

Summary Report of Consolidated Financial Results

For the Nine Months Period ended December 31, 2011



February 10, 2012
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

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Presentation on quarterly results: No

(Note: Amounts are truncated to one million yen)

1. Consolidated Results for the Nine Months ended December 31, 2011 (From April 1, 2011 to December 31, 2011)

(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	%
9 months ended December 31, 2011	159,644	9.9	13,509	(5.4)	9,680	(2.8)	2,331	(41.7)
9 months ended December 31, 2010	145,223	9.1	14,286	(3.3)	9,959	(20.3)	4,002	(37.0)

Note: Comprehensive income 9 months ended December 31, 2011: (20,577) million yen (-%) 9 months ended December 31, 2010: 2,646 million yen (-%)

	Earnings per share	Diluted Earnings per share
	Yen	Yen
9 months ended December 31, 2011	18.38	16.09
9 months ended December 31, 2010	31.56	28.47

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	Millions of yen	Millions of yen	%
9 months ended December 31, 2011	477,774	86,833	17.3
Year ended March 31, 2011	476,510	109,037	22.4

Note: Equity 9 months ended December 31, 2011: 82,765 million yen Year ended March 31, 2011: 106,509 million yen

2. Dividends

	Annual Dividends per Year				
	First-quarter	Second-quarter	Third-quarter	Year-end Dividends	Annual Dividends
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2011	-	18.50	-	31.50	50.00
Year ending March 31, 2012	-	12.00	-		
Year ending March 31, 2012 (Forecast)			-	13.50	25.50

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

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

(Note: The % displays in the line of year ending March 31, 2012 show increase/decrease ratio against the year ended March 31, 2011)

	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, 2012	214,000	9.2	16,000	(7.1)	12,550	(6.1)	4,050	64.9	31.93

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

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) Adoption of Accounting Treatments Simplified or Unique for Preparation: No
- (3) 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
(Note: The detail can be found in P.4 "Summary information (Others)" in the attachment.)

(4) Issued Shares (Common stock)

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

9 months ended December 31, 2011 : 127,757,010 shares
Year ended March 31, 2011 : 127,757,010 shares

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

9 months ended December 31, 2011 : 913,658 shares
Year ended March 31, 2011 : 912,840 shares

[3] Average number of shares during the period

9 months ended December 31, 2011 : 126,843,635 shares
9 months ended December 31, 2010 : 126,845,575 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 is conducted at the beginning of fiscal year 2010.)

*Information regarding the quarterly review procedure

This quarterly summary report is exempt from quarterly review procedure based on the Financial Instruments and Exchanges 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 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.4 "1. Qualitative information for the nine months period ended December 31, 2011, (3) Qualitative information concerning forecast of consolidated financial results" in the attachment.

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 is conducted at the beginning of fiscal year 2010.

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1. Qualitative Information for the Nine-Month Period ended December 31, 2011

(1) Qualitative Information Concerning Consolidated Financial Results

During the nine-month period ended December 31, 2011, delayed economic recovery in America and turmoil of the financial market in Europe made the global slowdown more sever.

As for the domestic economy, on the other hand, the limited supply for the Great East Japan Earthquake was resolved and the economic activity was promoted to show the sign of partial recovery. However, sense of uncertainty was heightened because the strong appreciation of the yen still remained and the negative effect from the accident of nuclear power generation became obvious.

Under such situations, the Nipro Group recovered the proper functions in almost all direct offices and plants which got damaged by the great earthquake. We also have worked actively to set up manufacturing and sales bases in foreign countries so as to be one of the top companies in our core businesses.

As a result, the consolidated net sales in the nine-month period ended December 31, 2011 increased 9.9% from the same period of the previous year to 159,644 million yen.

As for the profit, consolidated operating income decreased 5.4% from the same period of the previous year to 13,509 million yen due to the increase in selling, general and administrative expenses, and consolidated ordinary income decreased 2.8% from the same period of the previous year to 9,680 million yen. The consolidated net income decreased 41.7% from the same period of the previous year to 2,331 million yen because extraordinary loss increased by the generation of loss due to disaster.

The overviews of the results by segment are as follows.

[1] Medical Business

Domestic market and business conditions 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) and vascular-related products (such as PTA guide wire and coronary artery stent) showed fine sales as well. However, the sales in transfusion- and injection-related products and dialyzer which dropped temporarily because of the impact of the great earthquake, maintained low level even though it has headed for recovering.

Overseas sales suffered great effect from the appreciation of yen against the dollar and euro, but we reduced the exchange risk by direct transaction between overseas plants and overseas sales subsidiaries and have kept performing the community-based sales. Sales in blood glucose meter showed significant growth, and also sales in dialyzer and its related products grew steadily thanks to active sales promotion to dialysis market. Moreover, glass products for medical purpose have increased its sales figure with high evaluation for their quality. Plants in India, Hefei (China), Indonesia and Bangladesh are under construction as planned. India plant will start to operate from next July and has already started to sales operation.

As a result, net sales of this business increased 7.9% from the same period of the previous year to 105,933 million yen.

[2] 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 manufacturer 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 circumstance, we have proactively enforced sales promotion to dispensing pharmacy and deepened the cooperation with wholesaler of drug so as to increase the sales of oral drug. In addition, the sales of injectable drug, our main product, exceeded the sales in the same period of the previous year 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).

On the sales of contracted manufacturing business, we worked hard for realizing various fine services such as contracted development and support for value adding other than ordinary contracted manufacturing. During this period, the effect of the Great East Japan Earthquake dropped the operation capacity in some plants, but a number of new products have launched so this division showed greater sales than the sales in the same period of the previous year.

As a result, net sales of this business increased 8.5% from the same period of the previous year to 31,210 million yen.

[3] Material Business

The sales of material glass tube for ampoule, a kind of pharmaceutical glass tube, decreased from the same period of the previous year due to the stagnation of domestic demand. Concerning material glass tube for tube bottles, on the other hand, the domestic demand increased and overseas sales was enforced to develop the sales compared with the same period of the previous year. Furthermore, in addition to India and China, the formulation of pharmaceutical glass business in Russia is going on to promote overseas sales activities. The export of glass for thermos bottles increased steadily, and in the domestic market, power saving campaign due to the earthquake disaster created the demand of glass thermos bottles, which raise the net sales of this products compared with the same period of the previous year. As for the sales of glass for lighting purpose, we recovered the usual operation capacity of automotive bulb from the effect of the great earthquake. However, the sales of glass for LCD backlight decreased its demand under the influence of penetration of LED products, so overall, the sales of glass products for lighting purpose and material glass tube for

bulb decreased from the same period of 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 the development of pharmaceutical combination products, systematization for self-injection at home and modification of dosage form to such as orally-disintegrating tablet which can be taken without water.

As a result, net sales of this business increased 24.0% from the same period of the previous year to 22,300 million yen.

[4] Other Business

In the other business, the sale from real estate rental income is 200 million yen.

(2) Qualitative Information on the Consolidated Financial Position

Analysis Concerning the Conditions of Assets, Liabilities and Net Assets

Total assets increased 1,264 million yen from the end of the previous period to 477,774 million yen. Current assets increased 16,277 million yen mainly due to the increase of 9,988 million yen in notes and accounts receivable-trade, and noncurrent assets decreased 15,013 million yen mainly due to the decrease of 32,035 million yen in investment securities and the decrease of 3,536 million yen in guarantee deposits.

Total liabilities increased 23,468 million yen from the end of the previous period to 390,941 million yen. Current liabilities increased 9,670 million yen mainly due to the increase of 11,277 million yen in short-term loans payable, and noncurrent liabilities increased 13,798 million yen mainly due to the increase of 19,029 million yen in long-term loans payable.

Total net assets decreased 22,203 million yen from the end of the previous period to 86,833 million yen. Shareholders' equity decreased 496 million yen and accumulated other comprehensive income decreased 23,247 million yen.

(3) Qualitative Information Concerning Forecast of Consolidated Financial Results

In the world economy in the future, we are concerned about continuous low level of American economy and the risk of economic downturn by debt crisis in Europe. As for the domestic economy, there are a lot of challenges such as the energy limitation caused by the problem of nuclear power station and historical hover of appreciating yen, and they are expected to bring more sever business condition.

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

At this moment, there is no revise to the consolidated financial results for the fiscal year 2011 which was published November 10, 2011.

2. Summary (Other) Information

(1) Changes in Significant Consolidated Subsidiaries

Nipro India Corporation Pvt Ltd. and Nipro Medical (Hefei) Co. Ltd. are included in the scope of consolidation from the first-quarter consolidated accounting period because their materiality increased in our group.

(2) Accounting Treatments Simplified or Unique for Preparation

N/A

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

(Application of Accounting Standard for earnings per share)

From the first quarter of fiscal year 2011, the company has applies Accounting Standard for Earnings Per Share (ASBJ Statement No.2, issued on June 30, 2010), Guidance on Accounting Standard for Earnings Per Share (ASBJ No.4, issued on June 30, 2010) and Practical Solution on Accounting for Earning 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, earnings per share and diluted earnings per share are calculated on the assumption that the two-for-one stock split of common stock is conducted at the beginning of fiscal year 2010.

If these accounting standards had not been applied, earnings per share and diluted earnings per share of the previous third quarter were as follows:

Earnings per share	: 63.12 yen
Diluted earnings per share	: 56.93 yen

(4) 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 Statement No.24, issued on December 4, 2009).

(Effects of Revised Corporate Tax Rate)

Following the promulgation of December 2, 2011 of “Act for Partial Revision of the Income Tax Act, etc. for the Purpose of Creating Taxation System Responding to Changes in Economic and Social Structures” (Act No. 114 of 2011) and “Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction following the Great East Japan Earthquake” (Act No. 117 of 2011), effective from the fiscal year beginning on and after April 1 2012, the corporate tax rate will be changed.

In accordance with this reform, deferred tax assets and deferred tax liabilities are calculated with the effective statutory tax rates based on the revised rate for consolidated fiscal year during which temporary differences are expected to be eliminated. As a result, deferred tax assets decreased 614 million yen and deferred tax liabilities increased 220 million yen.

3. Consolidated Financial Statements

(1) [Quarterly Consolidated Balance Sheets]

(Millions of yen)

	As of March 31, 2011	As of December 31, 2011
Assets		
Current Assets		
Cash and deposits	81,115	79,624
Notes and accounts receivable-trade	61,237	71,226
Merchandise and finished goods	42,697	47,185
Work in process	6,783	8,379
Raw materials and supplies	11,461	12,824
Deferred tax assets	4,204	3,535
Other	9,935	11,038
Allowance for doubtful accounts	(414)	(516)
Total current assets	217,021	233,298
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	111,353	113,962
Accumulated depreciation and impairment loss	(61,064)	(62,233)
Buildings and structures, net	50,289	51,728
Machinery, equipment and vehicles	135,449	142,309
Accumulated depreciation and impairment loss	(92,361)	(102,192)
Machinery equipment and vehicles, net	43,087	40,117
Land	20,115	20,402
Lease assets	1,519	1,658
Accumulated depreciation	(437)	(658)
Lease assets, net	1,082	999
Construction in progress	8,989	20,514
Other	27,150	27,781
Accumulated depreciation and impairment loss	(22,209)	(22,906)
Other, net	4,941	4,874
Total property, plant and equipment	128,505	138,637
Intangible assets		
Goodwill	7,833	14,387
Lease assets	291	320
Other	5,442	6,070
Total intangible assets	13,568	20,778
Investments and other assets		
Investment securities	105,564	73,528
Deferred tax assets	2,489	6,286
Guarantee deposits	3,905	369
Other	8,439	7,835
Allowance for doubtful accounts	(2,984)	(2,959)
Total investments and other assets	117,414	85,060
Total noncurrent assets	259,488	244,475
Total assets	476,510	477,774

(Millions of yen)

	As of March 31, 2011	As of December 31, 2011
Liabilities		
Current liabilities		
Notes and accounts payable-trade	33,581	35,391
Short-term loans payable	96,659	107,936
Commercial papers	10,000	10,000
Current portion of bonds	5,000	5,000
Lease obligations	375	417
Accounts payable-other	5,771	4,843
Accrued directors' bounuses	208	—
Income taxes payable	3,165	2,127
Provision for bounuses	2,112	1,619
Provision for directors' bounuses	26	131
Provision for loss on business liquidation	1,954	1,954
Provision for loss on disaster	4,040	1,469
Notes payable-facilities	5,937	6,218
Other	7,568	8,961
Total current liabilities	176,401	186,071
Noncurrent liabilities		
Bonds payable	43,000	44,000
Convertible bond-type bonds with subscription rights to shares	15,000	15,000
Long-term loans payable	120,549	139,579
Lease obligations	1,086	989
Deferred tax liabilities	7,465	977
Provision for retirement benefits	1,615	1,819
Provision for directors' retirement benefits	668	685
Provision for loss on litigation	170	170
Other	1,516	1,648
Total noncurrent liabilities	191,070	204,869
Total liabilities	367,472	390,941
Net assets		
Shareholders' equity		
Capital stock	28,663	58,000
Capital surplus	29,972	636
Retained earnings	46,631	46,134
Treasury stock	(864)	(864)
Total shareholders' equity	104,403	103,906
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,387	(4,925)
Foreign currency translation adjustment	(9,281)	(16,215)
Total accumulated other comprehensive income	2,106	(21,140)
Minority interests	2,527	4,067
Total net assets	109,037	86,833
Total liabilities and net assets	476,510	477,774

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

	(Millions of yen)	
	Nine months ended December 31, 2010	Nine months ended December 31, 2011
Net sales	145,223	159,644
Cost of sales	101,200	111,398
Gross profit	44,022	48,246
Selling, general and administrative expenses	29,736	34,736
Operating income	14,286	13,509
Non-operating income		
Interest income	248	414
Dividends income	654	942
Other	286	608
Total non-operating income	1,190	1,966
Non-operating expenses		
Interest expenses	1,768	2,467
Exchange loss	3,367	2,795
Equity in loss of affiliates	176	69
Other	205	463
Total non-operating expenses	5,517	5,795
Ordinary income	9,959	9,680
Extraordinary income		
Gain on sales of noncurrent assets	15	117
Compensation income	122	—
Licensed dealership charges	300	—
Gain on revision of retirement benefit plan	453	—
State subsidy	—	89
Other	85	10
Total extraordinary income	976	218
Extraordinary loss		
Loss on retirement of noncurrent assets	97	296
Abnormal manufacturing cost	159	—
Loss on business liquidation	906	—
Accumulated depreciation	—	470
Loss due to disaster	—	1,018
Other	190	448
Total extraordinary losses	1,353	2,234
Income before income taxes and minority interests	9,581	7,664
Income taxes-current	4,214	4,115
Income taxes-deferred	968	785
Total income taxes	5,183	4,901
Income before minority interests	4,398	2,762
Minority interests in income	395	430
Net income	4,002	2,331

[Quarterly Consolidated Statements of Comprehensive Income]

	(Millions of yen)	
	Nine months ended December 31, 2010	Nine months ended December 31, 2011
Income before minority interests	4,398	2,762
Other comprehensive income		
Valuation difference on available-for-sale securities	(923)	(16,312)
Foreign currency translation adjustment	(828)	(7,027)
Total other comprehensive income	(1,752)	(23,340)
Comprehensive income	2,646	(20,577)
Comprehensive income attributable to shareholders of parent company	2,273	(20,915)
Comprehensive income attributable to minority interests	373	337

(3) Notes Related to Going Concern
N/A

(4) Segment Information

I FY2010 (From April 1, 2010 to December 31, 2010)

1. Sales and Profit by Reportable Operating Segment

(Millions of yen)

	Segment				Other (Note.1)	Total	Adjust- ment (Note.2)	Consolidated statement of income (Note.3)
	Medical	Pharma- ceutical	Glass & Materials	Total				
Net Sales								
(1)Outside	98,150	28,775	17,982	144,908	314	145,223	-	145,223
(2)Intersegment	141	13,448	2,928	16,517	32	16,550	(16,550)	-
Total	98,292	42,223	20,910	161,426	347	161,774	(16,550)	145,223
Segment profit	14,540	1,888	2,002	18,432	66	18,498	(4,211)	14,286

(Notes)

1. "Other" is the business segment which is not included in the segment and consist of real estate income and sales by headquarter.
2. Adjustment for the segment profit of (4,211) million yen includes elimination of inter-segment transaction of 255 million yen and corporate cost of (4,467) 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.

2. Information on Goodwill by Reportable Operating Segment

N/A

II FY2011 (From April 1, 2011 to December 31, 2011)

1. Sales and Profit by Reportable Operating Segment

(Millions of yen)

	Segment				Other (Note.1)	Total	Adjust- ment (Note.2)	Consolidated statements of Income (Note.3)
	Medical	Pharma- ceutical	Materials	Total				
Net sales								
(1)Outside	105,933	31,210	22,300	159,444	200	159,644	-	159,644
(2)Intersegment	1,044	14,574	2,689	18,308	33	18,342	(18,342)	-
Total	106,978	45,784	24,989	177,752	234	177,987	(18,342)	159,644
Segment profit	13,617	3,584	1,312	18,514	168	18,683	(5,173)	13,509

(Notes)

1. "Other" is the business segment which is not included in the segment and consist of real estate income and sales by headquarter.
2. Adjustment for the segment profit of (5,173) million yen includes elimination of inter-segment transaction of 63 million yen and corporate cost of (5,237) 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.

2. Change in Reportable Segment

From the first quarter period ended June 30, 2011, the name of business segment was changed partially and "Glass & Materials" is displayed as "Materials". This change is just only for the name, and there is no difference about business segment itself from the same period of the previous year.

3. Information about Impairment Loss of Tangible Assets and Goodwill by Reportable Operating Segment (Important change in the amount of goodwill)

As for material business, Nipro Glass France SAS and other three affiliates are included in the scope of consolidation. Because of this event, goodwill increased 6,294 million yen from the end of the previous year.

(5) Notes to Statements of Shareholder's Equity, if having Significant Variation

N/A