

**Financial Result
of 1st Quarter
Fiscal Year Ending Mar 2017**

 **KAWASUMI LABORATORIES, INC.**

August 18th 2016

1st Quarter Business Result

Consolidated

Unit: Billion YEN

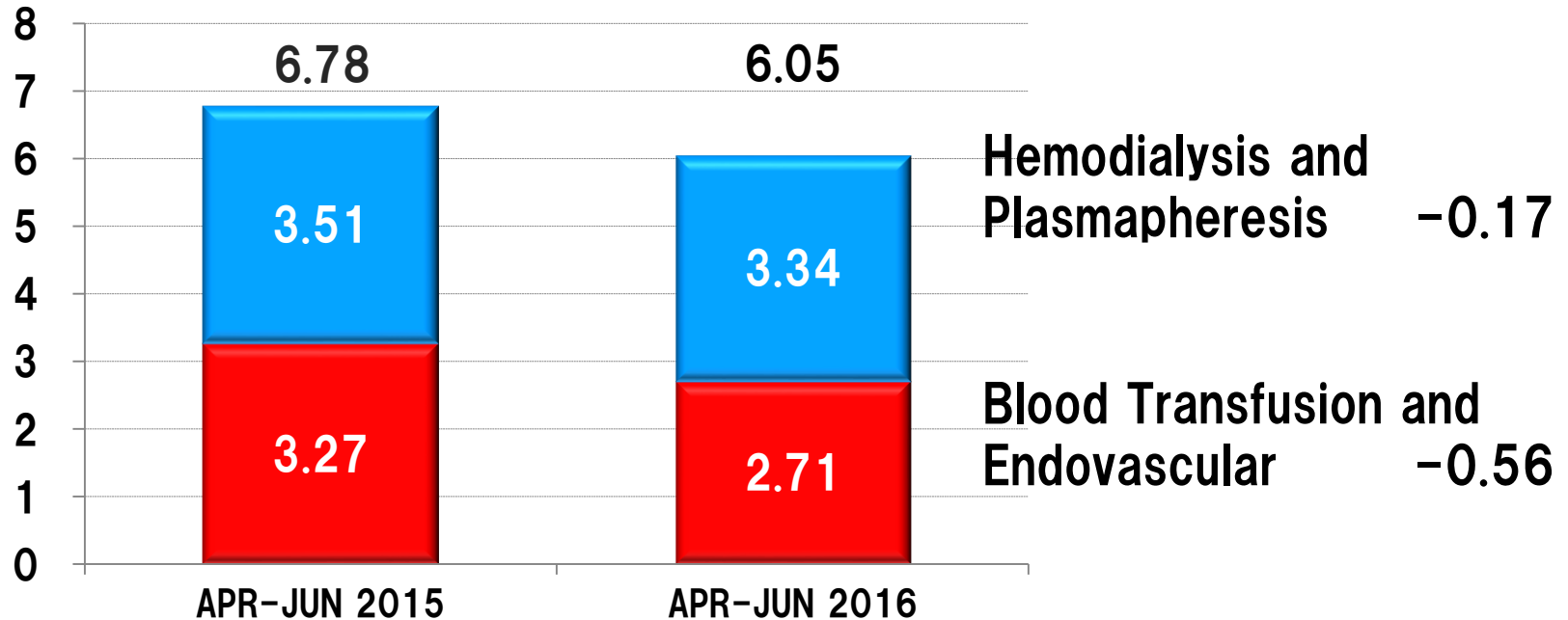
	Q1 APR-JUN 2015	Q1 APR-JUN 2016	Increase / Decrease	Ratio
Net Sales	6.78	6.05	-0.73	-10.8%
Gross profit	2.33	2.25	-0.08	-3.6%
Operating income	0.37	0.31	-0.06	-15.3%
Ordinary income	0.47	0.17	-0.30	-63.4%
Net income	0.35	0.39	+0.50	+14.2%

Exchange rate	Q1 APR-JUN 2015	Q1 APR-JUN 2016
US\$	121.73	107.87
EUR	135.04	120.72
Baht	3.64	3.05

- Net Sales decreased 0.73 Billion Yen by exchange rate effect, stock adjustment at OEM customers and Blood bags sales for Japan market though Blood Tubing Lines for Japan market and Stent Graft sales increased.
- Gross profit decreased 0.08 Billion Yen by sales decrease while Thai Baht exchange rate and cost reduction activities helped reducing the manufacturing cost.

Net Sales (By Segment)

(Billion YEN)



【Blood Transfusion and Endovascular】

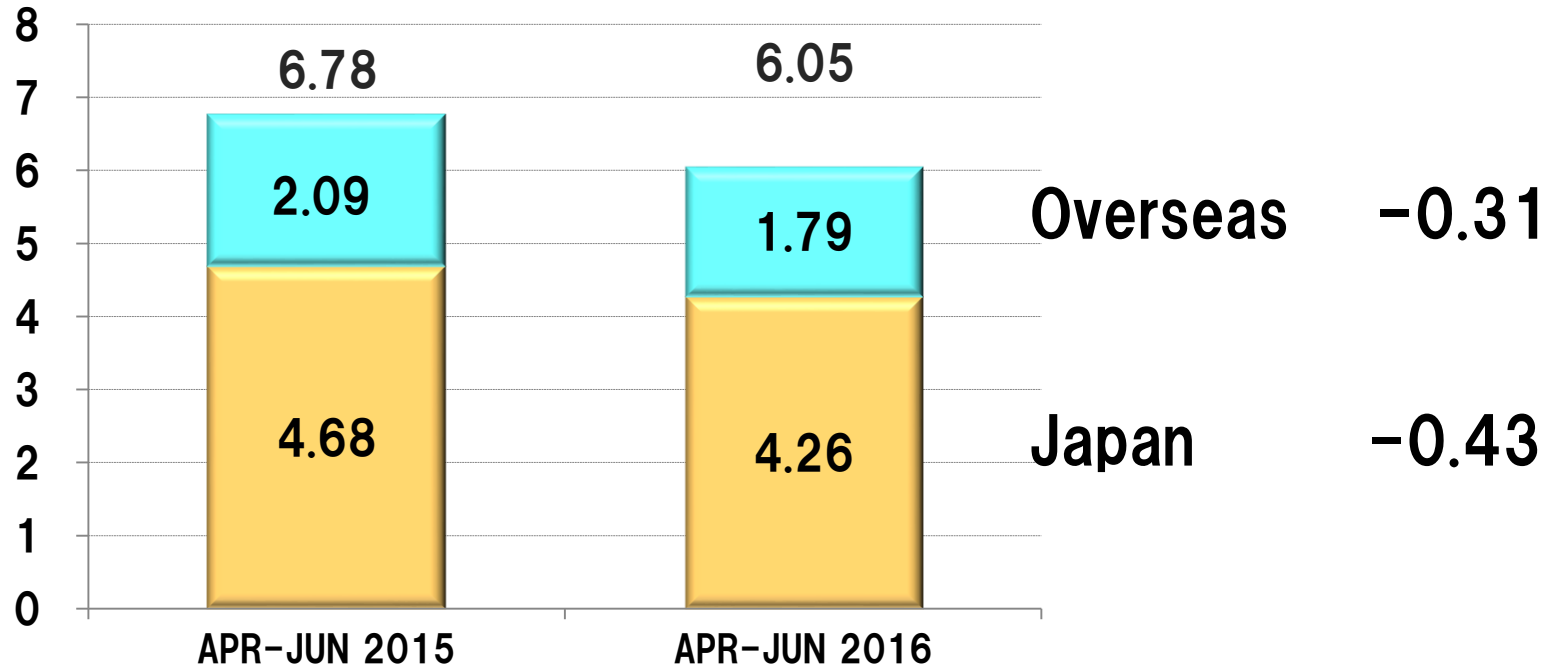
- Increase
ME machines, Stent Graft
- Decrease
Blood Bags (Japan)
IV-set (overseas OEM)
Apheresis kits

【Hemodialysis and Plasmapheresis】

- Increase
Blood Tubing Lines (Japan)
A.V. Fistula Needles,
- Decrease
Blood Tubing Lines (overseas)
Dialyzer

Net Sales (By Region)

(Billion YEN)



【Japan】

- Increase
Blood Tubing Lines,
Stent Graft
- Decrease
Blood Bags, Apheresis kits
Dialyzer

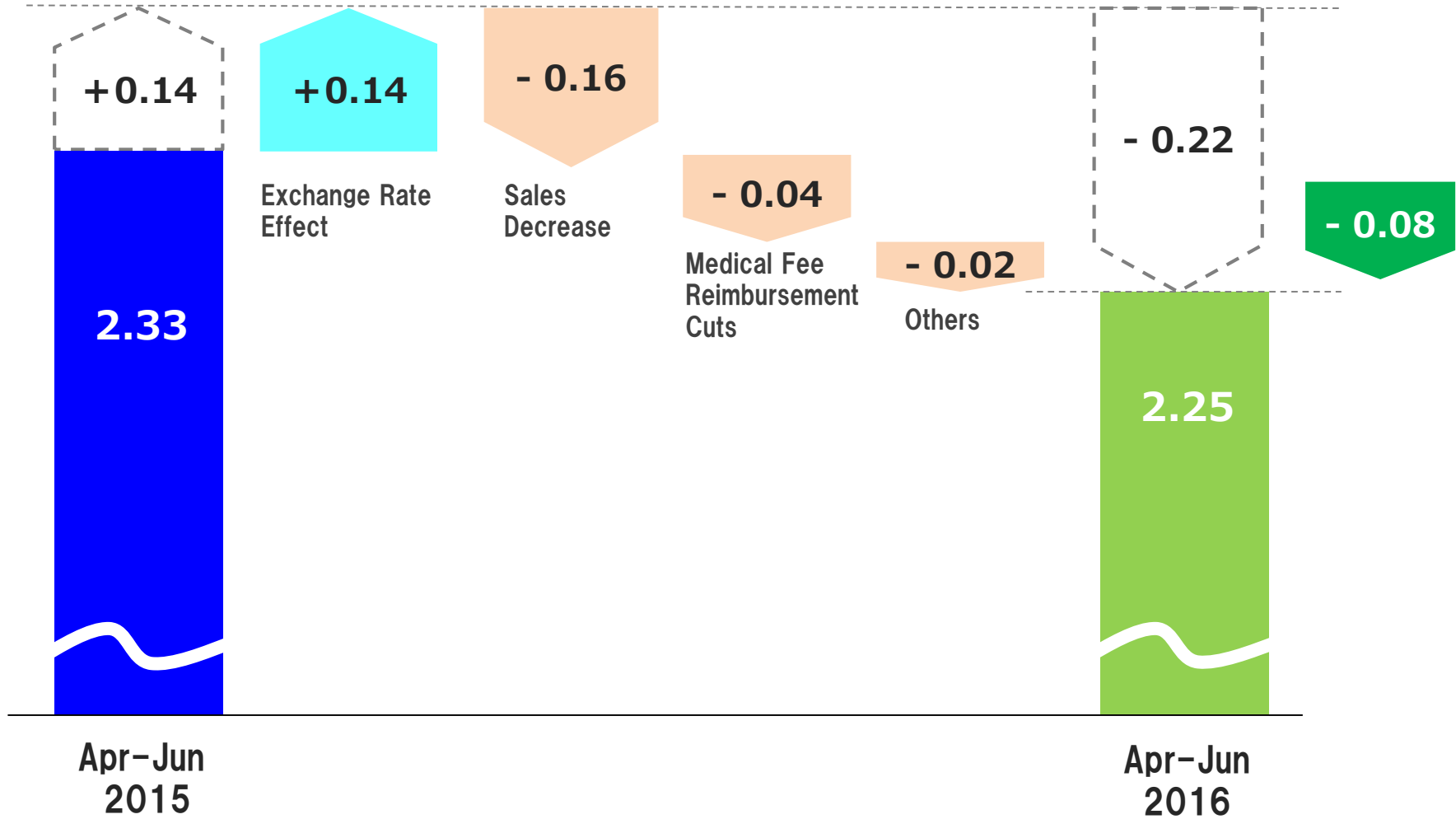
【Overseas】

- Increase
ME machines, Blood Bags,
A.V. Fistula Needles
- Decrease
Blood Tubing Lines, Dialyzer
IV-set (OEM)

FYE Mar 2017

Gross Profit Variance Analysis

(Billion YEN)



SG&A Expenses

Consolidated

Unit: Billion YEN

	Q1 APR-JUN 2015	Q1 APR-JUN 2016	Increase / Decrease
Salaries & Wages	0.74	0.80	+0.06
Logistical costs	0.24	0.23	- 0.01
R&D Expenses	0.16	0.19	+ 0.03
Others	0.82	0.72	- 0.10
Total	1.96	1.94	- 0.03

- R&D expenses increased due to the number of personnel increased to strengthen R&D.
- Others decreased since there was no occurrence of the cost for relocation of production which we had in the previous year at the subsidiary in Thailand, and by efficiency improvement of sales activities.



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