

Summary Report of Consolidated Financial Results

For the Six Months Period ended September 30, 2015



November 11, 2015

TSE-1st section

Company name: NIPRO CORPORATION

Code No.8086

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Payment date of cash dividends: December 8, 2015

Supplemental material on quarterly reporting: Yes

Presentation on quarterly results: Yes (for institutional investors and analysts)

(Note: Amounts are truncated to one million yen)

1. Consolidated Results for the Six Months ended September 30, 2015 (From April 1, 2015 to September 30, 2015)

(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	%
6 months ended September 30, 2015	179,530	16.2	11,651	46.8	10,140	17.7	5,646	3.2
6 months ended September 30, 2014	154,501	7.7	7,939	36.9	8,618	48.9	5,470	108.8

Note: Comprehensive income 6 months ended September 30, 2015: 2,885 million yen (142.1%) 6 months ended September 30, 2014: (209) million yen (-%)

	Earnings per share		Diluted Earnings per share	
	Yen		Yen	
6 months ended September 30, 2015	33.29		-	
6 months ended September 30, 2014	36.28		32.34	

(2) Consolidated Financial Position

	Total Assets		Net Assets		Equity Ratio	
	Millions of yen		Millions of yen		%	
6 months ended September 30, 2015	708,921		178,385		23.7	
Year ended March 31, 2015	695,306		178,810		24.1	

Note: Equity 6 months ended September 30, 2015: 167,868 million yen Year ended March 31, 2015: 167,659 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, 2015	-	18.00	-	14.50	32.50
Year ending March 31, 2016	-	17.00			
Year ending March 31, 2016 (Forecast)			-	18.00	35.00

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, 2016 (From April 1, 2015 to March 31, 2016)

(Note: The % displays in the line of year ending March 31, 2016 show increase/decrease ratio against the year ended March 31, 2015)

	Net Sales		Operating Income		Ordinary Income		Net Income		Earnings per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Year ending March 31, 2016	365,000	12.3	25,000	50.9	19,300	(1.8)	16,700	33.9	98.47

Note: Revisions to the forecast of consolidated financial results in the current quarter: Yes

*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 : No

[4] Restatement : No

Note: More information can be found in P.5 "2. Summary (Other) Information, (3) Changes 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):

6 months ended September 30, 2015: 171,459,479 shares Year ended March 31, 2015: 171,459,479 shares

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

6 months ended September 30, 2015: 1,791,299 shares Year ended March 31, 2015: 1,899,861 shares

[3] Average number of shares during the period:

6 months ended September 30, 2015: 169,602,699 shares 6 months ended September 30, 2014: 150,792,006 shares

Note: Number of the treasury stocks as of September 30, 2015 included 843,900 shares, and as of March 31, 2015 included 953,100 shares owned by Trust and Custody Service Bank, Ltd (Trust Account E).

*Information regarding the quarterly review procedure

This quarterly summary report is exempt from quarterly review procedure based on the Financial Instruments and Exchanges Act. It is under the review procedure process at the time of disclosure of this report.

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

The projection figures shown above are based on information that was available at the time of preparation and may contain certain uncertainties. Actual performance and other factors may differ from these projections due to changes in circumstances and other developments. More information concerning these forecasts can be found in P.4 "1. Qualitative Information for the Six-Month Period Ended September 30, 2015, (3) Commentary on Forward-Looking Statements Including Forecast of Consolidated Financial Results" in the attachment.

Table of Contents

1. Qualitative Information for the Six-Months Period ended September 30, 2015.....	2
(1) Commentary on Business Results.....	2
(2) Analysis Concerning Financial Position.....	4
(3) Commentary on Forward-Looking Statements Including Forecast of Consolidated Financial Results.....	4
2. Summary (Other) Information.....	5
(1) Changes in Significant Consolidated Subsidiaries.....	5
(2) Accounting Treatments Simplified or Unique for Preparation.....	5
(3) Changes in Accounting Policies and Accounting Estimate and Restatement.....	5
3. Consolidated Financial Statements.....	6
(1) Quarterly Consolidated Balance Sheets.....	6
(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income.....	8
(3) Quarterly Consolidated Statements of Cash Flows.....	9
(4) Notes Regarding Consolidated Financial Statement	11
(Notes regarding going concern).....	11
(Notes regarding significant changes in the amount of shareholders' equity).....	11
(Segment Information).....	11

1. Qualitative Information for the Six-Month Period Ended September 30, 2015

(1) Commentary on Business Results

During the six months of the fiscal year under review, the economic slowdown in China triggered the economic deterioration in developing countries while developed countries such as the United States remained on a recovery trend. The Japanese economy also remained on a recovery trend despite the uncertainty about the economic outlook such as concerns about the Chinese economy.

Under such circumstances, the Nipro Group has worked to improve operating results through its continued efforts to expand sales and reduce costs.

As a result, consolidated sales for the six-month period ended September 30, 2015 increased by 16.2% from the same period of the previous year to 179,530 million yen. As for the profit, consolidated operating income increased by 46.8% from the same period of the previous year to 11,651 million yen. Consolidated ordinary income increased by 17.7% from the same period of the previous year to 10,140 million yen. Consolidated net income attributable to owners of parent increased by 3.2% from the same period of the previous year to 5,646 million yen due to the decrease in income taxes-current.

The overview of the results for the current quarter period under review by business segment is as follows.

(i) Medical-Related Business

Looking at the domestic market of Medical-Related Business, sales of cardiac surgery (CVS) products were below expectations while injection-transfusion products, enteral-alimentation products, testing products, dialysis products, and cardiovascular products performed solidly. Especially in the field of dialysis products, sales of HDF filter and dialysis monitoring devices largely increased. On the other hand, for the Pharmaceutical Sales Division, the sales were steady due to the expansion of the market with the promotion policy of generic drugs, the expansion of existing products and the launch of addenda listing items in June though the competitive environment of domestic market became fiercer by the appearance of manufactures of original drugs running sideline business. In addition, large markets of new big listing items have being continuously entered by over 30 competitors and initial sales of AG (authorized generic) allows to market occupation, that made the market price competition more intensified to impact significantly to sales and profit. However, we have strengthened the sales promotion to dispensing pharmacies, diagnosis procedure combination (DPC) hospitals and prescribers. Also we tried to increase the share of orally administered drugs and external preparations and worked harder for information offering activities of injectables based on the collaboration with pharmaceutical wholesaler.

Meanwhile, overseas sales increased significantly from the same period of the previous year as we strengthened the sales of dialysis products and hospital products. However, the profits decreased with the exchange losses caused by the impact of foreign exchange markets.

We strengthened the overseas sales organization and stepped up our direct sales activities with the aim of quickly responding further to front-line needs and boosting overseas sales. Particularly in India, we relocated headquarter of sales company to Hyderabad to strengthen the sales activities. We will open sales offices in major cities sequentially. In addition, new overseas manufacturing facilities (in India, Indonesia, Bangladesh and Hefei in China) further improved their production system and realized production expansion under established quality system to promote their sales widely in their countries and surrounding areas. Especially production of dialyzers in India and Hefei plants has increased smoothly to contribute the sales increase and syringe from Indonesia plants has supported the sales growth as well.

As a result, net sales of this business increased by 17.8% from the same period of the previous year to 132,547 million yen.

(ii) Pharmaceutical-Related Business

In the Pharmaceutical-Related Business, we have broadened our contracted manufacturing operation to encompass contracts to develop products from the formulation design of orally administered drugs and external preparations and to develop products using our expertise developing and supplying vials, syringes, bags, and other packaging containers. We

also endeavored to expand the contracted business by offering a diverse range of detailed yet wide-ranging contract services, such as support for lifecycle management where we believe we can enhance the value-added features and realize distinct service differentiation. In addition, efforts to upgrade and expand our contracted manufacturing capabilities for the dedicated biopharmaceuticals line and the oral drugs and injectable solutions lines at the high potency active pharmaceutical ingredients manufacturing plant contributed to strong sales of contracted manufacturing.

Sales of pharmaceutical containers as well as devices related to pharmaceutical preparation and administration steadily increased due to offering containers and systems suitable to each pharmaceutical product developed by ourselves or through joint development with pharmaceutical manufactures. Such efforts were made to meet various needs in the medical front, including small-volume bags, materials for pre-filled syringes (plastic and glass), etc., on top of rubber stoppers for pharmaceutical and vaccine use and containers for kit products. In addition, under the government's policy to curb medical expenses, we have worked together with domestic and foreign pharmaceutical manufactures in enhancing comprehensive lifecycle management of pharmaceutical products, taking into consideration the development of combination products (our original collaboration between pharmaceutical products and medical devices), self-injection systems, and dosage form/administrating path modification in the future.

As a result, net sales of this business increased 9.4% from the same period of the previous year to 30,393 million yen.

(iii) Glass-Related Business

In the Glass-Related Business, adding to our conventional products, we have made effort of academic and sales activities to meet global customer needs and acquire new demands while we have promoted the development of new technologies and new products domestically and internationally to support injectable formulation and filling process with high stability.

For the pharmaceutical packaging in domestic glass department, we increased the sales mainly in tube glass, vials and pre-filled syringe. As for "Biwako Factory," a state-of-the-art plant for pharmaceutical packaging, with the purpose of further improving our quality assurance system for good manufacturing practice (GMP), the factory aims to establish the production and sales system of high quality glass for medical purpose and promotes their activities to meet the needs from global customers.

Regarding overseas glass department, we have expanded the sales of high-valued products such as syringe and various vials which demand is increasing in the mature markets such as Europe and the United States and also strengthened the sales of tube glass, ampoules and vials in the emerging markets including China, India and Russia. Due to these activities, the sales increased and the profitability was improved in the markets respectively. Especially in China, the largest market of emerging countries, the market has greatly changed to require higher-quality medical containers than conventional products following the order of government. Under these circumstances, we have invested in equipment to introduce high-quality products and established a company in Shanghai to supervise the three existing plants in China. The progress toward to enter high quality market has been accelerated.

In this business, we have promoted the changing to general pharma packaging business with a fusion of products and technologies cultivated in both medical and pharmaceutical related businesses such as rubber stopper and plastic containers as well as glass containers. In addition, the standardization of product specifications and services in each office has been also promoted to meet the requirement from global pharmaceutical companies. We will promote effective investment domestically and internationally to strengthen production capacity of conventional products, improve the quality and introduce new products for the continuous expansion of our business providing the products and services with a user-focused approach.

Among other glass-related products, overseas demands of glass for thermos bottles decreased but whole sales of this department remained solidly.

As a result, net sales of this business increased 17.3% from the same period of the previous year to 16,573 million yen.

(iv) Other Business

Among other business, sales from the real-estate rental business were 16 million yen (down by 74.5% from the same period of the previous year).

(2) Analysis Concerning Financial Position

[1] Analysis Concerning the Conditions of Assets, Liabilities and Net Assets

Total assets increased by 13,614 million yen from the end of the previous year to 708,921 million yen. Current assets increased by 1,545 million yen primarily due to an increase of 4,830 million yen in other current assets, and noncurrent assets increased by 12,069 million yen primarily due to an increase of 10,538 million yen in other of investment and other assets.

Total liabilities increased by 14,039 million yen from the end of the previous year to 530,536 million yen. Current liabilities increased by 23,484 million yen primarily due to an increase of 20,742 million yen in short-term loans payable, and noncurrent liabilities decreased by 9,444 million yen primarily due to a decrease of 8,294 million yen in long-term loans payable.

Total net assets decreased by 425 million yen from the end of the previous year to 178,385 million yen. Shareholders' equity increased by 2,469 million yen and accumulated other comprehensive income decreased by 2,260 million yen.

[2] Condition of cash flow

The ending balance of cash and cash equivalents in the period under review decreased 7,822 million yen from the previous year to 90,376 million yen.

(Cash flows from operating activities)

Net cash provided by operating activities was 937 million yen. The main accounts of cash inflow were income before income taxes, 9,248 million yen and depreciation and amortization, 14,381 million yen. The main account of cash outflow was decrease (increase) in other assets, 8,000 million yen.

(Cash flows from investing activities)

Net cash used in investing activities was 27,452 million yen. The main account of cash inflow was proceeds from withdrawal of time deposits, 6,479 million yen. The main accounts of cash outflow were purchase of noncurrent assets, 18,895 million yen.

(Cash flows from financing activities)

Net cash provided by financing activities was 9,035 million yen. The main account of cash inflow was proceeds from long-term loans payable, 37,035 million yen. The main account of cash outflow was repayment of long-term loans payable, 25,270 million yen.

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

The Company expects that the global economy will continue to stay on a moderate recovery trend despite the increasing uncertainty about the future outlook caused by economic slowdown in China and the Japanese economy will also remain on a recovery trend while it will be affected by the global trend.

Even under such circumstances, the Nipro Group will work to improve profits through its continued efforts to expand sales and reduce production costs.

We have revised the forecast of consolidated financial results for the year ending March 31, 2016, which was announced on August 11, 2015, based on the current movement in performance.

2. Summary (Other) Information

(1) Changes in Significant Consolidated Subsidiaries

N/A

(2) Accounting Treatments Simplified or Unique for Preparation

N/A

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

(Change in Accounting Policies)

Application of the Accounting Standard for Business Combinations and related accounting standards

The Company has applied the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, September 13, 2013; hereinafter the "Accounting Standard for Business Combinations"), "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, September 13, 2013; hereinafter the "Accounting Standard for Consolidated Financial Statements"), and "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, September 13, 2013; hereinafter the "Accounting Standard for Business Divestitures"), etc., effective from the first quarter under review. As a result, the method of recording the amount of difference caused by changes in the Company's ownership interests in subsidiaries in the case of subsidiaries under ongoing control of the Company was changed to one in which it is recorded as capital surplus, and the method of recording acquisition-related costs was changed to one in which they are recognized as expenses for the fiscal year in which they are incurred.

Furthermore, for business combinations carried out on or after the beginning of the first quarter under review, the accounting method was changed to one in which the reviewed acquisition cost allocation resulting from the finalization of the tentative accounting treatment is reflected in the quarterly consolidated financial statements for the quarterly period in which the business combination occurs.

In addition, a change in the presentation of quarterly net income, etc. and a change in the presentation of the minority interests to non-controlling interests were adopted. In order to reflect these changes in presentation, the quarterly consolidated financial statements for the first quarter of the previous fiscal year and the consolidated financial statements for the previous fiscal year were reclassified.

For the quarterly consolidated cash flow, cash flow related to acquisition or sales of shares of a subsidiary within the scope of changes are classified into net cash provided by investing activities, and cash flow related to purchase cost of shares of subsidiaries resulting in change in scope of consolidation or purchases or sales cost of shares of subsidiary within the scope of changes are classified into net cash provided by operating activities.

The application of the Accounting Standard for Business Combinations and related accounting standards is subject to the transitional treatment provided for in Paragraph 58-2 (4) of the Accounting Standard for Business Combinations, Paragraph 44-5 (4) of the Accounting Standard for Consolidated Financial Statements, and Paragraph 57-4 (4) of the Accounting Standard for Business Divestitures. Accordingly, these standards have been applied prospectively from the beginning of the first quarter under review.

As a result, capital surplus decreased 635 million yen and retained earnings decreased 148 million in the current quarterly period under review. In addition, consolidated operating income, consolidated ordinary income and consolidated income before income taxes increased 18 million yen, respectively.

3. Consolidated Financial Statements

(1) [Quarterly Consolidated Balance Sheets]

(Millions of yen)

	As of March 31, 2015	As of September 30, 2015
Assets		
Current Assets		
Cash and deposits	112,871	104,861
Notes and accounts receivable-trade	114,477	112,269
Merchandise and finished goods	67,412	69,090
Work in process	12,149	12,684
Raw materials and supplies	22,913	26,016
Deferred tax assets	6,963	6,702
Other	16,341	21,172
Allowance for doubtful accounts	(2,783)	(907)
Total current assets	350,346	351,891
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	174,138	178,345
Accumulated depreciation and impairment loss	(81,157)	(84,157)
Buildings and structures, net	92,980	94,188
Machinery, equipment and vehicles	212,911	222,434
Accumulated depreciation and impairment loss	(150,454)	(155,883)
Machinery equipment and vehicles, net	62,457	66,550
Land	22,027	21,876
Lease assets	3,058	2,944
Accumulated depreciation	(1,957)	(1,992)
Lease assets, net	1,100	952
Construction in progress	31,242	32,259
Other	42,619	44,935
Accumulated depreciation and impairment loss	(32,232)	(33,594)
Other, net	10,387	11,340
Total property, plant and equipment	220,195	227,167
Intangible assets		
Goodwill	26,364	25,637
Lease assets	1,625	2,638
Other	16,379	15,642
Total intangible assets	44,369	43,918
Investments and other assets		
Investment securities	64,076	61,656
Net defined benefit asset	140	453
Deferred tax assets	7,899	7,359
Other	11,901	22,439
Allowance for doubtful accounts	(3,622)	(5,966)
Total investments and other assets	80,395	85,942
Total noncurrent assets	344,960	357,029
Total assets	695,306	708,921

(Millions of yen)

	As of March 31, 2013	As of September 30, 2015
Liabilities		
Current liabilities		
Notes and accounts payable-trade	51,750	55,985
Short-term loans payable	136,359	157,102
Commercial papers	10,000	1,000
Current portion of bonds	27,840	28,465
Lease obligations	828	1,108
Accounts payable-other	11,679	7,969
Accrued directors' bounuses	436	—
Income taxes payable	3,934	5,540
Provision for bounuses	3,621	5,011
Provision for directors' bounuses	123	267
Notes payable - facilities	2,641	5,768
Other	29,184	24,667
Total current liabilities	278,401	301,885
Noncurrent liabilities		
Bonds payable	20,592	18,910
Long-term loans payable	205,621	197,326
Lease obligations	3,127	3,733
Deferred tax liabilities	2,162	1,809
Net defined benefit liability	3,841	4,075
Provision for directors' retirement benefits	524	530
Provision for loss on litigation	11	10
Other	2,214	2,255
Total noncurrent liabilities	238,095	228,651
Total liabilities	516,496	530,536
Net assets		
Shareholders' equity		
Capital stock	84,397	84,397
Capital surplus	635	—
Retained earnings	58,885	61,891
Treasury stock	(1,686)	(1,588)
Total shareholders' equity	142,231	144,701
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(2,311)	(2,294)
Deferred gains or losses on hedges	39	35
Foreign currency translation adjustment	27,870	25,548
Remeasurements of defined benefit plans	(170)	(122)
Total accumulated other comprehensive income	25,427	23,166
Non-controlling interests	11,150	10,561
Total net assets	178,810	178,385
Total liabilities and net assets	695,306	708,921

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

(Amount: million yen)

	FY2014 first six months (From April 1, 2015 to September 30, 2015)	FY2015 first six months (From April 1, 2015 to September 30, 2015)
Net sales	154,501	179,530
Cost of sales	107,832	123,116
Gross profit	46,668	56,413
Selling, general and administrative expenses	38,728	44,762
Operating income	7,939	11,651
Non-operating income		
Interest income	362	410
Dividends income	829	753
Foreign exchange gain	1,940	—
Reversal of allowance for doubtful accounts	—	363
Other	1,012	663
Total non-operating income	4,144	2,191
Non-operating expenses		
Interest expenses	2,027	2,119
Equity in losses of affiliates	80	95
Foreign exchange losses	—	364
Other	1,356	1,122
Total non-operating expenses	3,465	3,702
Ordinary income	8,618	10,140
Extraordinary income		
Gain on sales of noncurrent assets	27	270
Gain on sales of investment securities	3,402	—
Compensation income	33	120
Other	20	50
Total extraordinary income	3,483	441
Extraordinary loss		
Loss on retirement of noncurrent assets	38	48
Loss on valuation of investment securities	0	80
Loss on sales of investment securities	1,233	289
Reversal of allowance for doubtful accounts	—	824
Other	33	90
Total extraordinary losses	1,305	1,333
Income before income taxes	10,796	9,248
Income taxes-current	4,119	4,814
Income taxes-deferred	1,032	(1,302)
Total income taxes	5,152	3,511
Net income	5,644	5,736
Net income attributable to non-controlling interests	174	90
Net income attributable to owners of parent	5,470	5,646

[Quarterly Consolidated Statements of Comprehensive Income]

(Amount: million yen)

	FY2014 first six months (From April 1, 2015 to September 30, 2015)	FY2015 first six months (From April 1, 2015 to September 30, 2015)
Income before minority interests	5,644	5,736
Other comprehensive income		
Valuation difference on available-for-sale securities	(654)	17
Deferred gains or losses on hedges	(84)	(3)
Foreign currency translation adjustment	(5,166)	(2,266)
Remeasurements of defined benefit plans	50	48
Share of other comprehensive income of entities accounted for using equity method	—	13
Total other comprehensive income	(5,854)	(2,191)
Comprehensive income	(209)	3,545
Comprehensive income attributable to owners of the parent	(18)	3,385
Comprehensive income attributable to minority interests	(190)	160

(3) [Quarterly Consolidated Statements of Cash Flows]

(Amount: million yen)

	FY2014 first six months (From April 1, 2014 to September 30, 2014)	FY2015 first six months (From April 1, 2015 to September 30, 2015)
Net cash provided by (used in) operating activities		
Income before income taxes	10,796	9,248
Depreciation and amortization	12,835	14,381
Impairment loss	12	0
Amortization of goodwill	2,598	2,084
Share of (profit) loss of entities accounted for using equity method	80	95
Increase (decrease) in allowance for doubtful accounts	102	377
Increase (decrease) in net defined benefit liability	114	352
Interest and dividends income	(1,191)	(1,164)
Interest expenses	2,027	2,119
Foreign exchange losses (gains)	(697)	(877)
Loss (gain) on sales of investment securities	(2,169)	289
Decrease (increase) in notes and accounts receivable-trade	(3,004)	(1,699)
Decrease (increase) in inventories	(3,954)	(2,680)
Increase (decrease) in notes and accounts payable-trade	3,110	4,045
Decrease (increase) in other assets	(3,456)	(8,000)
Increase (decrease) in other liabilities	(3,684)	(6,385)
Other loss (gain)	(254)	(111)
Subtotal	13,267	12,072
Interest and dividends income received	1,131	1,163
Interest expenses paid	(2,048)	(2,128)
Other proceeds	140	169
Other payments	(145)	(210)
Income taxes paid	(9,868)	(1,760)
Net cash provided by (use in) operating activities	2,476	9,307
Net cash provided by (used in) investing activities		
Payments into time deposits	(8,706)	(6,094)
Proceeds from withdrawal of time deposits	7,788	6,479
Purchase of investment securities	(1,484)	(200)
Proceeds from sales of investment securities	6,227	617
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	(751)	—
Purchase of noncurrent assets	(18,371)	(18,895)
Proceeds from sales of noncurrent assets	2,094	437
Payments for retirement of noncurrent assets	(9)	(13)
Net decrease (increase) in short-term loans receivable	(14)	(2,530)
Payments of loans receivable	(146)	(1,625)
Collection of loans receivable	82	1,607
Other payments	—	(7,270)
Other proceeds	16	36
Net cash provided by (use in) investment activities	(13,275)	(27,452)

(Amount: million yen)

	FY2014 first six months (From April 1, 2014 to September 30, 2014)	FY2015 first six months (From April 1, 2015 to September 30, 2015)
Net cash provided by (use in) financial activities		
Net increase (decrease) in short-term loans payable	3,962	1,082
Proceeds from long-term loans payable	55,539	37,035
Repayment of long-term loans payable	(28,155)	(25,270)
Redemption of bonds	(3,867)	(1,057)
Proceeds from sales of treasury shares	108	99
Proceeds from sales and leasebacks	—	1,317
Repayments of finance lease obligations	(634)	(566)
Cash dividends paid	(2,204)	(2,468)
Cash dividends paid to minority shareholders	(20)	(22)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	(1,113)
Other payments	(0)	(0)
Net cash provided by (use in) financing activities	24,727	9,035
Effect of exchange rate change on cash and cash equivalents	(103)	513
Net increase (decrease) in cash and cash equivalents	13,824	(8,596)
Cash and cash equivalents at beginning of period	70,892	98,199
Increase in cash and cash equivalents from newly consolidated subsidiary	655	773
Cash and cash equivalents at end of period	85,372	90,376

(3) Notes Regarding Consolidated Financial Statement

(Notes regarding going concern)

N/A

(Notes regarding significant changes in the amount of shareholders' equity)

Effective from the first quarter under review, the Company has applied the "Accounting Standard for Business Combinations and related accounting standards". Please refer to "Change in Accounting Policies" about the impact of this change.

(Segment Information)

I FY2014 (From April 1, 2014 to September 30, 2014)

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- Related	Pharmaceutical- Related	Glass- Related	Total				
Net sales								
(1)Sales to third parties	112,538	27,775	14,124	154,437	63	154,501	—	154,501
(2)Inter-segment sales and transfers	788	4,100	322	5,211	17	5,229	(5,229)	—
Total	113,326	31,875	14,447	156,649	80	159,730	(5,229)	154,501
Segment profit	11,154	4,860	(1,603)	14,411	76	14,488	(6,548)	7,939

(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 (6,548) million yen includes elimination of inter-segment transaction of (1,232) million yen and corporate cost of (5,316) 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 FY2014 (From April 1, 2015 to September 30, 2015)

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- Related	Pharmaceutical- Related	Glass- Related	Total				
Net sales								
(1)Sales to third parties	132,547	30,393	16,573	179,514	16	179,530	-	179,530
(2)Inter-segment sales and transfers	972	4,205	451	5,629	17	5,647	(5,647)	-
Total	133,520	34,598	17,024	185,144	34	185,178	(5,647)	179,530
Segment profit	14,446	5,449	(997)	18,898	33	18,932	(7,280)	11,651

(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 (7,280) million yen includes elimination of inter-segment transaction of (604) million yen and corporate cost of (6,676) 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. Changes in Reportable Segments

Effective from the first quarter under review, the method of recording the amount of difference caused by changes in the Company's ownership interests in subsidiaries in the case of subsidiaries under ongoing control of the Company was changed to one in which it is recorded as capital surplus, and the method of recording acquisition-related costs was changed to one in which they are recognized as expenses for the fiscal year in which they are incurred.

As a result, the amount of segment profit in Glass-Related business in the current quarter under review increased 18 million yen compared to the conventional method.

3. Information on Impairment Loss on Fixed Assets and on Goodwill by Reportable Segment

N/A