

# Summary Report of Consolidated Financial Results

For the Three Months Period ended June 30, 2009 (Year ending March 31, 2010)



August 11, 2009

Company name: **NIPRO CORPORATION**

TSE/OSE-1st section

Code No.8086 URL: <http://www.nipro.co.jp/>

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Filing date of quarterly reporting: August 14 2009

Payment date of cash dividends: -

(Note: Amounts are truncated to one million yen)

## 1. Financial results for the three months ended June 30, 2009.(From April 1, 2009 to June 30, 2009)

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

	Net Sales		Operating Income		Ordinary Income		Net(Quarter) Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
3 months ended June 30, 2009	43,620	2.6	4,056	16.9	3,121	(39.5)	1,322	(51.6)
3 months ended June 30, 2008	42,525	-	3,469	-	5,163	-	2,734	-

	Earnings per Share	Diluted Earnings per Share
3 months ended June 30, 2009	20.85 Yen	- Yen
3 months ended June 30, 2008	43.10	-

## (2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
3 months ended June 30, 2009	336,463	107,730	31.5	1,672.70
Year ended March 31, 2009	330,640	96,560	28.7	1,498.47

(Note) Shareholders' equity 3 months ended June 30, 2009 106,091 million yen, Year ended March 31, 2009 95,049 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, 2009	-	32.00	-	0.00	32.00
Year ending March 31, 2010	-	-----	-----	-----	-----
Year ending March 31, 2010(Forecast)	-----	21.50	-	27.00	48.50

(Note) Revisions to the forecast of cash dividends in the current quarter: None

## 3. Forecast of Consolidated Financial Results for the Year ending March 31, 2010 (From April 1, 2009 to March 31, 2010)

(Note: The % displays in the line of 6 months ending September 30, 2009 shows increase/decrease ratio against the 6 months ended September 30, 2008. The % displays in the line of year ending March 31, 2010 shows increase/decrease ratio against the year ended 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
6 months ending September 30,2009	87,300	0.8	6,400	(8.0)	5,200	(25.0)	2,250	(33.9)	35.46
Year ending March 31, 2010	180,000	2.3	15,000	1.5	13,000	31.4	6,050	33.5	95.35

(Notes) Revisions to the forecast of consolidated financial results in the current quarter : None

#### 4. Others

(1) Changes in significant subsidiaries during the current period

(Changes in specified subsidiaries that caused a change in the scope of consolidation: None

(2) Adoption of accounting treatments simplified and unique for preparation of quarterly consolidated financial statements: Yes

(Note) For more details please see page 5. [Qualitative information, financial reports and others] 4. Other.

(3) Changes in accounting principles, procedures and disclosure for quarterly consolidated financial reports (to be stipulated in significant matters for preparation of quarterly consolidated financial reports):

[1] Changes by a newly issued accounting pronouncement: No

[2] Changes other than [1]: No

(4) Issued shares (Common stock)

[1] Number of issued shares at end of the period (including treasury stock)	3 months ended June 30,2009 63,878,505 shares	Year ended March 31, 2009 63,878,505 shares
[2] Number of treasury stock at end of the period	3 months ended June 30,2009 453,280 shares	Year ended March 31, 2009 447,874 shares
[3] Number of average shares during the period (Quarter to date)	3 months ended June 30,2009 63,429,209 shares	3 months ended June 30,2008 63,462,347 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 5. [Qualitative information, financial reports and others] 3. Qualitative information concerning forecast of consolidated financial results.

## 1. Qualitative information concerning consolidated financial results

There were signs that recession in the world economy made worse by turmoil in the financial markets was ending in this fiscal quarter, meanwhile in Japan, the business environment remained more severe due to the decrease in export, the drop in capital investment and slowdown in personal consumption.

Under such situation, we have promoted to develop advanced medical equipment and expand the pharmaceutical business so as to improve business performance.

Therefore, the consolidated sales in this quarter increased 2.6% compared with the same quarter a year ago to the 43,620 million yen.

As for the profit, operating income increased 16.9% to the 4,056 million yen in this quarter compared with the same quarter a year ago, due to the decrease in selling, general and administrative expenses. Ordinary income decreased 39.5% to 3,121 million yen due to the changes in exchange rate and net income decreased 51.6% to 1,322 million yen.

The overviews of the results by segment in this fiscal quarter are as follows.

### <Medical equipment division>

As for the domestic sales of medical equipment division, more and more hospitals have begun to introduce Diagnostic Procedure Combination system (hereinafter referred to as "DPC") which is a comprehensive reimbursement system of medical cost for acute stage inpatient. Managerial environment for Medical institutions becomes more severe though the direct impacts of financial crisis have not been represented on, as loss-making hospitals have increased and public hospitals have begun to consolidate.

Under such circumstances, we showed consistent growth in each field of medical-equipment-related products like dialysis system, examine-related products like blood collection tube, products related to ventricular assist device, vascular-related products like PTCA balloon catheters, and injection and infusion-related products such as safety-use product, by mean of more active sales promotion and improvement in sales efficiency.

In the international business, on the other hand, under the appreciation of the yen against the dollar since last year, we have thoroughly reduced inventory and cut costs so as to improve the profitability. By products, the business for artificial organ like dialyzer has grown up due to the efficiency improvement in foreign sales base, and the business for injection and infusion-related products has decreased according to the effect of discontinued sale of some products though the sale of devices for diabetics and safety-device-related products have grown up steadily.

As a result, net sales of this division increased 3.3% from the same period a year ago to 27,093 million yen.

### <Pharmaceutical division>

In the Pharmaceutical division, we advanced the sales of characteristics drugs and medicines, thanks to the policies for the popularization of generic products under the aging of the population and the increase of the establishments introducing DPC. As a result, we steadily raised the sales of liquid-and-powder double-bag kits, injectable drug such as plastic-ampoules, and oral drug such as orally disintegrating tablets and extended-release tablets, as well as dialysis-related products such as kit product of substitution fluid for hemofiltration and hemodiafiltration.

In the contract manufacturing business, we built up the structure which enables us to stably supply the high-quality products as the largest contract manufacturer group of pharmaceutical products in Japan, by means of expanding the production capacity such as a new plant for Transdermal Therapeutic Systems, advancing the contract manufacturing business with major pharmaceutical companies.

As a result, net sales of this division increased 4.9% from the same period a year ago to 14,225 million yen.

<Glass & Materials division>

In the field of glass for pharmaceutical purposes, the sales of glass tubes for ampoules and glass for tubes and bottles decreased due to the downturn in domestic market. In the field of other glass & materials products, the export of glass for vacuum bottles mainly to Middle East Market decreased due to the worldwide economic stagnation. The sales of lighting glass were affected by the inventory adjustment in automobile-related industries, the sales of products related to backlight for LCD also decreased sharply due to the poor sales of flat-screen TV. As for the products other than glasses products, though the sales of health food products did well, other sales remained poor due to the stagnant consumption.

As a result, net sales of this division decreased 20.1% from the same period a year ago to 2,052 million yen.

<Other division>

Net sales of other division, consisting mainly of sales of machines for manufacture of medical equipment and real estate rentals, increased 63.1% from the same period a year ago to 249 million yen.

## 2. Qualitative information on the consolidated financial position

### (1) Condition of the assets, liabilities and net assets

Total assets at end of this quarter period increased 5,823 million yen to 336,463 million yen from end of the previous period. Current assets decreased 5,296 million yen and non-current assets increased 11,119 million yen from end of the previous period. Current assets decreased mainly due to the decrease of 6,629 million yen in the cash and deposits and non-current assets increased mainly due to the increase of 9,948 million yen in investment securities.

Total liabilities decreased 5,347 million yen to 228,733 million yen from end of the previous period. Current liabilities decreased 6,399 million yen and non-current liabilities increased 1,051 million yen from end of the previous period. Current liabilities decreased mainly due to the decrease of 9,968 million yen in notes payable-facilities and non-current liabilities increased mainly due to the increase of 4,183 million yen in deferred tax liabilities.

Net assets increased 11,170 million yen to 107,730 million yen. Shareholders' equity increased 1,313 million yen and valuation and translation adjustments increased 9,728 million yen, from end of the previous period.

### (2) Condition of the consolidated Cash flows

Cash and cash equivalents (hereinafter referred to as "net cash") at the end of this quarter period decreased 5,830 million yen to 39,522 million yen from the end of the previous period.

#### (Cash flows from operating activities)

Net cash provided by operating activities amounted to 5,333 million yen. The main accounts of inflow were quarterly income before income taxes and minority interests, 2,821 million yen, depreciation and amortization, 4,076 million yen and the main accounts of outflow were increase in notes and accounts receivable-trade, 3,567 million yen, amount of payment for income tax, 1,847 million yen.

#### (Cash flows from investing activities)

Net cash used in investing activity amounted to 13,003 million yen. The main account of outflow was purchase of non-current assets, 14,772 million yen.

#### (Cash flows from financing activities)

Net cash provided by financing activities amounted to 2,211 million yen. The main accounts of inflow were net increase in short-term loans payable, 6,589 million yen and the main account of outflow was repayment of long-term loans payable, 4,818 million yen.

### 3. Qualitative information concerning forecast of consolidated financial results

The world economic future still shows no visible signs of recovering, while there are increasing concerns over the appreciation of the yen against the dollar and increasing raw price due to the high price of crude oil in the domestic economy, the business environment is expected to remain more severe for a while.

Under such circumstances, we will strive to improve production efficiency continuously and establish low-cost structure as well as aggressively develop new business field and maintain the business infrastructure strong enough to cope with the severe business environment and improve business performance furthermore.

The forecast of consolidated financial results for the fiscal year 2009(April 1, 2009 through March 31, 2010) announced on May 15, 2009 has not been changed for now.

### 4. Other

#### (1) Changes in significant subsidiaries during the current period

(Changes in specified subsidiaries that caused a change in the scope of consolidation)

N/A

#### (2) Simplified accounting procedures and accounting procedures specific to quarterly consolidated financial statements

##### [1] Simplified accounting procedures

##### 1) Calculation of estimated impairment for general receivables.

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

##### 2) Measurement for inventory

As for the inventory amount at the end of the current quarterly consolidated accounting period, actual stock counting procedure was omitted and the inventory amount was calculated by the reasonable method based on the actual stock balance at the end of the previous consolidated accounting year.

##### 3) Calculation method for depreciation of noncurrent assets

The noncurrent assets depreciated in declining balance method were calculated by prorating the depreciation amount in the consolidated accounting year.

##### 4) Deferred tax assets and liabilities

As for the judgment of collectability of deferred tax assets, the forecasted financial results and tax planning used in the end of the previous consolidated accounting year was utilized, as it was accepted that there was no significant change in the situation of accrued temporally differences from the end of the previous consolidated accounting year.

##### [2] Accounting procedures specific to quarterly consolidated financial statements

N/A

#### (3) Changes in accounting principles, procedures, and disclosure for quarterly consolidated financial statements

N/A

5. Quarterly Consolidated Financial Statements  
(1) [ Quarterly Consolidated Balance Sheets ]

(Amount: million yen)

	As of June 30, 2009	As of March 31, 2009
<b>Assets</b>		
Current assets		
Cash and deposits	42,571	49,200
Notes and accounts receivable-trade	53,176	50,947
Merchandise and finished goods	36,198	35,759
Work in process	6,379	6,410
Raw materials and supplies	9,405	8,944
Deferred tax assets	2,446	2,846
Other	5,850	7,167
Allowance for doubtful accounts	(458)	(410)
<b>Total current assets</b>	<b>155,568</b>	<b>160,865</b>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	102,122	101,361
Accumulated depreciation	(53,497)	(52,229)
Buildings and structures, net	48,624	49,131
Machinery, equipment and vehicles	110,092	107,843
Accumulated depreciation	(74,169)	(71,319)
Machinery, equipment and vehicles, net	35,922	36,524
Land	19,571	19,459
Lease Assets	255	93
Accumulated depreciation	(25)	(11)
Lease Assets, net	230	81
Construction in progress	18,971	16,847
Other	23,879	23,394
Accumulated depreciation	(19,259)	(18,699)
Other, net	4,620	4,694
<b>Total property, plant and equipment</b>	<b>127,940</b>	<b>126,739</b>
Intangible assets		
Goodwill	782	851
Lease Assets	43	-
Other	1,637	1,597
<b>Total intangible assets</b>	<b>2,463</b>	<b>2,448</b>
Investments and other assets		
Investment securities	46,818	36,869
Deferred tax assets	256	140
Guarantee deposits	4,184	4,229
Other	2,454	2,561
Allowance for doubtful accounts	(3,224)	(3,214)
<b>Total investments and other assets</b>	<b>50,490</b>	<b>40,587</b>
<b>Total noncurrent assets</b>	<b>180,894</b>	<b>169,775</b>
<b>Total assets</b>	<b>336,463</b>	<b>330,640</b>

(Amount: million yen)

	As of June 30, 2009	As of March 31, 2009
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	28,474	28,322
Short-term loans payable	53,872	48,179
Current portion of bonds	6,140	6,140
Lease obligation	111	72
Accounts payable-other	4,229	4,437
Income taxes payable	1,446	2,281
Provision for bonuses	940	1,615
Provision for directors' bonuses	30	3
Provision for loss on business liquidation	1,954	1,954
Notes payable-facilities	4,483	14,452
Other	6,712	7,336
Total current liabilities	108,396	114,795
Noncurrent liabilities		
Bonds payable	35,160	35,160
Convertible bond-type bonds with subscription rights to shares	14,000	14,000
Long-term loans payable	61,623	65,012
Lease obligation	234	92
Deferred tax liabilities	5,051	913
Provision for retirement benefits	2,015	1,888
Provision for directors' retirement benefits	642	631
Provision for loss on litigation	170	170
Other	1,439	1,416
Total noncurrent liabilities	120,336	119,284
Total liabilities	228,733	234,080
<b>Net assets</b>		
Shareholders' equity		
Capital stock	28,663	28,663
Capital surplus	29,972	29,973
Retained earnings	42,780	41,457
Treasury stock	(858)	(849)
Total shareholders' equity	100,558	99,244
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	11,174	4,998
Foreign currency translation adjustment	(5,641)	(9,193)
Total valuation and translation adjustments	5,533	(4,195)
Minority interests	1,639	1,511
Total net assets	107,730	96,560
Total liabilities and net assets	336,463	330,640

(2) [ Quarterly Consolidated Statements of Income ]  
 [ First quarter for the three months ended June 30, 2009 ]

(Amount: million yen)

	FY2008 1st Quarter (From April 1, 2008 to June 30, 2008)	FY2009 1st Quarter (From April 1, 2009 to June 30, 2009)
Net sales	42,525	43,620
Cost of sales	30,177	31,340
Gross profit	12,347	12,280
Selling, general and administrative expenses	8,878	8,224
Operating income	3,469	4,056
Non-operating income		
Interest income	104	55
Dividends income	375	304
Foreign exchange gains	1,682	-
Equity in earnings of affiliates	66	-
Other	140	129
Total non-operating income	2,369	489
Non-operating expenses		
Interest expenses	582	560
Depreciation	78	69
Foreign exchange losses	-	311
Equity in losses of affiliates	-	444
Other	14	37
Total non-operating expenses	675	1,423
Ordinary income	5,163	3,121
Extraordinary income		
Gain on sales of noncurrent assets	246	12
Gain from the prior-term adjustment	-	8
Other	45	4
Total extraordinary income	292	26
Extraordinary loss		
Loss on retirement of noncurrent assets	40	7
Impairment loss	129	-
Abnormal manufacturing cost	229	-
Loss on valuation of inventories	-	228
Other	193	89
Total extraordinary losses	592	326
Income before income taxes and minority interests	4,862	2,821
Income taxes-current	1,858	1,167
Income taxes-deferred	193	227
Total income taxes	2,052	1,395
Minority interests in income	75	103
Net income	2,734	1,322



## (3) [ Quarterly Consolidated Statements of Cash Flows ]

(Amount: million yen)

	FY2008 1st Quarter (From April 1, 2008 to June 30, 2008)	FY2009 1st Quarter (From April 1, 2009 to June 30, 2009)
<b>Net cash provided by (used in) operating activities</b>		
Income before income taxes and minority interests	4,862	2,821
Depreciation and amortization	4,019	4,076
Impairment loss	129	-
Amortization of goodwill	85	72
Equity in (earnings) losses of affiliates	(66)	444
Increase (decrease) in allowance for doubtful accounts	14	25
Interest and dividends income	(480)	(360)
Interest expenses	582	560
Foreign exchange losses (gains)	286	99
Decrease (increase) in notes and accounts receivable-trade	(3,591)	(3,567)
Decrease (increase) in inventories	(1,326)	(153)
Increase (decrease) in notes and accounts payable-trade	2,360	3,605
Decrease (increase) in other assets	196	579
Increase (decrease) in other liabilities	(221)	(1,155)
Other loss (gain)	(243)	27
Subtotal	6,607	7,078
Interest and dividends income received	463	441
Interest expenses paid	(486)	(420)
Other proceeds	85	139
Other payments	(28)	(57)
Income taxes paid	(1,180)	(1,847)
Net cash provided by (used in) operating activities	5,461	5,333
<b>Net cash provided by (used in) investment activities</b>		
Payments into time deposits	(178)	(318)
Proceeds from withdrawal of time deposits	178	1,170
Purchase of investment securities	0	0
Purchase of noncurrent assets	(6,250)	(14,772)
Proceeds from sales of noncurrent assets	252	27
Proceeds from governmental subsidies for investment in property and equipment	1,838	202
Decrease (increase) in short-term loans receivable	48	686
Collection of loans receivable	24	0
Other proceeds	1	2
Net cash provided by (used in) investment activities	(4,085)	(13,003)

(Amount: million yen)

	FY2008 1st Quarter (From April 1, 2008 to June 30, 2008)	FY2009 1st Quarter (From April 1, 2009 to June 30, 2009)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	3,984	6,589
Proceeds from long-term loans payable	1,800	500
Repayment of long-term loans payable	(3,963)	(4,818)
Redemption of bonds	(10,000)	-
Proceeds from stock issuance to minority shareholders	9	-
Decrease (increase) in treasury stock	(7)	(8)
Repayments of finance lease obligations	(6)	(25)
Cash dividends paid	(534)	(1)
Cash dividends paid for minority shareholders	-	(2)
Other payments	0	(21)
Net cash provided by (used in) financing activities	(8,718)	2,211
Effect of exchange rate change on cash and cash equivalents	(562)	(372)
Net increase (decrease) in cash and cash equivalents	(7,905)	(5,830)
Cash and cash equivalents at beginning of period	47,656	45,352
Increase in cash and cash equivalents from newly consolidated subsidiary	809	-
Cash and cash equivalents at end of period	40,560	39,522

(4) Notes related to going concern

N/A

(5) Segment information

[1] Segment information by business category

FY2008 1st Quarter (From April 1, 2008 to June 30, 2008)

(Amount: million yen)

	Medical Equipment	Pharmaceutical	Glass & Materials	Other	Total	Eliminations /Corporate	Consolidated
Net sales							
(1)Sales to third parties	26,240	13,564	2,568	152	42,525	-	42,525
(2)Inter-segment sales And transfers	-	0	796	18	815	(815)	-
Total	26,240	13,564	3,364	171	43,340	(815)	42,525
Operating income(loss)	3,561	1,213	455	30	5,260	(1,791)	3,469

FY2009 1st Quarter (From April 1, 2009 to June 30, 2009)

(Amount: million yen)

	Medical Equipment	Pharmaceutical	Glass & Materials	Other	Total	Eliminations /Corporate	Consolidated
Net sales							
(1)Sales to third parties	27,093	14,225	2,052	249	43,620	-	43,620
(2)Inter-segment sales and transfers	-	0	974	21	996	(996)	-
Total	27,093	14,225	3,027	270	44,617	(996)	43,620
Operating income(loss)	3,950	1,317	436	10	5,714	(1,658)	4,056

(Notes) 1. Classification of business categories and main products and commodities 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] Segment information by geographical area

FY2008 1st Quarter (From April 1, 2008 to June 30, 2008)

(Amount: million yen)

	Japan	America	Europe	Asia	Total	Eliminations /Corporate	Consolidated
Net sales							
(1)Sales to third parties	34,085	4,023	2,526	1,890	42,525	-	42,525
(2)Inter-segment sales and transfers	7,405	221	1	3,480	11,108	(11,108)	-
Total	41,490	4,245	2,527	5,370	53,633	(11,108)	42,525
Operating income(loss)	5,344	(325)	(11)	329	5,336	(1,866)	3,469

FY2009 1st Quarter (From April 1, 2009 to June 30, 2009)

(Amount: million yen)

	Japan	America	Europe	Asia	Total	Eliminations /Corporate	Consolidated
Net sales							
(1)Sales to third parties	34,526	4,503	2,995	1,594	43,620	-	43,620
(2)Inter-segment sales and transfers	6,587	203	0	3,743	10,543	(10,534)	-
Total	41,114	4,706	2,995	5,338	54,155	(10,534)	43,620
Operating income(loss)	5,403	(49)	36	600	5,990	(1,934)	4,056

(Notes)

1. Classification of countries or areas is based on geographical proximity.
2. The major countries included in each geographical area are as follows:
  - America..... The United States of America and Brazil
  - Europe..... Belgium
  - Asia..... China, Thailand and Singapore

[3] Overseas Sales

FY2008 1st Quarter (From April 1, 2008 to June 30, 2008) (Amount: million yen)

	America	Europe	Asia	Total
1. Overseas sales	7,372	4,473	2,380	14,226
2. Consolidated net sales				42,525
3. Percentage of overseas sales to consolidated net sales (%)	17.3%	10.5%	5.6%	33.4%

FY2009 1st Quarter (From April 1, 2009 to June 30, 2009) (Amount: million yen)

	America	Europe	Asia	Total
1. Overseas sales	7,275	4,914	2,383	14,573
2. Consolidated net sales				43,620
3. Percentage of overseas sales to consolidated net sales (%)	16.7%	11.3%	5.4%	33.4%

(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