

**Financial Result of
Fiscal Year Ending Mar
2017**

 **KAWASUMI LABORATORIES, INC.**

May 11th 2017

Contents

Financial Result of FYE Mar 2017

Business Plan of FYE Mar 2018

FYE Mar 2017

Financial Result

Consolidated

Unit: Billion YEN

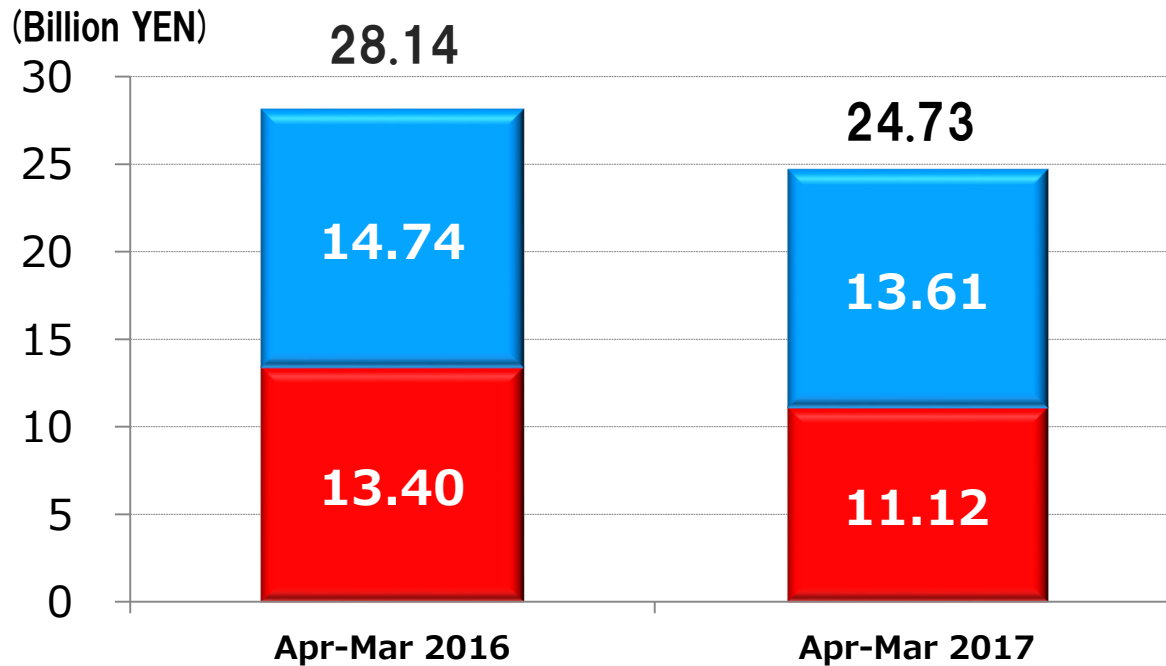
	FYE Mar 2016	FYE Mar 2017	Increase / Decrease	Ratio
Net Sales	28.14	24.73	-3.41	-12.1%
Gross profit	10.13	8.86	-1.27	-12.5%
Operating income	2.13	0.92	-1.21	-56.7%
Ordinary income	2.18	1.02	-1.16	-53.1%
Net income	1.17	1.12	-0.05	-4.4%

Exchange Rate	FYE Mar 2016	FYE Mar 2017
US\$	120.16	108.72
EUR	132.53	118.44
Baht	3.42	3.10

- Net sales drops by 3.41 Billion Yen compared to the same period in the last FY due to exchange rate effect and the decline of Blood Bag sales in Japan, reimbursement price and sales at OEM clients, although the domestic sales of Blood Tubing Lines increases in contrast.
- Gross Profit drops by 1.27 Billion Yen compared to the same period in the last FY due to the declines of Net sales.

FYE Mar 2017

Net Sales (By Segment)



Hemodialysis and Plasmapheresis	-1.13
Blood Transfusion and Endovascular	-2.28

【Blood Transfusion and Endovascular】

-Increase

Stent Graft

-Decrease

Blood Bags (Japan)

IV-set (Overseas OEM)

Apheresis Kit (OEM)

【Hemodialysis and Plasmapheresis】

-Increase

Blood Tubing Line (Japan)

-Decrease

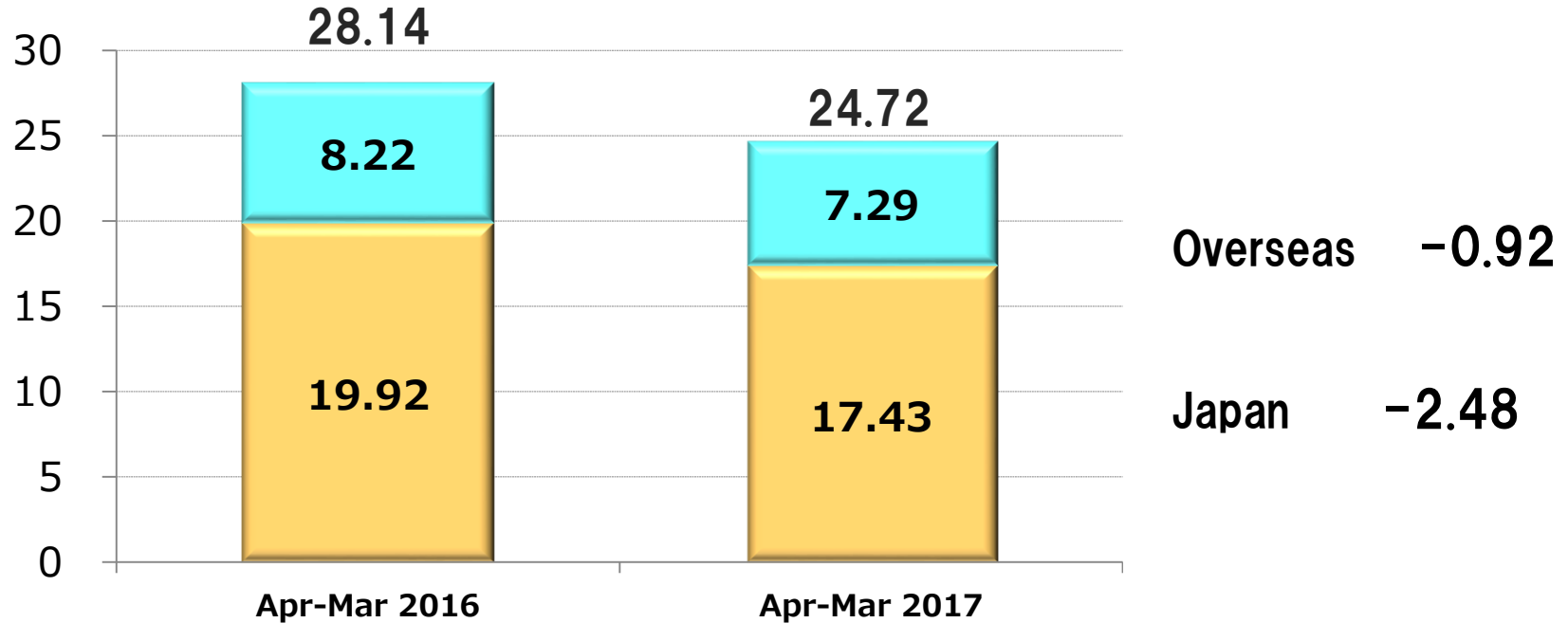
Dialyzer

Blood Tubing Line (Overseas)

FYE Mar 2017

Net Sales (By Region)

(Billion YEN)



【Japan】

- Increase
 - Blood Tubing Lines
 - Stent Graft
- Decrease
 - Blood Bags
 - Apheresis Kit (OEM)
 - Dialyzer

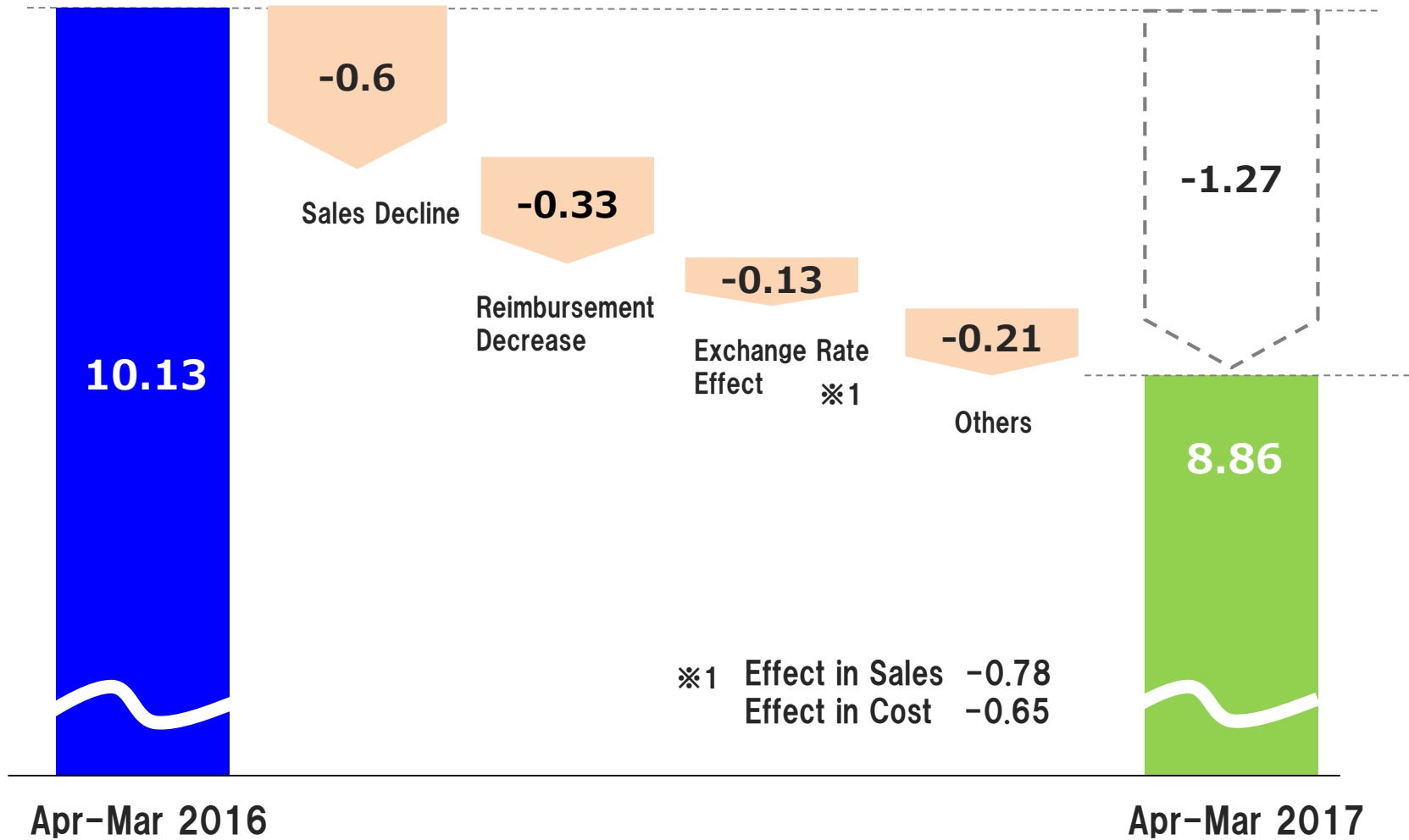
【Overseas】

- Increase
 - ME machines
- Decrease
 - Blood Tubing Line
 - Dialyzer
 - IV-set (OEM)

FYE Mar 2017

Gross Profit Variance Analysis

(Billion YEN)



FYE Mar 2017

SG&A Expenses

Consolidated

Unit: Billion YEN

	FYE Mar 2016	FYE Mar 2017	Increase / Decrease
Salaries & Wages	35.7	37.0	+1.3
Logistical costs	9.8	9.1	△0.7
Others	34.5	33.3	△1.2
Total	80.0	79.4	△0.6
R&D expenses out of Total	7.0	9.8	+2.8

- R&D expenses increased due to the increase in number of headcount and fee for outsourced testing as the part of enforcing R&D capability.
- Other expenses were compressed such as the expense reduction in sales activities, as well as the completion of transferring the manufacturing equipment in Thailand.

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金額:億円

	FYE Mar 2017	FYE Mar 2018	Increase / Decrease	Ratio
Net sales	24.73	25.00	+0.27	+1%
Operating income	0.92	0.60	-0.32	-35%
Ordinary income	1.02	0.65	-0.37	-36%
Net income	1.12	0.60	-0.52	-46%

Exchange Rate	FYE Mar 2017	FYE Mar 2018
US\$	108.72	110.0
EUR	118.44	120.0
Baht	3.10	3.15

- Net sales is expected to increase by 0.3 billion YEN as Blood Bags and A.V. Fistula Needle (overseas), Apheresis Kit (OEM) is gaining its selling quantity, although Saline Bags for Japan and Blood Tubing Line (overseas) may face the decrease in quantity.
- Operating income is expected to decrease by 0.3 billion YEN due to the increase of R&D expenses, all of which cannot be made up for by the cost reduction at both domestic/overseas manufacturing sites.

 **KAWASUMI LABORATORIES, INC.**

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