

# Summary Report of Consolidated Financial Results

For the Six Months Period ended September 30, 2010



November 10, 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

Filing date of quarterly reporting: November 12, 2010

Payment date of cash dividends: December 9, 2010

Supplemental material on quarterly reporting: None

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

(Note: Amounts are truncated to one million yen)

1. Consolidated results for the Six months ended September 30, 2010 (From April 1, 2010 to September 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	%
6 months ended Sept. 30,2010	94,640	8.2	9,031	(2.5)	5,470	(21.8)	2,469	(29.3)
6 months ended Sept. 30,2009	87,435	1.0	9,261	33.2	6,999	0.9	3,494	2.7

	Earnings per Share	Diluted Earnings per share
	Yen	Yen
6 months ended Sept. 30,2010	38.94	35.13
6 months ended Sept. 30,2009	55.09	-

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
6 months ended Sept. 30,2010	385,070	113,586	29.0	1,758.87
Year ended March 31, 2010	383,396	116,070	29.8	1,802.33

Note: Equity 6 months ended Sept. 30, 2010 111,552 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
Year ended March 31, 2010	-	23.50	-	29.50	53.00
Year ending March 31, 2011	-	18.50	-	-	-
Year ending March 31, 2011 (Forecast)	-	-	-	22.50	41.00

Note: Whether the forecast of cash dividends has been revised in the current quarter or not: Yes

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

(Note: The % display shows 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
Year ending March 31, 2011	200,000	12.5	17,200	(4.9)	12,100	(18.8)	4,950	(31.7)	78.05

Note: Whether the forecast of consolidated financial results has been revised in the current quarter or not: Yes

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):

6 months ended Sept. 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:

6 months ended Sept. 30, 2010: 455,987 shares                      Year ended March 31, 2010: 455,328 shares

[3] Average number of shares during the period:

6 months ended Sept. 30, 2010: 63,422,929 shares                      6 months ended Sept. 30, 2009: 63,427,015 shares

\*Information regarding the quarterly review procedure

This 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 six months period ended September 30, 2010, (3) Qualitative information concerning forecast of consolidated financial results" in the attachments.

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## 1. Qualitative information for the six months period ended September 30, 2010

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

During the six months period ended September 30, 2010, despite the emerging countries could enjoy steady economic progress, the whole world economy could not take such trends as granted because there were slowdown in the U.S. and European economies. The Japanese economy could avert a recession thanks to the increase in exports to Asia, rush demand of eco-car and demand effect by the scorching summers, but there still remains the uncertainty about the recovery due to the concern about the sharp appreciation of yen and continuous decline in stock prices.

Under such circumstances, we aimed to expand sales and production and improve production efficiency and promoted manufacturing in each location on the basis of local production for local consumption, all of which will help us improve our business performance.

Therefore, we grew each business and the consolidated sales in this six months period increased 8.2% compared with the same period a year ago to 94,640 million yen.

As for the profit, consolidated operating income decreased 2.5% compared with the same period a year ago to 9,031 million yen due to the increase of selling, general and administrative expenses. Ordinary income decreased 21.8% compared with the same period a year ago to 5,470 million yen due to the increase of non-operating expenses. Net income decreased 29.3% compared with the same period a year ago to 2,469 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, while continuously taken the policy on reduction of medical cost, the medical fee scheme in April 2010 became the upwardly-revised as a whole for the first time in 10 years. However, official reimbursement price of drug and special treatment materials was reduced 1.36% and our business and market conditions remained severe. Under such circumstances, we have enlarged sales entities and improved sales efficiency, aiming to expand our market share aggressively.

Sales grew greatly in vascular-related products (such as blood-clot trapping catheters, coronary artery stent and angiographic kit). In addition, sales of high-value-added products which can prevent malpractice and reduce infection risks, enteral alimentation-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.

On the international side of the business, we had great impact by abrupt appreciation of Japanese yen against the U.S. dollar and Euro. However, we continued to promote active sales promotion by strengthening our direct selling system in Asian and Chinese market where the economy is significantly growing, and to strengthen the community-based sales promotion in Latin American and European 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 dialysis machine and blood tube) increased steadily by means of our active sales promotions in the dialysis market such as in China

As a result, net sales of the business were 63,866 million yen.

#### [2] Pharmaceutical business

In pharmaceutical business, we can divide into two categories; one is generic drug business whose mission is to provide low price and high quality drugs, and the other is contract manufacturing business where we have capacities to produce various drugs and to offer high value added solutions against customer needs.

On the sales of generic drug, under governmental policy calling for the dissemination of generic products 'generic drug share in quantity shall be expanded more than 30% until year 2012.', the raising up of additional points against dispensing has been implemented. Thus, while the market is in underlying expansion, we have proactively promoted order increasing in sales of oral drug and drug for external use, including sales promotion to dispensing pharmacy group. In addition, injectable drug sales of our main product grew 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, compared to the same period of the prior year.

On the sales of contract manufacturing business, the sales resulted in exceeding prior year's results by focusing on getting contracts in oral drug sales, on top of injectable drug sales, since one of the biggest oral drug plant in Japan was completed two years ago, and led by starting sell-in of new oral drugs and production lines for steroidal and penem drugs.

As a result, net sales of this business were 18,808 million yen.

### [3] Glass & Materials business

In the field of glass materials, the sales of glass tube for pharmaceutical purpose performed steady as whole thanks to the increase demands of glass bottles for vaccine in the field of glass tube for glass bottles, though the domestic demands in glass tube for pharmaceutical purpose decreased. Furthermore, we established the business of glass for pharmaceutical purpose in China and India and started the operation. The export of glass for thermos bottles had showed the trend of recovery but the demands decreased at last due to the sharp appreciation of the yen. 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 lit 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 and advance unique development for productization so as to meet the diverse needs. 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.

As a result, net sales of this business were 11,754 million yen.

### [4] Other business

In the other business, the sales from real estate rental income were 212 million yen.

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

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

Total assets increased 1,673 million yen from the end of the previous period to 385,070 million yen. Current assets increased 3,801 million yen and noncurrent assets decreased 2,128 million yen. Main reason for the increase in current assets was that notes and accounts receivable-trade increased 2,582 million yen and merchandise and finished goods increased 2,502 million yen. Main reason for the decrease in noncurrent assets was that investment securities decreased 20,852 million yen.

Total liabilities increased 4,157 million yen to 271,483 million yen. Current liabilities decreased 1,198 million yen and noncurrent liabilities increased 5,356 million yen. Current liabilities decreased mainly due to the decrease of 10,000 million yen in commercial papers and main reason for the increase in noncurrent liabilities was that long-term loans payable increased 6,748 million yen.

Net assets decreased 2,484 million yen to 113,586 million yen from the end of the previous period. Shareholders' equity increased 597 million yen and valuation and translation adjustments decreased 3,354 million yen.

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

The ending balance of cash and cash equivalents in the period under review decreased 3,559 million yen to 52,628 million yen.

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

### (Cash flows from operating activities)

Net cash provided by operating activities was 9,583 million yen. The main accounts of cash inflow were income before income taxes and minority interests, 5,612 million yen, depreciation and amortization, 9,319 million yen. The main accounts of cash outflow were increase of inventories, 4,019 million yen, and payment of corporate income tax, 4,654 million yen.

### (Cash flows from investing activities)

Net cash used in investing activities was 12,676 million yen. The main account of cash outflow were purchase of investment securities 2,820 million yen and purchase of noncurrent assets 9,214 million yen.

### (Cash flows from financing activities)

Net cash used in investing activities was 1,735 million yen. The main accounts of cash inflow were proceeds from long-term loans payable, 20,809 million yen. The main accounts of cash outflow were decrease in commercial papers, 10,000 million yen, and repayment of long-term loans payable, 10,157 million yen.

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

In the world economy in the future, U.S. economy is expected to recover gradually, on the other hand economic activities in emerging countries and resource-rich country may bring about radical change in the world economy. In the Japanese economy, impact of decreasing demands by the shrinking and aging population and sharp appreciation of the yen will remain the business environment more severe.

Under such condition we aim to expand sales and production and improve production efficiency, and promote manufacturing in each location on the basis of local production for local consumption so as to improve our business performance.

As for the forecast of consolidated financial results, we revised the forecast of consolidated financial results for the fiscal year 2010 (Year ending March 31, 2011) which was published May 14, 2010, in accordance with our recent business performance.

## 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) 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.

### 3) 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 fiscal 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.

(Application of Accounting Standard for Asset Retirement Obligations)

Effective from the first quarter of fiscal year 2010, 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 by 5 million yen and income before income taxes by 93 million yen.

(Application of Accounting Standards for Business Combinations)

Effective from the first quarter of fiscal 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, 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 "Income before minority interests" is included in the financial statements in the current six months period.

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

(Amount: million yen)

	As of September 30, 2010	As of March 31, 2010
<b>Assets</b>		
Current assets		
Cash and deposits	55,080	59,266
Notes and accounts receivable-trade	58,886	56,303
Merchandise and finished goods	41,005	38,503
Work in process	7,565	6,192
Raw materials and supplies	10,914	10,008
Deferred tax assets	3,353	3,149
Other	7,395	6,937
Allowance for doubtful accounts	(470)	(432)
<b>Total current assets</b>	<b>183,730</b>	<b>179,928</b>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	110,282	107,011
Accumulated depreciation and impairment loss	(58,908)	(56,495)
Buildings and structures, net	51,373	50,515
Machinery, equipment and vehicles	130,115	117,534
Accumulated depreciation and impairment loss	(87,752)	(81,395)
Machinery, equipment and vehicles, net	42,362	36,138
Land	19,811	19,766
Lease assets	1,469	1,393
Accumulated depreciation	(302)	(173)
Lease assets, net	1,166	1,220
Construction in progress	10,396	11,992
Other	26,633	25,032
Accumulated depreciation and impairment loss	(21,309)	(20,456)
Other, net	5,324	4,575
<b>Total property, plant and equipment</b>	<b>130,434</b>	<b>124,208</b>
Intangible assets		
Goodwill	11,781	561
Lease assets	143	78
Other	1,925	1,736
<b>Total intangible assets</b>	<b>13,849</b>	<b>2,376</b>
Investments and other assets		
Investment securities	52,022	72,875
Deferred tax assets	594	334
Guarantee deposits	3,989	4,071
Other	3,587	2,788
Allowance for doubtful accounts	(3,138)	(3,186)
<b>Total investments and other assets</b>	<b>57,054</b>	<b>76,883</b>
<b>Total noncurrent assets</b>	<b>201,339</b>	<b>203,468</b>
<b>Total assets</b>	<b>385,070</b>	<b>383,396</b>



(Amount: million yen)

	As of September 30, 2010	As of March 31, 2010
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	32,813	29,203
Short-term loans payable	68,106	64,442
Commercial papers	-	10,000
Current portion of bonds	10,050	10,160
Lease obligations	335	318
Accounts payable-other	4,437	5,792
Accrued directors' bonuses	-	204
Income taxes payable	3,012	4,932
Provision for bonuses	2,035	1,758
Provision for directors' bonuses	150	23
Provision for loss on business liquidation	1,954	1,954
Notes payable-facilities	4,688	3,869
Other	9,421	5,543
Total current liabilities	137,005	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	79,588	72,839
Lease obligations	1,072	1,098
Deferred tax liabilities	6,264	7,771
Provision for retirement benefits	2,073	1,972
Provision for directors' retirement benefits	615	614
Provision for loss on litigation	170	170
Other	1,693	1,655
Total noncurrent liabilities	134,478	129,121
Total liabilities	271,483	267,325
<b>Net assets</b>		
Shareholders' equity		
Capital stock	28,663	28,663
Capital surplus	29,972	29,972
Retained earnings	47,818	47,219
Treasury stock	(863)	(862)
Total shareholders' equity	105,590	104,993
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	12,685	15,024
Foreign currency translation adjustment	(6,723)	(5,708)
Total valuation and translation adjustments	5,961	9,316
Minority interests	2,034	1,761
Total net assets	113,586	116,070
Total liabilities and net assets	385,070	383,396

## (2) [ Consolidated Statements of Income ]

(Amount: million yen)

	Six months ended September 30, 2009	Six months ended September 30, 2010
Net sales	87,435	94,640
Cost of sales	61,851	65,927
Gross profit	25,584	28,713
Selling, general and administrative expenses	16,322	19,682
Operating income	9,261	9,031
Non-operating income		
Interest income	105	160
Dividends income	326	346
Other	355	239
Total non-operating income	787	746
Non-operating expenses		
Interest expenses	1,110	1,179
Depreciation	148	-
Foreign exchange losses	942	2,785
Equity in losses of affiliates	758	155
Other	89	186
Total non-operating expenses	3,050	4,307
Ordinary income	6,999	5,470
Extraordinary income		
Gain on sales of noncurrent assets	23	14
Compensation income	193	122
Surrender value of insurance	109	-
Licensed dealership charges	-	300
Other	32	106
Total extraordinary income	358	543
Extraordinary loss		
Loss on retirement of noncurrent assets	23	75
Abnormal manufacturing cost	444	104
Corresponding loss to compensation income	190	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	88
Other	128	132
Total extraordinary losses	786	401
Income before income taxes and minority interests	6,571	5,612
Income taxes-current	3,371	2,707
Income taxes-deferred	(484)	203
Total income taxes	2,887	2,911
Income before minority interests	-	2,700
Minority interests in income	189	231
Net income	3,494	2,469

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

(Amount: million yen)

	Six months ended September 30, 2009	Six months ended September 30, 2010
<b>Net cash provided by (used in) operating activities</b>		
Income before income taxes and minority interests	6,571	5,612
Depreciation and amortization	8,466	9,319
Impairment loss	-	67
Amortization of goodwill	146	1,142
Equity in (earnings) losses of affiliates	758	155
Increase (decrease) in allowance for doubtful accounts	53	42
Interest and dividends income	(432)	(506)
Interest expenses	1,110	1,179
Foreign exchange losses (gains)	55	285
Decrease (increase) in notes and accounts receivable-trade	(5,429)	(2,290)
Decrease (increase) in inventories	(474)	(4,019)
Increase (decrease) in notes and accounts payable-trade	2,601	4,532
Decrease (increase) in other assets	493	74
Increase (decrease) in other liabilities	(434)	(924)
Other loss (gain)	(156)	(7)
<b>Subtotal</b>	<b>13,330</b>	<b>14,662</b>
Interest and dividends income received	587	504
Interest expenses paid	(1,133)	(1,172)
Other proceeds	353	467
Other payments	(250)	(223)
Income taxes paid	(2,018)	(4,654)
<b>Net cash provided by (used in) operating activities</b>	<b>10,868</b>	<b>9,583</b>
<b>Net cash provided by (used in) investing activities</b>		
Payments into time deposits	(1,349)	(1,390)
Proceeds from withdrawal of time deposits	1,413	1,990
Purchase of investment securities	(1)	(2,820)
Purchase of noncurrent assets	(19,335)	(9,214)
Proceeds from sales of noncurrent assets	58	40
Proceeds from governmental subsidies for investment in property and equipment	202	25
Net decrease (increase) in short-term loans receivable	539	(294)
Payments of loans receivable	-	(23)
Collection of loans receivable	0	7
Other payments	-	(997)
Other proceeds	2	-
<b>Net cash provided by (used in) investment activities</b>	<b>(18,471)</b>	<b>(12,676)</b>

(Amount: million yen)

	Six months ended September 30, 2009	Six months ended September 30, 2010
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	7,874	(223)
Increase (decrease) in commercial papers	10,000	(10,000)
Proceeds from long-term loans payable	7,800	20,809
Repayment of long-term loans payable	(9,337)	(10,157)
Proceeds from issuance of bonds	2,982	-
Redemption of bonds	(16,505)	(110)
Decrease (increase) in treasury stock	(10)	(1)
Repayments of finance lease obligations	(65)	(179)
Cash dividends paid	(2)	(1,864)
Cash dividends paid for minority shareholders	(2)	(3)
Other payments	(21)	(6)
Net cash provided by (used in) financing activities	2,713	(1,735)
Effect of exchange rate change on cash and cash equivalents	(642)	(326)
Net increase (decrease) in cash and cash equivalents	(5,532)	(5,154)
Cash and cash equivalents at beginning of period	45,352	56,188
Increase in cash and cash equivalents from newly consolidated subsidiary	-	1,595
Cash and cash equivalents at end of period	39,819	52,628

(4) Notes related to going concern  
N/A

(5) Segment information

<Segment information by business category>

Six months ended September 30, 2009

(Millions of yen)

	Medical Equipment	Pharmaceutical	Glass & Materials	Other	Total	Eliminations /Corporate	Consolidated
Net sales							
(1)Sales to third parties	54,881	28,023	4,198	331	87,435	-	87,435
(2)Inter-segment sales and transfers	-	0	1,960	46	2,007	(2,007)	-
Total	54,881	28,024	6,159	378	89,442	(2,007)	87,435
Operating income	9,151	2,503	884	29	12,569	(3,307)	9,261

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>

Six months ended September 30, 2009

(Millions of yen)

	Japan	America	Europe	Asia	Total	Eliminations /Corporate	Consolidated
Net sales							
(1) Sales to third parties	68,679	8,868	6,308	3,578	87,435	-	87,435
(2) Inter-segment sales and transfers	14,131	320	2	7,436	21,891	(21,891)	-
Total	82,810	9,189	6,310	11,015	109,326	(21,891)	87,435
Operating income (loss)	11,749	(23)	55	1,114	12,896	(3,634)	9,261

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>

Six months ended September 30, 2009

(Millions of yen)

	America	Europe	Asia	Total
1. Overseas sales	14,377	10,605	5,243	30,226
2. Consolidated net sales				87,435
3. Percentage of overseas sales to consolidated net sales (%)	16.5%	12.1%	6.0%	34.6%

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

Six months ended September 30, 2010

(Millions of yen)

	Segment				Other Note.1	Total	Adjustment Note.2	Consolidated statements of income Note.3
	Medical	Pharmaceutical	Glass & Materials	Total				
Net sales								
(1)Sales to third parties	63,866	18,808	11,754	94,428	212	94,640	-	94,640
(2)Inter-segment sales and transfers	108	8,714	1,936	10,759	19	10,778	(10,778)	-
Total	63,974	27,522	13,691	105,187	231	105,419	(10,778)	94,640
Segment profit	9,440	1,021	1,294	11,756	44	11,801	(2,770)	9,031

- 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 (2,770) million yen includes elimination of inter-segment transaction of 302 million yen and corporate cost of (3,073) 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 11,394 million yen compared with the end of the previous year.

(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