

Financial Result of 2nd Quarter

Fiscal Year Ending Mar. 2018

 **KAWASUMI LABORATORIES, INC.**

November 10th, 2017

FYE Mar. 2018

Financial Result

Consolidated

Unit: Million YEN

	FYE Mar. 2017 Q2	FYE Mar. 2018 Q2	Variance	Ratio
Net sales	12,287	12,567	+280	+2.3%
Gross profit	4,462	4,353	-108	-2.4%
Operating income	571	342	-228	-40.0%
Ordinary income	467	444	-23	-5.0%
Net income	636	313	-322	-50.7%

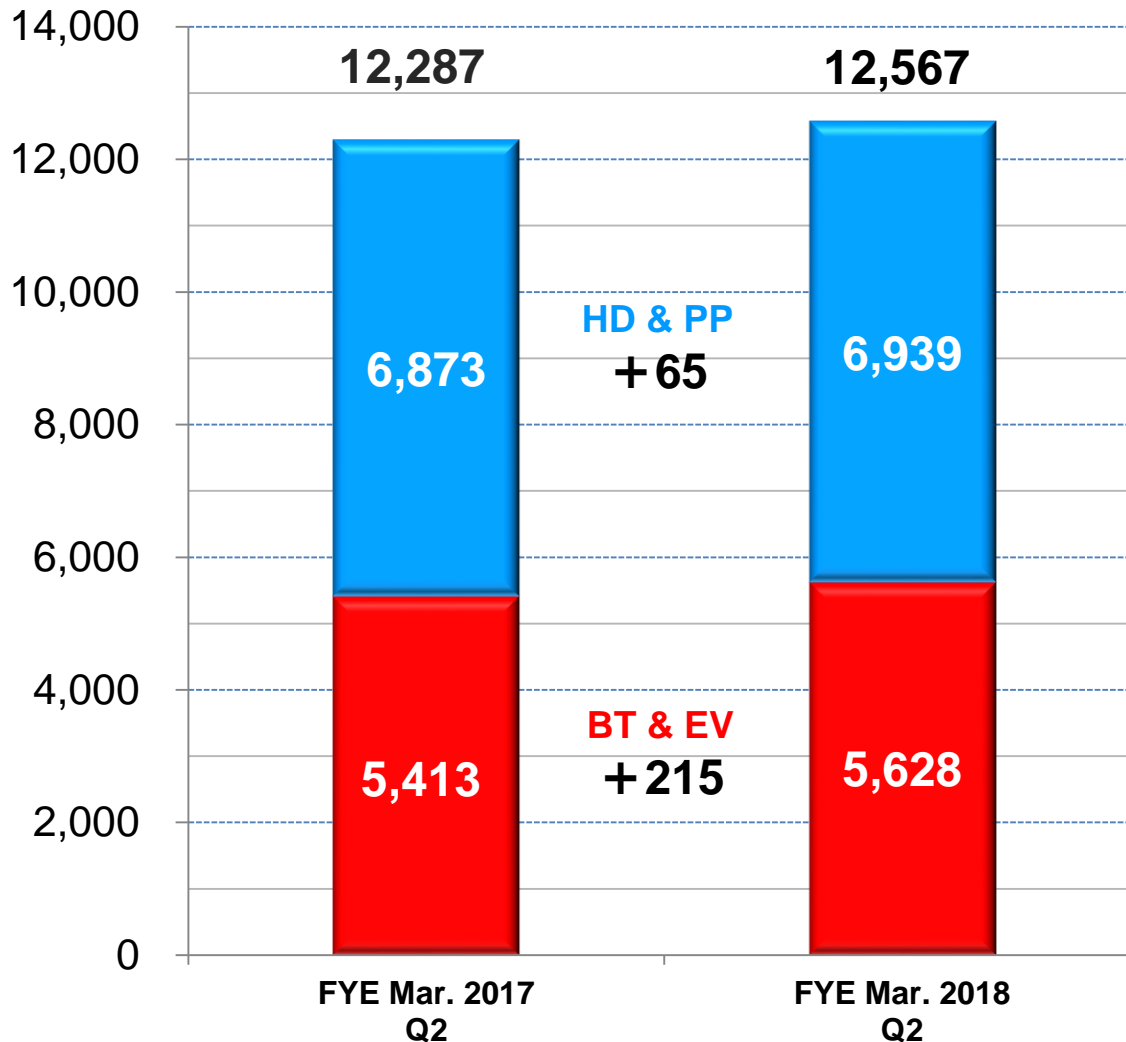
Exchange rate	FYE Mar. 2017 Q2	FYE Mar. 2018 Q2
US\$	105.39	111.29
EUR	117.89	125.78
Baht	3.01	3.30

- Net sales is 280 Million Yen more than the last Q2. The sales of Blood Bag, Blood Tubing Line, Winged Blood Collecting Kit contributed to it.
- Gross Profit declines by 108 Million Yen due to the cost rise influenced mainly by the exchange rate.
- Operating income declines by 228 Million Yen because the S&GA expenses surpass, especially for R&D.
- Net income is 322 Million Yen less than the last Q2. This variance comes from the reversal of past income taxes in Thailand we had last year.

FYE Mar. 2018

Net Sales (By Segment)

(Million YEN)



【Hemodialysis & Plasmapheresis】

【Increase】

Blood Tubing Line (Japan)
A.V. Fistula Needle

【Decrease】

Saline Bag

【Blood Transfusion & Endovascular】

【Increase】

Winged Blood Collecting Kit
Blood Bag

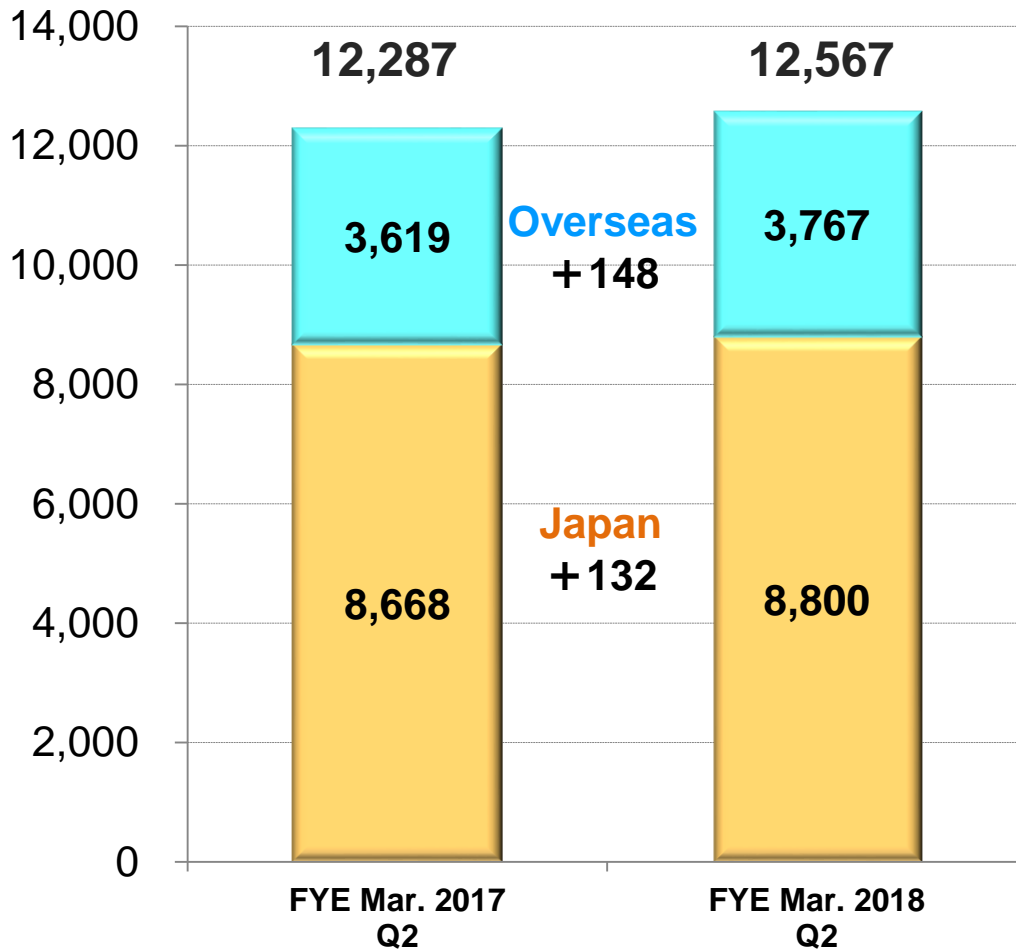
【Decrease】

Platelet Storage Bag
Blood Collecting Machine

FYE Mar. 2018

Net Sales (By Region)

(Million YEN)



【Overseas】

【Increase】

Blood Bag

Winged Blood Collecting Kit

【Decrease】

Blood Collecting Machine

【Japan】

【Increase】

Blood Tubing Line

Blood Bag

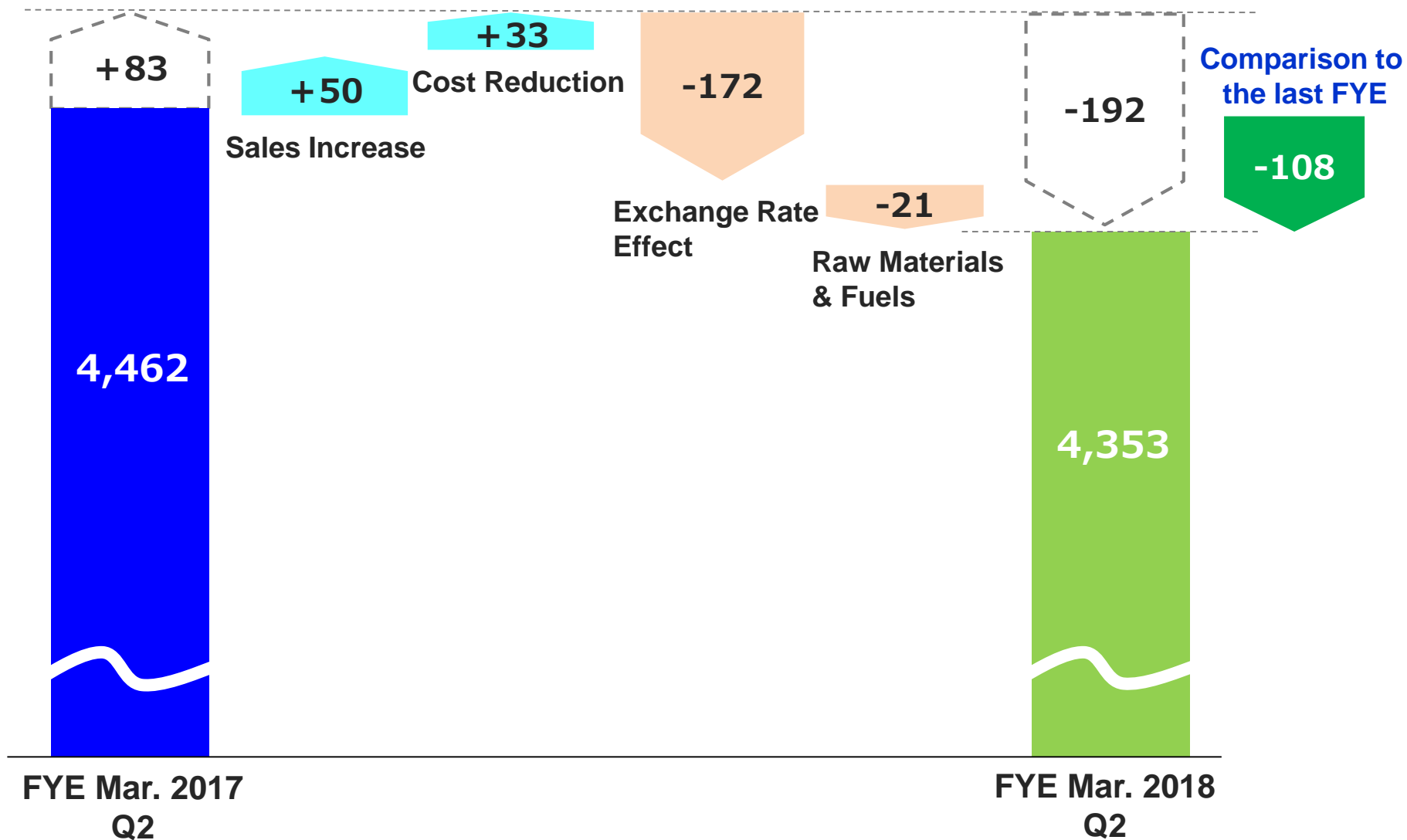
【Decrease】

Saline Bag

Gross Profit Variance Analysis

<Comparison to the last FYE>

(Unit: Million YEN)



FYE Mar. 2018

SG&A Expenses

Consolidated

Unit: Million YEN

	FYE Mar. 2017 Q2	FYE Mar. 2018 Q2	Variance
Salaries & Wages	1,885	1,753	-131
Logistical Costs	457	453	-4
Others	1,549	1,805	+ 256
Total	3,891	4,011	+ 120
R&D Expenses out of Total	419	489	+ 70

- Salaries & Wages declines because of the dismissal of a corporate pension fund.
- The variance in Others comes mainly from the increase of R&D expenses.

 **KAWASUMI LABORATORIES, INC.**

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