

# Summary Report of Consolidated Financial Results

For the Three Months Period ended June 30, 2010



August 11, 2010  
TSE/OSE-1st section

Company name: NIPRO CORPORATION

Code No.8086

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

Representative: Minoru Sano, President and Representative Director

Contact person: Akihiko Yamabe, Director and General Manager of Accounting Division

TEL: (06) 6372-2331

Filling date of quarterly reporting: August 13, 2010

Payment date of cash dividends: -

Supplemental material on quarterly reporting: None

Presentation on quarterly results: None

(Note: Amounts are truncated to one million yen)

1. Consolidated results for the three months ended June 30, 2010 (From April 1, 2010 to June 30, 2010)

(1) Consolidated results of operations (Note: % of change from the same period a year ago)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
3 months ended June 30,2010	45,061	3.3	4,772	17.7	2,566	(17.8)	1,348	2.0
3 months ended June 30,2009	43,620	2.6	4,056	16.9	3,121	(39.5)	1,322	(51.6)

	Earnings per Share	Diluted Earnings per share
	Yen	Yen
3 months ended June 30,2010	21.27	19.19
3 months ended June 30,2009	20.85	-

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
3 months ended June 30,2010	371,864	114,284	30.2	1,771.29
Year ended March 31, 2010	383,396	116,070	29.8	1,802.33

Note: Equity 3 months ended June 30, 2010 112,340 million yen Year ended March 31, 2010 114,309 million yen

2. Dividends

	Annual dividends per share				
	First-quarter	Second-quarter	Third-quarter	Year-end Dividends	Annual dividends
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2010	-	23.50	-	29.50	53.00
Year ending March 31, 2011	-				
Year ending March 31, 2011 (Forecast)		23.50	-	30.50	54.00

Note: Revisions to the forecast of cash dividends in the current quarter: No

3. Forecast of Consolidated Financial Results for the Year ending March 31, 2011 (From April 1, 2010 to March 31, 2011)

(The % displays in the line of six months ending Sept. 30, 2010 show increase/decrease ratio against the six months ended Sept.30, 2009. The % displays in the line of year ending March 31, 2011 show increase/decrease ratio against the year ended March 31, 2010)

	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, 2010	98,000	12.1	7,800	(15.8)	6,600	(5.7)	3,300	(5.6)	52.03
Year ending March 31, 2011	206,000	15.8	17,200	(4.9)	15,300	2.6	7,900	8.9	124.56

Note: Revisions to the forecast of consolidated financial results in the current quarter: No

4. Others (For details, please refer to "2. Other information" on page 4 of attached documents.)

(1) Change in significant subsidiaries during the current period: No

(Note) Change in specified subsidiaries during the period that caused a change in the scope of consolidation

(2) Adoption of accounting treatments simplified or unique for preparation : Yes

(Note) Adoption of accounting treatments simplified and unique for preparation of quarterly consolidated financial statements

(3) Changes in accounting principles, procedures or presentation for consolidated financial statements

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

[2] Changes other than [1]: No

(Note) Changes in significant accounting principles, procedure and presentation which are to be stated in "Change in significant matter of basis of preparation for consolidated financial statements"

(4) Issued shares (Common stock)

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

3 months ended June 30, 2010: 63,878,505 shares                      Year ended March 31, 2010: 63,878,505 shares

[2] Number of treasury stock at end of the period:

3 months ended June 30, 2010: 455,498 shares                      Year ended March 31, 2010: 455,328 shares

[3] Average number of shares during the period:

3 months ended June 31, 2010: 63,423,116 shares                      3 months ended June 30, 2009: 63,429,209 shares

\*Information regarding the quarterly review procedure

This quarterly summary report is exempt from quarterly review procedure based on the Financial Instruments and Exchange Act. It is under the review procedure process at the time of disclosure of this report.

\*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 P.4 "1. Qualitative information for the three months period ended June 30, 2010, (3) Qualitative information concerning forecast of consolidated financial results" in the attachments.

## Table of contents

1. Qualitative information for the three months period ended June 30, 2010	P.2
(1) Qualitative information concerning consolidated financial results	P.2
(2) Qualitative information on the consolidated financial position	P.3
(3) Qualitative information concerning forecast of consolidated financial results	P.4
2. Other information	P.4
(1) Overview of changes in significant consolidated subsidiaries	P.4
(2) Overview of accounting treatments simplified or unique for preparation	P.4
(3) Overview of changes in accounting principles, procedures, and disclosure for preparation	P.5
3. Consolidated financial statements	P.6
(1) Quarterly consolidated balance sheets	P.6
(2) Quarterly consolidated statements of income	P.8
(3) Quarterly consolidated statements of cash flows	P.9
(4) Notes related to going concern	P.11
(5) Segment information	P.11
(6) Notes to statements of shareholders' equity, if having significant variation	P.14

## 1. Qualitative information for the three months period ended June 30, 2010

### (1) Qualitative information concerning consolidated financial results

During the current quarter period ended June 30, 2010, despite the world economy showed a recovery trend by the economic growth in the emerging country, we can not take such recovery for granted due to the turmoil in the European financial markets and the sluggish U.S. economy.

The Japanese economy entered a self-sustaining recovery phase led by the private demand recovering based on the increase of capital investments and exports. On the other hand, there still remains the uncertainty about the recovery due to the concern about the application of yen and decline in stock prices.

Under such circumstances, we aimed to expand sales and production and continuously look to improve production efficiency, all of which will help us improve our business performance.

Therefore, the consolidated sales in the first three months of fiscal year 2010(for the three month ended June 30, 2010) increased 3.3% compared with the same period a year ago to 45,061million yen.

As for the profit, consolidated operating income increased 17.7% compared with the same period a year ago to 4,772 million yen. Ordinary income decreased 17.8% compared with the same period a year ago to 2,566 million yen due to the influence of exchange rate fluctuations. Net income increased 2.0% compared with the same period a year ago to 1,348 million yen.

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

#### [1] Medical business

On the domestic side of medical business, we faced the overhaul of the medical fee scheme in April 2010. The overhaul of the medical fee scheme in April 2010 was aiming to respond to the aggravation of the financial condition of the health insurance system and economic situation. It became the upwardly-revised as a whole for the first time in 10 years, aiming to resolve the medical crisis in these days and realize medical service which provides people with a sense of security. However, official reimbursement price of drug and special treatment materials was reduced 1.36% and our business and market conditions remained severe.

Sales grew greatly in vascular-related products (such as blood-clot trapping catheters, coronary artery stent and angiographic kit). In addition, sales of enteral alimentation-related products, injection- and infusion-related products, dialysis related products (such as blood tube and dialysis solution) and testing-related products like glucose analysis device grew steadily and made a profit under a severe business conditions.

On the international side of this business, the appreciation of Japanese yen against the U.S. dollar and Euro in addition to the sharp freight cost rises had great impact on our profit. Under such circumstances, we continued to promote active sales promotion by strengthening our direct selling system in China where the economy is significantly growing, and to strengthen the community-based sales promotion in Latin American and Asian market so as to increase the sales amount.

Sales grew greatly in diabetic-related products, as well as the sales in dialysis-related product (such as dialyzer, dialysis machine and blood tube) increased steadily by means of our active sales promotions in the dialysis market such as in China. Furthermore, we trimmed the inventory level and improve sales efficiency so as to deal with the increasing transportation cost and greatly improve our profitability.

As a result, net sales of this business were 29,737million yen.

## [2] Pharmaceutical business

In pharmaceutical business, we have undertaken contract manufacturing business from many domestic and foreign pharmaceutical companies in addition to sales and manufacture of generic drug, taking advantage of excellent manufacturing technologies of the pharmaceutical manufacture subsidiaries such as the Nipro Pharma Corporation and the Tohoku Nipro Pharmaceutical Corporation, based on strong product development capability of our company in pharmaceutical container and medical equipment.

While advancing our aging society and increasing in the number of institutions introducing the DPC (Diagnostic Procedure Combination) system, a comprehensive reimbursement system of medical costs for in-patients with acute stage conditions, the Nipro Pharma Corporation plays a central part in selling generic drugs to promote sales of characteristic drugs and medicines expanding its range of merchandise thanks to the policies calling for the dissemination of generic products like the overhaul of medical fee scheme in April 2010. We registered steady sales growth in liquid-and-powder double-bag kits, pre-mixed-bag kits, injectable drugs contained in plastic ampoules and oral drugs (such as orally disintegrating tablets and extended-release tablets), as well as dialysis-related products (such as kit products of substitution fluid for hemofiltration and hemodiafiltration) getting a reputation by medical staff and patients.

In the field of contract manufacturing business, we undertook a lot of contract manufacturing projects with the capable manufacturing plants of several dosage forms suitable to its drug, such as injectable drugs, oral drugs, transdermal absorption drugs. In addition, we fully started contract manufacturing for steroid injectable drug products and promoted new business in oral drugs with major pharmaceutical company. We also created a framework that enables us to provide a stable supply of high-quality products as the largest contract manufacturer of pharmaceutical products in Japan.

As a result, net sales of this business were 9,220 million yen.

## [3] Glass & Materials business

In the field of glass materials, the sales of glass tube for pharmaceutical purpose increase as whole thanks to the international sales promotion and increased demands in glass tube for glass bottles, though the domestic demands in glass tube for pharmaceutical purpose decreased. Furthermore, we advanced establishment of manufacturing bases in China and India. The export of glass for thermos bottles gradually showed the trend of recovery though the export mainly to markets in the Middle East decreased.

As for the sales of glass for lighting purposes, the sales of glass tube for electric lamp increased thanks to the good condition in domestic production for automobile, on the other hand the sales of glass tube for backlights decreased under the influence of penetration of LED products. In the field of other pharmaceutical container, the sales of rubber stopper for pharmaceutical use and glass container for combination products (injectable kit products) increased as well as the sales of bags for antimicrobial agent and member of pre-filled syringe increased steadily, based on our plastics, metal and rubber processing technologies. As for the medicinal preparation and administration related device, we worked on joint development with pharmaceutical companies to have a reputation. Furthermore, we have promoted contract manufacturing and development cooperating with domestic and foreign pharmaceutical companies in general life cycle management of pharmaceuticals entering the development of combination products, systematization for self-injection and modification of dosage form in the view. In addition, the development and contract manufacturing of the influenza diagnostic kit to reagent manufacture companies progressed steadily.

As a result, net sales of this business were 5,998 million yen.

## [4] Other business

In the other business, the sales from real estate rental income were 105million yen.

## (2) Qualitative information on the consolidated financial position

### [1] Analysis concerning the conditions of assets, liabilities and net assets

Total assets decreased 11,532 million yen from the end of the previous period to 371,864 million yen. Current assets decreased 3,890 million yen and noncurrent assets decreased 7,642 million yen. Main reason for the decrease in current assets was that cash and deposits decreased 10,417 million yen, and main reason for the decrease in noncurrent assets was that investment securities decreased 25,261 million yen.

Total liabilities decreased 9,746 million yen to 257,579 million yen. Current liabilities decreased 7,774 million yen and noncurrent liabilities decreased 1,972 million yen. Current liabilities decreased mainly due to the decrease of 10,000 million yen in commercial papers and main reason for the decrease in noncurrent liabilities was that deferred tax liabilities decreased 2,261 million yen.

Net assets decreased 1,786 million yen to 114,284 million yen from the end of the previous period. Shareholders' equity decreased 522 million yen and valuation and translation adjustments decreased 1,446 million yen.

## [2] Analysis concerning the conditions of cash flows

The ending balance of cash and cash equivalents in the period under review decreased 10,279 million yen to 45,908 million yen.

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

### (Cash flows from operating activities)

Net cash provided by operating activities was 2,170 million yen. The main accounts of cash inflow were net income before adjustment of taxes, 2,872 million yen, depreciation and amortization, 4,337 million yen. The main accounts of cash outflow were increase of inventories, 1,943 million yen, and payment of corporate income tax, 4,472 million yen.

### (Cash flows from investing activities)

Net cash used in investing activities was 4,269 million yen. The main account of cash outflow was purchase of noncurrent assets 4,268 million yen.

### (Cash flows from financing activities)

Net cash used in investing activities was 9,588 million yen. The main accounts of cash inflow were proceeds from long-term loans payable, 5,849 million yen. The main accounts of cash outflow were decrease in commercial papers, 10,000 million yen, and repayment of long-term loans payable, 4,679 million yen.

## (3) Qualitative information concerning forecast of consolidated financial results

In the world economy in the future, the forecast of U.S. economy continues to remain uncertain and the economic activities in emerging countries and resource-rich country might have a strong impact on sharp exchange rate fluctuations. In the Japanese economy, impact of a shrinking and aging population and declining fertility and the decrease of domestic demands based on the restoring of public fiscal health are expected.

At this moment, there is no revision to the forecast of consolidated financial results for the FY2010 which was published May 14, 2010.

## 2. Other information

### (1) Overview of changes in significant subsidiaries

N/A

### (2) Overview of accounting treatments simplified or unique for preparation

#### [1] Simplified accounting procedures

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

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

## 2) Measurement for inventory

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

## 3) Calculation method for depreciation of noncurrent assets

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

## 4) Deferred tax assets and liabilities

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

[2] Accounting procedures unique for preparation of quarterly consolidated financial statements: N/A

(3) Overview of changes in accounting principles, procedures, and disclosure for preparation

[1] Change in accounting principles

(Application of Revised Accounting Standard for Equity Method of Accounting for Investments)

Effective from the first quarter of FY2010, 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.

(Application of Accounting Standard for Asset Retirement Obligations)

Effective from the first quarter of FY2010, the Company has applied the 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 for the quarter period by 2 million yen and income before income taxes by 95 million yen.

(Application of Accounting Standards for Business Combinations)

Effective from the first quarter of fiscal 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, revised 2008), issued on December 26, 2008; Revised Accounting Standard for Equity Method of Accounting for Investments (ASBJ Standard No. 16, revised 2008), issued on December 26, 2008; and Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10, revised 2008), issued on December 26, 2008. There is no impact on profit and loss regarding to this change.

[2] Change in accounting principles

(Overview of changes in significant consolidated subsidiaries)

As a result of the application of the Cabinet Office Ordinance Partially Revising Regulation on Terminology, Forms and Preparation of Financial Statements (Cabinet Office Ordinance No.5, March 24, 2009) based on the Accounting Standard for Consolidated Financial Statements (ASJB Statements No. 22 of December 26, 2008), the item "Net income before adjustment for minority interests" is included in the financial statements in this fiscal period.

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

(Amount: million yen)

	As of June 30, 2010	As of March 31, 2010
<b>Assets</b>		
Current assets		
Cash and deposits	48,849	59,266
Notes and accounts receivable-trade	59,293	56,303
Merchandise and finished goods	39,826	38,503
Work in process	7,436	6,192
Raw materials and supplies	11,203	10,008
Deferred tax assets	2,806	3,149
Other	7,060	6,937
Allowance for doubtful accounts	(438)	(432)
<b>Total current assets</b>	<b>176,038</b>	<b>179,928</b>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	108,881	107,011
Accumulated depreciation and impairment loss	(58,082)	(56,495)
Buildings and structures, net	50,798	50,515
Machinery, equipment and vehicles	125,424	117,534
Accumulated depreciation and impairment loss	(85,602)	(81,395)
Machinery, equipment and vehicles, net	39,822	36,138
Land	19,836	19,766
Lease assets	1,456	1,393
Accumulated depreciation	(237)	(173)
Lease assets, net	1,219	1,220
Construction in progress	12,714	11,992
Other	25,990	25,032
Accumulated depreciation and impairment loss	(21,191)	(20,456)
Other, net	4,799	4,575
<b>Total property, plant and equipment</b>	<b>129,190</b>	<b>124,208</b>
Intangible assets		
Goodwill	12,744	561
Lease assets	85	78
Other	1,957	1,736
<b>Total intangible assets</b>	<b>14,787</b>	<b>2,376</b>
Investments and other assets		
Investment securities	47,614	72,875
Deferred tax assets	664	334
Guarantee deposits	4,034	4,071
Other	2,718	2,788
Allowance for doubtful accounts	(3,184)	(3,186)
<b>Total investments and other assets</b>	<b>51,848</b>	<b>76,883</b>
<b>Total noncurrent assets</b>	<b>195,826</b>	<b>203,468</b>
<b>Total assets</b>	<b>371,864</b>	<b>383,396</b>



(Amount: million yen)

	As of June 30, 2010	As of March 31, 2010
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	31,356	29,203
Short-term loans payable	66,756	64,442
Commercial papers	-	10,000
Current portion of bonds	10,160	10,160
Lease obligations	331	318
Accounts payable-other	5,144	5,792
Accrued directors' bonuses	-	204
Income taxes payable	1,216	4,932
Provision for bonuses	981	1,758
Provision for directors' bonuses	75	23
Provision for loss on business liquidation	1,954	1,954
Notes payable-facilities	3,586	3,869
Other	8,866	5,543
Total current liabilities	130,430	138,204
Noncurrent liabilities		
Bonds payable	28,000	28,000
Convertible bond-type bonds with subscription rights to shares	15,000	15,000
Long-term loans payable	72,808	72,839
Lease obligations	1,085	1,098
Deferred tax liabilities	5,509	7,771
Provision for retirement benefits	2,152	1,972
Provision for directors' retirement benefits	622	614
Provision for loss on litigation	170	170
Other	1,801	1,655
Total noncurrent liabilities	127,149	129,121
Total liabilities	257,579	267,325
<b>Net assets</b>		
Shareholders' equity		
Capital stock	28,663	28,663
Capital surplus	29,972	29,972
Retained earnings	46,697	47,219
Treasury stock	(862)	(862)
Total shareholders' equity	104,471	104,993
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	11,673	15,024
Foreign currency translation adjustment	(3,804)	(5,708)
Total valuation and translation adjustments	7,869	9,316
Minority interests	1,943	1,761
Total net assets	114,284	116,070
Total liabilities and net assets	371,864	383,396

## (2) [ Consolidated Statements of Income ]

(Amount: million yen)

	FY2009 first three months (From April 1, 2009 to June 30, 2009)	FY2010 first three months (From April 1, 2010 to June 30, 2010)
Net sales	43,620	45,061
Cost of sales	31,340	31,226
Gross profit	12,280	13,834
Selling, general and administrative expenses	8,224	9,062
Operating income	4,056	4,772
Non-operating income		
Interest income	55	77
Dividends income	304	325
Other	129	122
Total non-operating income	489	525
Non-operating expenses		
Interest expenses	560	586
Depreciation	69	-
Foreign exchange losses	311	1,902
Equity in losses of affiliates	444	136
Other	37	104
Total non-operating expenses	1,423	2,730
Ordinary income	3,121	2,566
Extraordinary income		
Gain on sales of noncurrent assets	12	6
Gain on prior period adjustment	8	2
Compensation income	-	122
Licensed dealership charges	-	300
Other	4	73
Total extraordinary income	26	504
Extraordinary loss		
Loss on retirement of noncurrent assets	7	19
Abnormal manufacturing cost	228	55
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	92
Other	89	30
Total extraordinary losses	326	198
Income before income taxes and minority interests	2,821	2,872
Income taxes-current	1,167	739
Income taxes-deferred	227	661
Total income taxes	1,395	1,401
Income before minority interests	-	1,471
Minority interests in income	103	122
Net income	1,322	1,348

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

(Amount: million yen)

	FY2009 first three months (From April 1, 2009 to June 30, 2009)	FY2010 first three months (From April 1, 2010 to June 30, 2010)
<b>Net cash provided by (used in) operating activities</b>		
Income before income taxes and minority interests	2,821	2,872
Depreciation and amortization	4,076	4,337
Impairment loss	-	19
Amortization of goodwill	72	446
Equity in (earnings) losses of affiliates	444	136
Increase (decrease) in allowance for doubtful accounts	25	3
Interest and dividends income	(360)	(402)
Interest expenses	560	586
Foreign exchange losses (gains)	99	249
Decrease (increase) in notes and accounts receivable-trade	(3,567)	(833)
Decrease (increase) in inventories	(153)	(1,943)
Increase (decrease) in notes and accounts payable-trade	3,605	1,444
Decrease (increase) in other assets	579	684
Increase (decrease) in other liabilities	(1,155)	(906)
Other loss (gain)	27	(38)
<b>Subtotal</b>	<b>7,078</b>	<b>6,656</b>
Interest and dividends income received	441	362
Interest expenses paid	(420)	(405)
Other proceeds	139	203
Other payments	(57)	(173)
Income taxes paid	(1,847)	(4,472)
<b>Net cash provided by (used in) operating activities</b>	<b>5,333</b>	<b>2,170</b>
<b>Net cash provided by (used in) investing activities</b>		
Payments into time deposits	(318)	(640)
Proceeds from withdrawal of time deposits	1,170	802
Purchase of investment securities	(0)	(50)
Purchase of noncurrent assets	(14,772)	(4,268)
Proceeds from sales of noncurrent assets	27	21
Proceeds from governmental subsidies for investment in property and equipment	202	25
Net Decrease (increase) in short-term loans receivable	686	(147)
Payments of loans receivable	-	(15)
Collection of loans receivable	0	3
Other proceeds	2	-
<b>Net cash provided by (used in) investment activities</b>	<b>(13,003)</b>	<b>(4,269)</b>

(Amount: million yen)

	FY2009 first three months (From April 1, 2009 to June 30, 2009)	FY2010 first three months (From April 1, 2010 to June 30, 2010)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	6,589	1,020
Increase (decrease) in commercial papers	-	(10,000)
Proceeds from long-term loans payable	500	5,849
Repayment of long-term loans payable	(4,818)	(4,679)
Decrease (increase) in treasury stock	(8)	(0)
Repayments of finance lease obligations	(25)	(86)
Cash dividends paid	(1)	(1,684)
Cash dividends paid for minority shareholders	(2)	(3)
Other payments	(21)	(6)
Net cash provided by (used in) financing activities	2,211	(9,588)
Effect of exchange rate change on cash and cash equivalents	(372)	(186)
Net increase (decrease) in cash and cash equivalents	(5,830)	(11,874)
Cash and cash equivalents at beginning of period	45,532	56,188
Increase in cash and cash equivalents from newly consolidated subsidiary	-	1,595
Cash and cash equivalents at end of period	39,522	45,908

(4) Notes related to going concern  
N/A

(5) Segment information

<Segment information by business category>

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

(Millions of yen)

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

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, dialysis 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.

<Segment information by geographical area>

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

(Millions of yen)

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

Notes: 1. Classification of countries or areas is based on geographical proximity.

2. The major countries included in each geographical area are as follows:

America.....	The United States of America and Brazil
Europe.....	Belgium
Asia.....	China, Thailand and Singapore

<Overseas sales>

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

(Millions of yen)

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

Notes: 1. Overseas sales represent those of the Company and the consolidated subsidiaries to countries and areas outside of Japan.

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

3. The major countries included in each geographical area are as follows:  
 America ..... The United States of America, Canada and Brazil  
 Europe..... Belgium, Denmark and Germany  
 Asia ..... China, India, Indonesia, Taiwan and Thailand

<Segment information>

1. Outline of reportable operating segments

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. Sales and profit by reportable operating segments

FY2010 (From April 1, 2010 to June 30, 2010)

(Millions of yen)

	Segment				Other Note.1	Total	Adjust- ment Note.2	Consolidated statements of income Note.3
	Medical	Pharma- ceutical	Glass & Materials	Total				
Net sales								
(1)Sales to third parties	29,737	9,220	5,998	44,956	105	45,061	-	45,061
(2)Inter-segment sales and transfers	54	4,398	972	5,424	9	5,434	(5,434)	-
Total	29,791	13,618	6,971	50,380	115	50,496	(5,434)	45,061
Segment profit	5,287	724	665	6,678	21	6,700	(1,927)	4,772

Notes: 1. "Other" is the business segment which is not included in the reporting segment and consist of real estate income and sales by headquarter.

2. Adjustment for the segment profit of (1,927) million yen includes corporate cost of (1,937) million yen and elimination of inter-segment transaction of 10 million yen. Corporate cost consisted primarily of sales, general and administrative expenses and research and development cost which do not belong to the reporting segment.

3. Segment profit is adjusted to the operating income on the consolidated statements of income.

3. Information on goodwill by reportable operating segments

(Significant variation in the amount of goodwill)

We included the Nipro Diagnostics, Inc. and other 3 companies in the scope of consolidation.

The regarding increase in the amount of goodwill was 12,264 million yen compared with the previous period.

(Additional information)

Effective from the first quarter ended June 30, 2010, 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).

(6)Notes to statements of shareholders' equity, if having significant variation

N/A