted the “Accounting standards for measurement of inventories” from the current 1st quarter consolidated accounting period and the basis of measurement has been changed from cost method to writing down method below cost to the net selling value for decreased profitability. As a result, operating profit in “Medical Equipment” and “Pharmaceutical” increased 1 million yen and 24 million yen respectively, comparing with the computation by the previous method.

3. As described in “Change in policies, procedures and presentation for accounting treatment of preparation of quarterly consolidated financial reports” [3], we have adopted the “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” from the current 1st quarter consolidated accounting period to make necessary adjustments on consolidation. As a result, operating profit in “Medical Equipment” increased 1 million yen, comparing with the computation by the previous method.

4. As described in “Change in policies, procedures and presentation for accounting treatment of preparation of quarterly consolidated financial reports” (Additional information), Nipro Corporation and its domestic subsidiary companies have changed the useful lives of machinery from the current 1st quarter consolidated accounting period according to the revision of corporate income tax law. As a result, operating profit in “Medical Equipment”, “Glass and Material”, “Others” and “Eliminations/Corporate” decreased 862 million yen, 19 million yen, 0 million yen, and 0 million yen, respectively, while in “Pharmaceutical” increased 181 million yen, comparing with the computation by the previous useful lives.

[2] Segment information by geographical area

Current period (From April 1, 2008 to September 30, 2008) (Note: Amounts are truncated to one million yen)

	Japan	America	Europe	Asia	Total	Eliminations /Corporate	Consolidated
Net sales							
(1)Sales to third parties	68,100	8,746	5,976	3,751	86,575	-	86,575
(2)Inter-segment sales and transfers	15,423	483	1	7,186	23,094	(23,094)	-
Total	83,524	9,229	5,977	10,938	109,669	(23,094)	86,575
Operating income(loss)	10,652	(602)	(14)	571	10,607	(3,654)	6,952

(Notes) 1. As described in “Change in policies, procedures and presentation for accounting treatment of preparation of quarterly consolidated financial reports” [2], we have adopted the “Accounting standards for measurement of inventories” from the current 1st quarter consolidated accounting period and the basis of measurement has been changed from cost method to writing down method below cost to the net selling value for decreased profitability. As a result, operating profit in “Japan” increased 26 million yen, comparing with the computation by the previous method.

2. As described in “Change in policies, procedures and presentation for accounting treatment of preparation of quarterly consolidated financial reports” [3], we have adopted the “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” from the current 1st quarter consolidated accounting period to make necessary adjustments on consolidation. As a result, operating profit in “America” and “Asia” decreased 10 million yen and 2 million yen, respectively, while in “Europe” increased 13 million yen, comparing with the computation by the previous method.

3. As described in “Change in policies, procedures and presentation for accounting treatment of preparation of quarterly consolidated financial reports” (Additional information), Nipro Corporation and its domestic subsidiary companies have changed the useful lives of machinery from the current 1st quarter consolidated accounting period according to the revision of corporate income tax law. As a result, operating profit in “Japan”, and “Eliminations/Corporate” decreased 700 million yen and 0 million yen, respectively, comparing with the computation by the previous useful lives.

4. Classification of countries or areas is based on geographical proximity.

5. 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

Current period (From April 1, 2008 to September 30, 2008) (Note: Amounts are truncated to one million yen)

	America	Europe	Asia	Total
1. Overseas sales	15,381	9,610	5,214	30,206
2. Consolidated net sales				86,575
3. Percentage of overseas sales to consolidated net sales (%)	17.8%	11.1%	6.0%	34.9%

(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

(6) Notes to Statements of Shareholders' Equity, if having significant variation.

N/A

[Reference Information]

Quarterly Consolidated Financial Reports for 2nd quarter of previous consolidation accounting period

(1) Interim Consolidated Statements of Income for the Six Months Period ended September 30, 2007 (Year ended March 31, 2008)

(Note: Amounts are truncated to one million yen)

Account	Previous Period (From April 1, 2007 To September 30, 2007)
Net sales	84,288
Cost of goods sold	59,839
Gross profit	24,448
Selling, general and administrative expenses	17,015
Operating income	7,432
Non-operating income	<u>827</u>
Interest income	210
Dividend income	313
Others	303
Non-operating expenses	<u>1,723</u>
Interest expenses	888
Exchange loss	148
Depreciation	167
Equity in loss of affiliate	397
Others	122
Recurring income	6,537
Extraordinary gains	<u>283</u>
Gain on sale of fixed assets	16
Life insurance income	191
Others	76
Extraordinary losses	<u>803</u>
Loss on sale and disposal of fixed assets	122
Loss on disposal of inventories	31
Abnormal manufacturing cost	64
Allowance for accrued severance indemnity for directors and corporate auditors in prior year	471
Others	112
Net(Quarter) income before adjustment of taxes	6,017
Corporate, inhabitants and enterprise taxes	2,692
Adjustment for deferred taxes	(29)
Minority shareholders' share in net income of consolidated subsidiaries	26
Net(Quarter) income	3,328

(2) Interim Consolidated Statements of Cash Flow

(Note: Amounts are truncated to one million yen)

	Previous Period (From April 1, 2007 To September 30, 2007)
Cash flows from operating activities	
Net income before adjustment for taxes	6,017
Depreciation and amortization	6,871
Amortization of goodwill	106
Equity in loss(gain) of affiliate	397
Increase (decrease) in allowance for doubtful accounts	3
Interest and dividend income	(524)
Interest expenses	888
Exchange loss (gain)	(198)
Decrease (increase) in trade receivables	(1,985)
Decrease (increase) in inventories	(3,824)
Increase (decrease) in trade payables	2,623
Decrease (increase) in other assets	202
Increase (decrease) in other liabilities	(1,109)
Other non-operating income/expenses and extraordinary gains/losses	(104)
Subtotal	<u>9,365</u>
Interest and dividends received	546
Interest paid	(861)
Other revenues	674
Other expenditures	(208)
Income taxes paid	<u>(7,586)</u>
Cash flows from operating activities	1,931
Cash flows from investing activities	
Deposits in time deposits	(1,307)
Proceeds from matured time deposits	1,399
Payments for purchases of securities	(1,014)
Payments for acquisition of shares with change in scope of consolidated subsidiary	(2,479)
Payments for acquisition of fixed assets	(11,951)
Proceeds from sales of fixed assets	56
Decrease(increase) in short-term lending	(490)
Collections of loans receivable	29
Payments for other investments	(1)
Revenues from other investments	21
Cash flows from investing activities	<u>(15,737)</u>
Cash flows from financing activities	
Net increase (decrease) in short-term borrowings	776
Proceeds from long-term borrowings	8,633
Repayment of long-term borrowings	(6,507)
Payments for redemption of bonds	(30)
Proceeds from issuance of shares	3
Proceeds from disposal of treasury stock	8
Payments for acquisition of treasury stock	(42)
Repayments of finance lease obligations	(14)
Payments for dividends	(2,345)
Other payments	<u>(14)</u>
Cash flows from financing activities	467
Effect of exchange rate changes on cash and cash equivalents	<u>347</u>
Increase (decrease) in cash and cash equivalents	(12,991)
Balance of cash and cash equivalents at the beginning of the period	<u>46,109</u>
Balance of cash and cash equivalents at the end of the period	<u>33,118</u>

(3) Segment information

[1] Segment information by business category

Previous period (From April 1, 2007 to September 30, 2007) (Note: Amounts are truncated to one million yen)

	Medical Equipment	Pharmaceutical	Glass & Materials	Other	Total	Eliminations /Corporate	Consolidated
Net sales							
(1)Sales to third parties	54,196	24,396	5,365	330	84,288	-	84,288
(2)Inter-segment sales and transfers	-	-	1,635	35	1,670	(1,670)	-
Total	54,196	24,396	7,000	365	85,959	(1,670)	84,288
Operating income(loss)	8,331	1,896	854	1	11,083	(3,651)	7,432

[2] Segment information by geographical area

Previous period (From April 1, 2007 to September 30, 2007) (Note: Amounts are truncated to one million yen)

	Japan	America	Europe	Asia	Total	Eliminations /Corporate	Consolidated
Net sales							
(1)Sales to third parties	66,818	9,864	4,455	3,149	84,288	-	84,288
(2)Inter-segment sales and transfers	13,914	604	5	6,829	21,354	(21,354)	-
Total	80,733	10,468	4,461	9,978	105,642	(21,354)	84,288
Operating income(loss)	11,608	(568)	231	415	11,687	(4,254)	7,432

[3] Overseas Sales

Previous period (From April 1, 2007 to September 30, 2007) (Note: Amounts are truncated to one million yen)

	America	Europe	Asia	Total
1. Overseas sales	17,429	9,426	4,945	31,801
2. Consolidated net sales				84,288
3. Percentage of overseas sales to consolidated net sales (%)	20.7%	11.2%	5.8%	37.7%