Summary Report of Consolidated Financial Results

For the Six Months Period ended September 30, 2017



November 9, 2017 TSE-1st section

Company name: NIPRO CORPORATION Code No.8086

URL: http://www.nipro.co.jp/ Representative: Yoshihiko Sano, President and Representative Director Contact person: Takehito Yogo, Director and General Manager of Corporate Planning Headquarters TEL: (06)6372-2331 Filing date of quarterly reporting: November 14, 2017 Payment date of cash dividends: December 8, 2017 Supplemental material on quarterly reporting: Yes Presentation on quarterly results: Yes (for institutional investors and analysts)

(Note: Amounts are truncated to one million yen)

Consolidated Results for the Six Months ended September 30, 2017 (From April 1, 2017 to September 30, 2017)
 Consolidated Results of Operations

(Note: Percentages represent changes compared with the same period of the previous fiscal year.)

	Net Sales	Operating Income	Ordinary Income	Profit attributable to owners of parent
6 months ended September 30, 2017 6 months ended September 30, 2016 Note: Comprehensive income 6 months	Millions of yen % 187,903 5.8 177,581 (1.1)	Millions of yen % 11,495 (27.9) 15,943 (36.8) 7: 17.497 million yen (- %)	Millions of yen % 11,776 76.8 6,659 (34.3)	Millions of yen % 8,282 (183.3) 2,923 (48.2)

6 months ended September 30, 2017: 17,497 million yen (- %) 6 months ended September 30, 2016: (18,422) million yen (-%)

	Earnings per share	Diluted Earnings per share
	Yen	Yen
6 months ended September 30, 2017	49.83	45.18
6 months ended September 30, 2016	17.26	15.68

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	Millions of yen	Millions of yen	%
As of September 30, 2017	794,421	190,326	22.7
As of March 31, 2017	752,839	176,408	22.1

Note: Equity September 30, 2017: 180,007 million yen March 31, 2017: 166,082 million yen

2. Dividends

	Annual Dividends per Year				
	First-quarter	Second-quarter	Third-quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March, 2017	-	7.50	-	21.50	29.00
Year ending March, 2018	-	17.50			
Year ending March, 2018 (Forecast)			-	21.00	38.50

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, 2018 (From April 1, 2017 to March 31, 2018) (Note: Percentages represent changes compared with the previous fiscal year.)

	Net Sales	Operating Income	Ordinary Income	Profit attributable to owners of parent	Earnings per Share
	Millions of yen %	Millions of yen %	Millions of yen %	Millions of yen %	Yen
Year ending March 31, 2018	400,500 11.3	32,500 13.0	30,100 29.9	19,000 67.5	114.03

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

*Notes

- (1) Change in Significant Subsidiaries during the Current Period: No
 (Change in specified subsidiaries caused a change in the scope of consolidation)
 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: No
 - [2] Changes other than [1]: No
 - [3] Change in accounting estimate: No
 - [4] Restatement: No
- (4) Issued Shares (Common stock)
 - [1] Number of issued shares at the end of the period (including treasury stock):
 - 6 months ended September 30, 2017: 171,459,479 shares [2] Number of treasury stock at the end of the period: 6 months ended September 30, 2017: 5,712,222 shares [3] Average number of shares during the period: 6 months ended September 30, 2017: 166,208,804 shares 5 months ended September 30, 2017: 166,208,804 shares 6 months ended September 30, 2016: 169,404,797 shares

Note: Number of the treasury stocks as of September 30, 2017 included 331,600 shares, and as of March 31, 2017 included 460,000 shares owned by Trust and Custody Service Bank, Ltd (Trust Account E).

*This quarterly summary report is exempt from quarterly review procedure based on the Financial Instruments and Exchanges Act.

*Disclaimer regarding projection information including appropriate use of forecasted financial result, and other special notes

The projection figures shown above are based on information that was available at the time of preparation and may contain certain uncertainties. Actual performance and other factors may differ from these projections due to

changes in circumstances and other developments. More information concerning these forecasts can be found in P.4

"1. Qualitative Information for the Six-Months Period Ended September 30, 2017 (3) Commentary on

Forward-Looking Statements Including Forecast of Consolidated Financial Results" in the attachment.

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- 1. Qualitative Information for the Six-Months Period ended September 30, 2017
- (1) Commentary on Business Results

The Japanese economy, during the second quarter of the consolidated cumulative period, saw a continuation of the gradual economic recovery as corporate earnings remained steady. While the global economy tends in general toward improvement, the sense of uncertainty about the future deepened due to rising geopolitical risks around the globe. Even under these circumstances, the Nipro Group has made efforts to increase sales and cut production costs, and worked to improve business performance with the goal of realizing user wishes as soon as possible.

As a result, sales for the second quarter of the consolidated cumulative period increased YoY by 5.8% from the same period of the previous year to 187,903 million yen. As for profit, operating income decreased by 27.9% YoY to 11,495 million yen due to an increase in the cost of sales and other factors. Ordinary income rose 76.8% YoY to 11,776 million yen due to a decrease in exchange losses and other factors. Additionally, the second quarter profit attributable to owners of parent increased YoY by 183.3% to 8,282 million yen due to a decrease in corporate tax.

The overview of the results for the second quarter of the consolidated cumulative period by business segment is as follows.

(i) Medical-Related Business

In the Medical Sales Division, domestic sales of the Medical Sales Division remained solid in each category of injection-transfusion products, enteral-alimentation products, testing products, dialysis products, and cardiovascular products and cardiac surgery (CVS) products. Sales growth was particularly high for HDF filters (dialysis products), followed by drug eluting balloon catheter "SeQuent® Please" (cardiovascular products), and Left Ventricular Assist Device "HeartMate II" (cardiac surgery (CVS) products). The Pharmaceutical Sales Division has been working steadily towards enhancing the Nipro brand, such as holding seminars on home health care that utilize our medical training facility, taking into consideration regional medical partnerships and community-based care systems. Accordingly, sales of existing products and June addenda listing items increased. Leveraging our advantage of being a medical and pharmaceutical conglomerate, we have enhanced our sales promotion activities aimed at dispensing pharmacies and DPC hospitals and worked towards increasing our market share through further collaborations with pharmaceutical wholesalers.

Meanwhile, in addition to expanded sales of mainstay dialysis products, such as dialyzers, and hospital products, overseas sales revenues significantly improved year on year, in part due to the depreciation of the yen. We have positioned the three markets of the United States, China and India as our most important. In the United States, sales steadily increased through the strengthening of our partnership with a leading dialysis provider. In China, in addition to expanded sales of our existing dialyzers, we are expanding sales further through the launch of synthetic membrane dialyzers. Furthermore, in India, we are carrying out the installation of dialysis machines for the government tenders (PPPs) we have acquired up until this point, leading to the enhancement of our sales base. We will continue to actively strengthen overseas sales networks and bolster direct sales, working to enhance customer satisfaction to expand sales by quickly responding to front-line needs.

For our new overseas manufacturing facilities (India, Indonesia, Bangladesh and Hefei/China), we expanded dialyzer production equipment in our factories in India and Hefei/China, and in our factory in Hefei/China we began operating a new line in October 2017.

As a result, net sales of this business increased 8.9% YoY to 139,341 million yen.

(ii) Pharmaceutical-Related Business

In the Pharmaceutical-Related Business, we have worked toward providing a diverse and detailed wide array of contract services. In addition to the existing comprehensive contract manufacturing of oral, injection and external use drug formulations, we have endeavored to provide contract development services from the formulation design stage of such formulations, and in particular the contract development for injection drugs that leverages our strength in being able to develop and supply packaging such as vials, syringes and bags. Furthermore, we provided support for lifecycle management that aims to enhance added value and differentiate products. Moreover, we have focused on contract manufacturing for dedicated biopharmaceutical lines and lines at manufacturing plants for highly physiologically active pharmaceuticals, and also contract manufacturing at overseas production facilities.

Sales of pharmaceutical containers and devices for the preparation and administration of pharmaceuticals were favorable as we provided containers and administration systems suitable to each pharmaceutical product through self-development or joint development with pharmaceutical manufacturers, answering the diverse needs of the medical community for small-volume bags, pre-filled syringes (plastic and glass), etc., in addition to rubber stoppers for vaccine use and containers for kit products.

Furthermore, under the government's policy to reduce medical expenses, we have worked with pharmaceutical manufacturers in Japan and abroad on the comprehensive lifecycle management of pharmaceutical products, taking into consideration future combination products (collaborations with our own pharmaceutical products and medical devices), the systemization of self-injection, and changes to formulations and routes of administration.

As a result, net sales of this business increased 1.8% from the previous year to 34,733 million yen.

(iii) PharmaPackaging Business

In the PharmaPackaging Business, in addition to our existing products, we have developed our academic technical sales activities, such as participating in academic conferences, towards capturing the needs of our globalizing customers and new demand. In addition, we have promoted new products and technology development in Japan and abroad that respond to the needs for continuously high-quality injectable formulations and filling processes.

Looking at the overseas department, along with a recovery in the Chinese market, sales of ampoules and vials were steady as a result of the enhancing of technical sales. In India sales also increased as we worked to enhance them by attracting new customers for high value-added products. In the United States and Europe, while we faced difficulties as pharmaceutical companies reduced inventories, orders progressed steadily, and, in terms of manufacturing, we pushed forward with the automation and improving of production efficiency for the production lines of each plant.

In the domestic market, sales were solid, with a focus on syringes and vials. Furthermore, sales of tube glass were stable. Meanwhile, sales of thermos bottles temporarily slowed down as a result of production adjustments at the manufacturer. At the Biwako Plant, our global standard mother plant, we enhanced the management frameworks and established a production framework for pharmaceutical containers, with vial production in particular greatly improving profitability. Moreover, the validation of the medical rubber stoppers plant, completed in July, is progressing smoothly and we are working towards the provision of products from 2018.

Going forward, along with the maturation of the market, we will work towards increasing sales by strategically pushing forward with the introduction of high value-added products into the Asian/Indian markets, where demand for higher quality products is rising. Meanwhile, in terms of manufacturing, we will continue to increase efficiency through the introduction of new facilities and automation, enhancing product quality and stability. Achieving increased profitability in all regions, we will work towards expanding our business.

As a result, net sales of this business decreased 10.7% YoY to 13,814 million yen.

(iv) Other Business

Among other business, net sales from the real-estate rental business, etc. were 14 million yen (down 4.0% YoY).

(2) Analysis Concerning Financial Position

(i) Assets, liabilities, and net assets

Total assets increased 41,582 million yen from the end of the previous consolidated fiscal year to 794,421 million yen at the end of the second quarter under review. Current assets increased 19,381 million yen and noncurrent assets increased 22,201 million yen. The main reason for the increase in current assets was a increase of 11,356 million yen in cash and deposits, and the main reason for the increase in noncurrent assets was an increase of 13,229 million yen in investment securities.

Total liabilities increased 27,663 million yen from the end of the previous consolidated fiscal year to 604,094 million yen. Current liabilities increased 4,173 million yen and noncurrent liabilities increased 23,490 million yen. The main reason for the increase in current liabilities was an increase of 3,344 million yen in provision for bonuses, and the main reason for the increase in noncurrent liabilities was 20,445 million yen increase in long-term loans payable.

Total net assets increased 13,918 million yen from the end of the previous consolidated fiscal year to 190,326 million yen. Shareholders' equity increased 4,756 million yen and accumulated other comprehensive income increased 9,169 million yen. As a result, equity ratio increased by 0.6% from the end of the previous year to 22.7%.

(ii) Consolidated Cash Flows

The ending balance of cash and cash equivalents increased 10,103 million yen from the end of the previous consolidated fiscal year to 122,150 million yen at the end of the second quarter under review.

(Cash flows from operating activities)

Net cash provided by operating activities was 21,045 million yen. The main accounts of cash inflow were depreciation, 15,751 million yen and profit before income taxes, 10,339 million yen. The main account of cash outflow was increase in notes and accounts receivable-trade, 5,862 million yen.

(Cash flows from investing activities)

Net cash used in investing activities was 30,096 million yen. The main account of cash inflow was proceeds from sales of investment securities, 2,287 million yen. The main account of cash outflow was purchase of non-current assets, 32,401 million yen.

(Cash flows from financing activities)

Net cash provided by financing activities was 18,278 million yen. The main account of cash inflow was proceeds from long-term loans payable, 51,379 million yen. The main account of cash outflow was repayment of long-term loans payable, 36,238 million yen.

(3) Commentary on Forward-Looking Statements Including Forecast of Consolidated Financial Results

At this moment, we have not made any revision to the forecast of consolidated financial results for the year ending March 31, 2018, which was announced on October 2, 2017.

2. Quarterly Consolidated Financial Statements and Major Notes

(1) [Quarterly Consolidated Balance Sheets]

		(Millions of yen)
	As of March 31, 2017	As of September 30, 2017
ssets		
Current Assets		
Cash and deposits	123,188	134,545
Notes and accounts receivable-trade	121,038	126,909
Merchandise and finished goods	78,241	81,801
Work in process	10,784	11,997
Raw materials and supplies	26,303	28,579
Deferred tax assets	6,404	7,691
Other	22,194	16,033
Allowance for doubtful accounts	(1,378)	(1,399)
Total current assets	386,775	406,157
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	199,471	203,317
Accumulated depreciation and impairment loss	(90,929)	(94,707)
Buildings and structures, net	108,541	108,609
Machinery, equipment and vehicles	236,514	246,049
Accumulated depreciation and impairment loss	(164,778)	(171,342
Machinery equipment and vehicles, net	71,736	74,707
Land	23,987	24,302
Lease assets	3,855	3,596
Accumulated depreciation	(2,642)	(2,534
Lease assets, net	1,212	1,062
Construction in progress	25,953	32,228
Other	50,232	51,602
Accumulated depreciation and impairment loss	(37,441)	(38,958)
Other, net	12,791	12,643
Total property, plant and equipment	244,222	253,555
Intangible assets		
Goodwill	27,996	26,489
Lease assets	2,263	2,136
Other	13,575	14,020
Total intangible assets	43,836	42,647
Investments and other assets		· · · ·
Investment securities	68,888	82,117
Net defined benefit asset	227	,
Deferred tax assets	1,459	2,333
Other	11,651	12,150
Allowance for doubtful accounts	(4,221)	(4,539
Total investments and other assets	78,004	92,062
Total noncurrent assets	366,063	388,264
Total assets	752,839	794,421

		(Millions of yen)
	As of March 31, 2017	As of September 30, 2017
Liabilities		
Current liabilities		
Notes and accounts payable-trade	57,587	57,343
Short-term loans payable	117,933	120,714
Commercial papers	10,000	10,000
Current portion of bonds	15,160	15,030
Lease obligations	1,107	1,103
Accounts payable-other	13,509	12,359
Accrued directors' bonuses	343	-
Income taxes payable	4,304	4,519
Provision for bonuses	4,075	7,419
Provision for directors' bonuses	105	359
Notes payable-facilities	10,350	10,509
Other	17,313	16,606
Total current liabilities	251,792	255,965
Noncurrent liabilities		
Bonds payable	5,215	4,700
Convertible bond-type bonds with subscription rights to shares	25,000	25,000
Long-term loans payable	281,181	301,627
Lease obligations	2,869	2,542
Deferred tax liabilities	1,766	5,786
Net defined benefit liability	5,126	4,991
Provision for directors' retirement benefits	592	628
Provision for loss on litigation	88	86
Other	2,797	2,765
Total noncurrent liabilities	324,639	348,129
Total liabilities	576,431	604,094
Net assets		
Shareholders' equity		
Capital stock	84,397	84,397
Retained earnings	78,422	83,062
Treasury shares	(6,243)	(6,127)
Total shareholders' equity	156,577	161,333
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,589	11,636
Deferred gains or losses on hedges	(141)	(99)
Foreign currency translation adjustment	8,640	7,595
Remeasurements of defined benefit plans	(582)	(458)
Total accumulated other comprehensive income	9,504	18,674
Non-controlling interests	10,325	10,318
Total net assets	176,408	190,326
Total liabilities and net assets	752,839	794,421

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

Cost of sales 119,254 128,505 Gross profit 58,326 59,333 Selling, general and administrative expenses 42,383 47,897 Operating income 15,943 111,493 Non-operating income 237 286 Interest income 762 777 Foreign exchange gains - 1,081 Share of profit of entities accounted for using equity method - 36 Reversal of allowance for doubtful accounts 19 - Other 715 655 Total non-operating expenses 1,888 1,745 Interest expense 1,888 1,742 Foreign exchange losses 7,919 - Other 1,212 815 Total non-operating expenses 11,020 2,555 Ordinary income 6 22 Cost on reduction of non-current assets 64 56 State subsidy 10 583 Loss on reduction of non-current assets - 590 Compensation expenses <t< th=""><th></th><th></th><th>(Millions of yen)</th></t<>			(Millions of yen)
Cost of sales 119,254 128,505 Gross profit 58,326 59,333 Selling, general and administrative expenses 42,383 47,897 Operating income 15,943 111,493 Non-operating income 237 286 Interest income 762 777 Foreign exchange gains - 1,081 Share of profit of entities accounted for using equity method - 36 Reversal of allowance for doubtful accounts 19 - Other 715 655 Total non-operating expenses 1,888 1,745 Interest expense 1,888 1,742 Foreign exchange losses 7,919 - Other 1,212 815 Total non-operating expenses 11,020 2,555 Ordinary income 6 22 Cost on reduction of non-current assets 64 56 State subsidy 10 583 Loss on reduction of non-current assets - 590 Compensation expenses <t< th=""><th></th><th>September 30, 2016 (From April 1, 2016</th><th>September 30, 2017 (From April 1, 2017</th></t<>		September 30, 2016 (From April 1, 2016	September 30, 2017 (From April 1, 2017
Gross profit 58.326 59.393 Selling, general and administrative expenses 42.383 47.897 Operating income 15,943 11,497 Non-operating income 237 286 Dividends income 762 777 Foreign exchange gains - 1,083 Share of profit of entities accounted for using equity method - 36 Reversal of allowance for doubtful accounts 19 - Other 715 665 Total non-operating income 1,735 2,833 Non-operating expenses 1,888 1,744 Foreign exchange losses 7,919 - Other 6,659 11,776 Total non-operating expenses 11,020 2,555 Ordinary income - 222 Extraordinary income - 226 Gain on sales of non-current assets 64 56 Gain on sales of non-current assets 199 165 Loss on refurement of non-current assets - 222 Other	Net sales	177,581	187,903
Selling, general and administrative expenses42,38347,897Operating income15,94311,499Non-operating income237286Dividends income762777Foreign exchange gains-1,081Share of profit of entities accounted for using equity method-36Reversal of allowance for doubtful accounts19-Other715665Total non-operating expenses1,7352,885Non-operating expenses1,8881,744Foreign exchange losses7,919-Other1,212816Total non-operating expenses11,0202,556Ordinary income6,65911,774Total non-operating expenses64566State subsidy10586Corgin exchange losses-225Other622Total non-operating expenses-226Other62269Total non-operating expenses-226Other62269Total extraordinary income81895Extraordinary income81895Compensation expenses-922Other82657Total extraordinary losses-922Other82645Ioss on reduction of non-current assets-922Other82657590Compensation expenses-922Other82655To	Cost of sales	119,254	128,509
Operating income15,94311,495Non-operating income237286Interest income237286Dividends income762777Foreign exchange gains-1,081Share of profit of entities accounted for using equity method-36Reversal of allowance for doubtful accounts19-Other715656Total non-operating expenses1,7352,835Non-operating expenses1,8881,742Interest expenses1,8881,742Total non-operating expenses1,212811Total non-operating expenses11,0202,555Ordinary income6,65911,776Extraordinary income6223Gain on sales of investment securities-225Other6223Total extraordinary income6235Extraordinary income-292Cother6223Total extraordinary income8189Extraordinary loss-590Compensation expenses-590Cother82655Total extraordinary losses-590Cother826458Ital extraordinary losses-590Cother822822,333Income taxes-deferred4162,655Total extraordinary losses-365Income taxes-deferred4162,655Total income taxes-3,365 <td< td=""><td>Gross profit</td><td>58,326</td><td>59,393</td></td<>	Gross profit	58,326	59,393
Non-operating income237288Interest income762777Foreign exchange gains-1,081Share of profit of entities accounted for using equity method-36Reversal of allowance for doubtful accounts19-Other715655Total non-operating income1,7352,835Non-operating expenses1,8881,743Interest expenses1,8881,743Other1,212818Total non-operating expenses11,0202,555Ordinary income6,65911,776Gain on sales of non-current assets6456Gain on sales of investment securities-225Other622235Other622Other622Other62232Total extraordinary income81896Extraordinary income-599Loss on retirement of non-current assets199162Loss on returement of non-current assets-592Compensation expenses-592Cother82665Total extraordinary loss2822,332Profit before income taxes6,45810,336Income taxes-deferred41(2,655Total income taxes4141Cother6265Total income taxes6,45810,336Cother3,3654,544Cother6,45810,336	Selling, general and administrative expenses	42,383	47,897
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Other 715 656 Total non-operating income 1,735 2,839 Non-operating expenses 1,888 1,743 Interest expenses 1,888 1,743 Foreign exchange losses 7,919 1 Other 1,212 816 Total non-operating expenses 11,020 2,556 Ordinary income 6,659 11,776 Extraordinary income 64 566 Gain on sales of non-current assets 64 566 Gain on sales of investment securities - 2256 Other 6 223 Total extraordinary income 811 899 Extraordinary locome 811 899 Extraordinary locos - 590 Compensation expenses - 920 Other 82 651 Loss on reduction of non-current assets 199 162 Loss on reduction of non-current assets - 920 Other 82 651 Total extraordinary	Share of profit of entities accounted for using equity method	-	36
Total non-operating income 1,735 2,833 Non-operating expenses 1,888 1,743 Interest expenses 1,888 1,743 Foreign exchange losses 7,919 1 Other 1,212 818 Total non-operating expenses 11,020 2,558 Ordinary income 6,659 11,775 Extraordinary income 64 565 Gain on sales of non-current assets 64 565 State subsidy 10 588 Gain on sales of investment securities - 225 Other 6 23 Total extraordinary income 81 896 Extraordinary income 81 896 Extraordinary income 81 896 Cother 6 23 Total extraordinary income 81 896 Extraordinary loss - 590 Loss on retirement of non-current assets 199 162 Loss on retirement of non-current assets - 590	Reversal of allowance for doubtful accounts	19	-
Non-operating expensesInterest expenses1,8881,743Foreign exchange losses7,919Other1,212848Total non-operating expenses11,0202,556Ordinary income6,65911,776Extraordinary income64566Gain on sales of non-current assets64566State subsidy10588Gain on sales of investment securities-225Other623Total extraordinary income81895Extraordinary loss-590Compensation expenses-590Other82657Total extraordinary losses-590Compensation expenses-922Other82657Total extraordinary losses2822,332Profit before income taxes6,45810,333Income taxes-current3,3654,544Income taxes-deferred41(2,655Total income taxes3,4071,882	Other	715	658
Non-operating expenses 1,888 1,743 Interest expenses 1,888 1,743 Foreign exchange losses 7,919 1 Other 1,212 815 Total non-operating expenses 11,020 2,556 Ordinary income 6,659 11,776 Extraordinary income 6,659 11,776 Gain on sales of non-current assets 64 566 State subsidy 10 558 Gain on sales of non-current assets 64 566 Gain on sales of investment securities - 225 Other 6 23 Total extraordinary income 81 895 Extraordinary loss - 590 Loss on retuction of non-current assets 199 162 Loss on reduction of non-current assets - 590 Compensation expenses - 992 Other 82 651 Total extraordinary losses 282 2,332 Profit before income taxes 6,458 10,333	Total non-operating income	1,735	2,839
Foreign exchange losses 7,919 Other 1,212 815 Total non-operating expenses 11,020 2,556 Ordinary income 6,659 11,776 Extraordinary income 64 56 Gain on sales of non-current assets 64 56 State subsidy 10 586 Gain on sales of investment securities - 225 Other 6 23 Total extraordinary income 81 895 Extraordinary loss - 590 Loss on retirement of non-current assets 199 162 Loss on reduction of non-current assets - 992 Other 82 657 Total extraordinary losses - 992 Other 82 657 Total extraordinary losses 282 2,332 Profit before income taxes 6,458 10,336 Income taxes-current 3,365 4,544 Income taxes 3,407 1,882	Non-operating expenses		
Other 1,212 815 Total non-operating expenses 11,020 2,556 Ordinary income 6,659 11,776 Extraordinary income 64 56 Gain on sales of non-current assets 64 56 State subsidy 10 586 Gain on sales of investment securities - 225 Other 6 23 Total extraordinary income 81 895 Extraordinary loss - 590 Loss on retirement of non-current assets 199 162 Loss on returement of non-current assets - 592 Other 82 657 Total extraordinary losses - 592 Compensation expenses - 922 Other 82 657 Total extraordinary losses 282 2,332 Profit before income taxes 6,458 10,333 Income taxes-current 3,365 4,544 Income taxes 3,407 1,882	Interest expenses	1,888	1,743
Total non-operating expenses 11,020 2,556 Ordinary income 6,659 11,776 Extraordinary income 64 56 Gain on sales of non-current assets 64 56 State subsidy 10 586 Gain on sales of investment securities - 225 Other 6 23 Total extraordinary income 81 895 Extraordinary loss - 295 Loss on retirement of non-current assets 199 162 Loss on reduction of non-current assets - 992 Other 82 651 Total extraordinary losses - 992 Compensation expenses - 992 Other 82 651 Total extraordinary losses 282 2,332 Profit before income taxes 6,458 10,333 Income taxes-current 3,365 4,541 Income taxes 3,407 1,882	Foreign exchange losses	7,919	-
Ordinary income 6,659 11,776 Extraordinary income 64 56 Gain on sales of non-current assets 64 56 State subsidy 10 589 Gain on sales of investment securities - 225 Other 6 23 Total extraordinary income 81 895 Extraordinary loss - 590 Loss on retirement of non-current assets 199 162 Compensation expenses - 590 Other 82 651 Total extraordinary losses - 928 Compensation expenses - 928 Other 82 651 Total extraordinary losses - 928 Other 82 651 Total extraordinary losses - 928 Profit before income taxes 6,458 10,333 Income taxes-current 3,365 4,541 Income taxes 3,407 1,882	Other	1,212	815
Extraordinary income 64 56 Gain on sales of non-current assets 64 56 State subsidy 10 589 Gain on sales of investment securities - 226 Other 6 23 Total extraordinary income 81 895 Extraordinary loss 199 162 Loss on retirement of non-current assets 199 162 Compensation expenses - 926 Other 82 654 Total extraordinary losses - 926 Compensation expenses - 926 Other 82 654 Total extraordinary losses - 926 Other 82 654 Total extraordinary losses 282 2,332 Profit before income taxes 3,365 4,544 Income taxes-current 3,365 4,544 Income taxes 3,407 1,882	Total non-operating expenses	11,020	2,558
Gain on sales of non-current assets 64 56 State subsidy 10 589 Gain on sales of investment securities - 225 Other 6 23 Total extraordinary income 81 899 Extraordinary loss 199 162 Loss on retirement of non-current assets 199 162 Compensation expenses - 590 Other 82 654 Total extraordinary losses - 928 Loss on retirement of non-current assets - 928 Other 82 654 Total extraordinary losses - 928 Other 82 654 Total extraordinary losses - 928 Profit before income taxes 6,458 10,338 Income taxes-current 3,365 4,544 Income taxes 41 (2,659 Total income taxes 3,407 1,882	Ordinary income	6,659	11,776
State subsidy 10 588 Gain on sales of investment securities - 225 Other 6 23 Total extraordinary income 81 895 Extraordinary loss - 590 Loss on retirement of non-current assets 199 162 Loss on reduction of non-current assets - 590 Compensation expenses - 926 Other 82 651 Total extraordinary losses - 926 Other 82 651 Total extraordinary losses - 926 Other 82 651 Total extraordinary losses - 926 Profit before income taxes 6,458 10,333 Income taxes-current 3,365 4,541 Income taxes-deferred 41 (2,655 Total income taxes 3,407 1,882	Extraordinary income		
Gain on sales of investment securities-225Other623Total extraordinary income81895Extraordinary loss199162Loss on retirement of non-current assets199162Loss on reduction of non-current assets-590Compensation expenses-926Other82651Total extraordinary losses2822,332Profit before income taxes6,45810,335Income taxes-current3,3654,544Income taxes-deferred41(2,655Total income taxes3,4071,882	Gain on sales of non-current assets	64	56
Other623Total extraordinary income81895Extraordinary loss199162Loss on retirement of non-current assets199162Loss on reduction of non-current assets-590Compensation expenses-928Other82651Total extraordinary losses2822,332Profit before income taxes6,45810,333Income taxes-current3,3654,544Income taxes-deferred41(2,655)Total income taxes3,4071,882	State subsidy	10	589
Total extraordinary income81895Extraordinary lossLoss on retirement of non-current assets199162Loss on reduction of non-current assetsCompensation expenses-926Other82651Total extraordinary losses2822,332Profit before income taxes6,45810,335Income taxes-current3,3654,541Income taxes-deferred41(2,655)Total income taxes3,4071,882	Gain on sales of investment securities	-	225
Extraordinary lossLoss on retirement of non-current assets199Loss on reduction of non-current assets-Compensation expenses-Other82Total extraordinary losses282Profit before income taxes6,458Income taxes-current3,365Income taxes-deferred41Cottal income taxes3,407Total income taxes3,407	Other	6	23
Loss on retirement of non-current assets199162Loss on reduction of non-current assets-590Compensation expenses-928Other82651Total extraordinary losses2822,332Profit before income taxes6,45810,339Income taxes-current3,3654,541Income taxes-deferred41(2,659Total income taxes3,4071,882	Total extraordinary income	81	895
Loss on reduction of non-current assets - 590 Compensation expenses - 928 Other 82 651 Total extraordinary losses 282 2,332 Profit before income taxes 6,458 10,338 Income taxes-current 3,365 4,541 Income taxes-deferred 41 (2,658) Total income taxes 3,407 1,882	Extraordinary loss		
Compensation expenses - 926 Other 82 651 Total extraordinary losses 282 2,332 Profit before income taxes 6,458 10,339 Income taxes-current 3,365 4,541 Income taxes-deferred 41 (2,659) Total income taxes 3,407 1,882	Loss on retirement of non-current assets	199	162
Other 82 651 Total extraordinary losses 282 2,332 Profit before income taxes 6,458 10,339 Income taxes-current 3,365 4,541 Income taxes-deferred 41 (2,659) Total income taxes 3,407 1,882	Loss on reduction of non-current assets	-	590
Total extraordinary losses2822,332Profit before income taxes6,45810,339Income taxes-current3,3654,541Income taxes-deferred41(2,659Total income taxes3,4071,882	Compensation expenses	-	928
Profit before income taxes 6,458 10,339 Income taxes-current 3,365 4,541 Income taxes-deferred 41 (2,659) Total income taxes 3,407 1,882	Other	82	651
Income taxes-current 3,365 4,541 Income taxes-deferred 41 (2,655) Total income taxes 3,407 1,882	Total extraordinary losses	282	2,332
Income taxes-deferred41(2,659Total income taxes3,4071,882	Profit before income taxes	6,458	10,339
Total income taxes 3,407 1,882	Income taxes-current	3,365	4,541
	Income taxes-deferred		(2,659)
	Total income taxes	3,407	1,882
Prolit 3,051 8,450	Profit	3,051	8,456
Profit attributable to non-controlling interests 127 172	Profit attributable to non-controlling interests	127	174
Profit attributable to owners of parent 2,923 8,282	Profit attributable to owners of parent	2,923	8,282

Quarterly Consolidated Statements of Comprehensive Income

		(Millions of yen)
	Six months ended September 30, 2016 (From April 1, 2016 to September 30, 2016)	Six months ended September 30, 2017 (From April 1, 2017 to September 30, 2017)
Profit	3,051	8,456
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,153)	10,047
Deferred gains or losses on hedges	(264)	42
Foreign currency translation adjustment	(18,117)	(1,106)
Remeasurements of defined benefit plans	60	125
Share of other comprehensive income of	-	(67)
entities accounted for using equity method		
Total other comprehensive income	(21,474)	9,040
Comprehensive income	(18,422)	17,497
Comprehensive income	(17,614)	17,451
attributable to owners of parent		
Comprehensive income	(808)	45
attributable to non-controlling interests		

(3) [Quarterly Consolidated Statements of Cash Flows]

		(Millions of yen)
	Six months ended September 30, 2016 (From April 1, 2016 to September 30, 2016)	Six months ended September 30, 2017 (From April 1, 2017 to September 30, 2017)
Cash flows from operating activities		
Profit before income taxes	6,458	10,339
Depreciation	14,765	15,751
Impairment loss	0	50
Amortization of goodwill	1,457	1,502
Share of (profit) loss of entities accounted for using equity method	-	(36)
Increase (decrease) in allowance for doubtful accounts	(95)	191
Increase (decrease) in net defined benefit liability	272	146
Interest and dividend income	(1,000)	(1,068)
Interest expenses	1,888	1,743
Foreign exchange losses (gains)	5,090	(530)
Loss (gain) on sales of investment securities	0	(225)
State subsidy	(10)	(589)
Loss on reduction of non-current assets	(10)	590
Decrease (increase) in notes and accounts receivable-trade	(3,351)	(5,862)
Decrease (increase) in inventories	(8,986)	(3,649)
Increase (decrease) in notes and accounts payable-trade	7,483	(0,043)
Decrease (increase) in other assets	(20)	4,454
Increase (decrease) in other liabilities	(3,750)	2,913
Other loss (gain)	376	131
Subtotal	20,577	25,778
Interest and dividend income received	984	1,071
Interest expenses paid	(1,859)	(1,698)
Other proceeds	167	87
Other payments	(208)	(277)
Income taxes paid	(3,779)	(3,915)
Net cash provided by (used in) operating activities	15,882	21,045
Cash flows from investing activities		
Payments into time deposits	(6,154)	(2,479)
Proceeds from withdrawal of time deposits	7,226	1,209
Purchase of investment securities	(769)	(415)
Proceeds from sales of investment securities	0	2,287
Purchase of shares of subsidiaries	(8)	-
Purchase of shares of subsidiaries and associates	(424)	(445)
Purchase of non-current assets	(24,207)	(32,401)
Proceeds from sales of non-current assets	176	238
Payments for retirement of non-current assets	(138)	(120)
Proceeds from governmental subsidy income for investment in property and equipment	10	1,592
Net decrease (increase) in short-term loans receivable	(374)	628
Payments of loans receivable	(262)	(177)
Collection of loans receivable	59	16
Other payments	-	(28)
Other proceeds	3	_
Net cash provided by (used in) investing activities	(24,862)	(30,096)

		(Millions of yen)
	Six months ended September 30, 2016 (From April 1, 2016 to September 30, 2016)	Six months ended September 30, 2017 (From April 1, 2017 to September 30, 2017)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	6,825	7,907
Proceeds from long-term loans payable	68,417	51,379
Repayment of long-term loans payable	(47,375)	(36,238)
Redemption of bonds	(1,682)	(645)
Proceeds from sales of treasury shares	121	116
Purchase of treasury shares	(3,206)	(0)
Purchase of treasury shares of subsidiaries	_	(21)
Repayments of finance lease obligations	(564)	(566)
Cash dividends paid	(2,811)	(3,574)
Dividends paid to non-controlling interests	(28)	(20)
Payments from changes in ownership interests in subsidiaries	(150)	(57)
that do not result in change in scope of consolidation		
Net cash provided by (used in) financing activities	19,545	18,278
Effect of exchange rate change on cash and cash equivalents	(3,509)	875
Net increase (decrease) in cash and cash equivalents	7,056	10,103
Cash and cash equivalents at beginning of period	111,977	112,046
Increase in cash and cash equivalents	237	-
from newly consolidated subsidiary		
Cash and cash equivalents at end of period	119,271	122,150

(4) Notes Regarding Quarterly Consolidated Financial Statements

(Notes Related to Going Concern) N/A

(Notes Regarding Significant Changes in the Amount of Shareholders' Equity)

(Segment Information)

- I Six months ended September 30, 2016 (From April 1, 2016 to September 30, 2016)
- 1. Sales and Profit by Reportable Operating Segment

B							(N	lillions of yen)
	Segment							Quarterly Consolidated
	Medical- Related	Pharmace- utical- Related	Pharma- Packaging	Total	Other (Note.1)	Total	Adjust- ment (Note.2)	Statements of Income (Note.3)
Net sales (1)Sales to third parties (2)Inter-segment	127,988	34,110	15,467	177,566	15	177,581	_	177,581
sales and transfers	724	4,835	1	5,561	315	5,877	(5,877)	_
Total	128,712	38,945	15,469	183,127	331	183,458	(5,877)	177,581
Segment profit (loss)	14,573	7,569	(372)	21,770	46	21,816	(5,873)	15,943

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(Notes)

- 1. "Other" is the business segment which is not included in the segment and consist of real estate income and sales by headquarter.
- Adjustment for the segment profit (loss) of (5,873) million yen includes realization of intercompany profits on inventories of 1,974 million yen and corporate cost of (7,847) million yen. Corporate cost primarily consists of general and administrative expenses and research and development cost which do not belong to the reporting segment.
- 3. Segment profit (loss) is adjusted to the operating income on the quarterly consolidated statements of income.
- 2. Information about Impairment Loss on Fixed Assets and Goodwill by Reportable Operating Segment N/A

II Six months ended September 30, 2017 (From April 1, 2017 to September 30, 2017)

(Millions of yen												
	Segment							Quarterly Consolidated				
	Medical- Related	Pharmace- utical- Related	Pharma- Packaging	Total	Other (Note.1)	Total	Adjust- ment (Note.2)	Statements of Income (Note.3)				
Net sales												
(1)Sales to third parties (2)Inter-segment	139,341	34,733	13,814	187,888	14	187,903	_	187,903				
sales and transfers	871	6,767	36	7,675	518	8,193	(8,193)	—				
Total	140,212	41,500	13,850	195,563	533	196,096	(8,193)	187,903				
Segment profit (loss)	16,442	5,937	(864)	21,515	26	21,542	(10,046)	11,495				

1. Sales and Profit by Reportable Operating Segment

(Notes)

- 1. "Other" is the business segment which is not included in the segment and consist of real estate income and sales by headquarter.
- Adjustment for the segment profit (loss) of (10,046) million yen includes deduction of intercompany profits on inventories of (233) million yen and corporate cost of (9,812) million yen. Corporate cost primarily consists of general and administrative expenses and research and development cost which do not belong to the reporting segment.
- 3. Segment profit (loss) is adjusted to the operating income on the quarterly consolidated statements of income.
- Information about Impairment Loss on Fixed Assets and Goodwill by Reportable Operating Segment N/A