

Summary Report of Consolidated Financial Results

For the Three Months Period ended June 30, 2012



August 10, 2012
TSE/OSE-1st section

Company name: NIPRO CORPORATION

Code No.8086

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

Representative: Yoshihiko Sano, President and Representative Director

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

TEL: (06)6372-2331

Filing date of quarterly reporting: August 14, 2012

Payment date of cash dividends: -

Supplemental material on quarterly reporting: No

Presentation on quarterly results: No

(Note: Amounts are truncated to one million yen)

1. Consolidated Results for the Three Months ended June 30, 2012 (From April 1, 2012 to June 30, 2012)

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

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
3 months ended June 30, 2012	58,532	19.1	3,473	0.4	3,092	21.8	1,445	393.9
3 months ended June 30, 2011	49,155	9.1	3,458	(27.5)	2,539	(1.1)	292	(78.3)

Note: Comprehensive income 3 months ended June 30, 2012: (2,781) million yen (-%) 3 months ended June 30, 2011: (3,563) million yen (-%)

	Earnings per share		Diluted Earnings per share	
	Yen		Yen	
3 months ended June 30, 2012	8.48		7.65	
3 months ended June 30, 2011	2.31		2.02	

(2) Consolidated Financial Position

	Total Assets		Net Assets		Equity Ratio	
	Millions of yen		Millions of yen		%	
3 months ended June 30, 2012	483,872		111,235		21.7	
Year ended March 31, 2012	499,686		113,950		22.0	

Note: Equity 3 months ended June 30, 2012: 104,932 million yen Year ended March 31, 2012: 109,820 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, 2012	-	12.00	-	11.50	23.50
Year ending March 31, 2013	-				
Year ending March 31, 2013 (Forecast)		8.50	-	11.00	19.50

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

(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)

	Net Sales		Operating Income		Ordinary Income		Net Income		Earnings per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
6 months ending Sept. 30, 2012	116,000	13.2	6,550	(19.8)	5,700	11.3	2,200	380.6	12.90
Year ending March 31, 2013	241,000	13.7	15,950	0.8	14,200	18.5	6,600	43.9	38.70

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

*Notes

(1) Change in Significant Subsidiaries during the Current Period
(Change in specified subsidiaries caused a change in the scope of consolidation): No
Additional: 0 Removal: 0

(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 : Yes
[4] Restatement : No

Note: Depreciation method was changed from this quarterly result, 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.3 "2. Summary Information (3) Change in Accounting Policies and Accounting Estimate and Restatement" in the attachment.

(4) Issued Shares (Common stock)

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

3 months ended June 30, 2012: 171,459,479 shares Year ended March 31, 2012: 171,459,479 shares

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

3 months ended June 30, 2012: 913,599 shares Year ended March 31, 2012: 913,612 shares

[3] Average number of shares during the period:

3 months ended June 30, 2012: 170,545,837 shares 3 months ended June 30, 2011: 126,844,045 shares

*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.3 "1. Qualitative information for the three months period ended June 30, 2012, (3) Qualitative information concerning forecast of consolidated financial results" in the attachment.

Table of Contents

1. Qualitative Information for the Three Months Period ended June 30, 2011.....	2
(1) Qualitative Information Concerning Consolidated Financial Results.....	2
(2) Qualitative Information on the Consolidated Financial Position.....	3
(3) Qualitative Information Concerning Forecast of Consolidated Financial Results.....	3
2. Summary (Other) Information.....	3
(1) Overview of Changes in Significant Consolidated Subsidiaries.....	3
(2) Overview of Accounting Procedure Unique for Preparation of Quarterly Consolidated Financial Statement.....	3
(3) Overview of Changes in Accounting Policies and Accounting Estimate and Restatement.....	3
3. Consolidated Financial Statements.....	4
(1) Quarterly Consolidated Balance Sheets.....	4
(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income.....	6
Quarterly Consolidated Statements of Income.....	6
Quarterly Consolidated Statements of Comprehensive Income.....	6
(3) Notes Related to Going Concern.....	7
(4) Segment Information.....	7
(5) Notes to Statements of Shareholders' Equity, If Having Significant Variation.....	8

1. Qualitative Information for the Three Months Period ended June 30, 2011

(1) Qualitative Information Concerning Consolidated Financial Results

In the current quarter period under review (quarter ended June 30, 2012), the global economy slowed down because the economic stagnation caused by debt crisis has continued in Europe and capital investment and personal consumption have been sluggish in US.

Japanese economy, on the other hand, has also experienced harsh management conditions due to the ongoing strong yen while the demand for reconstruction from Great East Japan Earthquake brought gradual recovery.

Under such condition, the Nipro Group continued to work hard to increase our sales.

As a result, the consolidated sales in the first three months of fiscal year 2012 increased 19.1% from the same period of the previous year to 58,532 million yen.

As for the profit, consolidated operating income increased 0.4% from the same period of the previous year to 3,473 million yen because good sales result covered an increase in selling, general and administrative expenses, and consolidated ordinary income increased 21.8% from the same period of the previous year to 3,092 million yen due to an increase in dividends income. The consolidated net income increased 393.9% to 1,445 million yen due to a decrease in extraordinary losses.

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

[1] Medical Business

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

Our medical equipment-related products such as dialysis system showed strong growth. The sales of our dialysis related products such as dialyzer, HDF filter, blood circuits and dialysis pharmaceuticals, 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.

Overseas sales, on the other hand, have been affected seriously by appreciation of the yen against the US dollar and euro in the foreign exchange markets, but the sales showed significant increase thanks to the promotion of community-based sales activities through our overseas sales offices. We encouraged the detailed sales activities to establish our brand image and improve our global market share, which contributed remarkable sales especially in diabetes-related products and dialysis-related products. In addition, we carried out adequate preparation for starting operation of new plants in India, Indonesia and Bangladesh as well as worked hard to reinforce their sales system.

As a result, net sales of this business increased 17.6% from the same period of the previous year to 40,076 million yen.

[2] Pharmaceutical Business

This business consists of two main divisions: the Generic Drugs Division, providing low cost and high quality medical drugs, and the Contracted Manufacturing Division, offering high value-added products to meet customer needs.

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 have tried to increase the share of the oral drug through reinforcing our sales promotions to dispensing pharmacies and by the close co-operation with drug wholesalers. In addition, as a result of our detailed information service provided mainly to large hospital, sales have remained steady, especially of our new products of previous year.

Looking at sales of our contracted manufacturing business, we have worked hard at realizing a variety of detailed services such as contracted development and supporting high value-added initiatives other than OEM manufacturing of other companies' brand. In particular, contracted sales of generic drugs showed fine growth in this quarter so that the sales have exceeded the sales in the same period of the previous year.

As a result, net sales of this business increased 32.1% from the same period of the previous year to 11,785 million yen.

[3] Material Business

The sales of material glass tube for ampoule decreased from the same period of the previous year because the decline in the domestic demand could not be covered by the enforcement of the sales to foreign countries. Concerning material glass tube for tube bottles, the sales also fell below the sales in the same period of the previous year since its overseas sales failed to increase while the domestic demand remained steadily. On the other hand, pharmaceutical glass container increased from the same period of the previous year thanks to the acquisition of large demand.

Pharmaceutical glass business in China recorded fine growth compared to the same period of the previous year as a result of capital investment and promotion of sales activities. The sales of glass for thermos bottles had grown steadily thanks to the increased demand of glass thermos bottles after the Great East Japan Earthquake, but the demand was getting decreased and the sales decreased as well. As for glass for lighting purpose, the sales of material glass tube for electric lamp, which is raw material of automotive related products, showed steady growth, but the sales decreased from the same period of the previous period due to diminished lineup of electric lamp production.

In the field of pharmaceutical containers, the sales of bags for antimicrobial agent and pre-filled syringes increased steadily as well as rubber stoppers for pharmaceutical and vaccine use and kit form containers based on our processing techniques for plastics, metal and rubber.

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 needs. 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 combination products, systematization for self-injection and modification of dosage form.

As a result, net sales of this business increased 8.5% from the same period of the previous year to 6,611 million yen.

[4] Other Business

In the other business, the sales from real estate rental income decreased 21.4% from the same period of the previous year to 58 million yen.

(2) Qualitative Information on the Consolidated Financial Position

Analysis concerning the conditions of assets, liabilities and net assets

Total assets decreased 15,813 million yen from the end of the previous period to 483,872 million yen. Current assets decreased 16,924 million yen mainly due to a decrease of 22,659 million yen in cash and deposits, and noncurrent assets increased 1,110 million yen mainly due to an increase of 5,766 million yen in deferred tax assets.

Total liabilities decreased 13,098 million yen from the end of the previous period to 372,636 million yen. Current liabilities decreased 13,422 million yen mainly due to a decrease of 10,000 million yen in commercial paper, and noncurrent liabilities increased 324 million yen mainly due to an increase of 251 million yen in provision for retirement benefits.

Total net assets decreased 2,715 million yen from the end of the previous period to 111,235 million yen. Shareholders' equity decreased 556 million yen and accumulated other comprehensive income decreased 4,332 million yen.

(3) Qualitative Information Concerning Forecast of Consolidated Financial Results

As for the world economy in the future, economic stagnation is expected to be continued due to the bad effect from the anxiety about the protracted debt problem in Europe. The domestic economy, on the other hand, will also continue to be sluggish because there is no immediate prospect of the problem about electric power supplies and strong yen.

In such situation, we will aim to promote sales expansion and cut manufacturing cost continuously.

At this moment, there is no revision to the forecast of consolidated financial results for the FY2012 which was published May 14, 2012.

2. Summary (Other) Information

(1) Change in Significant Subsidiaries during the Current Period

N/A

(2) Accounting Procedure Unique for Preparation of Quarterly Consolidated Financial Statements:

N/A

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

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

Effective from the first quarter of 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.

However this change had only minor impact on operating income, ordinary income and income before income taxes and minority interests in this first quarter.

3. Consolidated Financial Statements

(1) [Quarterly Consolidated Balance Sheets]

(Amount: million yen)

	As of March 31, 2012	As of June 30, 2012
Assets		
Current Assets		
Cash and deposits	95,737	73,078
Notes and accounts receivable-trade	68,641	73,673
Merchandise and finished goods	48,114	49,212
Work in process	8,753	8,876
Raw materials and supplies	14,736	15,127
Deferred tax assets	4,829	4,058
Other	9,983	9,854
Allowance for doubtful accounts	(360)	(369)
Total current assets	250,435	233,511
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	116,878	121,058
Accumulated depreciation and impairment loss	(63,320)	(64,861)
Buildings and structures, net	53,558	56,196
Machinery, equipment and vehicles	142,067	149,760
Accumulated depreciation and impairment loss	(103,263)	(108,806)
Machinery equipment and vehicles, net	38,804	40,954
Land	20,446	21,092
Lease assets	1,680	1,969
Accumulated depreciation	(735)	(822)
Lease assets, net	944	1,147
Construction in progress	26,957	32,159
Other	28,317	29,313
Accumulated depreciation and impairment loss	(23,350)	(23,933)
Other, net	4,967	5,379
Total property, plant and equipment	145,678	156,929
Intangible assets		
Goodwill	11,894	14,530
Lease assets	305	345
Other	6,950	8,339
Total intangible assets	19,151	23,214
Investments and other assets		
Investment securities	71,829	51,362
Deferred tax assets	6,597	12,363
Other	8,954	9,504
Allowance for doubtful accounts	(2,961)	(3,013)
Total investments and other assets	84,420	70,216
Total noncurrent assets	249,250	250,360
Total assets	499,686	483,872

(Amount: million yen)

	As of March 31, 2012	As of June 30, 2012
Liabilities		
Current liabilities		
Notes and accounts payable-trade	37,721	37,570
Short-term loans payable	104,131	97,774
Commercial papers	10,000	—
Current portion of bonds	10,000	10,000
Lease obligations	426	500
Accounts payable-other	6,036	6,810
Accrued directors' bounuses	153	—
Income taxes payable	3,276	1,594
Provision for bounuses	2,308	1,327
Provision for directors' bounuses	43	54
Provision for loss on business liquidation	1,954	1,954
Notes payable-facilities	3,399	4,161
Other	9,636	13,915
Total current liabilities	189,089	175,666
Noncurrent liabilities		
Bonds payable	34,000	34,000
Convertible bond-type bonds with subscription rights to shares	15,000	15,000
Long-term loans payable	140,380	140,071
Lease obligations	914	1,112
Deferred tax liabilities	1,761	1,655
Provision for retirement benefits	1,987	2,239
Provision for directors' retirement benefits	702	711
Provision for loss on litigation	170	170
Other	1,729	2,010
Total noncurrent liabilities	196,645	196,969
Total liabilities	385,735	372,636
Net assets		
Shareholders' equity		
Capital stock	84,397	84,397
Capital surplus	636	636
Retained earnings	48,389	47,832
Treasury stock	(864)	(864)
Total shareholders' equity	132,558	132,001
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(6,528)	(16,601)
Foreign currency translation adjustment	(16,209)	(10,467)
Total accumulated other comprehensive income	(22,737)	(27,069)
Minority interests	4,129	6,303
Total net assets	113,950	111,235
Total liabilities and net assets	499,686	483,872

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

(Amount: million yen)

	FY2011 first three months (From April 1, 2011 to June 30, 2011)	FY2012 first three months (From April 1, 2012 to June 30, 2012)
Net sales	49,155	58,532
Cost of sales	34,941	42,197
Gross profit	14,214	16,335
Selling, general and administrative expenses	10,756	12,861
Operating income	3,458	3,473
Non-operating income		
Interest income	128	232
Dividends income	339	860
Other	300	214
Total non-operating income	769	1,306
Non-operating expenses		
Interest expenses	777	845
Foreign exchange losses	569	757
Equity in losses of affiliates	22	24
Other	318	60
Total non-operating expenses	1,687	1,687
Ordinary income	2,539	3,092
Extraordinary income		
Gain on sales of noncurrent assets	107	24
State subsidy□	17	40
Gain on negative goodwill	—	39
Other	32	8
Total extraordinary income	157	113
Extraordinary loss		
Loss on retirement of noncurrent assets	13	21
Loss on disaster	777	—
Loss on reduction of noncurrent assets	17	29
Company funeral expenses	—	40
Other	9	15
Total extraordinary losses	817	107
Income before income taxes and minority interests	1,879	3,099
Income taxes-current	670	1,040
Income taxes-deferred	718	549
Total income taxes	1,388	1,589
Income before minority interests	491	1,509
Minority interests in income	198	64
Net income	292	1,445

[Quarterly Consolidated Statements of Comprehensive Income]

(Amount: million yen)

	FY2011 first three months (From April 1, 2011 to June 30, 2011)	FY2012 first three months (From April 1, 2012 to June 30, 2012)
Income before minority interests	491	1,509
Other comprehensive income		
Valuation difference on available-for-sale securities	(5,248)	(10,074)
Foreign currency translation adjustment	1,193	5,783
Total other comprehensive income	(4,054)	(4,291)
Comprehensive income	(3,563)	(2,781)
Comprehensive income attributable to owners of the parent	(3,782)	(2,887)
Comprehensive income attributable to minority interests	218	106

(3) Notes Related to Going Concern
N/A

(4) Segment Information

I FY2011 (From April 1, 2011 to June 30, 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)Sales to third parties	34,067	8,922	6,092	49,081	74	49,155	-	49,155
(2)Inter-segment sales and transfers	336	4,324	832	5,493	11	5,504	(5,504)	-
Total	34,404	13,246	6,924	54,575	85	54,660	(5,504)	49,155
Segment profit	3,350	1,047	651	5,049	51	5,101	(1,643)	3,458

(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 (1,643) million yen includes elimination of inter-segment transaction of 64 million yen and corporate cost of (1,707) million yen. Corporate cost consisted primarily of 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 about Impairment Loss on Fixed Assets and Goodwill by Reportable Operating Segment
N/A

II FY2012 (From April 1, 2012 to June 30, 2012)

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)Sales to third parties	40,076	11,785	6,611	58,474	58	58,532	-	58,532
(2)Inter-segment sales and transfers	290	4,974	889	6,154	11	6,165	(6,165)	-
Total	40,367	16,760	7,500	64,628	69	64,697	(6,165)	58,532
Segment profit	3,793	1,235	491	5,519	54	5,574	(2,101)	3,473

(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 (2,101) million yen includes elimination of inter-segment transaction of (251) million yen and corporate cost of (1,849) million yen. Corporate cost consisted primarily of 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

The reportable segment of Nipro Glass India Ltd. was changed from material business to medical business from the previous period as a result of reconsideration from the view point of global business strategy. Following this idea, the segment information of the same period of previous year was revised.

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

As for the medical business, Nipro Glass Germany AG and Nipro Sterile Glass Germany AG were added into the scope of consolidation. As a result, the amount of goodwill increased 2,524 million yen from the end of the previous fiscal year.

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

N/A