

Summary Report of Consolidated Financial Results

For the Fiscal Year ended March 31, 2012



May 14, 2012
TSE/OSE-1st section

Company name: NIPRO CORPORATION

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

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Date of the ordinary general shareholders' meeting: June 28, 2012 Payment date of cash dividends: June 29, 2012

Filing date of annual reporting: June 28, 2012

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, 2012 (From April 1, 2011 to March 31, 2012)

(1) Consolidated Results of Operations

(Note: % of change from the 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, 2012	212,013	8.2	15,825	(8.1)	11,983	(10.4)	4,585	86.7
Year ended March 31, 2011	195,942	10.2	17,225	(4.8)	13,371	(10.3)	2,455	(66.1)

Note: Comprehensive income Year ended March 31, 2012: (19,882) million yen (-%) Year ended March 31, 2011: (4,442) 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, 2012	35.30	30.98	4.2	2.5	7.5
Year ended March 31, 2011	19.36	17.44	2.2	3.1	8.8

Note: Equity in profit (loss) of affiliate Year ended March 31, 2012: (84) million yen Year ended March 31, 2011: (200) 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, 2012	499,686	113,950	22.0	643.94
Year ended March 31, 2011	476,510	109,037	22.4	839.69

Note: Equity Year ended March 31, 2012: 109,820 million yen Year ended March 31, 2011: 106,509 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, 2012	15,486	(67,919)	45,725	79,449
Year ended March 31, 2011	21,799	(84,658)	86,265	78,921

2. Dividends

	Annual dividends per year					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, 2011	-	18.50	-	31.50	50.00	3,171	129.1	2.9
Year ending March 31, 2012	-	12.00	-	11.50	23.50	2,722	66.6	3.2
Year ending March 31, 2013 (Forecast)	-	8.50	-	11.00	19.50		50.4	

3. Forecast of Consolidated Financial Results for the Year ending March 31, 2013 (From April 1, 2012 to March 31, 2013)

	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 2012	116,000	13.2	6,550	(19.8)	5,700	11.3	2,200	380.6	12.90
Year ending March 31, 2013	241,000	13.7	15,950	0.8	14,200	18.5	6,600	43.9	38.70

(Note: The % displays in the line of six months ending Sept. 30, 2012 show increase/decrease ratio against the six months ended Sept. 30, 2011. The % displays in the line of Year ending March 31, 2013 show increase/decrease ratio against the year ended March 31, 2012)

4. Others

(1) Change in Significant Subsidiaries during the Current Period

(Change in specified subsidiaries caused a change in the scope of consolidation): Yes
 Additional: 2 (Corporate name: Nipro India Corporation Pvt Ltd.) Removal: 0
 (Corporate name: Nipro Medical (Hefei) Co., Ltd.)

(2) Change in Accounting Policies and Accounting Estimate and Restatement

[1] Changes in accounting policies by a newly issued accounting pronouncement : Yes
 [2] Changes other than [1] : No
 [3] Change in accounting estimate : No
 [4] Restatement : No

(3) Issued Shares (Common stock)

[1] Number of issued shares at end of the period (including treasury stock)
 Year ended March 31, 2012: 171,459,479 shares Year ended March 31, 2011: 127,757,010 shares
 [2] Number of treasury stock at end of the period
 Year ended March 31, 2012: 913,612 shares Year ended March 31, 2011: 912,840 shares
 [3] Average number of shares during the period
 Year ended March 31, 2012: 129,911,933 shares Year ended March 31, 2011: 126,845,278 shares

(Note: The company has split one share of common stock into two shares on October 1, 2011. In this stock split, the number of issued shares is calculated on the assumption that the two-for-one stock split of common stock was conducted at the beginning of fiscal year 2010.)

(Reference) Overview of the Unconsolidated Financial Results

1. Unconsolidated Results for the Year ended March 31 ,2012 (From April 1, 2011 to March 31, 2012)

(1) Results of Operations

(Note: % of change from the 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, 2012	135,804	(5.5)	11,115	(16.4)	9,970	(4.5)	5,624	(14.2)
Year ended March 31, 2011	143,720	4.3	13,302	2.8	10,437	(9.1)	6,559	(5.4)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Year ended March 31, 2012	43.30		37.99	
Year ended March 31, 2011	51.71		46.57	

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Year ended March 31, 2012	421,504	135,737	32.2	795.90
Year ended March 31, 2011	402,060	123,979	30.8	977.42

Note: Equity Year ended March 31, 2012: 135,737 million yen Year ended March 31, 2011: 123,979 million yen

*Information regarding the review procedure

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

*Disclaimer regarding projection information including appropriate use of forecasted financial result, 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.2 "1.Business Result".

The company has split one share of common stock into two shares on October 1, 2011. In this stock split, earnings per share and diluted earnings per share are calculated on the assumption that the two-for-one stock split of common stock was conducted at the beginning of fiscal year 2010.

Table of Contents

1. Business Results	2
(1) Analysis Concerning Business Results	2
(2) Analysis Concerning Financial Position	3
(3) Basic Policies on Distribution of Profits and Dividends for Years ended March 31, 2012 and ending March 31, 2013	4
2. Corporate Group	5
3. Management Policies	7
(1) Basic Policies of Management	7
(2) Target Management Indicators	7
(3) Medium- to Long-term Management Strategies	7
(4) Issues and Challenges that the Group Faces	7
4. Consolidated Financial Statements	8
(1) Consolidated Balance Sheets	8
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	10
(3) Consolidated Statements of Shareholders' Equity	12
(4) Consolidated Statements of Cash Flows	14
(5) Notes Related to Going Concern	16
(6) Basis of Preparation for the Consolidated Financial Statements	16
(7) Change in Significant Matter of Basis of Preparation for Consolidated Financial Statements	18
(8) Additional Information	18
(9) Notes to the Consolidated Financial Statement	18
(Notes to the Consolidated Balance Sheets)	18
(Notes to the Consolidated Statements of Income)	18
(Notes to the Consolidated Statements of Shareholders' Equity)	19
(Segment Information)	20
(Per Share Information)	23
(Material Subsequent Event)	24
5. Non-consolidated Financial Statements	25
(1) Non-consolidated Balance Sheets	25
(2) Non-consolidated Statements of Income and Non-consolidated Statements of Comprehensive Income	28
(3) Non-consolidated Statements of Shareholders' Equity	29

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, 2012), the global economy was shifted under stormy condition such as the long recession in America and the exposure of decelerating economy in China while the economy crisis in Europe has kept on continuing.

Japanese economy, on the other hand, was also under harsh management condition caused by the problem of the high oil prices in addition to the Great East Japan Earthquake having been depressed the Japanese economy and the problem of electricity supply getting serious due to the accident of the atomic power generation.

Under such conditions, the Nipro Group has achieved the early recovery of the partial affected sales bases and suspended plants which got damaged by the great earthquake and continuously performed to secure the sales bases and plants overseas.

As a result, the consolidated net sales in this fiscal year ended March 31, 2012 increased 8.2% from the previous year to 212,013 million yen. As for the profit, consolidated operating income decreased 8.1% from the previous year to 15,825 million yen due to the increase in selling, general and administrative expense, and consolidated ordinary income decreased 10.4% from the previous year to 11,983 million yen. However, the consolidated net income increased 86.7% from the previous year to 4,585 million yen because extraordinary loss caused by disaster decreased.

The overviews of the results by segment are as follows.

a. Medical Business

Domestic market and business condition were seriously sever because of the lagged recovery from the Great East Japan Earthquake and the continuous economic downturn. Under such circumstances, sales grew greatly in auto-adjusting dialysis machine, dialysis-related pharmaceutical products (such as substitution fluid for hemo(dia)filtration and blood coagulation inhibitor) and dialysis-related products (such as hemodiafiltration dialyzer). Enteral-alimentation-related products (such as semisolid food and alimentation catheter), testing-related products (such as glucose analysis device), vascular-related products (such as PTA guide wire and coronary artery stent) and cardiac surgery (CVS)-related products (such as extracorporeal ventricular assist devices and that-related drive) showed fine sales. The sales in transfusion-, injection-related products and hollow fiber dialyzer showed a gradual recovery trend, even though the sales decreased and remained flat temporally because of the earthquake disaster.

Overseas sales, on the other hand, was affected by appreciation of the yen against the US dollar and euro in foreign exchange market, but from the beginning of this fiscal year, the products manufactured in overseas plants started to be sold directly to overseas bases, which reduced the exchange risk and enabled the community-based sales to realize stable supply of our products.

As a consequence, the sales in diabetic-related products showed remarkable progress in the global market and that in dialysis-related products, such as dialyzer, dialysis machine and indwelling needle, also increased dramatically. Moreover, Nipro Glass Americas Corporation, Nipro Glass France S.A.S. and Nipro Glass Belgium N.V., which have joined Nipro Group in this fiscal year, enjoyed a reputation for high quality and have grown steadily as well as Nipro Glass India Ltd.

As a result, the net sales of this business increased 9.2% from the previous year to 145,082 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 contracted 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 market is expected to be larger with some policies for encouraging the use of generic products. Major pharmaceutical manufacturers make a full-scale entry into the market and foreign generic manufacturers strengthen marketing strategies, which makes the competitive environment surrounding the domestic market more sever.

Under such situations, we have tried to gain a high share of oral drugs through the reinforcement of the sales promotion to dispensing pharmacies and of the combination with wholesaler of drug. In addition, 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), the sale, mainly in our new products, remained steadily.

On the sales of contracted manufacturing business, we worked hard for realizing various fine service such as contracted development and support for value adding other than ordinary contracted manufacturing. Though the effect of the Great East Japan Earthquake dropped the operation capacity in some plants during first half of the year, a number of large-scaled products have launched and the sales for whole fiscal year in this division exceeded the sales in the previous year.

As a result, net sales of this business increased 5.5% from the previous year to 40,078 million yen.

c. Material Business

The sales of material glass tube for ampoule, a kind of pharmaceutical glass tube, decreased from the previous year due to the stagnation of domestic demand. By contrast, the sales of material glass tube for tube bottles increased because domestic demand increased steadily and overseas sales was shifted smoothly. Also India, China and Russia have shown a steady sales result as a new market thanks to the development of pharmaceutical glass business in those countries.

As for other glass-related products, in addition to favorable growth of export sales, special demand by Great East Japan Earthquake in domestic market made the sales in glass for thermos bottles increased. Meanwhile, in the field of glass for lightning, the operation capacity of automotive bulb recovered from the effect of the great earthquake but the glass for LCD backlight decreased its demand under the influence of penetration of LED products, so overall, the sales of both glass products for lightning purpose and material glass tube for bulb decreased from the previous year.

In the field of pharmaceutical container, the sales of rubber stopper for pharmaceutical use, bags for antimicrobial agent and container for kit form increased steadily based on our processing technique for plastics, metal and rubber. However, the sales of 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 antiseptic free eye drop bottle, dental devices and diagnostic devices other than the development of pharmaceutical combination products, systematization for self injection at home and modification of dosage form such as orally disintegrating tablet which can be taken without water,

As a result, the net sales in this business increased 7.6% from the previous period to 26,590million yen.

d. Other Business

In the other business, the sale from real estate rental income is 262 million yen.

[2] Prospects of business results for the fiscal year ending March 31, 2013

In the global economy, the risk of economic downturn due to recession of the Europe economy is expected to be higher, and as for domestic economy, we are concerned about the prolongation of electricity supply problem entailed in the accident of atomic power plant and the price increase of natural resources such as crude oil. The management circumstance will be harsher.

In spite of being under these circumstances, Nipro Group will work hard to make a progress and develop our business by cutting the production cost and tackling the increase of the sales.

We project the consolidated net sales of 241,000 million yen (up by 13.7% from the previous year), operating income of 15,950 million yen (up by 0.8% from the previous year), ordinary income of 14,200 million yen (up by 18.5% from the previous year), and net income of 6,600 million yen (up by 43.9% from the previous year), for the fiscal year ending March 31, 2013.

(2) Analysis Concerning Financial Position

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

Total assets increased 23,175 million yen from the end of the previous year to 499,686 million yen. Current assets increased 33,414 million yen mainly due to the increase of 14,622 million yen in cash and deposits and the increase of 7,404 million yen in notes and accounts receivable-trade, and noncurrent assets decreased 10,238 million yen mainly due to the decrease of 33,734 million yen in investment securities.

Total liabilities increased 18,262 million yen from the end of the previous year to 385,735 million yen. Current liabilities increased 12,687 million yen mainly due to the increase of 7,472 million yen in short-term loans payable, and noncurrent liabilities increased 5,574 million yen mainly due to the increase of 19,830 million yen in long-term loans payable.

Total net assets increased 4,913 million yen from the end of the previous year to 113,950 million yen. Shareholders' equity increased 28,155 million yen and accumulated other comprehensive income decreased 24,843 million yen.

[2] The condition of cash flow

The ending balance of cash and cash equivalents in the period under review increased 528 million yen from the previous year to 79,449 million yen.

(Cash flows from operating activities)

Net cash provided by operating activities was 15,486 million yen. The main accounts of cash inflow were income before income taxes and minority interests, 11,022 million yen and depreciation and amortization, 21,581 million yen. The main accounts of cash outflow were the increase of trade notes and accounts receivable, 7,490 million yen, the increase in inventories, 10,923 million yen and payment of corporate income tax, 6,146 million yen.

(Cash flows from investing activities)

Net cash used in investing activities was 67,919 million yen. The main accounts of cash outflow were payment into time deposit, 16,806 million yen, and purchase of noncurrent assets, 39,730 million yen.

(Cash flows from financing activities)

Net cash provided by financing activities was 45,725 million yen. The main accounts of cash inflow were proceeds from long-term loans payable, 63,893 million yen, and proceeds from issue of new shares, 19,180 million yen. The main account of cash outflow was repayment of long-term loans payable, 33,499 million yen.

[3] Trend of the cash flow indicators

	The 56 th period Year ended March 31, 2009	The 57 th period Year ended March 31, 2010	The 58 th period Year ended March 31, 2011	The 59 th period Year ended March 31, 2012
Shareholders' equity ratio (%)	28.7	29.8	22.4	22.0
Ratio of market value of shareholders' equity (%)	29.4	29.9	21.9	21.1
Debt redemption (years)	8.2	7.1	12.6	19.3
Interest coverage ratio	6.8	11.4	9.1	4.8

Note: Shareholders' equity ratio = Shareholders' equity / Total assets

Ratio of market value of shareholders' equity = Aggregate market value of the outstanding share / 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 share 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, 2012 and ending March 31, 2013

As we position profit return in the important administrative measure, our policy is that 50% of the non-consolidated net income is to be distributed to shareholders.

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 and continuous growth.

Annual dividends are calculated to be 23.50 yen per share. As we already paid interim dividends of 12.00 yen per share, year-end dividends are to be 11.50 yen per share to be proposed to the Company's 59th ordinary general meeting of shareholders.

Dividends for year ending March 31, 2013 are expected to be made according to the above-mentioned policy.

2. Corporate Group

Our group consists of the Reporting Company ("the Company"), its 46 subsidiaries and 2 affiliated, 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 segment 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) 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 purchase the products mainly from the Corporation and sell medical equipment etc. in the areas of their locations.

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

In addition, Nipro Tube Glass Ltd. (India), Nipro Glass Americas Corporation (U.S.A) and other subsidiaries manufacture and sell glass tube for medical purpose and glass containers focusing on their each location.

<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

<Material 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), Jilin Nipro Jiaheng Pharmaceutical Packaging Co., Ltd. and Anyang Nipro Changda Pharmaceutical Packaging Co., Ltd. manufacture and sell material glass tube, tube bottles and ampoule.

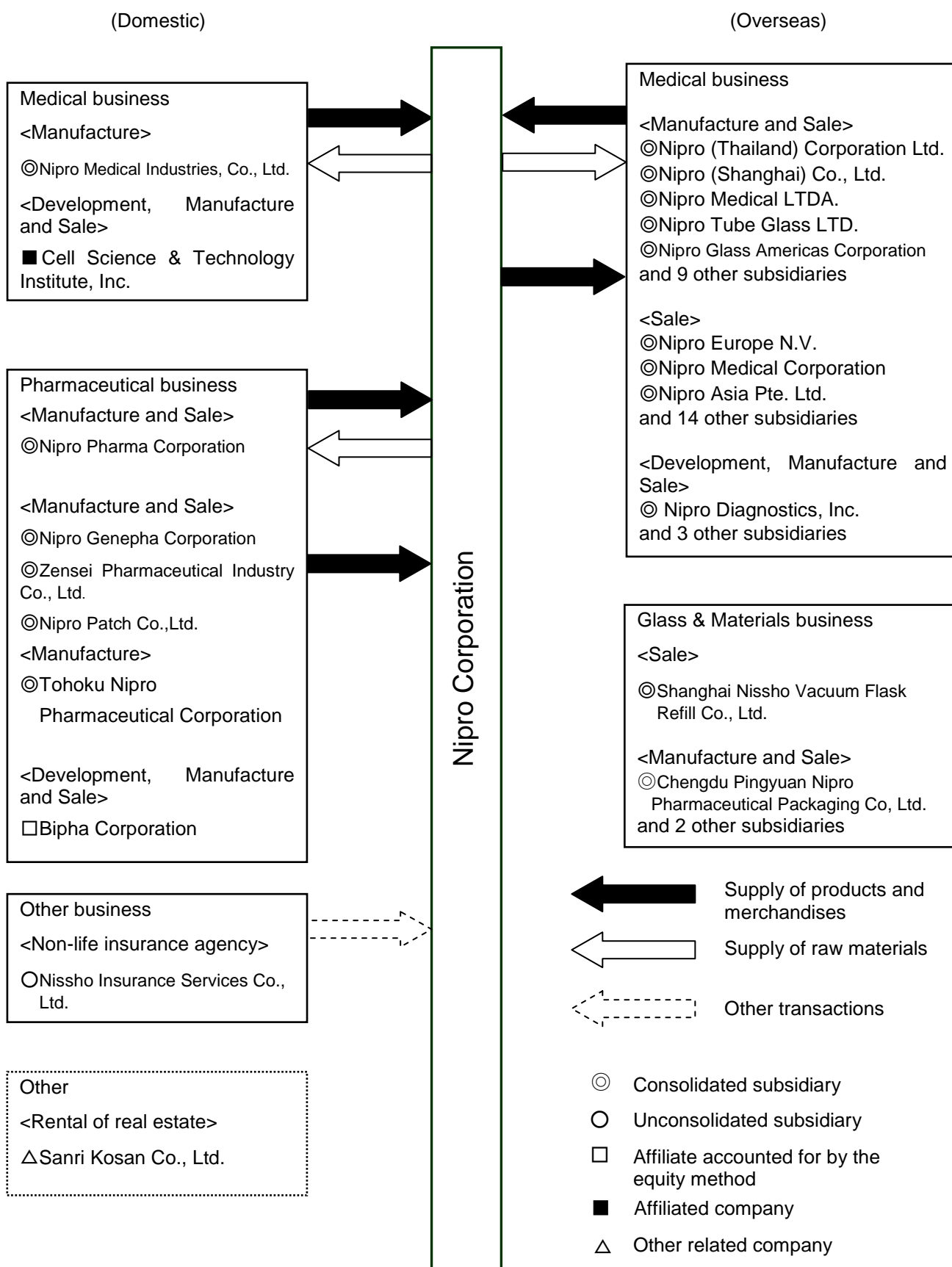
<Other business>

The Company manufactures (purchases, in some cases) and sells production machinery for medical equipments 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 all over the world 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 ampoule, glass bottle and rubber stopper to increase consolidated net sales and improve market share.

(4) Issues and Challenges that the Group Faces

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 design for medical care in each field of transfusion-related products, dialysis-related products, diabetes-related products, vascular-related product and CVS-related products. Thus we will work on development of products friendly to healthcare professionals, patients and global environment, and promote positive market development and sales reinforcement with the products which meet the diversifying need of market to raise the performance.

In overseas business, the construction of new plants has started and goes smoothly aiming to operate in the fiscal year 2012 in the rapidly developing countries; India, China, Indonesia and Bangladesh. The purpose of these constructions is to spread and diminish the exchange risk and to produce and supply the high-quality products for corresponding to the local needs through community- based sales performance. We aim to increase our share with reinforcement of the local direct sales system focusing on dialysis related products whose demand has increased rapidly. As for medical glass, we will also develop the system that high quality products will be produced and sold steadily with our excellent production technology,

In the Pharmaceutical business, the situation of domestic generic market is getting more sever. We will establish our presence in the market and enforce the price competitiveness. In addition, it is also urgent issue to realize the steady growth in the medium- and long- term by rapid establishment of development, production and sales system for generic anticancer drug and biosimilar.

In the Material business, we will promote overseas sales expansion and innovation of producing technique for material glass for pharmaceutical purpose, and expand the sales of container to not only domestic but also overseas pharmaceutical companies. As for joint venture business, we will improve productive efficiency and quality and strive to increase sales and profits especially in overseas market.

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

(Millions of yen)

	As of March 31, 2011	As of March 31, 2012
Assets		
Current Assets		
Cash and deposits	81,115	95,737
Notes and accounts receivable-trade	61,237	68,641
Merchandise and finished goods	42,697	48,114
Work in process	6,783	8,753
Raw materials and supplies	11,461	14,736
Deferred tax assets	4,204	4,829
Other	9,935	9,983
Allowance for doubtful accounts	(414)	(360)
Total current assets	217,021	250,435
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	111,353	116,878
Accumulated depreciation and impairment loss	(61,064)	(63,320)
Buildings and structures, net	50,289	53,558
Machinery, equipment and vehicles	135,449	142,067
Accumulated depreciation and impairment loss	(92,361)	(103,263)
Machinery equipment and vehicles, net	43,087	38,804
Land	20,115	20,446
Lease assets	1,519	1,680
Accumulated depreciation	(437)	(735)
Lease assets, net	1,082	944
Construction in progress	8,989	26,957
Other	27,150	28,317
Accumulated depreciation and impairment loss	(22,209)	(23,350)
Other, net	4,941	4,967
Total property, plant and equipment	128,505	145,678
Intangible assets		
Goodwill	7,833	11,894
Lease assets	291	305
Other	5,442	6,950
Total intangible assets	13,568	19,151
Investments and other assets		
Investment securities	105,564	71,829
Deferred tax assets	2,489	6,597
Other	12,345	8,954
Allowance for doubtful accounts	(2,984)	(2,961)
Total investments and other assets	117,414	84,420
Total noncurrent assets	259,488	249,250
Total assets	476,510	499,686

(Millions of yen)

	As of March 31, 2011	As of March 31, 2012
Liabilities		
Current liabilities		
Notes and accounts payable-trade	33,581	37,721
Short-term loans payable	96,659	104,131
Commercial papers	10,000	10,000
Current portion of bonds	5,000	10,000
Lease obligations	375	426
Accounts payable-other	5,771	6,036
Accrued directors' bonuses	208	153
Income taxes payable	3,165	3,276
Provision for bonuses	2,112	2,308
Provision for directors' bonuses	26	43
Provision for loss on business liquidation	1,954	1,954
Provision for loss on disaster	4,040	—
Notes payable-facilities	5,937	3,399
Other	7,568	9,636
Total current liabilities	176,401	189,089
Noncurrent liabilities		
Bonds payable	43,000	34,000
Convertible bond-type bonds with subscription rights to shares	15,000	15,000
Long-term loans payable	120,549	140,380
Lease obligations	1,086	914
Deferred tax liabilities	7,465	1,761
Provision for retirement benefits	1,615	1,987
Provision for directors' retirement benefits	668	702
Provision for loss on litigation	170	170
Other	1,516	1,729
Total noncurrent liabilities	191,070	196,645
Total liabilities	367,472	385,735
Net assets		
Shareholders' equity		
Capital stock	28,663	84,397
Capital surplus	29,972	636
Retained earnings	46,631	48,389
Treasury stock	(864)	(864)
Total shareholders' equity	104,403	132,558
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,387	(6,528)
Foreign currency translation adjustment	(9,281)	(16,209)
Total accumulated other comprehensive income	2,106	(22,737)
Minority interests	2,527	4,129
Total net assets	109,037	113,950
Total liabilities and net assets	476,510	499,686

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

(Millions of yen)

	FY2010 (From April 1, 2010 to March 31, 2011)	FY2011 (From April 1, 2011 to March 31, 2012)
Net sales	195,942	212,013
Cost of sales	137,768	149,253
Gross profit	58,174	62,760
Selling, general and administrative expenses	40,949	46,934
Operating income	17,225	15,825
Non-operating income		
Interest income	319	581
Dividends income	923	805
Other	466	1,000
Total non-operating income	1,709	2,386
Non-operating expenses		
Interest expenses	2,431	3,308
Exchange loss	2,443	1,997
Equity in loss of affiliates	200	84
Other	488	838
Total non-operating expenses	5,563	6,228
Ordinary income	13,371	11,983
Extraordinary income		
Gain on sales of noncurrent assets	21	210
Compensation income	122	—
Gain on sales of investment securities	835	—
Licensed dealership charges	300	—
Gain on revision of retirement benefit plan	451	—
State subsidy	—	694
Reversal of provision for loss on disaster	—	1,456
Other	88	47
Total extraordinary income	1,819	2,409
Extraordinary loss		
Loss on sales of noncurrent assets	10	18
Loss on retirement of noncurrent assets	165	540
Impairment loss	64	529
Abnormal manufacturing cost	207	—
Loss on voluntary product recall	372	—
Write-off of investment securities	230	—
Loss on business liquidation	1,109	—
Loss due to disaster	5,260	1,340
Write-off of investment securities	—	109
Other	336	833
Total extraordinary losses	7,758	3,370
Income before income taxes and minority interests	7,431	11,022
Income taxes-current	6,371	6,202
Income taxes-deferred	(1,751)	(196)
Total income taxes	4,619	6,005
Income before minority interests	2,812	5,016
Minority interests in income	356	430
Net income	2,455	4,585

Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY2010 (From April 1, 2010 to March 31, 2011)	FY2011 (From April 1, 2011 to March 31, 2012)
Income before minority interests	2,812	5,016
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,637)	(17,914)
Foreign currency translation adjustment	(3,617)	(6,983)
Total other comprehensive income	(7,254)	(24,898)
Comprehensive income	(4,442)	(19,882)
Comprehensive income attributable to shareholders of parent company	(4,753)	(20,257)
Comprehensive income attributable to minority interests	311	375

(3) [Consolidated Statements of Shareholders' Equity]

(Millions of yen)

	FY2010 (From April 1, 2010 to March 31, 2011)	FY2011 (From April 1, 2011 to March 31, 2012)
Shareholder's equity		
Capital		
Balance at beginning of year	28,663	28,663
Increase (decrease) during the period		
Transfer to capital stock from capital surplus reserve	—	29,336
Issue of new shares	—	19,397
Issue of new shares (exercise of share options)	—	7,000
Net increase (decrease) during the period	—	55,734
Balance at end of year	28,663	84,397
Capital Surplus		
Balance at beginning of year	29,972	29,972
Increase (decrease) during the period		
Transfer to capital stock from capital surplus reserve	—	(29,336)
Disposal of treasury stock	(0)	(0)
Net increase (decrease) during the period	(0)	(29,336)
Balance at end of year	29,972	636
Earned surplus		
Balance at beginning of year	47,219	46,631
Increase (decrease) during the period		
Dividend of surplus	(3,044)	(2,758)
Net income	2,455	4,585
Change of scope of consolidation	—	(68)
Other	—	(0)
Net increase (decrease) during the period	(588)	1,757
Balance at end of year	46,631	48,389
Treasury stock		
Balance at beginning of year	(862)	(864)
Increase (decrease) during the period		
Acquisition of treasury stock	(1)	(0)
Disposal of treasury stock	0	0
Net increase (decrease) during the period	(1)	(0)
Balance at end of year	(864)	(864)
Total Shareholders' equity		
Balance at beginning of year	104,993	104,403
Increase (decrease) during the period		
Dividend of surplus	(3,044)	(2,758)
Net income	2,455	4,585
Transfer to capital stock from capital surplus reserve	—	—
Issue of new shares	—	19,397
Issue of new shares (exercise of share options)	—	7,000
Change of scope of consolidation	—	(68)
Acquisition of treasury stock	(1)	(0)
Disposal of treasury stock	0	0
Other	—	(0)
Net increase (decrease) during the period	(590)	28,155
Balance at end of year	104,403	132,558

(Millions of yen)

	FY2010 (From April 1, 2010 to March 31, 2011)	FY2011 (From April 1, 2011 to March 31, 2012)
Accumulated other comprehensive income		
Valuation differences on available-for-sale securities		
Balance at beginning of year	15,024	11,387
Increase (decrease) during the period		
Net increase (decrease) of the items other than shareholders' equity during the period	(3,636)	(17,916)
Net increase (decrease) during the period	(3,636)	(17,916)
Balance at end of year	11,387	(6,528)
Foreign currency translation adjustment		
Balance at beginning of year	(5,708)	(9,281)
Increase (decrease) during the period		
Net increase (decrease) of the items other than shareholders' equity during the period	(3,573)	(6,927)
Net increase (decrease) during the period	(3,573)	(6,927)
Balance at end of year	(9,281)	(16,209)
Total accumulated other comprehensive income		
Balance at beginning of year	9,316	2,106
Increase (decrease) during the period		
Net increase (decrease) of the items other than shareholders' equity during the period	(7,209)	(24,843)
Net increase (decrease) during the period	(7,209)	(24,843)
Balance at end of year	2,106	(22,737)
Minority interests		
Balance at beginning of year	1,761	2,527
Increase (decrease) during the period		
Net increase (decrease) of the items other than shareholders' equity during the period	766	1,601
Net increase (decrease) during the period	766	1,601
Balance at end of year	2,527	4,129
Total net assets		
Balance at beginning of year	116,070	109,037
Increase (decrease) during the period		
Dividend of surplus	(3,044)	(2,758)
Net income	2,455	4,585
Issue of new shares	—	19,397
Issue of new shares (exercise of share options)	—	7,000
Acquisition of treasury stock	(1)	(0)
Disposal of treasury stock	0	0
Change of scope of consolidation	—	(68)
Other	—	(0)
Net increase (decrease) of the items other than shareholders' equity during the period	(6,433)	(23,241)
Net increase (decrease) during the period	(7,033)	4,913
Balance at end of year	109,037	113,950

(4) [Consolidated Statements of Cash Flows]

	(Millions of yen)	
	FY2010 (From April 1, 2010 to March 31, 2011)	FY2011 (From April 1, 2011 to March 31, 2012)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	7,431	11,022
Depreciation and amortization	21,244	21,581
Impairment loss	64	529
Amortization of goodwill	1,743	2,651
Equity in (earnings) losses of affiliates	200	84
Increase (decrease) in allowance for doubtful accounts	(212)	(71)
Interest and dividends income	(1,242)	(1,386)
Interest expenses	2,431	3,308
Foreign exchange losses (gains)	2,557	1,968
Decrease (increase) in notes and accounts receivable-trade	(4,926)	(7,490)
Decrease (increase) in inventories	(5,472)	(10,923)
Increase (decrease) in notes and accounts payable-trade	6,542	4,909
Decrease (increase) in other assets	(450)	(1,365)
Increase (decrease) in other liabilities	746	(1,938)
Other loss (gain)	162	727
Subtotal	<u>30,821</u>	<u>23,607</u>
Interest and dividends income received	1,253	1,467
Interest expenses paid	(2,404)	(3,226)
Other proceeds	552	250
Other payments	(205)	(465)
Income taxes paid	(8,217)	(6,146)
Net cash provided by (used in) operating activities	<u>21,799</u>	<u>15,486</u>
Net cash provided by (used in) investing activities		
Payments into time deposits	(3,192)	(16,806)
Proceeds from withdrawal of time deposits	3,992	2,107
Payments for purchase of investment securities	(62,771)	(3,552)
Proceeds from sales of investment securities	4,804	10
Payments for purchase of investments in resulting in change in scope of consolidation	—	(10,404)
Purchase of investment in subsidiaries resulting in change in scope of consolidation	(624)	—
Payments for investment in capital	(5,439)	—
Payments for purchase of noncurrent assets	(20,138)	(39,730)
Proceeds from sales of noncurrent assets	51	442
Payments for retirement of noncurrent assets	(24)	(11)
Proceeds from governmental subsidies for investment in property and equipment	25	362
Net decrease (increase) in short-term loans receivable	(588)	1,078
Payments of loans receivable	(769)	(1,373)
Proceeds from collection of loans receivable	15	70
Other payments	—	(120)
Other proceeds	0	8
Net cash provided by (used in) investment activities	<u>(84,658)</u>	<u>(67,919)</u>

	(Millions of yen)	
	FY2010	FY2011
	(From April 1, 2010 to March 31, 2011)	(From April 1, 2011 to March 31, 2012)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	23,062	(3,653)
Proceeds from long-term loans payable	80,108	63,893
Repayment of long-term loans payable	(23,234)	(33,499)
Proceeds from issuance of bonds	19,890	7,973
Redemption of bonds	(10,160)	(5,000)
Proceeds from issuance of common stock	—	19,180
Decrease (increase) in treasury stock	(3)	(0)
Repayments of finance lease obligations	(355)	(410)
Cash dividends paid	(3,038)	(2,754)
Cash dividends paid to minority shareholders	(3)	(4)
Net cash provided by (used in) financing activities	86,265	45,725
Effect of exchange rate change on cash and cash equivalents	(2,268)	(2,287)
Net increase (decrease) in cash and cash equivalents	21,138	(8,995)
Cash and cash equivalents at beginning of period	56,188	78,921
Increase in cash and cash equivalents from newly consolidated subsidiary	1,595	9,523
Cash and cash equivalents at end of period	78,921	79,449

(5) Notes Related to Going Concern
N/A

(6) Basis of Preparation for the Consolidated Financial Statements

1) Scope of consolidation

[1] Consolidated subsidiaries: 40

Name of representative consolidated subsidiaries,

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

Nipro India Corporation Pvt Ltd., Nipro Medical (Hefei) Co., Ltd., Nipro Glass India Ltd., Jilin Nipro Jiaheng Pharmaceutical Packing Co., Ltd. and Anyang Nipro Changda Pharmaceutical Packing Co., Ltd. increased in materiality. Nipro Tube Glass Ltd., Nipro Glass France S.A.S. and Nipro Glass Belgium N.V. were acquired their shares, and Nipro Glass Americas Corporation and Nipro Medical Corporation Produtos Medicos Ltda. were established newly. For these reasons, above companies are included in scope of consolidation from the consolidated fiscal year 2011.

[2] Name of representative unconsolidated subsidiary

- PT Nipro Indonesia JAYA

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

[1] Number of affiliate accounted for by the equity method: 1 Bipha Corporation

[2] Name of representative unconsolidated subsidiary not accounted for by the equity method:

Name of affiliate not accounted for by the equity method: PT Nipro Indonesia JAYA
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 quotations ----- Valued 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 quotations ----- Valued 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)

Derivatives transaction

Valued at the market price

- [2] Method of depreciation and amortization for significant depreciable assets
 Property, plant and equipment ----- 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.
- 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] Standards for recognition of significant allowances
- Allowance for double 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' bonuses ---- In 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
 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.
- [4] 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 and minority interests in the Net Assets section.
- [5] Amortization of goodwill
 Goodwill is amortized using the straight-line method and the average method over the estimated benefit period (from five to ten years) of the asset.
- [6] 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.
- [7] Significant method of hedge accounting
 Method of hedge accounting

The deferral hedge accounting method is applied in principle. For interest rate swaps, the exceptional processing method is applied when the relevant criteria are met.

Hedge instrument and hedge items

Hedge instruments ----- Interest rate swap contracts

Hedge items ----- Interest on loans payable

Hedge policy

The Company uses interest rate swaps to mitigate the interest rate risk involved in procuring funds and hedge items are identified on an individual contract basis.

[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

Application of Accounting Standard for earnings per share

From the fiscal year 2011, the company has applied Accounting Standard for Earnings Per Share (ASBJ Statement No.2, issued on June 30, 2010), Guidance on Accounting Standard for Earnings Per Share (ASBJ Guidance No.4, issued on June 30, 2010) and Practical Solution on Accounting for Earnings Per Share (ASBJ PITF No.9 issued on June 30, 2010).

In addition, the company has split one share of common stock into two shares on October 1, 2011 based on the resolution at the board of directors' meeting held on August 27, 2011. In accordance with this application, net assets per share, earnings per share and diluted earnings per share are calculated on the assumption that the two-for-one stock split of common stock was conducted at the beginning of fiscal year 2010.

More information concerning the effect of this change can be found in "Per share information".

(8) Additional Information

Application of Accounting Standard for Accounting Changes and Error Corrections

Effective after the beginning of the first quarter of fiscal year 2011, the Company has applied the Accounting Standard for Accounting Changes and Error Corrections (ASBJ Statement No.24, issued on December 4, 2009) and Guidance on Accounting Standard for Accounting Changes and Error Corrections (ASBJ Guidance No.24, issued on December 4, 2009).

(9) Notes to the Consolidated Financial Statement

(Notes to the Consolidated Balance Sheets)

	(Previous period)	(Current Period)
1) Pledged assets	8,989 mil.yen	11,555 mil.yen
2) Discounted notes receivable	107 mil.yen	19 mil.yen
3) Accounts related to unconsolidated subsidiaries and affiliate companies		
Investment securities (stock)	16,685 mil.yen	12,209 mil.yen
Other of investments and other assets (Investments in capital)	5,439 mil.yen	_ mil.yen

4) Accounting practices of notes with maturity date of March 31, 2012

The balance sheet date for the year ended March 31, 2012 fell on a bank holiday. Consequently, notes with maturity date of March 31, 2012 were included in the following accounts.

	(Previous period)	(Current Period)
Notes-receivable trade	_ mil.yen	1,103 mil.yen
Notes-payable trade	_ mil.yen	393 mil.yen

(Notes to the Consolidated Statement of Income)

	(Previous period)	(Current Period)
Research and development expenditure included in selling general and administrative expenses and manufacturing cost.	4,977 mil.yen	5,956 mil.yen

(Notes to the Consolidated Statements of Shareholders' equity)

Previous 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 April 1, 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 April 1, 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 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 10, 2010 at board of directors meeting	Common stock	Millions of yen 1,173	Yen 18.50	September 30, 2010	December 9, 2010

- (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	Millions of yen 1,997	Yen 31.50	March 31, 2011	June 29, 2011

Current period (From April 1, 2011 to March 31, 2012)

1. Sort and total numbers of shared issues

Sort of shares	Number of shares as of April 1, 2011	Increased numbers	Decreased numbers	Number of shares As of March 31, 2012
Common stock	63,878,505	107,580,974	-	171,459,479

- (Note) The increased numbers are of two-for-one stock split, 63,878,505 shares, public stock offering, 28,700,000 shares, capital increase by way of third-party allotment, 4,200,000 shares, and execution of stock acquisition rights of convertible notes type-notes with stock acquisition rights, 10,802,469 shares.

2. Sort and numbers of treasury stock

Sort of shares	Number of shares as of April 1, 2011	Increased numbers	Decreased numbers	Number of shares As of March 31, 2012
Common stock	456,420	457,358	166	913,612

- (Note) 1. The increased numbers are of two-for-one stock split, 456,869 shares, and purchase of shares which number is less than unit amount, 489 shares.
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
June 28, 2011 at ordinary general shareholders' meeting	Common stock	Millions of yen 1,997	Yen 31.50	March 31, 2011	June 29, 2011
November 10, 2011 at board of directors meeting	Common stock	Millions of yen 761	Yen 12.00	September 30, 2011	December 9, 2011

- (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, 2012 at ordinary general shareholders' meeting	Common stock	Earned surplus	Millions of yen 1,961	Yen 11.50	March 31, 2012	June 29, 2012

(Segment Information)

[Segment Information]

1. Outline of reportable operating segments

Applied ASBJ Statement No.17 "The 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 Materials. The name of "Materials" has been changed from "Glass & Materials" in the previous year. This change is just for its name and there is no effect to business segment itself.

*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)

*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	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) 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 is as follows.
- (1) 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.
- (2) 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.
- (3) 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.
- (4) Adjustment for increase in tangible and intangible fixed assets is increase in corporate assts.
3. Segment profit is adjusted to the operating income on the consolidated statements of income.

FY2011 (From April 1, 2011 to March 31, 2012)

(Millions of yen)

	Reportable Segment				Other (Note.1)	Total	Adjust- ment (Note.2)	Consolidated financial statements (Note.3)
	Medical	Pharma- ceutical	Materials	Total				
Net sales								
(1)Sales to third parties	145,082	40,078	26,590	211,750	262	212,013	-	212,013
(2)Inter-segment sales and transfers	1,851	19,484	3,533	24,869	45	24,915	(24,915)	-
Total	146,933	59,563	30,124	236,620	307	236,928	(24,915)	212,013
Segment profit	17,077	2,985	2,408	22,471	230	22,702	(6,876)	15,825
Segment assets	219,306	119,453	19,589	358,349	4,591	362,941	136,744	499,686
Other items								
(5) Depreciation and amortization	12,352	8,036	338	20,727	47	20,775	805	21,581
(6) Amortization of goodwill	2,403	150	98	2,651	-	2,651	-	2,651
(7) Investment to companies accounted for by the equity method	-	-	-	-	-	-	1,678	1,678
(8) Increase in tangible and intangible fixed assets	23,943	13,788	1,104	38,836	-	38,836	687	39,524

- (Note) 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 is as follows.
- (1) Adjustment for the segment profit of (6,876) million yen includes elimination of inter-segment transaction of 110 million yen and corporate cost of (6,987) 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.
- (2) Adjustment for the segment assets of 136,744 million yen includes elimination of inter-segment transaction of (54,853) million yen and corporate assets of 191,597 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.
- (3) Adjustment for depreciation and amortization of 805 million yen is for corporate assets. Depreciation and amortization and increase in tangible and intangible fixed assets include long-term prepaid expenses.
- (4) Adjustment for increase in tangible and intangible fixed assets is increase in corporate assts.
3. Segment profit is adjusted to the operating income on the consolidated statements of income.

[Related Information]

FY2010 (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

(Millions of yen)

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

(2) Property, plant and equipment

(Millions 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

(Millions of yen)

Reportable segment			Total	Other	Total
Medical	Pharmaceutical	Materials			
38	-	25	64	-	64

4. Information about unamortized balance of goodwill by reportable segment

(Millions of yen)

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

FY2011 (From April 1, 2011 to March 31, 2012)

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

(Millions of yen)

Japan	America	Europe	Asia	Total
129,237	40,519	23,140	19,116	212,013

(2) Property, plant and equipment

(Millions of yen)

Japan	America	Europe	Asia	Total
102,275	8,391	3,310	31,700	145,678

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

(Millions of yen)

Reportable segment			Total	Other	Total
Medical	Pharmaceutical	Materials			
529	-	-	529	-	529

4. Information about unamortized balance of goodwill by reportable segment

(Millions of yen)

	Reportable segment			Total	Other	Total
	Medical	Pharmaceutical	Materials			
Balance of the fiscal year-end	11,539	(3)	359	11,894	-	11,894

(Per Share Information)

	Previous period (From April 1, 2010 to March 31, 2011)	Current period (From April 1, 2011 to March 31, 2012)
Net assets per share	839.69yen	643.94 yen
Earnings per share	19.36 yen	35.30 yen
Diluted Earnings per share	17.44 yen	30.98 yen

- (Note) 1. The Company has split one share of common stock into two shares on October 1, 2011 based on the resolution at the board of directors' meeting held on August 27, 2011.
2. Net assets per share, earnings per share and diluted earnings per share are calculated on the assumption that the two-for-one stock split of common stock was conducted at the beginning of fiscal year 2010.

(Change in accounting policy)

From the fiscal year 2011, the company has applied Accounting Standard for Earnings Per Share (ASBJ Statement No.2, issued on June 30, 2010), Guidance on Accounting Standard for Earnings Per Share (ASBJ Guidance No.4, issued on June 30, 2010) and Practical Solution on Accounting for Earnings Per Share (ASBJ PITF No.9 issued on June 30, 2010).

In addition, the company has split one share of common stock into two shares on October 1, 2011 based on the resolution at the board of directors' meeting held on August 27, 2011. In accordance with this application, net assets per share, earnings per share and diluted earnings per share are calculated on the assumption that the two-for-one stock split of common stock was conducted at the beginning of fiscal year 2010.

If these accounting standards had not been applied, net assets per share, earnings per share and diluted earnings per share of the previous fiscal year were as follows;

Net assets per share	: 1,679.37 yen
Earnings per share	: 38.72 yen
Diluted earnings per share	: 34.88 yen

Base of the calculation is as follow;

1. Net assets per share

	Previous period (As of March 31, 2011)	Current period (As of March 31, 2012)
Total net assets in B/S (million yen)	109,037	113,950
Amount to be deducted from total net assets in B/S (Million yen)		
Minority interests	2,527	4,129
Net assets related to the common stocks(million yen)	106,509	109,820
Common stocks issued (Thousands shares)	127,757	171,459
Treasury stocks of common stock (Thousands shares)	912	913
Number of common stocks utilized for computation of net assets per share (thousand shares)	126,844	170,545

2. Earnings per share and diluted earnings per share

	Previous period (From April 1, 2010 To March 31, 2011)	Current period (From April 1, 2011 To March 31, 2012)
Earnings per share		
Net income (Million yen)	2,455	4,585
Amount not attributed to the common stock (Million yen)	-	-
Net income related to the common stock (Million yen)	2,455	4,585
Average shares of the common stock during the period (Thousands shares)	63,422	129,911
Diluted earnings per share		
Net income adjustment (Million yen)	-	-
Number of common stock increased Stock acquisition right (thousand shares)	6,993	18,138
Overview of the potential shares not included in the computation of diluted earning per 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, Investment and Rental property and Business Combination, considered materiality in necessity of disclosure in this summary report.

5. Non-consolidated Financial Statements

(1) [Non-consolidated Balance Sheets]

(Millions of yen)

	As of March 31, 2011	As of March 31, 2012
Assets		
Current Assets		
Cash and deposits	60,833	55,060
Notes receivable-trade	12,411	13,873
Accounts receivable-trade	42,346	39,993
Merchandise and finished goods	19,563	22,122
Work in process	2,082	3,847
Raw materials and supplies	3,163	3,952
Advance payments-trade	1,938	3,088
Prepaid expenses	542	364
Deferred tax assets	1,769	1,554
Short-term loans receivable from subsidiaries and affiliates	3,499	1,865
Accounts receivable-other	1,101	1,389
Consumption taxes receivable	741	410
Other	295	712
Allowance for doubtful accounts	(67)	(98)
Total current assets	150,221	148,136
Noncurrent assets		
Property, plant and equipment		
Buildings	39,479	37,163
Accumulated depreciation and impairment loss	(25,488)	(24,312)
Buildings, net	13,991	12,850
Structures	1,963	1,892
Accumulated depreciation and impairment loss	(1,480)	(1,477)
Structures, net	483	415
Machinery, equipment	49,960	49,554
Accumulated depreciation and impairment loss	(34,857)	(39,199)
Machinery equipment, net	15,102	10,355
Vehicles	107	102
Accumulated depreciation and impairment loss	(103)	(100)
Vehicles, net	3	2
Tools, furniture and fixtures	13,792	13,804
Accumulated depreciation and impairment loss	(12,168)	(12,605)
Tools, furniture and fixtures, net	1,623	1,198
Land	11,527	11,434
Lease assets	390	497
Accumulated depreciation	(147)	(251)
Lease assets, net	243	246
Construction in progress	537	422
Total property, plant and equipment	43,513	36,925

(Millions of yen)

	As of March 31, 2011	As of March 31, 2012
Intangible assets		
Patent right	39	31
Right of trademark	1	1
Software	587	557
Lease assets	280	298
Telephone subscription right	23	23
Other	122	1
Total intangible assets	<u>1,054</u>	<u>913</u>
Investments and other assets		
Investment securities	86,258	57,877
Stocks of subsidiaries and affiliates	102,133	136,939
Investments in capital	129	129
Investments in capital of subsidiaries and affiliates	19,387	35,583
Long-term loans receivable	—	3,447
Long-term loans receivable from subsidiaries and affiliates	3,636	1,376
Claims provable in bankruptcy, claims provable in rehabilitation and other	391	381
Long-term prepaid expenses	638	733
Deferred tax assets	—	7,774
Other	3,853	432
Allowance for doubtful accounts	(2,619)	(2,609)
Allowance for investment loss	(6,538)	(6,538)
Total investments and other assets	<u>207,270</u>	<u>235,528</u>
Total noncurrent assets	<u>251,838</u>	<u>273,367</u>
Total assets	<u>402,060</u>	<u>421,504</u>
Liabilities		
Current liabilities		
Notes payable-trade	10,684	11,321
Accounts payable-trade	21,431	22,084
Short-term loans payable	41,400	27,500
Current portion of long-term loans payable	21,474	32,245
Commercial papers	10,000	10,000
Current portion of bonds	5,000	10,000
Lease obligations	158	192
Accounts payable-other	2,922	2,869
Directors' bonuses payable	208	153
Accrued expenses	643	674
Income taxes payable	2,000	1,350
Advances received	47	14
Deposits received	51	91
Provision for bonuses	938	1,000

(Millions of yen)

	As of March 31, 2011	As of March 31, 2012
Provision for loss on business liquidation	1,954	1,954
Asset retirement obligations	75	—
Notes payable-facilities	4,613	295
Other	583	236
Total current liabilities	124,186	121,984
Noncurrent liabilities		
Bonds payable	43,000	33,000
Convertible bond-type bonds with subscription rights to shares	15,000	15,000
Long-term loans payable	90,407	112,768
Lease obligations	392	380
Deferred tax liabilities	2,604	
Provision for retirement benefits	544	740
Provision for directors' retirement benefits	541	535
Provision for loss on litigation	170	170
Long-term guarantee deposited	1,233	1,187
Total noncurrent liabilities	153,893	163,782
Total liabilities	278,080	285,766
Net assets		
Shareholders' equity		
Capital stock	28,663	84,397
Capital surplus		
Legal capital surplus	29,972	635
Other capital surplus	0	0
Total capital surplus	29,972	636
Retained earnings		
Legal retained earnings	1,196	1,272
Other retained earnings		
Reserve for dividends	16	16
Reserve for advanced depreciation of noncurrent assets	90	98
General reserve	49,735	53,035
Retained earnings brought forward	5,588	5,070
Total retained earnings	56,626	59,492
Treasury stock	(864)	(864)
Total shareholders' equity	114,398	143,661
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	9,581	(7,924)
Total valuation and translation adjustment	9,581	(7,924)
Total net assets	123,979	135,737
Total liabilities and net assets	402,060	421,504

(2) [Non-consolidated Statements of Income and Non-consolidated Statement of Comprehensive Income]

Non-consolidated Statements of Income

(Millions of yen)

	FY2010 (From April 1, 2010 to March 31, 2011)	FY2011 (From April 1, 2011 to March 31, 2012)
Net sales		
Net sales of finished goods	119,067	109,340
Net sales of goods	24,191	26,156
Rent income of real estate	461	307
Total net sales	143,720	135,804
Cost of sales		
Beginning finished goods	14,695	13,416
Beginning goods	5,531	6,147
Cost of products manufactured	40,204	40,805
Purchase of finished goods	48,427	42,913
Cost of purchased goods	20,372	21,980
Cost of real estate rent	373	77
Total	129,604	125,340
Ending finished goods	13,416	15,620
Ending goods	6,147	6,501
Total cost of sales	110,041	103,218
Gross profit	33,679	32,586
Selling, general and administrative expenses	20,377	21,470
Operating income	13,302	11,115
Non-operating income		
Interest income	369	116
Dividends income	892	1,661
Other	349	628
Total non-operating income	1,611	2,405
Non-operating expenses		
Interest expenses	1,142	1,645
Interest on bonds	603	621
Foreign exchange losses	2,511	881
Other	218	402
Total non-operating expenses	4,476	3,550
Ordinary income	10,437	9,970
Extraordinary income		
Gain on sales of noncurrent assets	2	105
Compensation income	122	—
Gain on sales of investment securities	828	—
Gain on revision of retirement benefit plan	340	—
State subsidy	—	74
Other	6	15
Total extraordinary income	1,300	195
Extraordinary loss		
Loss on retirement of noncurrent assets	82	60
Loss on voluntary product recall	240	—
Write-off of investment securities	230	3
Loss on disaster	141	—
Write-off of investment securities	—	52
Other	279	45
Total extraordinary losses	975	160
Income before income taxes and minority interests	10,762	10,005
Income taxes-current	4,113	3,680
Income taxes-deferred	89	699
Total income taxes	4,202	4,380
Net income	6,559	5,624

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

(Millions of yen)

	FY2010 (From April 1, 2010 to March 31, 2011)	FY2011 (From April 1, 2011 to March 31, 2012)
Shareholder's equity		
Capital		
Balance at beginning of year	28,663	28,663
Increase (decrease) during the period		
Transfer to capital stock from capital surplus reserve	—	29,336
Issue of new shares	—	19,397
Issue of new shares (exercise of share options)	—	7,000
Net increase (decrease) during the period	—	55,734
Balance at end of year	28,663	84,397
Capital surplus		
Capital reserve		
Balance at beginning of year	29,972	29,972
Increase (decrease) during the period		
Transfer to capital stock from capital surplus reserve	—	(29,336)
Net increase (decrease) during the period	—	(29,336)
Balance at end of year	29,972	635
Other capital surplus		
Balance at beginning of year	0	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	29,972	29,972
Increase (decrease) during the period		
Transfer to capital stock from capital surplus reserve	—	(29,336)
Disposal of treasury stock	(0)	(0)
Net increase (decrease) during the period	(0)	(29,336)
Balance at end of year	29,972	636
Earned surplus		
Earned reserve		
Balance at beginning of year	1,196	1,196
Increase (decrease) during the period		
Provision of legal retained earnings	—	76
Net increase (decrease) during the period	—	76
Balance at end of year	1,196	1,272
Other earned reserve		
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	7	—

(Millions of yen)

	FY2010 (From April 1, 2010 to March 31, 2011)	FY2011 (From April 1, 2011 to March 31, 2012)
Increase (decrease) during the period		
Reversal of special depreciation reserve	(7)	—
Net increase (decrease) during the period	(7)	—
Balance at end of year	—	—
Reserve for reduction in noncurrent assets		
Balance at beginning of year	90	90
Increase (decrease) during the period		
Increase of reserve for the change of effective tax rate	—	7
Net increase (decrease) during the period	—	7
Balance at end of year	90	98
General reserve		
Balance at beginning of year	47,335	49,735
Increase (decrease) during the period		
Provision of general reserve	2,400	3,300
Net increase (decrease) during the period	2,400	3,300
Balance at end of year	49,735	53,035
Earned surplus carried forward		
Balance at beginning of year	4,466	5,588
Increase (decrease) during the period		
Dividends of surplus	(3,044)	(2,758)
Net income	6,559	5,624
Reversal of special depreciation reserve	7	—
Provision of legal retained earnings	—	(76)
Increase of reserve for the change of effective tax rate	—	(7)
Provision of general reserve	(2,400)	(3,300)
Net increase (decrease) during the period	1,122	(518)
Balance at end of year	5,588	5,070
Total earned surplus		
Balance at beginning of year	53,111	56,626
Increase (decrease) during the period		
Dividends of surplus	(3,044)	(2,758)
Net income	6,559	5,624
Reversal of special depreciation reserve	—	—
Provision of general reserve	—	—
Provision of legal retained earnings	—	—
Increase of reserve for the change of effective tax rate	—	—
Net increase (decrease) during the period	3,514	2,865
Balance at end of year	56,626	59,492

(Millions of yen)

	FY2010 (From April 1, 2010 to March 31, 2011)	FY2011 (From April 1, 2011 to March 31, 2012)
Treasury stock		
Balance at beginning of year	(862)	(864)
Increase (decrease) during the period		
Acquisition of treasury stock	(1)	(0)
Disposal of treasury stock	0	0
Net increase (decrease) during the period	(1)	(0)
Balance at end of year	(864)	(864)
Total Shareholders' equity		
Balance at beginning of year	110,885	114,398
Increase (decrease) during the period		
Dividend of surplus	(3,044)	(2,758)
Net income	6,559	5,624
Transfer to capital stock from capital surplus reserve	—	—
Issue of new shares	—	19,397
Issue of new shares (exercise of share options)	—	7,000
Acquisition of treasury stock	(1)	(0)
Disposal of treasury stock	0	0
Net increase (decrease) during the period	3,513	29,263
Balance at end of year	114,398	143,661
Valuation and translation differences		
Valuation differences of available-for-sale securities		
Balance at beginning of year	13,017	9,581
Increase (decrease) during the period		
Net increase (decrease) of the items other than shareholders' equity during the period	(3,436)	(17,505)
Netincrease (decrease) during the period	(3,436)	(17,505)
Balance at end of year	9,581	(7,924)
Total valuation and translation differences		
Balance at beginning of year	13,017	9,581
Increase (decrease) during the period		
Net increase (decrease) of the items other than shareholders' equity during the period	(3,436)	(17,505)
Netincrease (decrease) during the period	(3,436)	(17,505)
Balance at end of year	9,581	(7,924)
Total net assets		
Balance at beginning of year	123,902	123,979
Increase (decrease) during the period		
Dividend of surplus	(3,044)	(2,758)
Net income	6,559	5,624
Issue of new shares	—	19,397
Issue of new shares (exercise of share options)	—	7,000
Acquisition of treasury stock	(1)	(0)
Disposal of treasury stock	0	0
Net increase (decrease) of the items other than shareholders' equity during the period	(3,436)	(17,505)
Netincrease (decrease) during the period	76	11,757
Balance at end of year	123,979	135,737