

# Summary Report of Consolidated Financial Results

For the Fiscal Year ended March 31, 2013



May 14, 2013  
TSE/OSE-1<sup>st</sup> 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 26, 2013 Payment date of cash dividends: June 29, 2012

Filing date of annual reporting: June 26, 2013

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, 2013 (From April 1, 2012 to March 31, 2013)

### (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, 2013	241,020	13.7	11,370	(28.2)	14,363	19.9	10,231	123.1
Year ended March 31, 2012	212,013	8.2	15,825	(8.1)	11,983	(10.4)	4,585	86.7

Note: Comprehensive income Year ended March 31, 2013: 14,867 million yen (-%) Year ended March 31, 2012: (19,882) 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, 2013	59.99	54.12	8.9	2.7	4.7
Year ended March 31, 2012	35.30	30.98	4.2	2.5	7.5

Note: Equity in profit (loss) of affiliate Year ended March 31, 2013: (38) million yen Year ended March 31, 2012: (84) 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, 2013	579,302	128,763	20.7	703.47
Year ended March 31, 2012	499,686	113,950	22.0	643.94

Note: Equity Year ended March 31, 2013: 119,973 million yen Year ended March 31, 2012: 109,820 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, 2013	22,593	(37,431)	23,359	92,622
Year ended March 31, 2012	15,486	(67,919)	45,725	79,449

## 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 ending March 31, 2012	-	12.00	-	11.50	23.50	2,722	66.6	3.2
Year ending March 31, 2013	-	12.00	-	15.50	27.50	4,690	45.8	4.1
Year ending March 31, 2014 (Forecast)	-	11.00	-	14.50	25.50		83.6	

## 3. Forecast of Consolidated Financial Results for the Year ending March 31, 2014 (From April 1, 2013 to March 31, 2014)

	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 2013	139,000	18.5	7,300	15.8	5,900	21.8	2,500	(62.2)	14.66
Year ending March 31, 2013	290,000	20.3	15,400	35.4	13,300	(7.4)	5,200	(49.2)	30.49

(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: 1 (Corporate name: GOODMAN CO., LTD.) Removal: 0

(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 : Yes
- [4] Restatement : No

Note: Depreciation method was changed from the current fiscal year, which is applied to "Changes in accounting policies which are difficult to distinguish from changes in accounting estimates". Detailed information can be found in P.18 "4. Consolidated Financial Statements (7)Change in Significant Matter of Basis of Preparation for Consolidated Financial Statements" in the attachment.

(3) Issued Shares (Common stock)

- [1] Number of issued shares at end of the period (including treasury stock)  
 Year ended March 31, 2013: 171,459,479 shares Year ended March 31, 2012: 171,459,479 shares
- [2] Number of treasury stock at end of the period  
 Year ended March 31, 2013: 914,107 shares Year ended March 31, 2012: 913,612 shares
- [3] Average number of shares during the period  
 Year ended March 31, 2013: 170,545,769 shares Year ended March 31, 2012: 129,911,933 shares

(Reference) Overview of the Unconsolidated Financial Results

1. Unconsolidated Results for the Year ended March 31 ,2013 (From April 1, 2012 to March 31, 2013)

(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, 2013	144,965	6.7	10,438	(6.1)	13,971	40.1	9,856	75.2
Year ended March 31, 2012	135,804	(5.5)	11,115	(16.4)	9,970	(4.5)	5,624	(14.2)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Year ended March 31, 2013	57.79	52.13
Year ended March 31, 2012	43.30	37.99

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Year ended March 31, 2013	441,707	135,837	30.8	796.49
Year ended March 31, 2012	421,504	135,737	32.2	795.90

Note: Equity Year ended March 31, 2013: 135,837 million yen Year ended March 31, 2012: 135,737 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".

## 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 .....	4
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
6. Others .....	32
Changes in Directors .....	32

## 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, 2013), the global economy gradually shows a sign of recovery because the personal consumption was steady and increase in employment also continued in America even though European financial crisis become shackles clipping world economic progress.

Japanese economy, on the other hand, was slowly recovering with the demand for reconstruction from Great East Japan Earthquake. In addition, export is expected to increase due to the sharp depreciation of the yen for the year, and it is hoped to realize a departure from prolonged deflation.

Under such situation, the Nipro Group continued to work hard for expanding and strengthening our manufacturing and sales bases in order to increase our sales and improve our profit.

As a result, the consolidated net sales in this fiscal year ended March 31, 2013 increased 13.2% from the previous year to 241,020 million yen. As for the profit, consolidated operating income decreased 28.2% from the previous year to 11,370 million yen due to the increase in selling, general and administrative expense, and consolidated ordinary income increased 19.9% from the previous year to 14,363 million yen due to the increase in non-operating income caused by foreign exchange gain and the decrease in non-operating expenses. The consolidated net income increased 123.1% from the previous year to 10,231 million yen because of the gain on sales of investment securities and decrease in extraordinary losses.

The overviews of the results by segment are as follows.

#### a. Medical-related Business

Looking at the domestic market, business conditions remained extremely severe because the market competition was intensified due to the effect of revision of medical treatment fee and the reduction of official prices for drugs and medical materials. However, each product group recorded good sales as a result of our aggressive sales activities and improvement of sales efficiency aiming to expand our share.

Our medical-equipment-related products such as dialysis system and our dialysis-related products such as HDF filter, blood circuits and dialysis pharmaceuticals showed strong growth. The sales of our testing-related products such as glucose analysis device (POCT) and vacuum blood drawing system, enteral-alimentation-related products and injection-transfusion-related products also steadily increased.

As for the overseas sales, it suffered through the appreciation of the yen against the dollar and the euro during the year. However, we have promoted the expansion of the sales bases all over the world and aimed to realize the stable sales activities in each country. As a result of these activities and yen's sharp fall, the overseas sales showed great increase from the previous year.

By product, the sales of dialysis-related products such as dialyzer and blood glucose monitoring device increased steadily as a result of our local based sales activities.

In addition, we encouraged to expand our sales network to developing countries such as Myanmar and Bangladesh based on the idea of "local production for local consumption" to appropriately introduce desirable products in medical front.

As a result, net sales of this business increased 15.5% from the previous year to 167,531 million yen.

#### b. Pharmaceutical-related Business

On October 1, 2012, pharmaceutical business division was newly established to enforce the control function of our group subsidiaries. This business division includes the following departments: the contracted manufacturing department for offering high value-added products to meet customer needs, the collaborative promotion department for handling generic drugs featuring our unique pharmaceutical technique, the development and sales department for suitable container and dosing device for each pharmaceutical, sales department of the container for pharmaceutical purpose and pharmaceutical research center. This integration can realize more flexible development and contracted manufacture of pharmaceutical products with more suitable devises and containers. We expect to provide unique, value-added and high quality pharmaceutical products.

Sales of generic drugs are expected to grow in line with the market, due in part to a government policy for the dissemination of the market for generic drugs to over 30% by the end of fiscal year 2012. Consequently a number of policies have been implemented to encourage the use of generic products. Major pharmaceutical manufacturers have made a full-scale entry into the Japanese market and foreign generic manufacturers have strengthened their marketing strategies, making the competitive environment surrounding the domestic market more severe.

Under these conditions, we worked hard to increase the share of the oral drug by the close co-operation with drug wholesalers while reinforcing our sales promotions to dispensing pharmacies, prescribing hospital and doctor's office. In addition, as a result of our detailed information service provided mainly to large hospitals, the sales in the current year showed steady increase.

Looking at the sales of our contracted manufacturing business, we focused on providing a variety of services such as contracted development and supporting high value-added initiatives other than OEM manufacturing of other companies' brand. In addition, encouraging the contracted manufacturing by collaboration with generic sales division and new drug development division of domestic and foreign major pharmaceutical manufacturers, the sales in the current year exceeded by far those in the previous year.

As for the pharmaceutical containers, medical-preparation- and administration-related devices, the sales showed good increase because we provided suitable container and system for each pharmaceutical product to meet a variety needs in medical front such as bags for antimicrobial agent or osteoporosis and pre-filled syringes in addition to rubber stoppers for pharmaceutical and vaccine use and kit form containers. These container and system were developed by our own development or joint development with pharmaceutical companies based on our processing techniques for plastics, metal and rubber. Furthermore, under the restrictive policy for medical cost, we continue to promote contract

manufacturing and development cooperating with domestic and foreign pharmaceutical companies in general life cycle management of pharmaceuticals, which includes the development of combination products, systematization for self-injection and modification of dosage form.

As a result, net sales of this business increased 10.9% from the previous year to 66,212 million yen.

c. Glass-related Business

As for the sales of material glass tube for ampoule and tube bottles, total sales decreased slightly from the previous year because the demand of material glass for ampoule decreased in home and abroad while material glass for tube bottle showed fine sales.

On the other hand, the sales of tube bottles increased from the previous year due to the demand increase of tube bottle for vaccine. As for the pharmaceutical glass business in China, the effect of the boycott campaign to Japanese products was worried but the sales increased a little from the previous year by promoting sales activities.

The sales of glass for thermos bottles could not achieve the last year's sales that included the special demand of Great East Japan Earthquake. The market was stabilized and the sales decreased from the previous year. Regarding the glass for lighting purpose, the order of material glass tube for electric lamp and electric lamp production decreased by the boycott campaign of Japanese products in China. In addition, a trend away from glass for electric lamp was accelerated by popularization of LED and the sales decreased from the previous year.

As a result, net sales of this business increased 1.3% from the previous year to 7,041 million yen

d. Other Business

In the other business, the sales from real estate rental income increased 10.5% from the previous year to 234 million yen.

[2] Prospects of business results for the fiscal year ending March 31, 2014

Looking at the global economy, the approach to financial reconstruction can be burden in America even though the concern about debt problem in Europe is getting eased. Economic vitiosus cycle remains and we are still under the unpredictable situation. In Japan, economic boost policies conducted by new administration are expected but we still need to pay attention the way to full-scale departure from deflation

In spite of being under these circumstances, Nipro Group will work hard to make a progress and develop our business by wide selection of products and development of high-value added products.

We project the consolidated net sales of 290,000 million yen (up by 20.3% from the previous year), operating income of 15,400 million yen (up by 35.4% from the previous year), ordinary income of 13,300 million yen (down by 7.4% from the previous year), and net income of 5,200 million yen (down by 49.2% from the previous year), for the fiscal year ending March 31, 2014.

(2) Analysis Concerning Financial Position

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

Total assets increased 79,616 million yen from the end of the previous year to 579,302 million yen. Current assets increased 37,538 million yen mainly due to the increase of 10,262 million yen in cash and deposits and the increase of 15,023 million yen in notes and accounts receivable-trade, and noncurrent assets increased 42,078 million yen mainly due to the increase of 15,078 million yen in building and structures, and the increase of 13,726 million yen in machinery, equipment and vehicles.

Total liabilities increased 64,803 million yen from the end of the previous year to 450,539 million yen. Current liabilities increased 24,669 million yen mainly due to the increase of 23,106 million yen in short-term loans payable, and noncurrent liabilities increased 40,134 million yen mainly due to the increase of 24,526 million yen in long-term loans payable.

Total net assets increased 14,812 million yen from the end of the previous year to 128,763 million yen. Shareholders' equity increased 6,399 million yen and accumulated other comprehensive income increased 3,753 million yen.

[2] The condition of cash flow

The ending balance of cash and cash equivalents in the period under review increased 13,173 million yen from the previous year to 92,622 million yen.

(Cash flows from operating activities)

Net cash provided by operating activities was 22,593 million yen. The main accounts of cash inflow were income before income taxes and minority interests, 18,058 million yen and depreciation and amortization, 21,209 million yen. The main accounts of cash outflow were the increase of trade notes and accounts receivable, 8,965 million yen and payment of corporate income tax, 6,287million yen.

(Cash flows from investing activities)

Net cash used in investing activities was 37,431 million yen. The main accounts of cash outflow were payments for purchase of investment securities, 12,025million yen, and purchase of noncurrent assets, 37,794 million yen.

(Cash flows from financing activities)

Net cash provided by financing activities was 23,359 million yen. The main accounts of cash inflow were proceeds from long-term loans payable, 61,629 million yen, and the main account of cash outflow was repayment of long-term loans payable, 43,039 million yen.

[3] Trend of the cash flow indicators

	The 57 <sup>th</sup> period Year ended March 31, 2010	The 58 <sup>th</sup> period Year ended March 31, 2011	The 59 <sup>th</sup> period Year ended March 31, 2012	The 60 <sup>th</sup> period Year ended March 31, 2013
Shareholders' equity ratio (%)	29.8	22.4	22.0	20.7
Ratio of market value of shareholders' equity (%)	29.9	21.9	21.1	24.6
Debt redemption (years)	7.1	12.6	19.3	15.5
Interest coverage ratio	11.4	9.1	4.8	6.6

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, 2013 and ending March 31, 2014

As we position profit return in the important management 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.

According to the above-mentioned policy, annual dividends are calculated to be 27.50 yen per share. As we already paid interim dividends of 12.00 yen per share, year-end dividends are to be 15.50 yen per share to be proposed to the Company's 60<sup>th</sup> ordinary general meeting of shareholders.

Dividends for year ending March 31, 2014 are expected to be made under our basic policy of placing importance on profit return while giving consideration to the balance with retained earnings considering the increase of capital demand for the future.

2. Corporate Group

Our group consists of the Reporting Company ("the Company"), its 64 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-related Business>

Domestic: The Company, Nipro Medical Industries, Co., Ltd. and Goodman Co., Ltd. manufacture medical equipment, and the Company and Goodman Co., Ltd. sell 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 Trading (Shanghai) Co., Ltd. (China) 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) manufactures and sells diabetes-related products and Nipro JMI Pharma Ltd. (Bangladesh) manufactures and sells pharmaceutical products focusing on the area of their location.

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

<Pharmaceutical-related Business>

The Company, Nipro Pharma Corporation, Zensei Pharmaceutical Industries Co., Ltd., Tohoku Nipro Pharmaceutical Corporation and Nipro Patch Co., Ltd. manufacture and sell pharmaceutical products. Yuki Gosei Kogyo Co., Ltd., an affiliated company, manufactures and sells active pharmaceutical ingredient etc.

< Glass-related 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) and Jilin Nipro Jiaheng Pharmaceutical Packaging Co., Ltd. manufacture and sell material glass tube, tube bottles and ampoule.

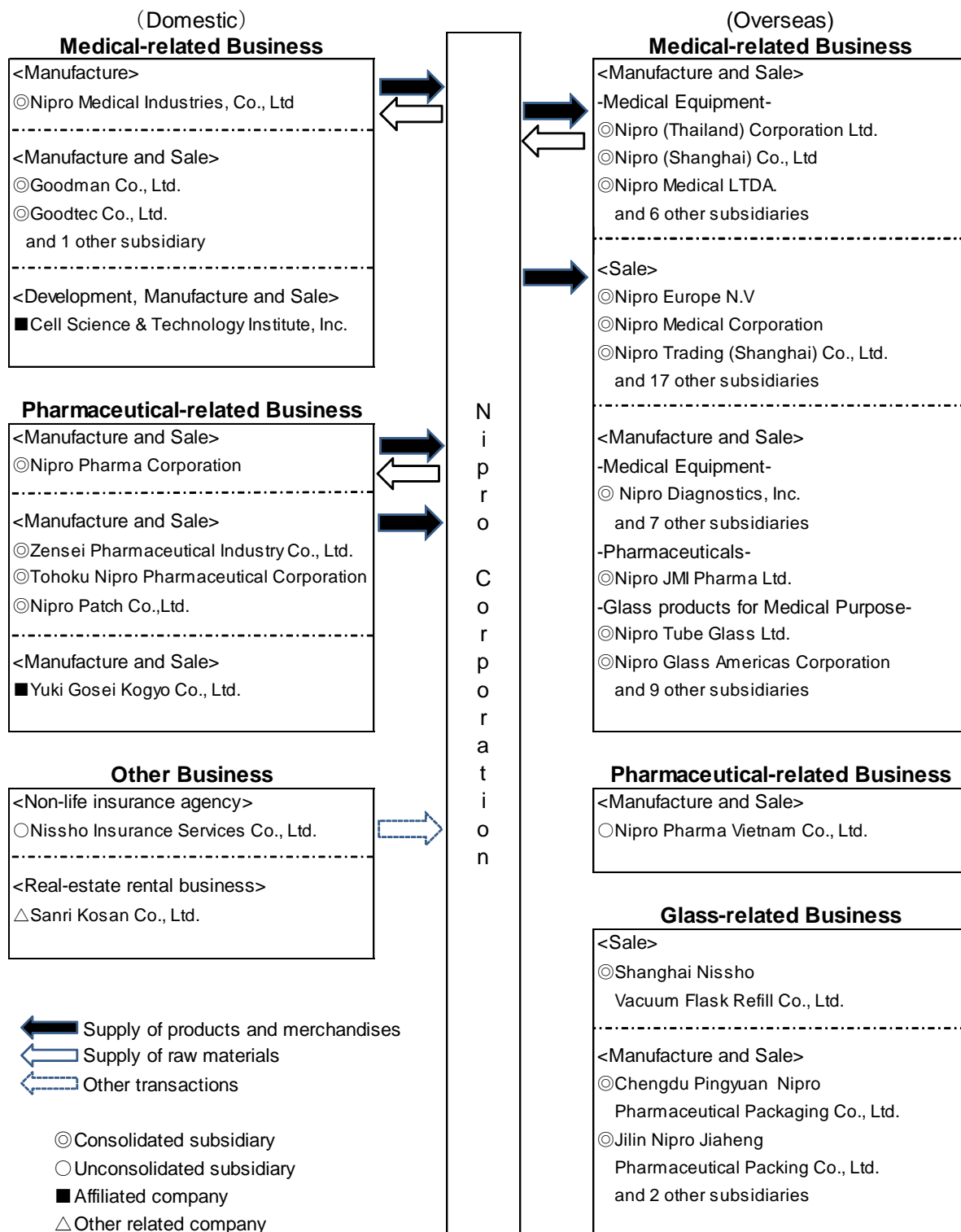
<Other business>

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, the Company has a business philosophy of contribution to the society through corporate activities with the concept of “technology innovation”. We develop and provide our unique products and service through the eye of customer to solve the problems and meet the needs in medical front. Moreover, we manage our business with imagination to create additional value for customer considering the improvement of patients’ QOL (Quality of Life).

In addition, considering the idea that the balance between “stability” and “growth” 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 glass businesses.

#### (3) Medium- to Long-term Management Strategies

The Group adopts a basic policy and corporate strategies aiming to increase our share in the global market and expand sales by means of strengthening cost-competitiveness and increasing the production capacity in the fields that is expected to increase the demands.

In Medical-related Business, we will increase our market share by expanding the range of merchandise and promoting a new market development of dialysis-related products, mainly dialyzer, diabetes-related products and vascular-related products. 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 addition, in April, 2013, the Company’s sales division focusing on medical equipment and the sales division for pharmaceutical products in Nipro Pharma Corporation were integrated. Because of this, our sales division can complete a wide variety of needs of customer and medical staff with our comprehensive sales system supported by both divisions’ advantages. Regarding generic drug, Health, Labor and Welfare Ministry shows a roadmap to promote the usage of generic drug and increase the amount share up to 60% by 2017. The demand of generic drug is expected to expand widely, so we will keep focusing on the continuous development of new items and create marketing networks of DPC hospital and dispensing pharmacies while pursuing the synergetic effect of coordination between sales division of medical equipment and pharmaceutical products.

In the contract manufacturing division of Pharmaceutical-related Business, we are going to enhance our business as one of the top group of pharmaceutical contract manufacturing companies. We will improve production and quality control systems in response to the overseas demands while making full use of manufacturing equipments of biomedicine and anticancer drug constructed in 2012. Furthermore, overseas manufacturing base will start its operating to realize the world wide supply of pharmaceutical products with more stable supply capability and the strong cost competitiveness. Also we will take advantage of our techniques and other management sources shared in our three businesses to develop our unique systemized pharmaceutical products that pursue convenience and safety of patients and medical staff.

As for Glass-related Business, we have cultivated our technology of glass processing through our business management. Based on this technique, we will work hard to develop high quality container for medical purpose and other products to promote sales activity.

#### (4) Issues and Challenges that the Group Faces

In the domestic business of the Medical-related 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 needs and seeds of market to raise the performance.

In overseas business, we will provide desirable products in medical front appropriately to expand our sales network. With manufacturing and sales in developing countries, we will promote our brand image and improve our system to realize higher sales result.

In the Pharmaceutical-related Business, the situation of domestic generic market is getting more severe. We will establish our presence in the market and strengthen our price competitiveness. In addition, it is also urgent issue to realize the stable growth in the medium- and long- term by rapid establishment of development, production and sales system including containers and devices of generic anticancer drug and biosimilar.

In Glass-related Business, glass for medical purpose needs to build up the stable system for manufacturing and sales of high quality products with good manufacturing technique. To realize this system, we will conduct relocation and new construction of domestic glass processing plant and upgrade its facilities. As for the overseas glass plant, we will do expansion of the building, upgrade of facilities and development of manufacturing environment. We will promote the standardization of our high-quality glass product and aim to expand our sales in global market.

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

(Millions of yen)

	As of March 31, 2012	As of March 31, 2013
<b>Assets</b>		
Current Assets		
Cash and deposits	95,737	106,000
Notes and accounts receivable-trade	68,641	83,665
Merchandise and finished goods	48,114	53,899
Work in process	8,753	10,480
Raw materials and supplies	14,736	17,275
Deferred tax assets	4,829	5,375
Other	9,983	11,741
Allowance for doubtful accounts	(360)	(463)
<b>Total current assets</b>	<b>250,435</b>	<b>287,974</b>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	116,878	138,547
Accumulated depreciation and impairment loss	(63,320)	(69,911)
Buildings and structures, net	53,558	68,636
Machinery, equipment and vehicles	142,067	170,522
Accumulated depreciation and impairment loss	(103,263)	(117,991)
Machinery equipment and vehicles, net	38,804	52,530
Land	20,446	22,173
Lease assets	1,680	3,203
Accumulated depreciation	(735)	(2,029)
Lease assets, net	944	1,174
Construction in progress	26,957	23,786
Other	28,317	33,113
Accumulated depreciation and impairment loss	(23,350)	(26,712)
Other, net	4,967	6,400
<b>Total property, plant and equipment</b>	<b>145,678</b>	<b>174,702</b>
Intangible assets		
Goodwill	11,894	22,740
Lease assets	305	567
Other	6,950	10,958
<b>Total intangible assets</b>	<b>19,151</b>	<b>34,265</b>
Investments and other assets		
Investment securities	71,829	63,141
Deferred tax assets	6,597	8,805
Other	8,954	13,767
Allowance for doubtful accounts	(2,961)	(3,353)
<b>Total investments and other assets</b>	<b>84,420</b>	<b>82,360</b>
<b>Total noncurrent assets</b>	<b>249,250</b>	<b>291,328</b>
<b>Total assets</b>	<b>499,686</b>	<b>579,302</b>

(Millions of yen)

	As of March 31, 2012	As of March 31, 2013
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	37,721	40,878
Short-term loans payable	104,131	127,238
Commercial papers	10,000	10,000
Current portion of bonds	10,000	1,277
Lease obligations	426	1,011
Accounts payable-other	6,036	8,286
Accrued directors' bounuses	153	316
Income taxes payable	3,276	4,266
Provision for bounuses	2,308	2,810
Provision for directors' bounuses	43	70
Provision for loss on business liquidation	1,954	1,954
Notes payable-facilities	3,399	3,734
Other	9,636	11,912
Total current liabilities	189,089	213,758
Noncurrent liabilities		
Bonds payable	34,000	47,147
Convertible bond-type bonds with subscription rights to shares	15,000	14,900
Long-term loans payable	140,380	164,906
Lease obligations	914	2,040
Deferred tax liabilities	1,761	2,212
Provision for retirement benefits	1,987	2,854
Provision for directors' retirement benefits	702	742
Provision for loss on litigation	170	218
Other	1,729	1,757
Total noncurrent liabilities	196,645	236,780
Total liabilities	385,735	450,539
<b>Net assets</b>		
Shareholders' equity		
Capital stock	84,397	84,397
Capital surplus	636	636
Retained earnings	48,389	54,788
Treasury stock	(864)	(865)
Total shareholders' equity	132,558	138,957
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(6,528)	(12,547)
Foreign currency translation adjustment	(16,209)	(6,436)
Total accumulated other comprehensive income	(22,737)	(18,983)
Minority interests	4,129	8,789
Total net assets	113,950	128,763
Total liabilities and net assets	499,686	579,302

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

(Millions of yen)

	FY2011 (From April 1, 2011 to March 31, 2012)	FY2012 (From April 1, 2012 to March 31, 2013)
Net sales	212,013	241,020
Cost of sales	149,253	175,314
Gross profit	62,760	65,706
Selling, general and administrative expenses	46,934	54,336
Operating income	15,825	11,370
Non-operating income		
Interest income	581	959
Dividends income	805	1,755
Foreign exchange gains	—	3,062
Other	1,000	1,231
Total non-operating income	2,386	7,010
Non-operating expenses		
Interest expenses	3,308	3,447
Exchange loss	1,997	—
Equity in loss of affiliates	84	38
Other	838	531
Total non-operating expenses	6,228	4,017
Ordinary income	11,983	14,363
Extraordinary income		
Gain on sales of noncurrent assets	210	54
State subsidy	694	764
Reversal of provision for loss on disaster	1,456	—
Gain on sales of investment securities	—	4,167
Other	47	245
Total extraordinary income	2,409	5,231
Extraordinary loss		
Loss on sales of noncurrent assets	18	5
Loss on retirement of noncurrent assets	540	368
Impairment loss	529	2
Loss due to disaster	1,340	—
Loss on reduction of noncurrent assets	109	770
Settlement package	—	214
Other	833	174
Total extraordinary losses	3,370	1,536
Income before income taxes and minority interests	11,022	18,058
Income taxes-current	6,202	6,865
Income taxes-deferred	(196)	574
Total income taxes	6,005	7,439
Income before minority interests	5,016	10,619
Minority interests in income	430	387
Net income	4,585	10,231

Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY2011 (From April 1, 2011 to March 31, 2012)	FY2012 (From April 1, 2012 to March 31, 2013)
Income before minority interests	5,016	10,619
Other comprehensive income		
Valuation difference on available-for-sale securities	(17,914)	(6,017)
Foreign currency translation adjustment	(6,983)	10,265
Total other comprehensive income	(24,898)	4,248
Comprehensive income	(19,882)	14,867
Comprehensive income attributable to shareholders of parent company	(20,257)	13,984
Comprehensive income attributable to minority interests	375	882

## (3) [Consolidated Statements of Shareholders' Equity]

(Millions of yen)

	FY2011 (From April 1, 2011 to March 31, 2012)	FY2012 (From April 1, 2012 to March 31, 2013)
<b>Shareholder's equity</b>		
Capital		
Balance at beginning of year	28,663	84,397
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	84,397	84,397
Capital Surplus		
Balance at beginning of year	29,972	636
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	(29,336)	(0)
Balance at end of year	636	636
Earned surplus		
Balance at beginning of year	46,631	48,389
Increase (decrease) during the period		
Dividend of surplus	(2,758)	(4,007)
Net income	4,585	10,231
Change of scope of consolidation	(68)	320
Other	(0)	(144)
Net increase (decrease) during the period	1,757	6,399
Balance at end of year	48,389	54,788
Treasury stock		
Balance at beginning of year	(864)	(864)
Increase (decrease) during the period		
Acquisition of treasury stock	(0)	(0)
Disposal of treasury stock	0	0
Net increase (decrease) during the period	(0)	(0)
Balance at end of year	(864)	(865)
<b>Total Shareholders' equity</b>		
Balance at beginning of year	104,403	132,558
Increase (decrease) during the period		
Dividend of surplus	(2,758)	(4,007)
Net income	4,585	10,231
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	(0)	(0)
Disposal of treasury stock	0	0
Change of scope of consolidation	(68)	320
Other	(0)	(144)
Net increase (decrease) during the period	28,155	6,399
Balance at end of year	132,558	138,957

(Millions of yen)

	FY2011 (From April 1, 2011 to March 31, 2012)	FY2012 (From April 1, 2012 to March 31, 2013)
<b>Accumulated other comprehensive income</b>		
Valuation differences on available-for-sale securities		
Balance at beginning of year	11,387	(6,528)
Increase (decrease) during the period		
Net increase (decrease) of the items other than shareholders' equity during the period	(17,916)	(6,018)
Net increase (decrease) during the period	(17,916)	(6,018)
Balance at end of year	(6,528)	(12,547)
Foreign currency translation adjustment		
Balance at beginning of year	(9,281)	(16,209)
Increase (decrease) during the period		
Net increase (decrease) of the items other than shareholders' equity during the period	(6,927)	9,772
Net increase (decrease) during the period	(6,927)	9,772
Balance at end of year	(16,209)	(6,436)
Total accumulated other comprehensive income		
Balance at beginning of year	2,106	(22,737)
Increase (decrease) during the period		
Net increase (decrease) of the items other than shareholders' equity during the period	(24,843)	3,753
Net increase (decrease) during the period	(24,843)	3,753
Balance at end of year	(22,737)	(18,983)
Minority interests		
Balance at beginning of year	2,527	4,129
Increase (decrease) during the period		
Net increase (decrease) of the items other than shareholders' equity during the period	1,601	4,659
Net increase (decrease) during the period	1,601	4,659
Balance at end of year	4,129	8,789
Total net assets		
Balance at beginning of year	109,037	113,950
Increase (decrease) during the period		
Dividend of surplus	(2,758)	(4,007)
Net income	4,585	10,231
Issue of new shares	19,397	—
Issue of new shares (exercise of share options)	7,000	—
Acquisition of treasury stock	(0)	(0)
Disposal of treasury stock	0	0
Change of scope of consolidation	(68)	320
Other	(0)	(144)
Net increase (decrease) of the items other than shareholders' equity during the period	(23,241)	8,413
Net increase (decrease) during the period	4,913	14,812
Balance at end of year	113,950	128,763

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

	(Millions of yen)	
	FY2011 (From April 1, 2011 to March 31, 2012)	FY2012 (From April 1, 2012 to March 31, 2013)
<b>Net cash provided by (used in) operating activities</b>		
Income before income taxes and minority interests	11,022	18,058
Depreciation and amortization	21,581	21,209
Impairment loss	529	2
Amortization of goodwill	2,651	2,834
Equity in (earnings) losses of affiliates	84	38
Increase (decrease) in allowance for doubtful accounts	(71)	193
Interest and dividends income	(1,386)	(2,715)
Interest expenses	3,308	3,447
Foreign exchange losses (gains)	1,968	(1,693)
Loss (gain) on sales of investment securities	—	(4,164)
Decrease (increase) in notes and accounts receivable-trade	(7,490)	(8,965)
Decrease (increase) in inventories	(10,923)	(3,182)
Increase (decrease) in notes and accounts payable-trade	4,909	(830)
Decrease (increase) in other assets	(1,365)	518
Increase (decrease) in other liabilities	(1,938)	4,653
Other loss (gain)	727	156
Subtotal	23,607	29,561
Interest and dividends income received	1,467	2,720
Interest expenses paid	(3,226)	(3,439)
Other proceeds	250	361
Other payments	(465)	(322)
Income taxes paid	(6,146)	(6,287)
Net cash provided by (used in) operating activities	15,486	22,593
<b>Net cash provided by (used in) investing activities</b>		
Payments into time deposits	(16,806)	(6,514)
Proceeds from withdrawal of time deposits	2,107	14,290
Payments for purchase of investment securities	(3,552)	(12,025)
Proceeds from sales of investment securities	10	5,817
Payments for purchase of investments in resulting in change in scope of consolidation	(10,404)	(2,385)
Purchase of investment in subsidiaries resulting in change in scope of consolidation	—	3,215
Payments for investment in capital	—	(3,367)
Payments for purchase of noncurrent assets	(39,730)	(37,794)
Proceeds from sales of noncurrent assets	442	151
Payments for retirement of noncurrent assets	(11)	(96)
Proceeds from governmental subsidies for investment in property and equipment	362	53
Net decrease (increase) in short-term loans receivable	1,078	1,813
Payments of loans receivable	(1,373)	(518)
Proceeds from collection of loans receivable	70	148
Other payments	(120)	(347)
Other proceeds	8	128
Net cash provided by (used in) investment activities	(67,919)	(37,431)



	(Millions of yen)	
	FY2011	FY2012
	(From April 1, 2011 to March 31, 2012)	(From April 1, 2012 to March 31, 2013)
<b>Net cash provided by (used in) financing activities</b>		
Net increase (decrease) in short-term loans payable	(3,653)	9,444
Proceeds from long-term loans payable	63,893	61,629
Repayment of long-term loans payable	(33,499)	(43,039)
Proceeds from issuance of bonds	7,973	9,941
Redemption of bonds	(5,000)	(10,000)
Proceeds from issuance of common stock	19,180	—
Proceeds from stock issuance to minority shareholders	—	261
Decrease (increase) in treasury stock	(0)	(18)
Repayments of finance lease obligations	(410)	(750)
Cash dividends paid	(2,754)	(3,996)
Cash dividends paid to minority shareholders	(4)	(12)
<b>Net cash provided by (used in) financing activities</b>	<b>45,725</b>	<b>23,359</b>
Effect of exchange rate change on cash and cash equivalents	(2,287)	3,030
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(8,995)</b>	<b>11,552</b>
Cash and cash equivalents at beginning of period	78,921	79,449
<b>Increase in cash and cash equivalents from newly consolidated subsidiary</b>	<b>9,523</b>	<b>1,620</b>
Cash and cash equivalents at end of period	79,449	92,622

(5) Notes Related to Going Concern  
N/A

(6) Basis of Preparation for the Consolidated Financial Statements

1) Scope of consolidation

[1] Consolidated subsidiaries: 56

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.
- Goodman Co.,Ltd.
- Nipro (Thailand) Corporation Ltd.
- Nipro Medical Corporation
- Nipro Pharma Corporation
- Nipro Patch Co.,Ltd.
- Nipro Medical (Hefei) Co., Ltd.

Goddman Co., Ltd and other 10 companies were acquired their shares, PT Nipro Indonesia JAYA and other 4 companies increased in materiality and Nipro Poland SP. ZO. O was established newly. For these reasons, above companies are included in scope of consolidation from the consolidated fiscal year 2013.

Nipro Genepha Corporation was absorbed by Nipro Pharma Corporation, consolidated subsidiary of the Company, on October 1, 2012 and excluded from scope of consolidation from the consolidated fiscal year 2013.

[2] Name of representative unconsolidated subsidiary

- Salbego Laboratorio Farmaceutico Ltda.

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: 0

Bipha Corporation was excluded from scope of application of equity method from the consolidated fiscal year 2013 because all of its stock the Company held was transferred.

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

Salbego Laboratorio Farmaceutico Ltda.

Name of affiliate not accounted for by the equity method: Yuki Gosei Kogyo Co., Ltd.

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 main 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 ----- Mainly 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] Amortization of goodwill  
Goodwill is amortized using the straight-line method over the estimated benefit period of the asset.
- [5] 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.

[6] Significant method of hedge accounting

Method of hedge accounting

The deferral hedge accounting method is applied in principle. Designation accounting is used for foreign exchange swap that meet the requirements for designation accounting, and exceptional accounting is used for interest rate swap that meet the requirements for exceptional accounting.

Hedge instrument and hedge items

[Hedge instruments]

Foreign exchange swaps

Interest rate swaps

[Hedge items]

Foreign currency borrowings

Borrowings

Hedge policy

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

Method for evaluating the validity of hedges

For items covered by designation or exceptional accounting, the validity of the hedge is not evaluated.

[7] Other significant basis on preparation for consolidated financial statements

Consumption taxes

Consumption taxes are excluded from revenues and expenses accounts and consumption taxes unqualified for deduction for tax purposes for assets, etc. are reported as period expenses in the consolidated accounting period.

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

Changes in accounting policies which are difficult to distinguish from changes in accounting estimates

Effective from the current fiscal year, the Company and its domestic subsidiaries changes the depreciation method for the relevant tangible assets newly acquired from April 1, 2012 according to the amendment of Corporation Tax Act in Japan.

As a result, consolidated operating income, consolidated ordinary income and consolidated net income increased by 389 million yen for each compared with the previous method..

(8) Notes to the Consolidated Financial Statement

(Notes to the Consolidated Balance Sheets)

	(Previous period)	(Current Period)
1) Pledged assets	11,555 mil.yen	32,330 mil.yen
2) Discounted notes receivable	19 mil.yen	37 mil.yen
3) Accounts related to unconsolidated subsidiaries and affiliate companies		
Investment securities (stock)	12,209 mil.yen	2,157 mil.yen
Other of investments and other assets (Investments in capital)	– mil.yen	3,384 mil.yen
4) Accounting practices of notes with maturity date of March 31, 2013		

The balance sheet date for the year ended March 31, 2013 fell on a bank holiday. Consequently, notes with maturity date of March 31, 2013 were included in the following accounts.

	(Previous period)	(Current Period)
Notes-receivable trade	1,103 mil.yen	1,302 mil.yen
Notes-payable trade	393 mil.yen	503 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.	5,956 mil.yen	6,464 mil.yen

(Notes to the Consolidated Statements of Shareholders' equity)

Previous 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 subordinated bonds 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

Current period (From April 1, 2012 to March 31, 2013)

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	171,459,479	-	-	171,459,479

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	913,612	625	130	914,107

(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
June 28, 2012 at ordinary general shareholders' meeting	Common stock	Millions of yen 1,961	Yen 11.50	March 31, 2012	June 29, 2012
November 9, 2012 at board of directors meeting	Common stock	Millions of yen 2,046	Yen 12.00	September 30, 2012	December 10, 2012

(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 26, 2013 at ordinary general shareholders' meeting	Common stock	Earned surplus	Millions of yen 2,643	Yen 15.50	March 31, 2013	June 27, 2013

(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-related, Pharmaceuticals-related and Materials-related.

#### \*Medical-related

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-related

Pharmaceutical business division sells container for combination products and sells pharmaceuticals from pharmaceutical companies on a consignment basis. Domestic subsidiaries sell and manufacture injectable drug, oral drugs and combination products (Kit injectable).

#### \*Materials-related

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.

### 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

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 -related	Pharma- ceutical -related	Glass -related	Total				
Net sales								
(1) Sales to third parties	145,082	59,715	6,953	211,750	262	212,013	-	212,013
(2) Inter-segment sales and transfers	1,851	6,331	465	8,648	45	8,693	(8,693)	-
Total	146,933	66,046	7,419	220,399	307	220,707	(8,693)	212,013
Segment profit	17,077	4,939	454	22,471	230	22,702	(6,876)	15,825
Segment assets	219,306	120,795	11,792	351,894	4,591	356,486	143,199	499,686
Other items								
(1) Depreciation and amortization	12,352	8,095	279	20,727	47	20,775	805	21,581
(2) Amortization of goodwill	2,403	150	98	2,651	-	2,651	-	2,651
(3) Investment to companies accounted for by the equity method	-	-	-	-	-	-	1,678	1,678
(4) Increase in tangible and intangible fixed assets	23,943	13,829	1,063	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 108 million yen and corporate cost of (6,985) 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 143,199 million yen includes elimination of inter-segment transaction of (3,147) million yen and corporate assets of 146,347 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 assets.
3. Segment profit is adjusted to the operating income on the consolidated statements of income.

FY2011 (From April 1, 2012 to March 31, 2013)

(Millions of yen)

	Reportable Segment				Other (Note.1)	Total	Adjust- ment (Note.2)	Consolidated financial statements (Note.3)
	Medical -related	Pharma- ceutical -related	Glass -related	Total				
Net sales								
(1) Sales to third parties	167,531	66,212	7,041	240,785	234	241,020	-	241,020
(2) Inter-segment sales and transfers	1,277	6,906	490	8,674	45	8,719	(8,719)	-
Total	168,808	73,119	7,532	249,460	280	249,740	(8,719)	241,020
Segment profit	14,557	3,988	330	18,876	220	19,097	(7,726)	11,370
Segment assets	295,895	132,829	15,942	444,666	4,542	449,209	130,093	579,302
Other items								
(5) Depreciation and amortization	11,843	8,191	318	20,353	49	20,402	807	21,209
(6) Amortization of goodwill	2,733	(0)	101	2,834	-	2,834	-	2,834
(7) Increase in tangible and intangible fixed assets	24,163	10,340	2,212	36,715	-	36,715	1,281	37,997

- (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 (7,726) million yen includes elimination of inter-segment transaction of (43) million yen and corporate cost of (7,683) 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 130,093million yen includes elimination of inter-segment transaction of (51,045) million yen and corporate assets of 181,138 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 807 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 assets.
3. Segment profit is adjusted to the operating income on the consolidated statements of income.

#### 4. Change in Reportable Segment

(1) From this third quarter period ended December 31, 2012, the name of business segment was changed partially and "Materials" is displayed as "Glass-related".

This change is just only for the name, and there is no difference about business segment itself from the previous year.

(2) Entity conversion was conducted from this third quarter period ended December 31, 2012 in order to enforce Pharmaceutical-related business and build a strong cooperative relationship between medical-related, Pharmaceutical-related and Glass-related business. Following this conversion, some business divisions include in Glass-related Business were changed to Pharmaceutical-related Business.

Based on this idea, the segment information of the previous year was revised.

[Related Information]

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 sales

(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
Medica-related	Pharmaceutical -related	Glass-related			
529	-	-	529	-	529

4. Information about unamortized balance of goodwill by reportable segment

(Millions of yen)

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

FY2012 (From April 1, 2012 to March 31, 2013)

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 sales

(Millions of yen)

Japan	America	Europe	Asia	Total
138,961	46,311	32,372	23,375	241,020

(2) Property, plant and equipment

(Millions of yen)

Japan	America	Europe	Asia	Total
102,525	12,199	7,869	52,107	174,702

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

(Millions of yen)

Reportable segment			Total	Other	Total
Medica-related	Pharmaceutical -related	Glass-related			
2	-	-	2	-	2

4. Information about unamortized balance of goodwill by reportable segment

(Millions of yen)

	Reportable segment			Total	Other	Total
	Medica-related	Pharmaceutical -related	Glass-related			
Balance of the fiscal year-end	22,441	8	290	22,740	-	22,740



(Per Share Information)

	Previous period (From April 1, 2011 to March 31, 2012)	Current period (From April 1, 2012 to March 31, 2013)
Net assets per share	643.94 yen	703.47 yen
Earnings per share	35.30 yen	59.99 yen
Diluted Earnings per share	30.98 yen	54.12 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.

Base of the calculation is as follow;

1. Net assets per share

	Previous period (As of March 31, 2012)	Current period (As of March 31, 2013)
Total net assets in B/S (million yen)	113,950	128,763
Amount to be deducted from total net assets in B/S (Million yen)		
Minority interests	4,129	8,789
Net assets related to the common stocks(million yen)	109,820	119,973
Common stocks issued (Thousands shares)	171,459	171,459
Treasury stocks of common stock (Thousands shares)	913	914
Number of common stocks utilized for computation of net assets per share (thousand shares)	170,545	170,545

2. Earnings per share and diluted earnings per share

	Previous period (From April 1, 2011 To March 31, 2012)	Current period (From April 1, 2012 To March 31, 2013)
Earnings per share		
Net income (Million yen)	4,585	10,231
Amount not attributed to the common stock (Million yen)	-	-
Net income related to the common stock (Million yen)	4,585	10,231
Average shares of the common stock during the period (Thousands shares)	129,911	170,545
Diluted earnings per share		
Net income adjustment (Million yen)	-	-
Number of common stockincreased Stock acquisiton right (thousand shares)	18,138	18,518
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)

Acquisition and Tender Offer of Treasury Stock

It was resolved at the Board of Directors meeting of May 14, 2013 to acquire treasury stock specifically by means of tender offer ("Tender Offer") pursuant to Article 156, Paragraph 1, applied with certain replacement of terms as provided in Article 165, Paragraph 3 of the Company Act (Law No. 86 of 2005, as amended, "the Company Act") and the provisions of its Articles of Association.

1. Purpose of Tender Offer

The Company's basic principle is to be a comprehensive medical care company and contribute the society through leading-edge medical and our long-cultivated technique to support people's better lives, health, safety, sanitation and welfare all over the world. Under this principle, the Company has promoted aggressive business deployment from home and abroad in the main fields of medical equipment, pharmaceutical and glass products. Hereafter, the Company will work hard to reflect the needs of the patients to products manufacturing and service provision. Also the Company promotes stable expansion of its business with the creative management abilities to generate additional values for customer. On the other hand, the Company enters next stage to raise profitability, so the Company aim to realize an optimum capital structure based on the previous aggressive investment and loan while driving new investment and loan. With efficiency of management setup, radical cost reduction, effective utilization of asset and human resource and strengthening of intergroup partnership, the Company set a goal to achieve 500,000 million yen of consolidated net sales and 40,000 million yen of ordinary income by the fiscal year 2020.

The Company has reviewed its future capital policy as well. According to the Report of Possession of Large Volume of Shares (Change report No.7 and 8) pertaining to the Company's common shares submitted by Sanri Kosan Co., Ltd on January 24, 2013("Sanri Kosan"), Sanri Kosan holds 36,809,000 shares of the Company's common share (account for 21.47% of the Company's total issue stock), as of January 17, 2013. Mr. Minoru Sano, the previous representative director of the Company who passed away on May 8, 2012, doubled as the representative director of Sanri Kosan. Sanri Kosan held the above-mentioned Company's common share including the shares acquired by conducting all bonds with stock acquisition rights in order to participate in the Company's management as a stable shareholder. However, the representative director of Sanri Kosan was changed and the purpose of holding the Company's share was also changed from the participation in management to net investment in the Change Report of the Report of Possession of Large Volume of Shares. In addition, the Report says that there is no transaction and no common director between Sanri Kosan and the Company. Based on these changes, the Company has considered the concrete response to the possibility that a large amount of the Company's common share is released in the future. In light of the Company's management policy and business plan to increase profitability and the Company's capital policy and financial situation to aim the strong financial standing, the Company considers it an appropriate way to acquire the relevant common shares as treasury stock based on a comprehensive assessment of the liquidity of the Company's common shares and impact on the market price therefore as a result of the one-time release of a large amount of shares on the market. With regard to the specific method, the Company judged, upon careful review from the perspectives of shareholders equality and transactional transparency, that the method of tender offer would be appropriate. The maximum number of stock to be acquired in the Tender Offer was determined to be 37,721,000 shares (account for 22.00% of the Company's total issue stock) with the aim of offering an opportunity for subscription to the shareholders other than Sanri Kosan.

With the process explained above, the Company resolved at its Board of Directors meeting held on May 14, 2013 to implement the Tender Offer as a specific method of acquiring treasury stock pursuant to Article 156, Paragraph 1, which is applied with replacement provided in Article 165, Paragraph 3 of its Articles of Association.

2. Outline of Tender Offer, etc.

(a) Class of Shares	Common Stock
(b) Total number of Shares	37,721,000 shares
(c) Purchase Price	862 yen per share
(d) Funds required for Purchase	32,539 million yen
(e) Period of Tender Offer	From May 15, 2013 (Wednesday) through June 11, 2013 (Tuesday) (20 business days in Japan)

5. Non-consolidated Financial Statements  
(1) [ Non-consolidated Balance Sheets]

(Millions of yen)

	As of March 31, 2012	As of March 31, 2013
<b>Assets</b>		
Current Assets		
Cash and deposits	55,060	61,559
Notes receivable-trade	13,873	14,197
Accounts receivable-trade	39,993	46,913
Merchandise and finished goods	22,122	19,700
Work in process	3,847	4,227
Raw materials and supplies	3,952	4,039
Advance payments-trade	3,088	2,283
Prepaid expenses	364	185
Deferred tax assets	1,554	1,732
Short-term loans receivable from subsidiaries and affiliates	1,865	709
Accounts receivable-other	1,389	1,497
Consumption taxes receivable	410	507
Other	712	663
Allowance for doubtful accounts	(98)	(71)
<b>Total current assets</b>	<b>148,136</b>	<b>158,147</b>
Noncurrent assets		
Property, plant and equipment		
Buildings	37,163	38,356
Accumulated depreciation and impairment loss	(24,312)	(25,042)
Buildings, net	12,850	13,314
Structures	1,892	1,969
Accumulated depreciation and impairment loss	(1,477)	(1,517)
Structures, net	415	451
Machinery, equipment	49,554	50,409
Accumulated depreciation and impairment loss	(39,199)	(42,619)
Machinery equipment, net	10,355	7,790
Vehicles	102	96
Accumulated depreciation and impairment loss	(100)	(93)
Vehicles, net	2	3
Tools, furniture and fixtures	13,804	14,523
Accumulated depreciation and impairment loss	(12,605)	(13,003)
Tools, furniture and fixtures, net	1,198	1,520
Land	11,434	11,432
Lease assets	497	846
Accumulated depreciation	(251)	(406)
Lease assets, net	246	440
Construction in progress	422	282
<b>Total property, plant and equipment</b>	<b>36,925</b>	<b>35,236</b>

(Millions of yen)

	As of March 31, 2012	As of March 31, 2013
<b>Intangible assets</b>		
Patent right	31	25
Right of trademark	1	2
Software	557	668
Lease assets	298	539
Telephone subscription right	23	23
Other	1	281
Total intangible assets	913	1,541
<b>Investments and other assets</b>		
Investment securities	57,877	59,232
Stocks of subsidiaries and affiliates	136,939	139,564
Investments in capital	129	0
Investments in capital of subsidiaries and affiliates	35,583	36,593
Long-term loans receivable	3,447	3,398
Long-term loans receivable from subsidiaries and affiliates	1,376	2,731
Claims provable in bankruptcy, claims provable in rehabilitation and other	381	343
Long-term prepaid expenses	733	711
Deferred tax assets	7,774	8,918
Other	432	485
Allowance for doubtful accounts	(2,609)	(2,569)
Allowance for investment loss	(6,538)	(2,629)
Total investments and other assets	235,528	246,781
Total noncurrent assets	273,367	283,559
Total assets	421,504	441,707
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable-trade	11,321	10,614
Accounts payable-trade	22,084	21,986
Short-term loans payable	27,500	32,000
Current portion of long-term loans payable	32,245	30,659
Commercial papers	10,000	10,000
Current portion of bonds	10,000	—
Lease obligations	192	338
Accounts payable-other	2,869	3,795
Directors' bonuses payable	153	316
Accrued expenses	674	694
Income taxes payable	1,350	2,600
Advances received	14	25
Deposits received	91	126
Provision for bonuses	1,000	1,049

(Millions of yen)

	As of March 31, 2012	As of March 31, 2013
Provision for loss on business liquidation	1,954	1,954
Notes payable-facilities	295	1,994
Other	236	722
Total current liabilities	121,984	118,878
Noncurrent liabilities		
Bonds payable	33,000	43,000
Convertible bond-type bonds with subscription rights to shares	15,000	14,900
Long-term loans payable	112,768	125,417
Lease obligations	380	692
Provision for retirement benefits	740	1,026
Provision for directors' retirement benefits	535	563
Provision for loss on litigation	170	218
Long-term guarantee deposited	1,187	1,172
Total noncurrent liabilities	163,782	186,990
Total liabilities	285,766	305,869
Net assets		
Shareholders' equity		
Capital stock	84,397	84,397
Capital surplus		
Legal capital surplus	635	635
Other capital surplus	0	0
Total capital surplus	636	636
Retained earnings		
Legal retained earnings	1,272	1,673
Other retained earnings		
Reserve for dividends	16	16
Reserve for advanced depreciation of noncurrent assets	98	98
General reserve	53,035	56,035
Retained earnings brought forward	5,070	7,518
Total retained earnings	59,492	65,340
Treasury stock	(864)	(865)
Total shareholders' equity	143,661	149,509
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(7,924)	(13,672)
Total valuation and translation adjustment	(7,924)	(13,672)
Total net assets	135,737	135,837
Total liabilities and net assets	421,504	441,707

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

(Millions of yen)

	FY2011 (From April 1, 2011 to March 31, 2012)	FY2012 (From April 1, 2012 to March 31, 2013)
<b>Net sales</b>		
Net sales of finished goods	109,340	115,892
Net sales of goods	26,156	28,792
Rent income of real estate	307	280
<b>Total net sales</b>	<b>135,804</b>	<b>144,965</b>
<b>Cost of sales</b>		
Beginning finished goods	13,416	15,620
Beginning goods	6,147	6,501
Cost of products manufactured	40,805	40,196
Purchase of finished goods	42,913	44,494
Cost of purchased goods	21,980	23,823
Cost of real estate rent	77	59
<b>Total</b>	<b>125,340</b>	<b>130,696</b>
Ending finished goods	15,620	13,965
Ending goods	6,501	5,735
<b>Total cost of sales</b>	<b>103,218</b>	<b>110,995</b>
<b>Gross profit</b>	<b>32,586</b>	<b>33,969</b>
Selling, general and administrative expenses	21,470	23,531
<b>Operating income</b>	<b>11,115</b>	<b>10,438</b>
<b>Non-operating income</b>		
Interest income	116	140
Dividends income	1,661	2,189
Foreign exchange gains	—	3,110
Other	628	478
<b>Total non-operating income</b>	<b>2,405</b>	<b>5,918</b>
<b>Non-operating expenses</b>		
Interest expenses	1,645	1,598
Interest on bonds	621	550
Foreign exchange losses	881	—
Other	402	237
<b>Total non-operating expenses</b>	<b>3,550</b>	<b>2,385</b>
<b>Ordinary income</b>	<b>9,970</b>	<b>13,971</b>
<b>Extraordinary income</b>		
Gain on sales of noncurrent assets	105	7
State subsidy	74	—
Gain on sales of subsidiaries and affiliates' stocks	—	2,506
Other	15	0
<b>Total extraordinary income</b>	<b>195</b>	<b>2,514</b>
<b>Extraordinary loss</b>		
Loss on retirement of noncurrent assets	60	128
Loss on valuation of investment securities	3	—
Loss on reduction of noncurrent assets	52	—
Settlement package	—	214
Provision for loss on litigation	—	48
Other	45	42
<b>Total extraordinary losses</b>	<b>160</b>	<b>433</b>
<b>Income before income taxes and minority interests</b>	<b>10,005</b>	<b>16,052</b>
Income taxes-current	3,680	4,368
Income taxes-deferred	699	1,827
<b>Total income taxes</b>	<b>4,380</b>	<b>6,196</b>
<b>Net income</b>	<b>5,624</b>	<b>9,856</b>

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

(Millions of yen)

	FY2011 (From April 1, 2011 to March 31, 2012)	FY2012 (From April 1, 2012 to March 31, 2013)
<b>Shareholder's equity</b>		
Capital		
Balance at beginning of year	28,663	84,397
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	84,397	84,397
Capital surplus		
Capital reserve		
Balance at beginning of year	29,972	635
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	635	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	636
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	(29,336)	(0)
Balance at end of year	636	636
Earned surplus		
Earned reserve		
Balance at beginning of year	1,196	1,272
Increase (decrease) during the period		
Provision of legal retained earnings	76	400
Net increase (decrease) during the period	76	400
Balance at end of year	1,272	1,673
Other earned reserve		
Reserve for dividends		
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

(Millions of yen)

	FY2011 (From April 1, 2011 to March 31, 2012)	FY2012 (From April 1, 2012 to March 31, 2013)
<b>Reserve for advanced depreciation of noncurrent assets</b>		
Balance at beginning of year	90	98
<b>Increase (decrease) during the period</b>		
Increase of reserve for the change of effective tax rate	7	—
Net increase (decrease) during the period	7	—
Balance at end of year	98	98
<b>General reserve</b>		
Balance at beginning of year	49,735	53,035
<b>Increase (decrease) during the period</b>		
Provision of general reserve	3,300	3,000
Net increase (decrease) during the period	3,300	3,000
Balance at end of year	53,035	56,035
<b>Earned surplus carried forward</b>		
Balance at beginning of year	5,588	5,070
<b>Increase (decrease) during the period</b>		
Dividends of surplus	(2,758)	(4,007)
Net income	5,624	9,856
Provision of legal retained earnings	(76)	(400)
Increase of reserve for the change of effective tax rate	(7)	—
Provision of general reserve	(3,300)	(3,000)
Net increase (decrease) during the period	(518)	2,447
Balance at end of year	5,070	7,518
<b>Total earned surplus</b>		
Balance at beginning of year	56,626	59,492
<b>Increase (decrease) during the period</b>		
Dividends of surplus	(2,758)	(4,007)
Net income	5,624	9,856
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	2,865	5,848
Balance at end of year	59,492	65,340
<b>Treasury stock</b>		
Balance at beginning of year	(864)	(864)
<b>Increase (decrease) during the period</b>		
Acquisition of treasury stock	(0)	(0)
Disposal of treasury stock	0	0
Net increase (decrease) during the period	(0)	(0)
Balance at end of year	(864)	(865)



(Millions of yen)

	FY2011 (From April 1, 2011 to March 31, 2012)	FY2012 (From April 1, 2012 to March 31, 2013)
<b>Total Shareholders' equity</b>		
Balance at beginning of year	114,398	143,661
Increase (decrease) during the period		
Dividend of surplus	(2,758)	(4,007)
Net income	5,624	9,856
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	(0)	(0)
Disposal of treasury stock	0	0
Net increase (decrease) during the period	29,263	5,847
Balance at end of year	143,661	149,509
<b>Valuation and translation differences</b>		
Valuation differences of available-for-sale securities		
Balance at beginning of year	9,581	(7,924)
Increase (decrease) during the period		
Net increase (decrease) of the items other than shareholders' equity during the period	(17,505)	(5,748)
Net increase (decrease) during the period	(17,505)	(5,748)
Balance at end of year	(7,924)	(13,672)
<b>Total valuation and translation differences</b>		
Balance at beginning of year	9,581	(7,924)
Increase (decrease) during the period		
Net increase (decrease) of the items other than shareholders' equity during the period	(17,505)	(5,748)
Net increase (decrease) during the period	(17,505)	(5,748)
Balance at end of year	(7,924)	(13,672)
<b>Total net assets</b>		
Balance at beginning of year	123,979	135,737
Increase (decrease) during the period		
Dividend of surplus	(2,758)	(4,007)
Net income	5,624	9,856
Issue of new shares	19,397	—
Issue of new shares (exercise of share options)	7,000	—
Acquisition of treasury stock	(0)	(0)
Disposal of treasury stock	0	0
Net increase (decrease) of the items other than shareholders' equity during the period	(17,505)	(5,748)
Net increase (decrease) during the period	11,757	99
Balance at end of year	135,737	135,837

6. Others

Changes in Directors

(1) Change in representative of the company

N/A

(2) Change in other directors or statutory auditors

1) Candidate for directors to be newly assigned (Scheduled assignment date: June 26, 2013)

Director                      Yasushi Oyama  
(Currently, General Manager of the Pharmaceutical Sales Department of the Domestic Division)

Director                      Kenjyu Fujita  
(Currently, General Manager of the Vascular Business Unit of the Domestic Division)

2) Candidate for statutory auditors to be newly assigned (Scheduled assignment date: June 26, 2013)

Statutory auditor              Masayoshi Hasegawa

Note: Mr. Masayoshi Hasegawa is a candidate for external statutory auditor to be newly assigned.

3) Statutory auditors to resign (Scheduled resigning date: June 26, 2013)

Statutory auditor              Shigeo Takeda

4) Candidate for spare statutory auditors (Scheduled assignment date: June 26, 2013)

Spare statutory auditor      Syunji Takamatsu

Note: Mr. Syunji Takamatsu is a candidate for spare statutory external auditor to be newly assigned.