

Financial Result of 1st Quarter

Fiscal Year Ending Mar. 2019

 **KAWASUMI LABORATORIES, INC.**

August 10th, 2018

Consolidated

Unit: Million YEN

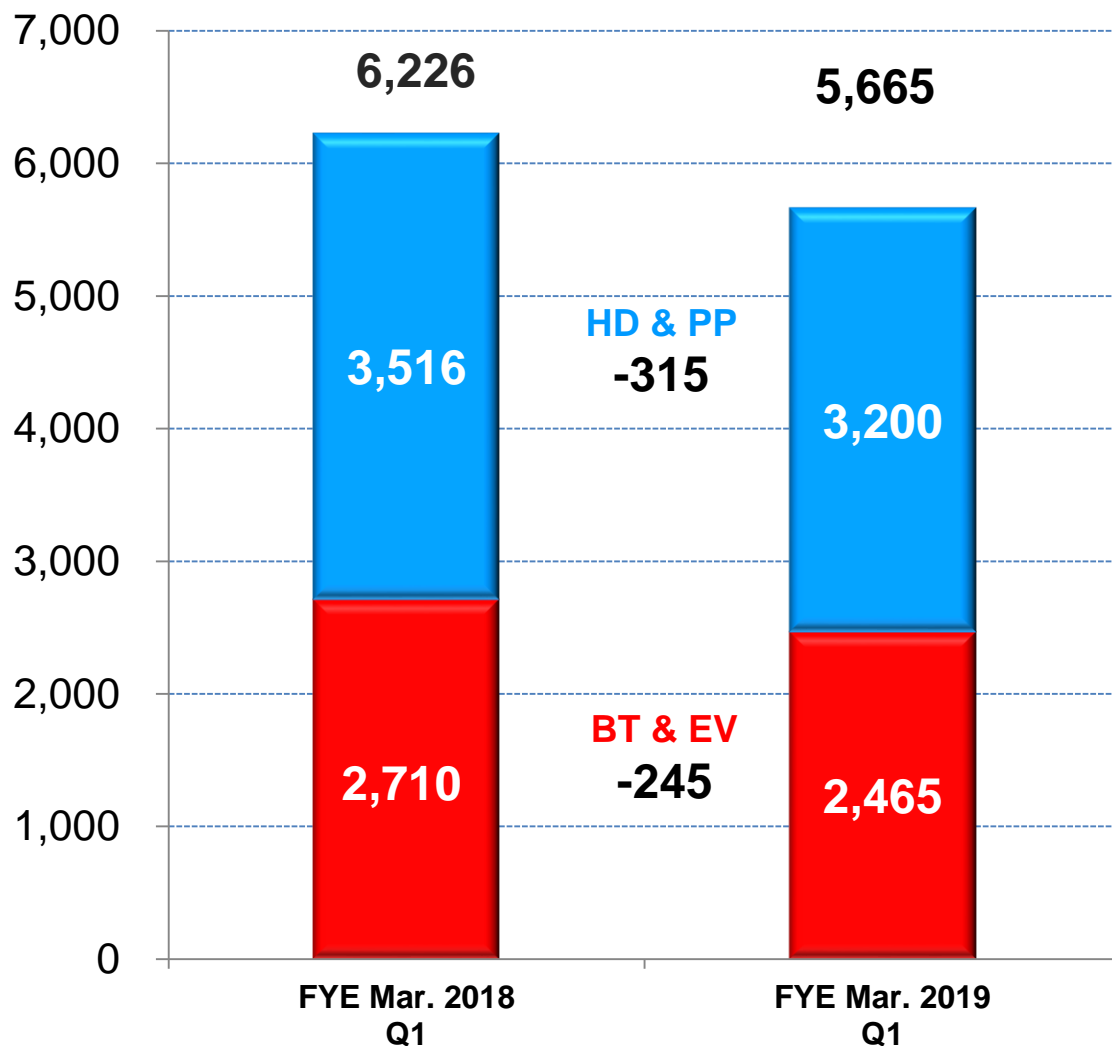
	FYE Mar. 2018 Q1	FYE Mar. 2019 Q1	Variance	Ratio
Net sales	6,226	5,665	-560	-9.0%
Gross profit	2,166	1,839	-327	-15.1%
Operating profit / loss	178	-30	-208	—
Ordinary profit	251	56	-194	-77.4%
Profit attributable to owners of parent	190	6	-183	-96.5%

Exchange rate	FYE Mar. 2018 Q1	FYE Mar. 2019 Q1
US\$	111.42	109.53
EUR	121.23	130.05
Baht	3.25	3.39

- Net sales became 560 Million Yen less due to reformation of Hemodialysis and Plasmapheresis business and the sales decrease of Blood bags for Japan market and Saline Bag.
- Gross profit became 327 Million Yen less due to worsened ratio of manufacturing cost influenced mainly by exchange rate.
- Operating loss became 30 Million Yen by SG&A expenses decrease.
- Profit attributable to owners of parent became 183 Million Yen less.

Net Sales (By Segment)

(Million YEN)



【Hemodialysis & Plasmapheresis】

【Increase】

Plasmapheresis Filter
CTA dialyzer

【Decrease】

Dialyzer (Japan)
A.V. Fistula Needle
Saline Bag

【Blood Transfusion & Endovascular】

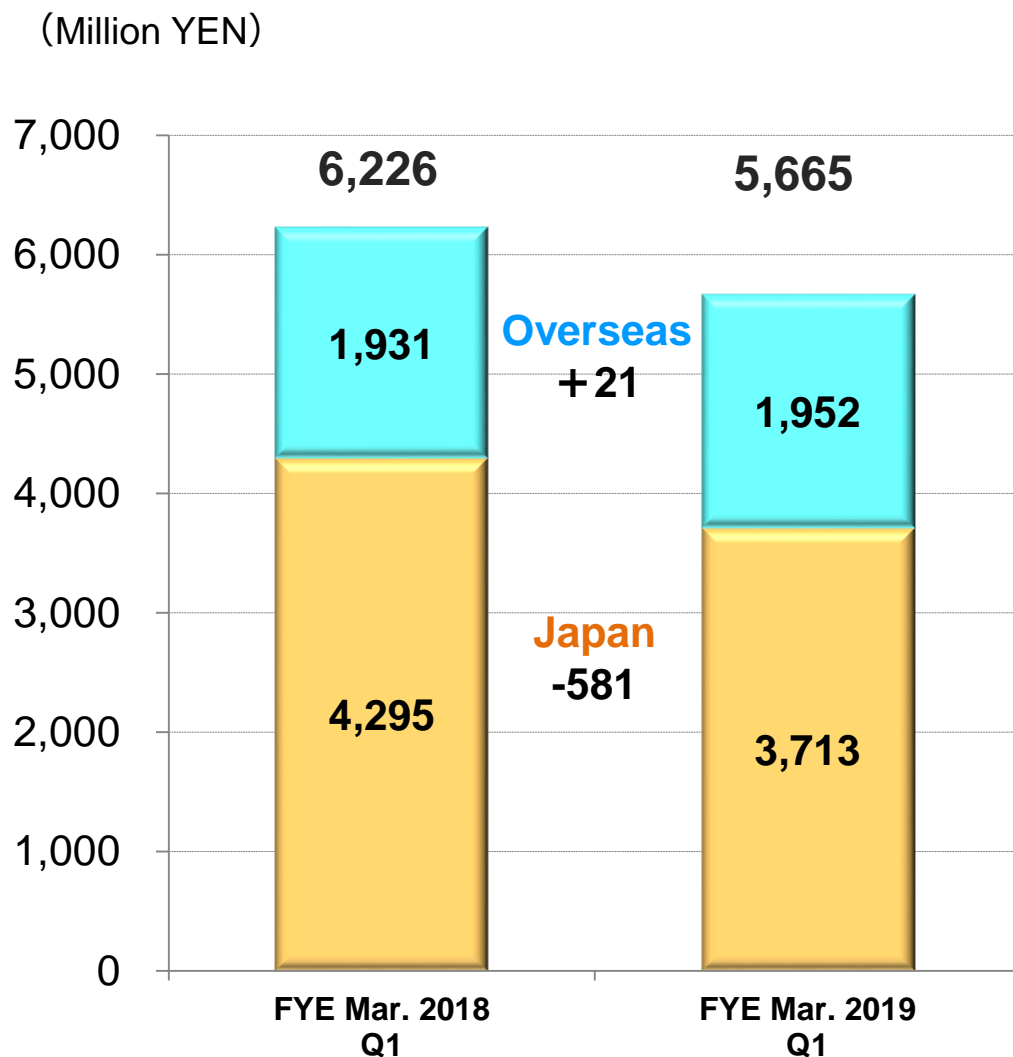
【Increase】

Infusion Therapy products (overseas)

【Decrease】

Blood Bag (Japan)
Apheresis Kit (OEM)
IV-set (OEM)

Net Sales (By Region)



【Overseas】

【Increase】

- CTA dialyzer
- Plasmapheresis Filter
- Infusion Therapy products

【Decrease】

- A.V. Fistula Needle
- IV-set (OEM)

【Japan】

【Increase】

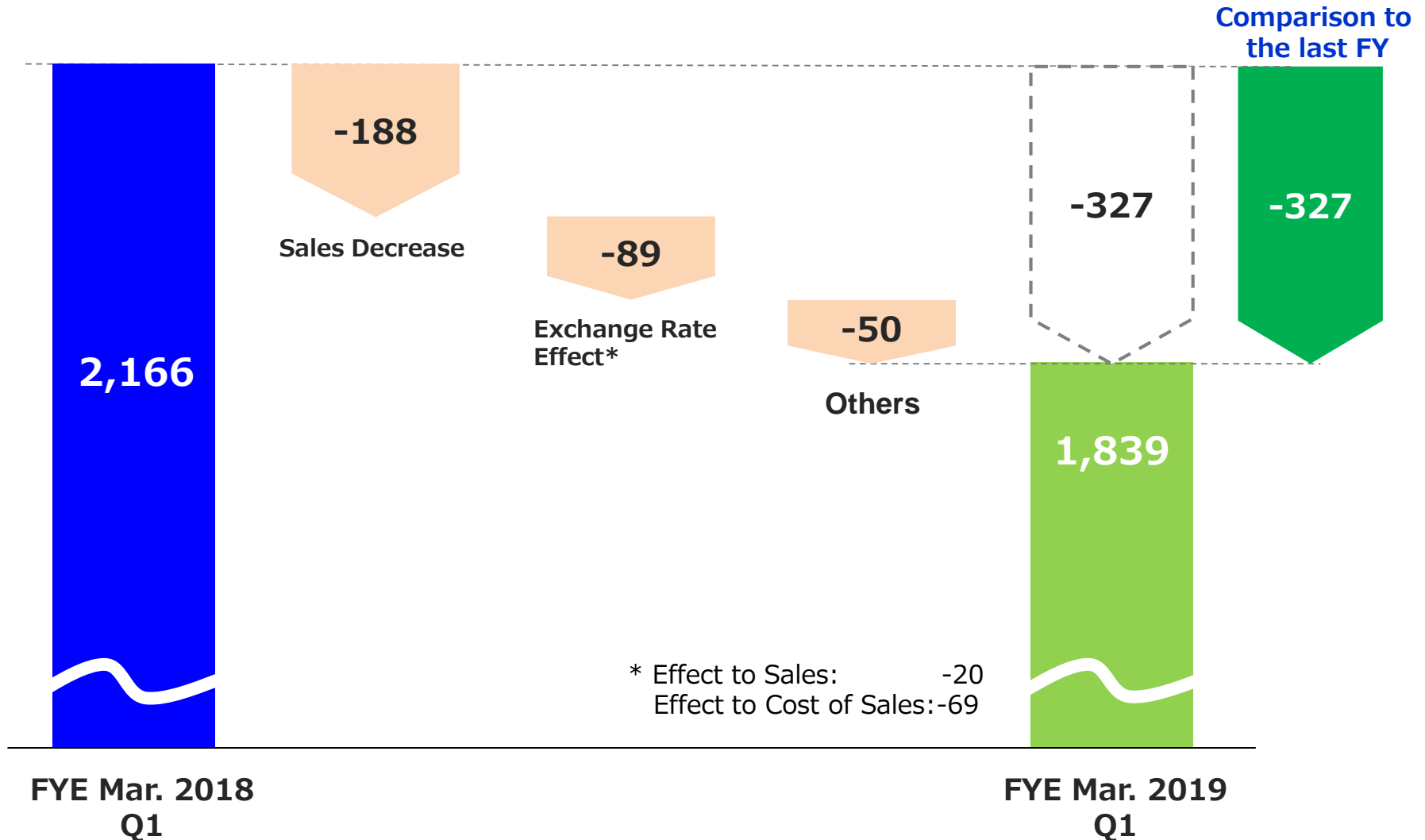
- Plasmapheresis Filter

【Decrease】

- Dialyzer(Japan)
- Blood Bag
- Saline Bag
- Apheresis Kit (OEM)

<Comparison to the last FY>

(Unit: Million YEN)



SG&A Expenses

Consolidated

Unit: Million YEN

	FYE Mar. 2018 Q1	FYE Mar. 2019 Q1	Valiance
Salaries & Wages	869	851	-18
Logistical Costs	225	210	-15
Others	894	809	-85
Total	1,988	1,870	-118
R&D Expenses out of Total	243	255	+ 12

Comparing to the result in the same period of last year,

- Logistical costs decreased with the net sales decrease and improvement of transport efficiency.
- R&D expenses raised mainly because of clinical trial of adhesion barrier.
- Other decreasing expenses largely consist of sales promotion cost reduction and improvement of productivity based on restructuring plan.

The logo for KAWASUMI LABORATORIES, INC., featuring a stylized blue 'K' inside a circle, followed by the text 'KAWASUMI LABORATORIES, INC.' in a bold, blue, sans-serif font.

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