

Summary Report of Consolidated Financial Results

For the Fiscal Year ended March 31, 2011



May 13, 2011

TSE/OSE-1st section

Company name: NIPRO CORPORATION

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

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Filing date of annual reporting: June 28, 2011

Preparation of supplemental material on financial results: Yes

Presentation on annual results: Yes (for institutional investors and analysts)

(Note: Amounts are truncated to one million yen)

1. Consolidated Results for the Year ended March 31, 2011 (From April 1, 2010 to March 31, 2011)

(1) Consolidated Results of Operations

(Note: % of change from previous fiscal year)

| | Net Sales | | Operating Income | | Ordinary Income | | Net Income | |
|---------------------------|-----------------|------|------------------|-------|-----------------|--------|-----------------|--------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Year ended March 31, 2011 | 195,942 | 10.2 | 17,225 | (4.8) | 13,371 | (10.3) | 2,455 | (66.1) |
| Year ended March 31, 2010 | 177,829 | 1.1 | 18,094 | 22.5 | 14,908 | 50.7 | 7,252 | 60.1 |

Note: Comprehensive income Year ended March 31, 2011: (4,442) million yen (-%) Year ended March 31, 2010: 20,986 million yen (-%)

| | Earnings per Share | Diluted Earnings per share | Ratio of Net Income to Shareholders' Equity | Ratio of Ordinary income to Total Assets | Ratio of Operating Income to Net Sales |
|---------------------------|--------------------|----------------------------|---|--|--|
| | Yen | Yen | % | % | % |
| Year ended March 31, 2011 | 38.72 | 34.88 | 2.2 | 3.1 | 8.8 |
| Year ended March 31, 2010 | 114.35 | 114.14 | 6.9 | 4.2 | 10.2 |

Note: Equity in profit (loss) of affiliate Year ended March 31, 2011: (200) million yen Year ended March 31, 2010: (1,329) 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, 2011 | 476,510 | 109,037 | 22.4 | 1,679.37 |
| Year ended March 31, 2010 | 383,396 | 116,070 | 29.8 | 1,802.33 |

Note: Equity Year ended March 31, 2011: 106,509 million yen Year ended March 31, 2010: 114,309 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, 2011 | 21,799 | (84,658) | 86,265 | 78,921 |
| Year ended March 31, 2010 | 26,240 | (44,994) | 30,315 | 56,188 |

2. Dividends

| | Annual dividends per share | | | | | Annual total of dividends | Pay-out ratio (Consolidated) | Ratio of dividends to Net Assets (Consolidated) |
|---------------------------------------|----------------------------|----------------|---------------|--------------------|------------------|---------------------------|------------------------------|---|
| | First-quarter | Second-quarter | Third-quarter | Year-end Dividends | Annual dividends | | | |
| | Yen | Yen | Yen | Yen | Yen | Millions of yen | % | % |
| Year ended March 31, 2010 | - | 23.50 | - | 29.50 | 53.00 | 3,361 | 46.4 | 3.2 |
| Year ended March 31, 2011 | - | 18.50 | - | 31.50 | 50.00 | 3,171 | 129.1 | 2.9 |
| Year ending March 31, 2012 (Forecast) | - | 24.00 | - | 29.00 | 53.00 | | 57.5 | |

3. Forecast of Consolidated Financial Results for the Year ending March 31, 2012 (From April 1, 2011 to March 31, 2012)

| | Net Sales | | Operating Income | | Ordinary Income | | Net Income | | Earnings per Share |
|----------------------------------|-----------------|-----|------------------|--------|-----------------|--------|-----------------|--------|--------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Six months ending Sept. 30, 2011 | 100,000 | 5.7 | 6,600 | (26.9) | 4,300 | (21.4) | 1,150 | (53.4) | 18.13 |
| Year ending March 31, 2012 | 213,000 | 8.7 | 16,450 | (4.5) | 13,400 | 0.2 | 5,850 | 138.2 | 92.24 |

Note: The % displays in the line of six months ending Sept. 30, 2011 show increase/decrease ratio against the six months ended Sept.30, 2010. The % displays in the line of Year ending March 31, 2012 show increase/decrease ratio against the year ended March 31, 2011

4. Others

(1) Change in significant subsidiaries during the current period

(Changes in specified subsidiaries that caused a change in the scope of consolidation): No

(2) Changes in accounting principles, procedures and presentation

[1] Changes by a newly issued accounting pronouncement: Yes

[2] Changes other than [1]: No

(3) Issued shares (Common stock)

[1] Number of issued shares at end of the period (Including treasury stock):

Year ended March 31, 2011: 63,878,505 shares Year ended March 31, 2010: 63,878,505 shares

2) Number of treasury stock at end of the period:

Year ended March 31, 2011: 456,420 shares Year ended March 31, 2010: 455,328 shares

3) Average number of shares during the period:

Year ended March 31, 2011: 63,422,639 shares Year ended March 31, 2010: 63,425,508 shares

(Reference) Overview of the unconsolidated financial results

1. Unconsolidated Results for the year ended March 31, 2011 (From April 1, 2010 to March 31, 2011)

(1) Results of Operations

(Note: % of change from previous fiscal year)

| | Net Sales | | Operating Income | | Ordinary Income | | Net Income | |
|---------------------------|-----------------|-----|------------------|------|-----------------|-------|-----------------|-------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Year ended March 31, 2011 | 143,720 | 4.3 | 13,302 | 2.8 | 10,437 | (9.1) | 6,559 | (5.4) |
| Year ended March 31, 2010 | 137,844 | 1.9 | 12,935 | 27.3 | 11,481 | 38.9 | 6,930 | - |

| | Earnings per Share | Diluted Earnings per share |
|---------------------------|--------------------|----------------------------|
| | Yen | Yen |
| Year ended March 31, 2011 | 103.42 | 93.15 |
| Year ended March 31, 2010 | 109.26 | 109.07 |

(2) Financial Position

| | Total Assets | Net Assets | Equity Ratio | Net Assets per Share |
|---------------------------|-----------------|-----------------|--------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| Year ended March 31, 2011 | 402,060 | 123,979 | 30.8 | 1,954.83 |
| Year ended March 31, 2010 | 332,758 | 123,902 | 37.2 | 1,953.59 |

Note: Equity: Year ended March 31, 2011: 123,979 million yen Year ended March 31, 2010: 123,902 million yen

*Information regarding the auditing procedure

This report is exempt from auditing procedure based on the Financial Instruments and Exchange Act. It is under the auditing procedure process at the time this report is disclosed.

*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 2 in the attachments.

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1. Business Results

(1) Analysis Concerning Business Results

[1] Overview of business results for the current period

In the current period under review (the year ended March 31, 2011), the world economy had changed in depression brought by growth recession in Western countries and political unrest in Middle Eastern countries, though developing countries showed steady economic growth.

On the other hand, Japanese economy had recovered gradually in the first half-year supported by export to Asia and emergency economic measures. In the last half-year, however, the strong yen and increase of resource prices had depressed the economy, and now not only Tohoku region but whole domestic economy is facing the severe situation because of the Great East Japan Earthquake which happened on March 11, 2011.

In our group, some district offices suffered from the disaster just after it happened, and seven local plants (Odate plant of Nipro Corporation, Odate plant of Nipro Pharma Corporation, Tatebayashi plant of Nipro Medical Industries, Kagamiishi plant of Tohoku Nipro Pharmaceutical Corporation, Kasukabe plant and Habu plant of Nipro Patch Co., Ltd., and Kasukabe plant of Nipro Genepha) got damaged to cease production, but now they almost recovers their proper functions except Kagamiishi plant

Under this situation, we aimed to improve production and sales and increase the efficiency, and have promoted local production for local consumption in order to improve business performance actively.

As a result, consolidated sales increased 10.2% from the previous period to 195,942 million yen.

As for income, consolidated operating income decreased 4.8% from the previous period to 17,225 million yen because of increase in selling, general and administrative expenses, and consolidated ordinary income decreased 10.3% from the previous period to 13,371 million yen because of increase in non-operating expenses for the accrual of foreign exchange loss. Also consolidated net income decreased 66.1% from the previous period to 2,455 million yen because of increase in extraordinary loss led by loss due to disaster.

The overviews of the results by segment in the current period are as follows.

a. Medical business

Concerning the domestic sale, the market and business conditions became severe as a result of the reduction of official redemption price of drug and special treatment materials. Under such circumstance, we have advanced to increase share and improve sales efficiency. Sales grew greatly in vascular-related products (such as blood-clot trapping catheters and coronary artery stent and angiographic kit), and we could see consistent growth of sales in each field of value-added products for avoiding medical accidents and decreasing infection risk, enteral-alimentation-related products, environment-friendly products, dialysis related product (such as dialyzer, blood tube and dialysis solution) and testing-related products like glucose analysis device.

On the International side of this business, we got great impact from the tendency of the strong yen against US dollar and Euro in exchange rate. However, we have continued to encourage active sale promotion in Chinese, Asian and Latin American market, and also in North America and Europe, we advanced the community-based sales promotion so as to increase sales amount.

Sales grew considerably in diabetic-related products with sales expansion into world market, and dialysis related product (such as dialyzer, dialysis machine, blood tube and indwelling needle) also showed great sales growth thanks to the community-based sales promotion in the dialysis market of developing countries. Moreover, we began to construct four plants in India, Indonesia, Bangladesh and China (Hefei) in order to build up a global production system.

As a result, net sale of this business increased 12.1% from the previous period to 132,816 million yen.

b. Pharmaceutical business

This business consist of two main divisions; one is the generic drugs division to provide low cost and high quality medical drugs, and the other is contract manufacturing division to offer high value-added

products for customer needs.

On the sales of generic drug, under government policy for the dissemination of generic products 'generic drug share in quantity shall be expanded more than 30% until year 2012.', the bonus points system for generic drug dispensing has been implemented. Thus, while the market is in underlying expansion, we have proactively advanced sales promotion to dispensing pharmacy group and increased the sales of oral drug and drug for external use. In addition, the sales of injectable drug, our main product, have grown steadily as a result of our detailed information service mainly to the hospitals subjected to the DPC system (Diagnostic Procedure Combination; comprehension payment system of medical cost for acute hospitalization). Though we could not avoid the sales decrease by drug price revision (scheduled biyearly), we registered significant sales growth at last partially because of the good sales of the supplementary products listed in last November.

On the sales of contract manufacturing business, we have focused on getting contracts in oral drug sales, in addition to injectable drug sales, since one of the biggest oral drug plants in Japan was completed two years ago. In the current period, the sales resulted in exceeding prior year's results since new product started sell-in and the amount of the shipment increased mainly in the products launched in the previous period.

As a result, net sales of this business increased 10.1% from the previous period to 3,804 million yen.

c. Glass & Materials business

In the field of glass material, the domestic demands in material glass tube for ampule in glass tube for pharmaceutical purpose decreased. The sales of material glass tube for tube bottles performed steady because the decrease of the domestic demands was covered by the increase of the export to foreign countries. Furthermore, we established new business of glass for pharmaceutical purpose in China and India, and started sales operation in overseas. The export of glass for thermos bottles had showed the trend of recovery and the sales increased a little from the previous period. As for the sales of glass for lighting purpose, the sales of material glass tube for electric lamp increased thanks to the good condition in domestic production of automobile, on the other hand the sales of glass for LCD backlight which is used for home electrics decreased under the influence of penetration of LED products.

In the field of other pharmaceutical container, the sales of rubber stopper for pharmaceutical use increased steadily based on our processing technologies for plastics, metal and rubber. However, the sales of container for combination products, bags for antimicrobial agent and parts of pre-filled syringe decreased slightly.

As for the medical preparation and administration related device, the sales had showed good increase, and we are advancing commercialization of products by both of self-development and joint development with pharmaceutical companies so as to meet the diverse need. Furthermore, we continue to promote contract manufacturing and development cooperating with domestic and foreign pharmaceutical companies in general life cycle management of pharmaceuticals, which includes the development of combination products, systematization for self-injection and modification of dosage form in the visual field.

As a result, net sales of this business increased 1.5% from the previous period to 24,703 million yen.

d. Other business

The sales from real estate rental income were 417 million yen.

[2] Prospects of business results for the fiscal year ending March 31, 2012 including segment information

Although American economy is forecast to recover gradually, it is expected that the resource price will become higher because of the economic activities in developing countries and resourceful countries. As for Japanese economy, we anticipate the long slump which will be brought by decrease of demands based on aging society with fewer children and population decline or aggravation of the accident in nuclear reactors caused by the Great East Japan Earthquake, and the business condition will become more severe.

Under such situation, we will aim to improve expansion and efficiency of production and sales continuously.

We project the consolidated net sales of 213,000 million yen (8.7% increase from the previous period), operating income of 16,450 million yen (4.5% decrease from the previous period), ordinary income of 13,400 million yen (0.2% increase from the previous period), and net income of 5,850 million yen (138.2 % increase from the previous period), for the year ending March 31, 2012.

(2) Analysis Concerning Financial Position

[1] The conditions of assets, liabilities, net assets and cash flows

Total assets increased 93,113 million yen from the end of the previous period to 476,510 million yen. Current assets increased 37,092 million yen and Noncurrent assets increased 56,020 million yen. Main reason for the increase in current assets was cash and deposits, 21,848 million yen, notes and accounts receivable-trade, 4,933 million yen and merchandises and finished goods, 4,194 million yen, and main reason for the increase in noncurrent assets was machinery, equipment and vehicles, net, 6,949 million yen, goodwill, 7,272 million yen and investment securities, 32,689 million yen.

Total liabilities increased 100,146 million yen to 367,472 million yen. Current liabilities increased 38,197 million yen and noncurrent liabilities increased 61,949 million yen. Current liabilities increased mainly due to notes and accounts payable-trade, 4,378 million yen and short-term loans payable, 32,216 million yen and main reason for the increase in noncurrent liabilities was bonds payable, 15,000 million yen and long-term loans payable, 47,709 million yen.

Net assets decreased 7,033 million yen to 109,037 million yen. Shareholders' equity decreased 590 million yen, and valuation and translation adjustments decreased 7,209 million yen.

[2] The condition of cash flow

The ending balance of cash and cash equivalents in the period under review increased 22,733 million yen to 78,921 million yen.

(Cash flows from operating activities)

Net cash provided by operating activities was 21,799 million yen. The main accounts of cash inflow were net income before adjustment of taxes, 7,431million yen, depreciation and amortization, 21,244 million yen. The main accounts of cash outflow were increase of trade notes and accounts receivable 4,926 million yen, increase in inventories, 5,472 million yen and payment of corporate income tax, 8,217million yen.

(Cash flows from investing activities)

Net cash used in investing activities was 84,658 million yen. The main account of cash outflow was purchase of investment securities, 62,771 million yen, payments for investment, 5,439 million yen and purchase of noncurrent assets, 20,138 million yen.

(Cash flows from financing activities)

Net cash provided by investing activities was 86,265 million yen. The main accounts of cash inflow were net increase in short-term loans payable, 23,062 million yen, proceeds from long-term loans payable, 80,108 million yen, and proceeds from issuance of bonds, 19,890 million yen. The main accounts of cash outflow were repayment of long-term loans payable, 23,234 million yen, and redemption of bonds, 10,160 million yen.

[3] Trend of the cash flow indicators

| | The 55th period Year ended March 31, 2008 | The 56th period Year ended March 31, 2009 | The 57th period Year ended March 31, 2010 | The 58th period Year ended March 31, 2011 |
|--|---|---|---|---|
| Shareholders' equity ratio (%) | 33.8 | 28.7 | 29.8 | 22.4 |
| Ratio of market value of shareholders' equity (%) | 31.6 | 29.4 | 29.9 | 21.9 |
| Debt redemption (years) | 15.6 | 8.2 | 7.1 | 12.6 |
| Interest coverage ratio | 5.1 | 6.8 | 11.4 | 9.1 |

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 statement 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 statement of cash flows.

(3) Basic Policies on Distribution of Profits and Dividends for years ended March 31, 2011 and ending March 31, 2012.

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 50.00 yen per share. As we already paid interim dividends of 18.50 yen per share, year-end dividends are to be 31.50 yen per share to be proposed to the Company's 58th ordinary general meeting of shareholders.

Dividends for year ending March 31, 2012 are expected to be made according to the above-mentioned policy.

2. Corporate Group

Our group consists of the Reporting Company (“the Company”), its 39 subsidiaries and 2 affiliates, and is primarily engaged in manufacture and sale of medical equipment, pharmaceutical products and material products such as glass for pharmaceutical purpose and glass for thermos bottles.

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

<Medical business>

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

Cell Science & Technology Institute, Inc., an affiliate, develops, manufactures and sells cell-culture-related products.

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 Diagnostics, Inc. (U.S.A) develops, manufactures and sells diabetes-related products.

<Pharmaceutical business>

The Company, Nipro Pharma Corporation, Nipro Genepha Corporation, Zensei Pharmaceutical Industries Co., Ltd and Nipro Patch Co., Ltd. manufacture and sell pharmaceutical products. In addition, 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 business>

Domestic: The Company sells glass tubes as well as 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. Chengdu Pingyuan Nipro Pharmaceutical Packaging Co., Ltd. (China) manufactures and sells glass tube, tube bottles and ampule.

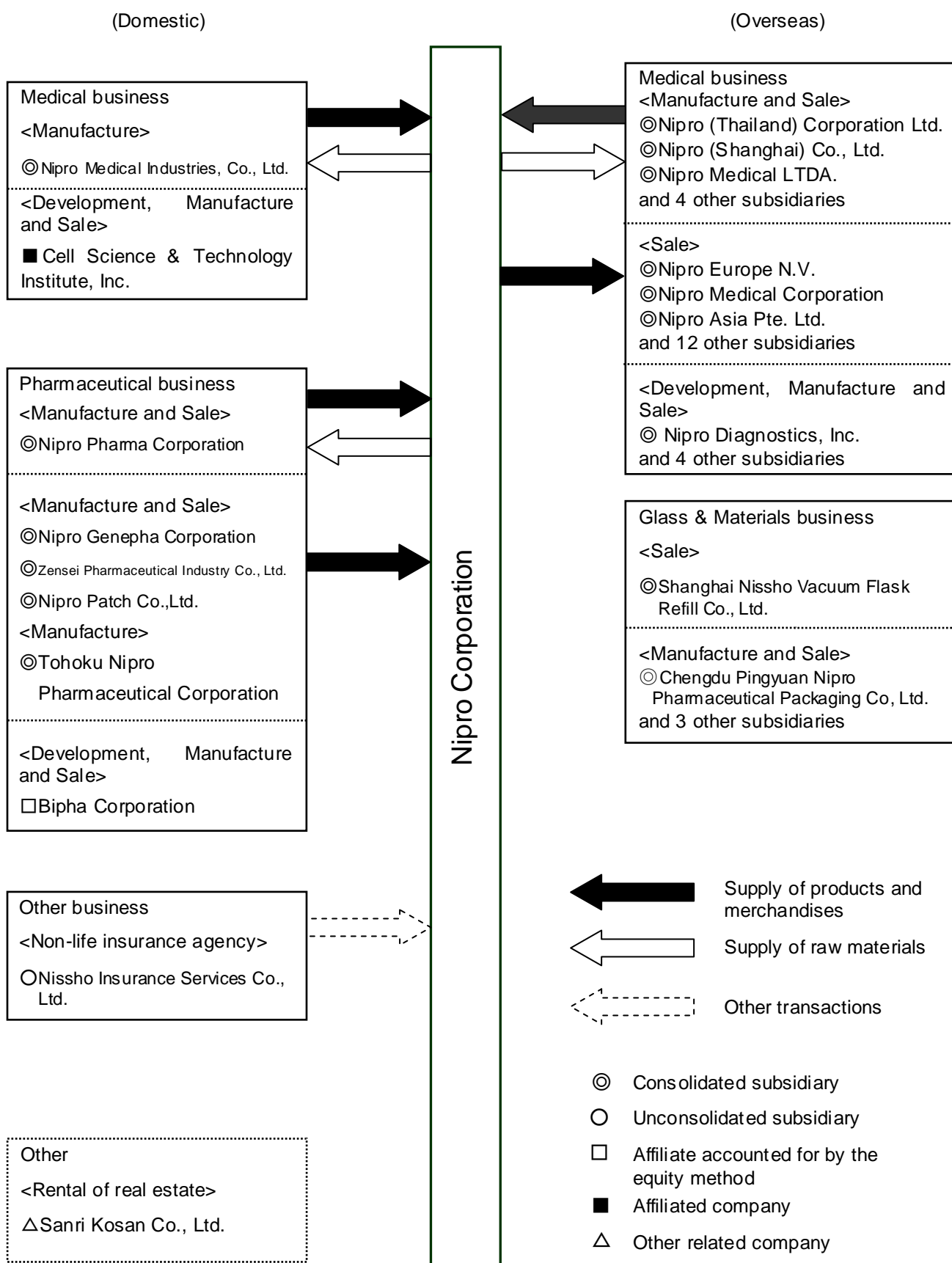
<Other business>

The Company manufactures (purchases, in some cases) and sells production machinery for medical equipment and is engaged in leasing of real estate properties.

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

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

The above explanations are illustrated as follows:



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 to produce unique products which can always solve QOL (Quality of Life) of patients and subjects in Medical treatment sites, based on the 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 were to achieve 1,000,000 million yen of consolidated net sales by the fiscal year 2030. And as a first step, we aim to achieve 500,000 million yen of consolidated net sales and 40,000 million yen of ordinary income by the fiscal year 2020. To realize these goals, we are going to move towards steady development in each field; medical, pharmaceutical, and material businesses.

(3) Medium- to Long-term Management Strategies

The Group adopts a basic policy and corporate strategies which aim to increase share in the global market and expand sales by means of strengthening cost-competitiveness and increasing the production capacity in the fields expected to grow in quantity to meet increased demands.

In Medical business, we will try to increase market share by expanding the range of merchandise and promoting to find a new market of dialysis-related products centered on our main product, dialyzer, diabetes related products and vascular-related product. Especially about dialysis-related products, we will establish production and sales systems in each place, mainly in China and India so as to aim a top share in the global market.

In the contract manufacturing division of the Pharmaceutical business, we are going to enhance our business as one of the top group of pharmaceutical contract manufacturing companies, by improving production and quality control systems in response to the overseas demands and constructing production services successively in the fields expected to expand in quantity for the future like biomedicine and anticancer drug. As for the generic drug division, while we will continue to focus on the development of new items and growth of each market such as DPC hospitals and dispensing pharmacy group, we will try to strengthen manufacturing equipments and distribution system for meeting the need of stable supply.

In the Material business, we will work on development and expansion of pharmaceutical container and other glass products taking advantage of our processing technology for glass and other materials. In addition, we will try local manufacturing and sales including a joint venture with overseas companies in the field of pharmaceutical container materials such as ampule, glass bottle and rubber stopper to increase consolidated net sales and improve market share.

(4) Issues and Challenges that the Group Faces

We will focus on earliest possible restoration to start operation in Kagamiishi plant of Tohoku Nipro Pharmaceutical Corporation which got serious damage by the Great East Japan Earthquake. A company-wide power saving campaign for controlling power usage, organization of proper production schedule for each office, and review and adjustment of work hours are to be practiced so as to realize stable supply.

In the domestic business of the Medical business, we will put effort into development of products with least adverse impact on environment and safety-conscious (infection preventive) design for medical care in each field of transfusion related products, dialysis related products, diabetes related products and vascular-related product. Thus we will work on development of products friendly to healthcare professionals, patients and global environment, and positive market development and sales reinforcement to meet the market needs.

In overseas business, suffered by fluctuation of foreign exchange rate in last fiscal year, we started direct selling from group overseas plants to sales subsidiaries from this April and try to spread and diminish the risk of foreign exchange to secure the profit. Moreover, new plants will be set up sequentially in India, China, Indonesia and Bangladesh where we can see remarkable economic development for corresponding to their local needs, we will promote direct selling system in each local entity to upgrade market share and try to increase the sales and profit, focusing on dialysis related products whose demand has increased rapidly.

In the Pharmaceutical business, we will promote development of generic anticancer drug, construction of its production system, construction of production system for bio medical drug and development of bio generic drug so as to revitalize self development, joint development and contract manufacturing.

In the Material business, we will drive particularly establishment and innovation in glass processing technologies and expand selling to not only domestic pharmaceutical companies but also overseas pharmaceutical companies. For overseas market development, we will promote joint venture business to implement production control and improve quality and strive to increase sales and profits.

4. Consolidated Financial Statements
(1) [Consolidated Balance Sheets]

(Amount: million yen)

| | As of March 31, 2010 | As of March 31, 2011 |
|--|-------------------------|-------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 59,266 | 81,115 |
| Notes and accounts receivable-trade | 56,303 | 61,237 |
| Merchandise and finished goods | 38,503 | 42,697 |
| Work in process | 6,192 | 6,783 |
| Raw materials and supplies | 10,008 | 11,461 |
| Deferred tax assets | 3,149 | 4,204 |
| Other | 6,937 | 9,935 |
| Allowance for doubtful accounts | (432) | (414) |
| Total current assets | 179,928 | 217,021 |
| Noncurrent assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 107,011 | 111,353 |
| Accumulated depreciation and impairment loss | (56,495) | (61,064) |
| Buildings and structures, net | 50,515 | 50,289 |
| Machinery, equipment and vehicles | 117,534 | 135,449 |
| Accumulated depreciation and impairment loss | (81,395) | (92,361) |
| Machinery, equipment and vehicles, net | 36,138 | 43,087 |
| Land | 19,766 | 20,115 |
| Lease Assets | 1,393 | 1,519 |
| Accumulated depreciation | (173) | (437) |
| Lease Assets, net | 1,220 | 1,082 |
| Construction in progress | 11,992 | 8,989 |
| Other | 25,032 | 27,150 |
| Accumulated depreciation and impairment loss | (20,456) | (22,209) |
| Other, net | 4,575 | 4,941 |
| Total property, plant and equipment | 124,208 | 128,505 |
| Intangible assets | | |
| Goodwill | 561 | 7,833 |
| Lease Assets | 78 | 291 |
| Other | 1,736 | 5,442 |
| Total intangible assets | 2,376 | 13,568 |
| Investments and other assets | | |
| Investment securities | 72,875 | 105,564 |
| Deferred tax assets | 334 | 2,489 |
| Guarantee deposits | 4,071 | 3,905 |
| Other | 2,788 | 8,439 |
| Allowance for doubtful accounts | (3,186) | (2,984) |
| Total investments and other assets | 76,883 | 117,414 |
| Total noncurrent assets | 203,468 | 259,488 |
| Total assets | 383,396 | 476,510 |

(Amount: million yen)

| | As of March 31, 2010 | As of March 31, 2011 |
|---|-------------------------|-------------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable-trade | 29,203 | 33,581 |
| Short-term loans payable | 64,442 | 96,659 |
| Commercial papers | 10,000 | 10,000 |
| Current portion of bonds | 10,160 | 5,000 |
| Lease obligations | 318 | 375 |
| Accounts payable-other | 5,792 | 5,771 |
| Accrued directors' bonuses | 204 | 208 |
| Income taxes payable | 4,932 | 3,165 |
| Provision for bonuses | 1,758 | 2,112 |
| Provision for directors' bonuses | 23 | 26 |
| Provision for loss on business liquidation | 1,954 | 1,954 |
| Provision for loss on disaster | - | 4,040 |
| Notes payable-facilities | 3,869 | 5,937 |
| Other | 5,543 | 7,568 |
| Total current liabilities | 138,204 | 176,401 |
| Noncurrent liabilities | | |
| Bonds payable | 28,000 | 43,000 |
| Convertible bond-type bonds with subscription rights to shares | 15,000 | 15,000 |
| Long-term loans payable | 72,839 | 120,549 |
| Lease obligations | 1,098 | 1,086 |
| Deferred tax liabilities | 7,771 | 7,465 |
| Provision for retirement benefits | 1,972 | 1,615 |
| Provision for directors' retirement benefits | 614 | 668 |
| Provision for loss on litigation | 170 | 170 |
| Other | 1,655 | 1,516 |
| Total noncurrent liabilities | 129,121 | 191,070 |
| Total liabilities | 267,325 | 367,472 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 28,663 | 28,663 |
| Capital surplus | 29,972 | 29,972 |
| Retained earnings | 47,219 | 46,631 |
| Treasury stock | (862) | (864) |
| Total shareholders' equity | 104,993 | 104,403 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 15,024 | 11,387 |
| Foreign currency translation adjustment | (5,708) | (9,281) |
| Total accumulated other comprehensive income | 9,316 | 2,106 |
| Minority interests | 1,761 | 2,527 |
| Total net assets | 116,070 | 109,037 |
| Total liabilities and net assets | 383,396 | 476,510 |

(2) [Consolidated Statements of Income and Consolidated Statements of Comprehensive Income]

| Consolidated Statement of Income | (Amount: million yen) | |
|--|---|---|
| | FY2009 (From April 1, 2009 to March 31, 2010) | FY2010 (From April 1, 2010 to March 31, 2011) |
| Net sales | 177,829 | 195,942 |
| Cost of sales | 126,144 | 137,768 |
| Gross profit | 51,685 | 58,174 |
| Selling, general and administrative expenses | 33,591 | 40,949 |
| Operating income | 18,094 | 17,225 |
| Non-operating income | | |
| Interest income | 236 | 319 |
| Dividends income | 619 | 923 |
| Other | 457 | 466 |
| Total non-operating income | 1,314 | 1,709 |
| Non-operating expenses | | |
| Interest expenses | 2,251 | 2,431 |
| Stock issuance cost | 21 | - |
| Bond issuance cost | 34 | 103 |
| Depreciation | 187 | 41 |
| Foreign exchange losses | 455 | 2,443 |
| Equity in losses of affiliates | 1,329 | 200 |
| Other | 219 | 343 |
| Total non-operating expenses | 4,499 | 5,563 |
| Ordinary income | 14,908 | 13,371 |
| Extraordinary income | | |
| Gain on sales of noncurrent assets | 25 | 21 |
| State subsidy | 508 | - |
| Gain on prior period adjustment | 113 | - |
| Settlement received | 15 | - |
| Compensation income | 193 | 122 |
| Surrender value of insurance | 109 | - |
| Gain on sale of investment securities | - | 835 |
| License fee for selling right | - | 300 |
| Gain on revision of retirement benefit plan | - | 451 |
| Other | 21 | 88 |
| Total extraordinary income | 986 | 1,819 |

(Amount: million yen)

| | FY2009 (From April 1, 2009 to March 31, 2010) | FY2010 (From April 1, 2010 to March 31, 2011) |
|---|---|---|
| Extraordinary loss | | |
| Loss on sales of noncurrent assets | 3 | 10 |
| Loss on retirement of noncurrent assets | 337 | 165 |
| Impairment loss | 23 | 64 |
| Loss on abandonment of inventories | 185 | - |
| Abnormal manufacturing cost | 541 | 207 |
| Loss on reduction of noncurrent assets | 508 | - |
| Corresponding loss to compensation income | 190 | - |
| Loss on voluntary product recall | 120 | 372 |
| Write-off of investment securities | - | 230 |
| Loss on business liquidation | - | 1,109 |
| Loss due to disaster | - | 5,260 |
| Other | 115 | 336 |
| Total extraordinary losses | 2,024 | 7,758 |
| Income before income taxes and minority interests | 13,870 | 7,431 |
| Income taxes-current | 6,842 | 6,371 |
| Income taxes-deferred | (475) | (1,751) |
| Total income taxes | 6,367 | 4,619 |
| Income before minority interests | - | 2,812 |
| Minority interests in income | 251 | 356 |
| Net income | 7,252 | 2,455 |

Consolidated Statements of Comprehensive Income

(Amount: million yen)

| | FY2009 (From April 1, 2009 to March 31, 2010) | FY2010 (From April 1, 2010 to March 31, 2011) |
|--|---|---|
| Income before minority interests | - | 2,812 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | - | (3,637) |
| Foreign currency translation adjustment | - | (3,617) |
| Total other comprehensive income | - | (7,254) |
| Comprehensive income | - | (4,442) |
| Comprehensive income attributable to shareholders of parent company | - | (4,753) |
| Comprehensive income attributable to minority interests | - | 311 |

(3) [Consolidated Statements of Shareholders' Equity]

(Amount: million yen)

| | FY2009 (From April 1, 2009 to March 31, 2010) | FY2010 (From April 1, 2010 to March 31, 2011) |
|--|---|---|
| Shareholder's equity | | |
| Capital | | |
| Balance at beginning of year | 28,663 | 28,663 |
| Increase(decrease) during the period | | |
| Net increase(decrease) during the period | - | - |
| Balance at end of year | 28,663 | 28,663 |
| Capital Surplus | | |
| Balance at beginning of year | 29,973 | 29,972 |
| Increase(decrease) during the period | | |
| Disposal of treasury stock | (0) | (0) |
| Net increase(decrease) during the period | (0) | (0) |
| Balance at end of year | 29,972 | 29,972 |
| Earned surplus | | |
| Balance at beginning of year | 41,457 | 47,219 |
| Increase(decrease) during the period | | |
| Dividend of surplus | (1,490) | (3,044) |
| Net income | 7,252 | 2,455 |
| Net increase(decrease) during the period | 5,761 | (588) |
| Balance at end of year | 47,219 | 46,631 |
| Treasury stock | | |
| Balance at beginning of year | (849) | (862) |
| Increase(decrease) during the period | | |
| Acquisition of treasury stock | (13) | (1) |
| Disposal of treasury stock | 1 | 0 |
| Net increase(decrease) during the period | (12) | (1) |
| Balance at end of year | (862) | (864) |
| Total Shareholders' equity | | |
| Balance at beginning of year | 99,244 | 104,993 |
| Increase(decrease) during the period | | |
| Dividend of surplus | (1,490) | (3,044) |
| Net income | 7,252 | 2,455 |
| Acquisition of treasury stock | (13) | (1) |
| Disposal of treasury stock | 1 | 0 |
| Net increase(decrease) during the period | 5,749 | (590) |
| Balance at end of year | 104,993 | 104,403 |

(Amount: million yen)

| | FY2009 (From April 1, 2009 to March 31, 2010) | FY2010 (From April 1, 2010 to March 31, 2011) |
|---|---|---|
| Valuation and translation differences | | |
| Valuation differences on available-for-sale securities | | |
| Balance at beginning of year | 4,998 | 15,024 |
| Increase(decrease) during the period | | |
| Net increase(decrease) of the items other than shareholders' equity during the period | 10,025 | (3,636) |
| Net increase(decrease) during the period | 10,025 | (3,636) |
| Balance at end of year | 15,024 | 11,387 |
| Foreign currency translation adjustment | | |
| Balance at beginning of year | (9,193) | (5,708) |
| Increase(decrease) during the period | | |
| Net increase(decrease) of the items other than shareholders' equity during the period | 3,485 | (3,573) |
| Net increase(decrease) during the period | 3,485 | (3,573) |
| Balance at end of year | (5,708) | (9,281) |
| Total accumulated other comprehensive income | | |
| Balance at beginning of year | (4,195) | 9,316 |
| Increase(decrease) during the period | | |
| Net increase(decrease) of the items other than shareholders' equity during the period | 13,511 | (7,209) |
| Net increase(decrease) during the period | 13,511 | (7,209) |
| Balance at end of year | 9,316 | 2,106 |
| Minority interests | | |
| Balance at beginning of year | 1,511 | 1,761 |
| Increase(decrease) during the period | | |
| Net increase(decrease) of the items other than shareholders' equity during the period | 250 | 766 |
| Net increase(decrease) during the period | 250 | 766 |
| Balance at end of year | 1,761 | 2,527 |
| Total net assets | | |
| Balance at beginning of year | 96,560 | 116,070 |
| Increase(decrease) during the period | | |
| Dividend of surplus | (1,490) | (3,044) |
| Net income | 7,252 | 2,455 |
| Acquisition of treasury stock | (13) | (1) |
| Disposal of treasury stock | 1 | 0 |
| Net increase(decrease) of the items other than shareholders' equity during the period | 13,761 | (6,443) |
| Net increase(decrease) during the period | 19,510 | (7,033) |
| Balance at end of year | 116,070 | 109,037 |

(4) [Consolidated Statements of Cash Flows]

(Amount: million yen)

| | FY2009 (From April 1, 2009 to March 31, 2010) | FY2010 (From April 1, 2010 to March 31, 2011) |
|--|---|---|
| Net cash provided by (used in) operating activities | | |
| Income before income taxes | 13,870 | 7,431 |
| Depreciation and amortization | 18,420 | 21,244 |
| Impairment loss | 23 | 64 |
| Amortization of goodwill | 294 | 1,743 |
| Equity in (earnings) losses of affiliates | 1,329 | 200 |
| Increase (decrease) in allowance for doubtful accounts | (25) | (212) |
| Interest and dividends income | (856) | (1,242) |
| Interest expenses | 2,251 | 2,431 |
| Foreign exchange losses (gains) | 38 | 2,557 |
| Decrease (increase) in notes and accounts receivable-trade | (7,035) | (4,926) |
| Decrease (increase) in inventories | (2,856) | (5,472) |
| Increase (decrease) in notes and accounts payable-trade | 4,987 | 6,542 |
| Decrease (increase) in other assets | (676) | (450) |
| Increase (decrease) in other liabilities | 1,447 | 746 |
| Other loss (gain) | 698 | 162 |
| Subtotal | 31,913 | 30,821 |
| Interest and dividends income received | 1,009 | 1,253 |
| Interest expenses paid | (2,304) | (2,404) |
| Other proceeds | 456 | 552 |
| Other payments | (598) | (205) |
| Income taxes paid | (4,236) | (8,217) |
| Net cash provided by (used in) operating activities | 26,240 | 21,799 |
| Net cash provided by (used in) investing activities | | |
| Payments into time deposits | (2,889) | (3,192) |
| Proceeds from withdrawal of time deposits | 3,689 | 3,992 |
| Purchase of investment securities | (20,646) | (62,771) |
| Proceeds from sales of investment securities | - | 4,804 |
| Purchase of investment in subsidiaries resulting in in scope of consolidation | - | (624) |
| Payments for investment in capital | - | (5,439) |
| Purchase of noncurrent assets | (26,071) | (20,138) |
| Proceeds from sales of noncurrent assets | 58 | 51 |
| Payment for retirement of property, plant and equipment | - | (24) |
| Proceeds from governmental subsidies for investment in property and equipment | 710 | 25 |
| Net Decrease (increase) in short-term loans receivable | 196 | (588) |
| Payments of loans receivable | (201) | (769) |
| Collection of loans receivable | 0 | 15 |
| Other proceeds | 159 | 0 |
| Net cash provided by (used in) investment activities | (44,994) | (84,658) |

(Amount: million yen)

| | FY2009 | FY2010 |
|---|---|---|
| | (From April 1, 2009 to March 31, 2010) | (From April 1, 2010 to March 31, 2011) |
| Net cash provided by (used in) financing activities | | |
| Net increase (decrease) in short-term loans payable | 13,712 | 23,062 |
| Increase (decrease) in commercial paper | 10,000 | - |
| Proceeds from long-term loans payable | 29,111 | 80,108 |
| Repayment of long-term loans payable | (18,757) | (23,234) |
| Proceeds from issuance of bonds | 17,971 | 19,890 |
| Redemption of bonds | (20,140) | (10,160) |
| Decrease (increase) in treasury stock | (15) | (3) |
| Repayments of finance lease obligations | (234) | (355) |
| Cash dividends paid | (1,489) | (3,038) |
| Cash dividends paid to minority shareholders | (2) | (3) |
| Other payments | (21) | |
| Net cash provided by (used in) financing activities | 30,135 | 86,265 |
| Effect of exchange rate change on cash and cash equivalents | (545) | (2,286) |
| Net increase (decrease) in cash and cash equivalents | 10,835 | 21,138 |
| Cash and cash equivalents at beginning of period | 45,352 | 56,118 |
| Increase in cash and cash equivalents from newly consolidated subsidiary | - | 1,595 |
| Cash and cash equivalents at end of period | 56,188 | 78,921 |

(5) Notes Related to Going Concern

N/A

(6) Basis of Preparation for the Consolidated Financial Statements

1) Scope of consolidation

[1] Consolidated subsidiaries: 30

Name of representative consolidated subsidiaries.

- Nipro Medical Industries, Ltd.
- Nipro Europe N.V.
- Nipro Diagnostics, Inc.
- Tohoku Nipro Pharmaceutical Corporation
- Nipro (Thailand) Corporation Ltd.
- Nipro Medical Corporation
- Nipro Pharma Corporation
- Nipro Patch Co.,Ltd.

Because Nipro Diagnostics, Inc. and other 3 subsidiaries increased in importance, Chengdu Pingyuan Nipro Pharmaceutical Packaging Co., Ltd. was invested and Nipro Australia Pty Ltd. was established, these companies are included in scope of consolidation from the consolidated accounting year 2010.

[2] Name of representative unconsolidated subsidiary

- Nipro India Corporation Pvt. Ltd.

The unconsolidated subsidiaries 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

Number of affiliate not accounted for by the equity method: 1
Cell Science & Technology Institute, Inc.

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

3) Accounting period of consolidated subsidiaries

Among the consolidated subsidiaries, accounts closing date of the foreign subsidiary 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

Available-for-sale securities:

Securities with market

quotationsValued 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 quotationsValued at cost by the weighted average method

Inventories

Valued at cost by the weighted average method (Writing down method below cost to the net selling value for decreased profitability)

[2] Method of depreciation and amortization for significant depreciable assets

Tangible fixed assets:Declining-balance method
(Excluding lease assets)

However, 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.

Lease assets

Lease assets under the finance lease transaction that does not transfer ownership

Recorded by straight-line method its useful lives are equals to the lease term and the residual values are equal to zero.

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 March 31, 2008.

[3] Method of treating significant deferred asset

Bond issue cost: Record in full as expenses on expenditure

[4] 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.

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

Provision for directors'

bonusesIn 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.

Provision for loss on

business liquidation.....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.

Provision for loss

on disaster.....: In order to cover the payment of the repairs expense for fixed assets damaged by the Great East Japan Earthquake, an allowance is provided for the estimated amount to be needed, at end of the consolidated accounting period.

Provision for retirement

benefits 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.

Provision for directors'

retirement benefits..... 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.

Provision for

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

- [5] 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.

- [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 are 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.

- [8] Other significant basis on preparation for consolidated financial statements

Consumption taxes

Consumption taxes are excluded from revenues and expenses accounts.

(7) Change in Significant Matter of Basis of Preparation for Consolidated Financial Statements

- 1) Application of Revised Accounting Standard for Equity Method of Accounting for Investments and Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method

Effective from the consolidated accounting year 2010, the Company has applied the Revised Accounting Standard for Equity Method of Accounting for Investments (Accounting and Standards Board of Japan (ASBJ) Statement No. 16, issued March 10, 2008) and the Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method (Practical Issues Task Force (PITF) No. 24, issued March 10, 2008). There is no impact on profit and loss regarding to this change.

- 2) Application of Accounting Standard for Asset Retirement Obligations

Effective from the consolidated accounting year 2010, the Company has applied Accounting Standard for Asset Retirement Obligations (ASBJ Statement No. 18, issued on March 31, 2008) and Guidance on Accounting Standard for Asset Retirement Obligations (ASBJ Guidance No. 21, issued on March 31, 2008). The impact of this change was to reduce both operating income and ordinary income by 12 million yen and income before income taxes by 97 million yen.

- 3) Application of Accounting Standards for Business Combinations

Effective from the consolidated accounting year 2010, the Company has applied Accounting Standard for Business Combinations (ASBJ Statement No. 21), issued on December 26, 2008; Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22), issued on December 26, 2008; Partial Amendments to Accounting Standard for Research and Development Costs (ASBJ Statement No. 23), issued on December 26, 2008; Revised Accounting Standard for Business Divestitures (ASBJ Statement No. 7), issued on December 26, 2008; Revised Accounting Standard for Equity Method of Accounting for Investments (ASBJ Standard No. 16), issued on December 26, 2008; and Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10), issued on December 26, 2008. There is no impact on profit and loss regarding to these changes.

(8) Additional Information

- 1) Accounting Standard for Presentation of Comprehensive Income

Effective from the consolidated accounting year 2010, the Company has applied Accounting Standards

for Presentation of Comprehensive Income (ASBJ Statement No.25, issued on June 30, 2010). However, the amount of accumulated other comprehensive income and total accumulated other comprehensive income in the previous consolidated accounting period are completed by the amount of valuation and translation adjustments and total valuation and translation adjustments.

2) Revision of Retirement Benefit Scheme

The Company and the consolidated subsidiary company, Nipro Medical Industries Co., Ltd. had adopted the retirement benefit scheme framed by unfunded defined benefit pension plan and tax-qualified retirement pension plan. However, from January 1st, 2011, the retirement benefit scheme was transferred to the scheme framed by unfunded defined benefit plan, funded defined benefit pension plan and defined contribution pension plan while the tax-qualified retirement pension plan was finished. In accordance with this transfer, we resulted 451 million yen of "gain on revision of retirement benefit plan" as extraordinary gain, applying "Accounting standard for transfer between retirement benefit plans" (ASBJ Guidance No.1).

(9) Notes to the Consolidated Financial Statements

(Notes to the Consolidated Balance Sheets)

| | (Previous period) | (Current Period) |
|--|-------------------|------------------|
| 1) Pledged assets | 9,195 mil.yen | 8,989 mil.yen |
| 2) Discounted notes receivable | 34 mil.yen | 107 mil.yen |
| 3) Accounts related to unconsolidated subsidiaries and affiliate companies | | |
| Investment securities (stock) | 22,786 mil.yen | 16,685 mil.yen |
| Other of investments and other assets (Investments in capital) | - mil.yen | 5,439 mil.yen |

(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. | 4,846 mil.yen | 4,977 mil.yen |

(Notes to the Consolidated Statement of Comprehensive Income)

Current period (From April 1, 2010 to March 31, 2011)

1) Comprehensive income in the last consolidated accounting year

| | |
|---|--------------------|
| Comprehensive income attributable to shareholders of parent company | 20,763 million yen |
| Comprehensive income attributable to minority interests | 222 million yen |
| Total | 20,986 million yen |

2) Other comprehensive income in the last consolidated accounting year

| | |
|--|--------------------|
| Valuation difference on available-for-sales securities | 10,026 million yen |
| Foreign currency translation adjustment | 3,456 million yen |
| Total | 13,482 million yen |

(Notes to the Consolidated Statements of Shareholders' equity)

Previous period (From April 1, 2009 to March 31, 2010)

1. Sort and total numbers of Shared issues

| Sort of shares | Number of shares As of March 31, 2009 | Increased numbers | Decreased numbers | Number of shares As of March 31, 2010 |
|----------------|--|----------------------|----------------------|--|
| 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, 2009 | Increased numbers | Decreased numbers | Number of shares As of March 31, 2010 |
|----------------|--|----------------------|----------------------|--|
| Common stock | 447,874 | 8,076 | 622 | 455,328 |

- (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 |
|---|----------------|-----------------------------------|-------------------------|--------------------|------------------|
| November 11, 2009 at board of directors meeting | Common stock | million of yen 1,490 | Yen 23.50 | September 30, 2009 | December 9, 2009 |

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

| Scheduled Decision | Sort of shares | Proceeds of dividends | Total amount of dividends paid | Dividends per shares | Basis date | Effective date |
|---|-------------------|--------------------------|-----------------------------------|-------------------------|----------------|----------------|
| June 25, 2010 at ordinary general shareholders' meeting | Common stock | Earned surplus | million of yen 1,870 | Yen 29.50 | March 31, 2010 | June 28, 2010 |

Current period (From April 1, 2010 to March 31, 2011)

1. Sort and total numbers of Shared issues

| Sort of shares | Number of shares As of March 31, 2010 | Increased numbers | Decreased numbers | Number of shares As of March 31, 2011 |
|----------------|--|----------------------|----------------------|--|
| 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, 2010 | Increased numbers | Decreased numbers | Number of shares As of March 31, 2011 |
|----------------|--|----------------------|----------------------|--|
| Common stock | 455,328 | 1,182 | 90 | 456,420 |

- (Note) 1. The increased numbers are of purchase of shares whose number is less than unit amount.
2. The decreased numbers are of selling of shares whose 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 25, 2010 at ordinary general shareholders' meeting | Common stock | million of yen 1,870 | Yen 29.50 | March 31, 2010 | June 28, 2010 |
| November 10, 2010 at board of directors meeting | Common stock | million of yen 1,173 | Yen 18.50 | September 30, 2010 | December 9, 2009 |

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

| Scheduled Decision | Sort of shares | Proceeds of dividends | Total amount of dividends paid | Dividends per shares | Basis date | Effective date |
|---|-------------------|--------------------------|-----------------------------------|-------------------------|----------------|----------------|
| June 28, 2011 at ordinary general shareholders' meeting | Common stock | Earned surplus | million of yen 1,997 | Yen 31.50 | March 31, 2011 | June 29, 2011 |

(Segment information)

<Segment information by business category>

FY2009 (From April 1, 2009 to March 31, 2010)

(Millions of yen)

| | Medical Equipment | Pharmaceutical | Glass & Materials | Other | Total | Eliminations /Corporate | Consolidated |
|--|-------------------|----------------|-------------------|-------|---------|-------------------------|--------------|
| 1. Net sales | | | | | | | |
| (1)Sales to third parties | 110,393 | 57,978 | 8,668 | 789 | 177,829 | - | 177,829 |
| (2)Inter-segment sales and transfers | - | 0 | 4,143 | 108 | 4,253 | (4,253) | - |
| Total | 110,393 | 57,978 | 12,811 | 898 | 182,083 | (4,253) | 177,829 |
| Operating expenses | 92,231 | 53,353 | 10,887 | 730 | 157,202 | 2,533 | 159,735 |
| Operating income | 18,162 | 4,625 | 1,924 | 167 | 24,880 | (6,786) | 18,094 |
| 2. Assets, depreciation impairment loss and capital expenditures | | | | | | | |
| Assets | 152,733 | 107,875 | 11,044 | 5,766 | 277,419 | 105,977 | 383,396 |
| Depreciation | 9,050 | 8,131 | 371 | 83 | 17,637 | 783 | 18,420 |
| Impairment loss of fixed assets | 23 | - | - | - | 23 | - | 23 |
| Capital expenditures | 9,438 | 4,674 | 243 | 130 | 14,486 | 722 | 15,208 |

- 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. |
| Other | Machinery for manufacture of medical equipment and real estate rental income, etc. |

2. Operating expenses of "Eliminations/Corporate" included unallocated corporate costs of 6,786 million yen. The unallocated corporate costs consisted primarily of the parent company's research and development costs and headquarters administration costs.
3. Assets of "Eliminations/Corporate" included corporate assets of 106,079 million yen. 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.
4. Depreciation and capital expenditures included long-term prepaid expenses and its amortization.

<Segment information by geographical area>
 FY2009 (From April 1, 2009 to March 31, 2010)

(Millions of yen)

| | Japan | America | Europe | Asia | Total | Eliminations /Corporate | Consolidated |
|---------------------------------------|---------|---------|--------|--------|---------|----------------------------|--------------|
| 1. Net sales and operating income | | | | | | | |
| Net sales | | | | | | | |
| (1) Sales to third parties | 139,378 | 17,833 | 12,900 | 7,717 | 177,829 | - | 177,829 |
| (2) Inter-segment sales and transfers | 29,444 | 591 | 3 | 15,327 | 45,368 | (45,368) | - |
| Total | 168,823 | 18,425 | 12,904 | 23,045 | 223,197 | (45,368) | 177,829 |
| Operating expenses | 145,799 | 18,509 | 12,857 | 20,856 | 198,021 | (38,285) | 159,735 |
| Operating income (loss) | 23,024 | (84) | 47 | 2,188 | 25,176 | (7,082) | 18,094 |
| 2. Assets | 276,570 | 6,268 | 7,248 | 10,879 | 300,967 | 82,429 | 383,396 |

Notes: ..1. Operating expenses of "Eliminations and Corporate" included unallocated corporate costs of 6,786 million yen. The unallocated corporate costs consisted primarily of the parent company's research and development costs and the headquarters administration costs.

2. Assets of "Eliminations/Corporate" included corporate assets of 106,079 million yen. 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.

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

4. 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

<Overseas sales>

FY2009 (From April 1, 2009 to March 31, 2010)

(Millions of yen)

| | America | Europe | Asia | Total |
|---|---------|--------|--------|---------|
| 1. Overseas sales | 27,864 | 20,662 | 10,835 | 59,362 |
| 2. Consolidated net sales | | | | 177,829 |
| 3. Percentage of overseas sales to consolidated net sales (%) | 15.7% | 11.6% | 6.1% | 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

<Segment information>

1. Outline of reportable operating segments

Applied ASBJ Statement No.17 “The Revised Accounting Standard for Disclosures of Segments of an Enterprise and Related Information”, the reportable operating segments are components of an entity for which separate financial information is available and evaluated regularly by the board of director in determining the allocation of management resources and in assessing performance. We currently operate our business on a stand-alone basis with the divisional organization and evaluate the performance of sales and manufacture of each division regardless of their products. Accordingly, we divide our operations into 3 reportable operating segments on the basis of its main products: Medical, Pharmaceuticals and Glass & Materials.

*Medical

Domestic division sells injection- and infusion-related products, artificial organ-related products, highly functional products, dialysis-related products and diabetic-related products. In the international division, head office plays the center role and place overseas sales and manufacturing base for medical equipment and sales injection- and infusion-related products, artificial organ-related products and diabetic-related products.

*Pharmaceutical

Mainly, domestic subsidiaries sell and manufacture injectable drug, oral drugs and products by contract manufacturing like combination products (Kit injectable).

*Glass & Materials

In the field of glass for pharmaceutical purposes, we sell glass for glass tube, glass for ampoule. In the field of glass & materials products, we sell glass for thermos bottles and glass for lighting purpose. In addition, we sell container for combination products and undertake the contract sales of pharmaceuticals related to the container for combination products from pharmaceutical company.

2. Method of calculating sales and profit by reportable operating segment

The accounting process of the segments follows the accounting principles and practices listed in Basis of Preparation for the Consolidated Financial Statements. Profit of the segment is based on operating income. Internal revenue and transfer to revenue between segments are based on the market realized price.

3. Information on amount of sales, profit or loss, assets and other items by reportable segment

FY2010 (From April 1, 2010 to March 31, 2011)

(Millions of yen)

| | Reportable Segment | | | | Other (Note.1) | Total | Adjust- ment (Note.2) | Consolidated financial statements (Note.3) |
|--|--------------------|---------------------|----------------------|---------|-------------------|---------|-----------------------------|---|
| | Medical | Pharma- ceutical | Glass & Materials | Total | | | | |
| Net sales | | | | | | | | |
| (1) Sales to third parties | 132,816 | 38,004 | 24,703 | 195,525 | 417 | 195,942 | - | 195,942 |
| (2) Inter-segment sales and transfers | 1,194 | 18,277 | 3,856 | 23,329 | 43 | 23,372 | (23,372) | - |
| Total | 134,011 | 56,282 | 28,560 | 218,854 | 461 | 219,315 | (23,372) | 195,942 |
| Segment profit | 18,437 | 1,657 | 2,700 | 22,795 | 88 | 22,883 | (5,658) | 17,225 |
| Segment assets | 178,937 | 105,672 | 17,006 | 301,616 | 4,639 | 306,256 | 170,253 | 476,510 |
| Other items | | | | | | | | |
| (1) Depreciation and amortization | 11,938 | 8,296 | 228 | 20,463 | 54 | 20,517 | 726 | 21,244 |
| (2) Amortization of goodwill | 1,503 | 201 | 38 | 1,743 | - | 1,743 | - | 1,743 |
| (3) Investment to companies accounted for by the equity method | - | - | - | - | - | - | 1,763 | 1,763 |
| (4) Increase in tangible and intangible fixed assets | 14,878 | 6,808 | 103 | 21,790 | - | 21,790 | 1,531 | 23,322 |

- Note:
- "Other" is the business segment which is not included in the reporting segment and consist of real estate income and sales by headquarter.
 - Adjustment is as followed.
 - Adjustment for the segment profit of (5,658) million yen includes elimination of inter-segment transaction of 333 million yen and corporate cost of (5,991) million yen. Corporate cost consists primarily of sales, general and administrative expenses and research and development cost which do not belong to the reporting segment.
 - Adjustment for the segment assets of 170,253 million yen includes elimination of inter-segment transaction of (57,266) million yen and corporate assets of 227,519 million yen. Corporate assets consisted primarily of cash and deposit, investment securities, assets for development and assets for management division of head office which do not belong to the reporting segment.
 - Adjustment for depreciation and amortization of 726 million yen is for corporate assets. Depreciation and amortization and increase in tangible and intangible fixed assets include long-term prepaid expenses.
 - Adjustment for increase in tangible and intangible fixed assets is increase in corporate assts.
 - Segment profit is adjusted to the operating income on the consolidated statements of income.

<Additional information>

Effective from the current consolidated accounting year, we have applied the Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Statement No. 17, issued March 27, 2009) and Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Guidance No. 20, issued March 21, 2008).

<Related Information>

The current year (from April 1, 2010 to March 31, 2011)

1. Information for each product and service

Disclosure is omitted as the same information is disclosed in segment information

2. Information for each area

(1) Net assets

(million of yen)

| Japan | America | Europe | Asia | Total |
|---------|---------|--------|--------|---------|
| 124,904 | 37,121 | 20,707 | 13,209 | 195,942 |

(2) Tangible fixed assets

(million of yen)

| Japan | America | Europe | Asia | Total |
|---------|---------|--------|--------|---------|
| 105,020 | 5,779 | 141 | 17,564 | 128,505 |

3. Information about impairment loss on fixed assets by reportable segments

(million of yen)

| Reportable operating segment | | | Total | Other | Total |
|------------------------------|----------------|-------------------|-------|-------|-------|
| Medical | Pharmaceutical | Glass & Materials | | | |
| 38 | - | 25 | 64 | - | 64 |

4. Information about unamortized balance of goodwill by reportable segments

(million of yen)

| | Reportable segment | | | Total | Other | Total |
|--------------------------------|--------------------|----------------|-------------------|-------|-------|-------|
| | Medical | Pharmaceutical | Glass & Materials | | | |
| Balance of the fiscal year-end | 7,287 | 197 | 349 | 7,833 | - | 7,833 |

(Business Combination)

The current accounting year (from April 1, 2010 to March 31, 2011)

Application of Purchase Method

We acquired the issued shares of Home Diagnostics, Inc. by tender offer with cash through NPAC (Nippon Product Acquisition Corporation) which was established for acquisition purpose, and Home Diagnostics, Inc. became a subsidiary company. Following the acquisition, NPAC was absorbed into Home Diagnostics, Inc. based on Delaware law; the former is an extinct company and the latter is a surviving company.

(1) Information of the acquired company

[1] Name of the acquired company and its substance of the business

Name of the acquired company: Home Diagnostics, Inc.

Substance of the business: Development, Manufacture and Sales of diabetes related products

[2] Reason for the business combination

To improve and strengthen the business system for global marketing of diabetes related products in the medical business.

[3] Date of the business combination

March 15, 2010

- [4] Legal form of the business combination
Share trading with cash and merger (Home Diagnostics, Inc., a surviving company, absorbed NPAC, an extinct company)
- [5] Name of the acquired company after the combination
Change to Nipro Diagnostics, Inc. from June 7, 2010
- [6] Rate of acquired voting right
100%

- (2) The performance period of the acquired company included consolidated financial statements
From March 15, 2010 to December 31, 2010

- (3) Cost of acquisition and the details

| | | |
|--------------------------------|---|--------------------|
| Consideration for acquisition | Current price for common stock of Home Diagnostics, Inc. | 19,452 million yen |
| Direct expense for acquisition | Advisory fees etc | 64 million yen |
| Cost of acquisition | | 19,517 million yen |

- (4) Share exchange rate, calculation method and number of issued share
N/A

- (5) Amount of goodwill, reason and depreciation method and period

- [1] Amount of goodwill
9,471 million yen
- [2] Reason
Mainly because Nipro Diagnostics, Inc. is expected to generate excess earning power by expanding diabetes related products into America and global market.
- [3] Depreciation method and period
Straight line method for 5 years

- (6) Main assets and liabilities accepted on the date of combination

| | |
|------------------------|--------------------|
| Current assets | 7,729 million yen |
| Noncurrent assets | 18,149 million yen |
| Total assets | 25,879 million yen |
| Current liabilities | 4,772 million yen |
| Noncurrent liabilities | 1,646 million yen |
| Total liabilities | 6,418 million yen |

- (7) Estimated amount which could affect to the consolidated statement of income, suppose the business combination was completed at beginning of the current accounting year

| | |
|---|--------------------|
| Net sales | 11,454 million yen |
| Operating income | (617) million yen |
| Ordinary income | (692) million yen |
| Income before income taxes and minority interests | (692) million yen |
| Net income | (485) million yen |
| Net income per share | 4,852,372.40 yen |

- (Calculating method of estimated amount and important precondition)

As for calculating of estimated amount, we listed the number of Nipro Diagnostics, Inc. from January 1, 2010 to December 31, 2010 based on American accounting standards, and goodwill occurred in the business combination was not amortized.

The amount listed above was not certified by Certified Public Accountants.

(Per Share Information)

| | Previous period (From April 1, 2009 To March 31, 2010) | Current period (From April 1, 2010 to March 31, 2011) |
|----------------------------|--|--|
| Net assets per share | 1,802.33 yen | 1,679.37 yen |
| Earnings per share | 114.35 yen | 38.72 yen |
| Diluted Earnings per share | 114.14 yen | 34.88 yen |

(Note) Base of the calculation

1. Net assets per share

| | Previous period As of March 31, 2010 | Current period As of March 31, 2011 |
|--|---|--|
| Total net assets in B/S (million yen) | 116,070 | 109,037 |
| Amount to be deducted from total net assets in B/S (Million yen) Minority interests | 1,761 | 2,527 |
| Net assets related to the common stocks(million yen) | 114,309 | 106,509 |
| Common stocks issued (Thousands shares) | 63,878 | 63,878 |
| Treasury stocks of common stock (Thousands shares) | 455 | 456 |
| Number of common stocks(thousand shares) utilized for computation of net assets per share | 63,423 | 63,422 |

2. Earnings per share and diluted earnings per share

| | Previous period (From April 1, 2009 To March 31, 2010) | Current period (From April 1, 2010 To March 31, 2011) |
|---|--|---|
| Earnings per share | | |
| Net income (Million yen) | 7,252 | 2,455 |
| Amount not attributed to the common stock (Million yen) | - | - |
| Net income related to the common stock (Million yen) | 7,252 | 2,455 |
| Average shares of the common stock during the period (Thousands shares) | 63,425 | 63,422 |
| Diluted earnings per share | | |
| Net income adjustment (Million yen) | - | - |
| Number of common stock(thousand shares) increased Stock acquisition right | 113 | 6,993 |
| Overview of the potential shares not included in the computation of diluted earning share because of not having a dilutive effect | - | - |

(Material Subsequent Event)

N/A

(Omission of Disclosures)

We have omitted disclosures concerning, Lease trade, Related party transactions, Tax effected accounting, Financial instruments, Securities, Derivative transactions, Retirement Benefit Plan, Stock options, Assets Retirement Obligations, and Investment and Rental property, considered materiality in necessity of disclosure in this summary report.

5. Non-consolidated Financial Statements

(1) [Non-consolidated Balance Sheets]

(Amount: million yen)

| | As of March 31, 2010 | As of March 31, 2011 |
|--|-------------------------|-------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 44,095 | 60,833 |
| Notes receivable-trade | 12,983 | 12,411 |
| Accounts receivable-trade | 43,434 | 42,346 |
| Merchandise and finished goods | 20,226 | 19,563 |
| Work in process | 2,320 | 2,082 |
| Raw materials and supplies | 3,194 | 3,163 |
| Advance payments-trade | 369 | 1,938 |
| Prepaid expenses | 369 | 542 |
| Deferred tax assets | 1,679 | 1,769 |
| Short-term loans receivable from subsidiaries and affiliates | 4,495 | 3,499 |
| Accounts receivable-other | 852 | 1,101 |
| Consumption taxes receivable | 351 | 741 |
| Other | 256 | 295 |
| Allowance for doubtful accounts | (75) | (67) |
| Total current assets | 134,554 | 150,221 |
| Noncurrent assets | | |
| Property, plant and equipment | | |
| Buildings | 37,278 | 39,479 |
| Accumulated depreciation and impairment loss | (24,384) | (25,488) |
| Buildings, net | 12,893 | 13,991 |
| Structures | 1,753 | 1,963 |
| Accumulated depreciation and impairment loss | (1,417) | (1,480) |
| Structures, net | 335 | 483 |
| Machinery, equipment | 40,243 | 49,960 |
| Accumulated depreciation and impairment loss | (30,497) | (34,857) |
| Machinery and equipment, net | 9,745 | 15,102 |
| Vehicles | 109 | 107 |
| Accumulated depreciation and impairment loss | (103) | (103) |
| Vehicles, net | 6 | 3 |
| Tools, furniture and fixtures | 13,023 | 13,792 |
| Accumulated depreciation and impairment loss | (11,418) | (12,168) |
| Tools, furniture and fixtures, net | 1,604 | 1,623 |
| Land | 11,527 | 11,527 |
| Lease Assets | 311 | 390 |
| Accumulated depreciation | (66) | (147) |
| Lease Assets, net | 244 | 243 |
| Construction in progress | 3,893 | 537 |
| Total property, plant and equipment | 40,250 | 43,513 |

(Amount: million yen)

| | As of March 31, 2010 | As of March 31, 2011 |
|---|-------------------------|-------------------------|
| Intangible assets | | |
| Patent right | 49 | 39 |
| Right of trademark | 1 | 1 |
| Software | 223 | 587 |
| Lease Assets | 62 | 280 |
| Telephone subscription right | 23 | 23 |
| Other | 187 | 122 |
| Total intangible assets | 547 | 1,054 |
| Investments and other assets | | |
| Investment securities | 47,125 | 86,258 |
| Stocks of subsidiaries and affiliates | 85,820 | 102,133 |
| Investments in capital of subsidiaries and affiliates | 12,647 | 19,387 |
| Long-term loans receivable from subsidiaries and affiliates | 15,508 | 3,636 |
| Long-term prepaid expenses | 701 | 638 |
| Guarantee deposits | 3,909 | 3,690 |
| Other | 1,057 | 683 |
| Allowance for doubtful accounts | (2,826) | (2,619) |
| Allowance for investment loss | (6,538) | (6,538) |
| Total investments and other assets | 157,405 | 207,270 |
| Total noncurrent assets | 198,203 | 251,838 |
| Total assets | 332,758 | 402,060 |

(Amount: million yen)

| | As of March 31, 2010 | As of March 31, 2011 |
|--|-------------------------|-------------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes payable | 9,335 | 10,684 |
| Accounts payable | 20,830 | 21,431 |
| Short-term loans payable | 28,500 | 41,400 |
| Current portion of long-term loans payable | 15,441 | 21,474 |
| Commercial papers | 10,000 | 10,000 |
| Current portion of bonds | 10,000 | 5,000 |
| Lease obligations | 85 | 158 |
| Accounts payable-other | 3,207 | 2,922 |
| Provision for directors' bonuses | 204 | 208 |
| Accrued expenses | 640 | 643 |
| Income taxes payable | 3,320 | 2,000 |
| Deposits received | 47 | 51 |
| Provision for bonuses | 885 | 938 |
| Provision for loss on business liquidation | 1,954 | 1,954 |
| Notes payable-facilities | 2,152 | 4,613 |
| Other | 602 | 706 |
| Total current liabilities | 107,207 | 124,186 |

(Amount: million yen)

| | As of March 31, 2010 | As of March 31, 2011 |
|---|-------------------------|-------------------------|
| Noncurrent liabilities | | |
| Bonds payable | 28,000 | 43,000 |
| Convertible bond-type bonds with subscription rights to shares | 15,000 | 15,000 |
| Long-term loans payable | 50,791 | 90,407 |
| Lease obligations | 237 | 392 |
| Deferred tax liabilities | 4,763 | 2,604 |
| Provision for retirement benefits | 920 | 544 |
| Provision for directors' retirement benefits | 524 | 541 |
| Provision for loss on litigation | 170 | 170 |
| Long-term guarantee deposited | 1,241 | 1,233 |
| Total noncurrent liabilities | 101,648 | 153,893 |
| Total liabilities | 208,855 | 278,080 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 28,663 | 28,663 |
| Capital surplus | | |
| Legal capital surplus | 29,972 | 29,972 |
| Other capital surplus | 0 | 0 |
| Total capital surplus | 29,972 | 29,972 |
| Retained earnings | | |
| Legal retained earnings | 1,196 | 1,196 |
| Other retained earnings | | - |
| Reserve for dividends | 16 | 16 |
| Reserve for special depreciation | 7 | - |
| Reserve for advanced depreciation of noncurrent assets | 90 | 90 |
| General reserve | 47,335 | 49,735 |
| Retained earnings brought forward | 4,466 | 5,588 |
| Total retained earnings | 53,111 | 56,626 |
| Treasury stock | (862) | (864) |
| Total shareholders' equity | 110,885 | 114,398 |
| Valuation and translation adjustments | | |
| Valuation difference on available-for-sale securities | 13,017 | 9,581 |
| Total valuation and translation adjustments | 13,017 | 9,581 |
| Total net assets | 123,902 | 123,979 |
| Total liabilities and net assets | 332,758 | 402,060 |

(2) [Non-consolidated Statements of Income]

(Amount: million yen)

| | FY2009 (From April 1, 2009 to March 31, 2010) | FY2010 (From April 1, 2010 to March 31, 2011) |
|--|---|---|
| Net sales | | |
| Net sales of finished goods | 112,355 | 119,067 |
| Net sales of goods | 25,005 | 24,191 |
| Rent income of real estate | 484 | 461 |
| Total net sales | 137,844 | 143,720 |
| Cost of sales | | |
| Beginning finished goods | 15,119 | 14,695 |
| Beginning goods | 5,921 | 5,531 |
| Cost of products manufactured | 41,488 | 40,204 |
| Purchase of finished goods | 43,442 | 48,427 |
| Cost of purchased goods | 18,538 | 20,372 |
| Cost of real estate rent | 420 | 373 |
| Total | 124,930 | 129,604 |
| Ending finished goods | 14,695 | 13,416 |
| Ending goods | 5,531 | 6,147 |
| Total cost of sales | 104,703 | 110,041 |
| Gross profit | 33,140 | 33,679 |
| Selling, general and administrative expenses | 20,205 | 20,377 |
| Operating income | 12,935 | 13,302 |
| Non-operating income | | |
| Interest income | 474 | 369 |
| Dividends income | 595 | 892 |
| Other | 401 | 349 |
| Total non-operating income | 1,471 | 1,611 |
| Non-operating expenses | | |
| Interest expenses | 981 | 1,142 |
| Interest on bonds | 622 | 603 |
| Bond issuance cost | 34 | 103 |
| Sales discounts | 5 | 5 |
| Foreign exchange losses | 1,245 | 2,511 |
| Other | 35 | 109 |
| Total non-operating expenses | 2,925 | 4,476 |
| Ordinary income | 11,481 | 10,437 |

(Amount: million yen)

| | FY2009 (From April 1, 2009 to March 31, 2010) | FY2010 (From April 1, 2010 to March 31, 2011) |
|---|---|---|
| Extraordinary income | | |
| Gain on sales of noncurrent assets | 7 | 2 |
| Settlement received | 15 | - |
| Gain from the prior-period adjustment | 6 | - |
| Compensation income | 193 | 122 |
| Surrender value of insurance | 109 | - |
| Gain on sale of investment securities | - | 828 |
| Gain on revision of retirement benefit plan | - | 340 |
| Other | 16 | 6 |
| Total extraordinary income | 347 | 1,300 |
| Extraordinary loss | | |
| Loss on retirement of noncurrent assets | 49 | 82 |
| Corresponding loss to compensation income | 190 | - |
| Loss on voluntary product recall | 120 | 240 |
| Compensation for damage | 89 | - |
| Write-off of investment securities | - | 230 |
| Loss on disaster | - | 141 |
| Other | 75 | 279 |
| Total extraordinary losses | 523 | 975 |
| Income before income taxes and minority interests | 11,305 | 10,762 |
| Income taxes-current | 4,460 | 4,113 |
| Income taxes-deferred | (85) | 89 |
| Total income taxes | 4,375 | 4,202 |
| Net income | 6,930 | 6,559 |

(3) [Non-consolidated Statements of Shareholders' Equity]

(Amount: million yen)

| | FY2009 (From April 1, 2009 to March 31, 2010) | FY2010 (From April 1, 2010 to March 31, 2011) |
|--|---|---|
| Shareholder's equity | | |
| Capital | | |
| Balance at beginning of year | 28,663 | 28,663 |
| Increase(decrease) during the period | | |
| Net increase(decrease) during the period | - | - |
| Balance at end of year | 28,663 | 28,663 |
| Capital Surplus | | |
| Capital reserve | | |
| Balance at beginning of year | 29,972 | 29,972 |
| Increase(decrease) during the period | | |
| Net increase(decrease) during the period | - | - |
| Balance at end of year | 29,972 | 29,972 |
| Other Capital Surplus | | |
| Balance at beginning of year | 1 | 0 |
| Increase(decrease) during the period | | |
| Disposal of treasury stock | (0) | (0) |
| Net increase(decrease) during the period | (0) | (0) |
| Balance at end of year | 0 | 0 |
| Total capital surplus | | |
| Balance at beginning of year | 29,973 | 29,972 |
| Increase(decrease) during the period | | |
| Disposal of treasury stock | (0) | (0) |
| Net increase(decrease) during the period | (0) | (0) |
| Balance at end of year | 29,972 | 29,972 |
| Earned surplus | | |
| Earned reserve | | |
| Balance at beginning of year | 1,196 | 1,196 |
| Increase(decrease) during the period | | |
| Net increase(decrease) during the period | - | - |
| Balance at end of year | 1,196 | 1,196 |
| Other earned surplus | | |
| Dividend reserve | | |
| Balance at beginning of year | 16 | 16 |
| Increase(decrease) during the period | | |
| Net increase(decrease) during the period | - | - |
| Balance at end of year | 16 | 16 |
| Special depreciation reserve | | |
| Balance at beginning of year | 23 | 7 |
| Increase(decrease) during the period | | |
| Reversal of Special depreciation reserve | (16) | (7) |
| Net increase(decrease) during the period | (16) | (7) |
| Balance at end of year | 7 | - |

(Amount: million yen)

| | FY2009 (From April 1, 2009 to March 31, 2010) | FY2010 (From April 1, 2010 to March 31, 2011) |
|--|---|---|
| Reserve for reduction in fixed assets | | |
| Balance at beginning of year | 90 | 90 |
| Increase(decrease) during the period | | |
| Net increase(decrease) during the period | - | - |
| Balance at end of year | 90 | 90 |
| General reserve | | |
| Balance at beginning of year | 47,335 | 47,335 |
| Increase(decrease) during the period | | |
| Provision of general reserve | - | 2,400 |
| Net increase(decrease) during the period | - | 2,400 |
| Balance at end of year | 47,335 | 49,735 |
| Earned surplus carried forward | | |
| Balance at beginning of year | (989) | 4,466 |
| Increase(decrease) during the period | | |
| Dividends of surplus | (1,490) | (3,044) |
| Net income | 6,930 | 6,559 |
| Reversal of Special depreciation reserve | 16 | 7 |
| Provision of general reserve | - | (2,400) |
| Net increase(decrease) during the period | 5,455 | 1,122 |
| Balance at end of year | 4,466 | 5,588 |
| Total earned surplus | | |
| Balance at beginning of the period | 47,672 | 53,111 |
| Increase(decrease) during the period | | |
| Dividends of surplus | (1,490) | (3,044) |
| Net income | 6,930 | 6,559 |
| Reversal of Special depreciation reserve | - | - |
| Provision of general reserve | - | - |
| Net increase(decrease) during the period | 5,439 | 3,514 |
| Balance at end of year | 53,111 | 56,626 |
| Treasury stock | | |
| Balance at beginning of the period | (849) | (862) |
| Increase(decrease) during the period | | |
| Acquisition of treasury stock | (13) | (1) |
| Disposal of treasury stock | 1 | 0 |
| Net increase(decrease) during the period | (12) | (1) |
| Balance at end of year | (862) | (864) |

(Amount: million yen)

| | FY2009 (From April 1, 2009 to March 31, 2010) | FY2010 (From April 1, 2010 to March 31, 2011) |
|--|---|---|
| Total Shareholders' equity | | |
| Balance at beginning of year | 105,458 | 110,885 |
| Increase(decrease) during the period | | |
| Dividend of surplus | (1,490) | (3,044) |
| Net income | 6,930 | 6,559 |
| Acquisition of treasury stock | (13) | (1) |
| Disposal of treasury stock | 1 | 0 |
| Net increase(decrease) during the period | 5,426 | 3,513 |
| Balance at end of year | 110,885 | 114,398 |
| Valuation and translation differences | | |
| Valuation differences on available-for-sale securities | | |
| Balance at beginning of year | 3,747 | 13,017 |
| Increase(decrease) during the period | | |
| Net increase(decrease) of the items other than shareholders' equity during the period | 9,269 | (3,436) |
| Net increase(decrease) during the period | 9,269 | (3,436) |
| Balance at end of year | 13,017 | 9,581 |
| Total valuation and translation differences | | |
| Balance at beginning of year | 3,747 | 13,017 |
| Increase(decrease) during the period | | |
| Net increase(decrease) of the items other than shareholders' equity during the period | 9,269 | (3,436) |
| Net increase(decrease) during the period | 9,269 | (3,436) |
| Balance at end of year | 13,017 | 9,581 |
| Total net assets | | |
| Balance at beginning of year | 109,206 | 123,902 |
| Increase(decrease) during the period | | |
| Dividend of surplus | (1,490) | (3,044) |
| Net income | 6,930 | 6,559 |
| Acquisition of treasury stock | (13) | (1) |
| Disposal of treasury stock | 1 | 0 |
| Net increase(decrease) of the items other than shareholders' equity during the period | 9,269 | (3,436) |
| Net increase(decrease) during the period | 14,696 | 76 |
| Balance at end of year | 123,902 | 123,979 |

6. Others

Changes in Directors

(1) Change in representative of the company

N/A

(2) Change in other directors or statutory auditors

1) Candidate for statutory auditors to be newly assigned (Scheduled assignment date: June 28, 2011)

| | |
|-------------------|----------------|
| Statutory auditor | Kazumichi Irie |
|-------------------|----------------|

Note: Mr. Kazumichi Irie is a candidate for external statutory auditor stipulated in article 2, no.16 of the Company code.

2) Statutory auditors to resign (Scheduled resigning date: June 28, 2011)

| | |
|-------------------|--------------|
| Statutory auditor | Kiyoshi Kase |
|-------------------|--------------|

3) Candidate for spare statutory auditors (Scheduled assignment date: June 28, 2011)

| | |
|-------------------------|--------------|
| Spare statutory auditor | Kiyoshi Kase |
|-------------------------|--------------|

Note: Mr. Kiyoshi Kase is a candidate for external statutory auditor stipulated in article 2, no.16 of the Company code.