

Financial Result of 1st Quarter

Fiscal Year Ending Mar. 2020

 **KAWASUMI LABORATORIES, INC.**

Aug 9th, 2019

Consolidated

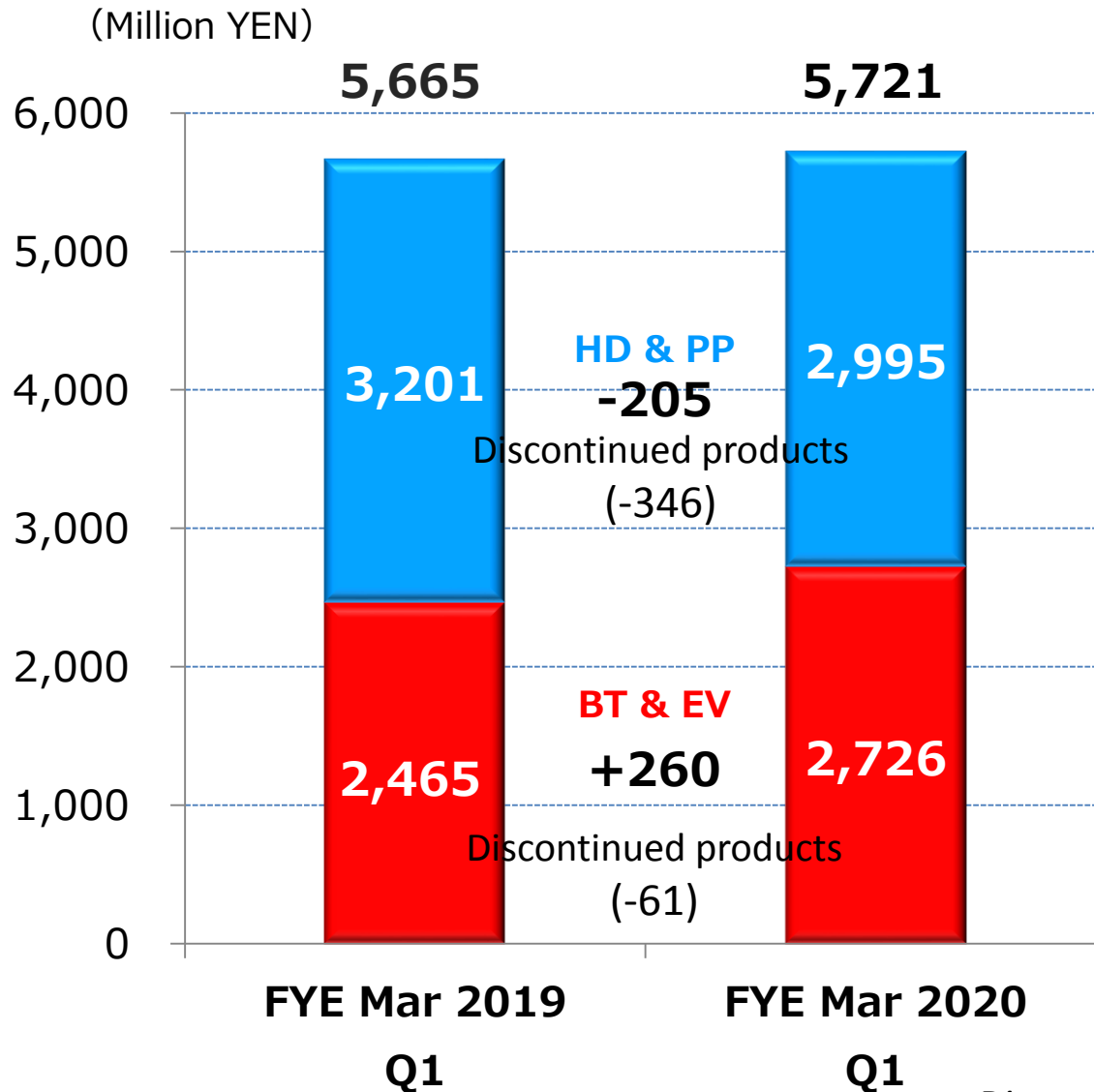
Unit: Million YEN

	FYE Mar. 2019 Q1	FYE Mar. 2020 Q1	Variance	Ratio
Net sales	5,665	5,721	55	1.0%
Gross profit	1,839	1,990	150	8.2%
Operating income	-30	343	373	-
Ordinary income	56	345	288	507.3%
Net income attributable to owners of parent	6	175	169	-

Exchange rate	FYE Mar. 2019 Q1	FYE Mar. 2020 Q1
US\$	109.53	109.67
EUR	130.05	123.21
Baht	3.39	3.47

- **Net sales:** increase due to the sales growth of Blood Bag and Plasmapheresis Filter despite there was effect caused by discontinued sales of unprofitable products.
- **Gross profit:** increase because of the gross profit rate improvement resulted from business restructuring and cost reduction activities.
- **Operating profit:** increase due to the decrease of labor costs (business restructuring).
- **Net income attributable to owners of parent:** increase because of business restructuring despite the cost of restructuring is recorded at the same time.

Net Sales (By Segment)



【Hemodialysis & Plasmapheresis】

【Increase】

Plasmapheresis Filter (OEM)

【Decrease】

Dialyzer (Japan)

Blood tubing lines (Overseas)

Saline Bag

【Blood Transfusion & Endovascular】

【Increase】

Blood bag (Japan & Overseas)

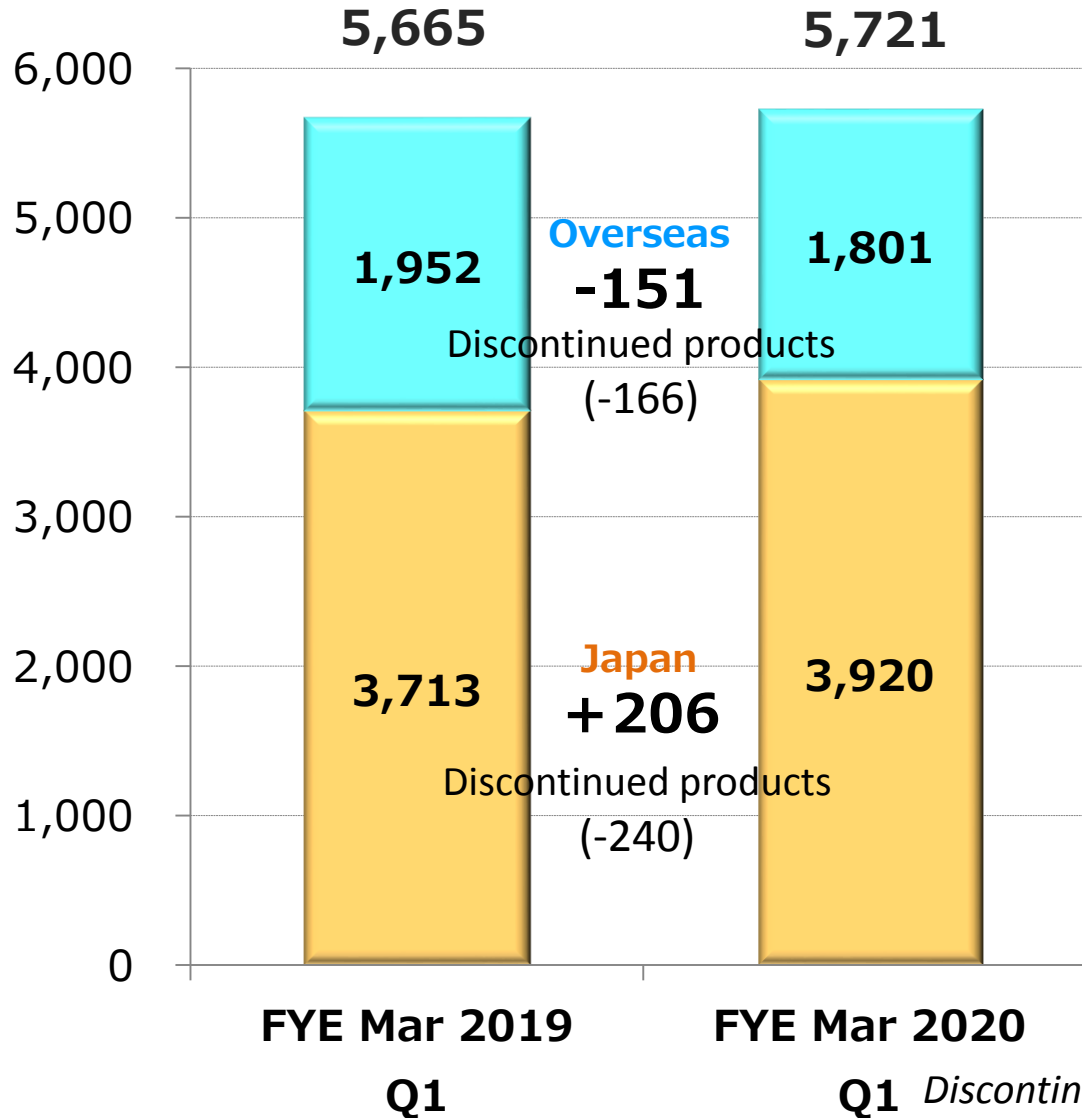
【Decrease】

Infusion sets(Overseas OEM)

Discontinued products are shown in italic style.

Net Sales (By Region)

(Million YEN)



【Overseas】

【Increase】
Blood bag

【Decrease】
Blood tubing lines
Infusion sets (OEM)

【Japan】

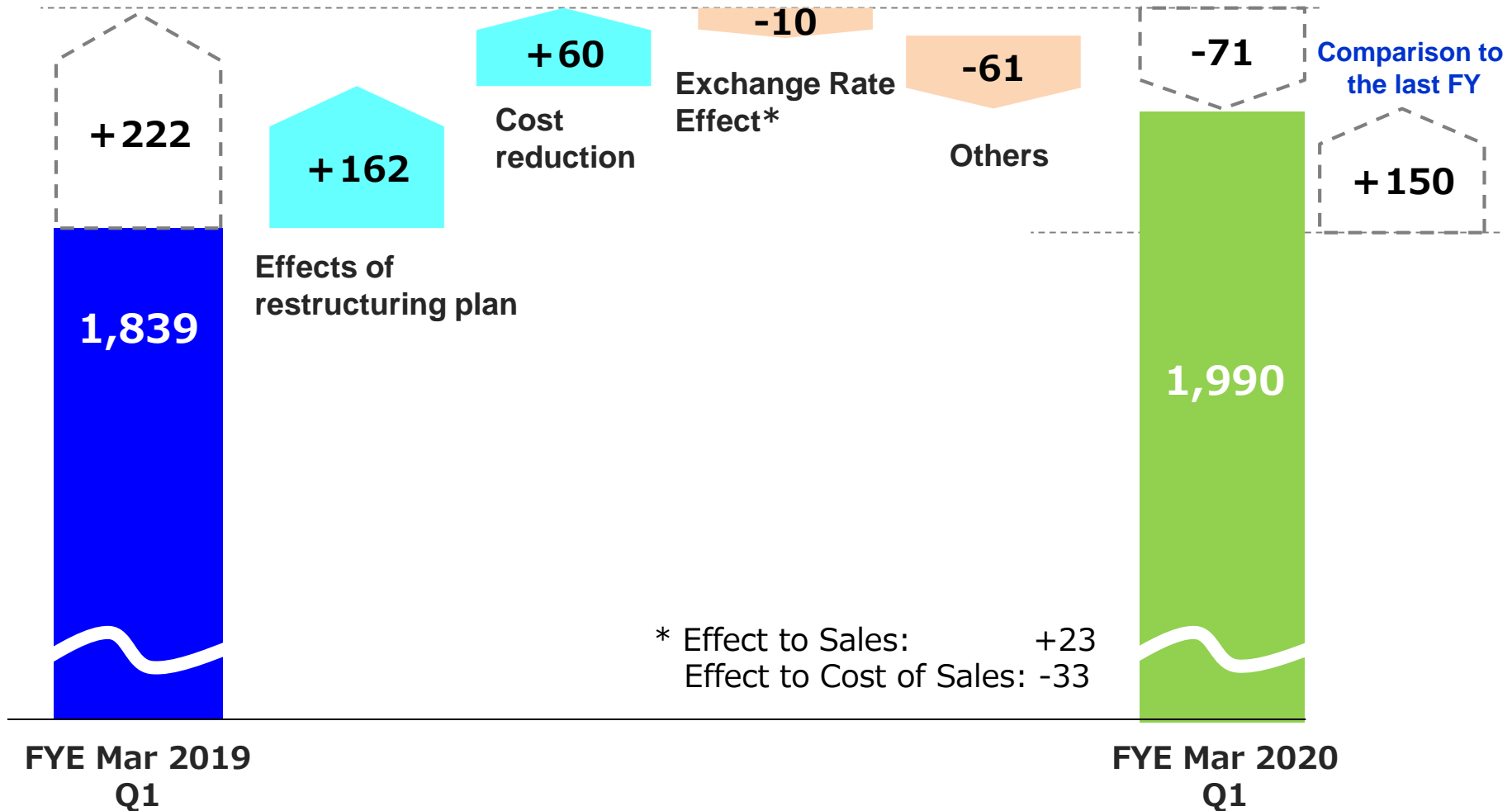
【Increase】
Plasmapheresis Filter (OEM)

【Decrease】
Dialyzer
Saline Bag

Q1 *Discontinued products are shown in italic style.*

<Comparison to the last FY>

(Unit: Million YEN)



SG&A Expenses

Consolidated

Unit: Million YEN

	FYE Mar. 2019 Q1	FYE Mar. 2020 Q1	Variance
Salaries & wages	851	655	-197
Logistical costs	210	200	-9
Others	809	791	-18
Total	1,870	1,646	-223
R&D expenses out of Total	255	238	-17

- **Salaries & Wages** : decreased due to effects of restructuring plan.
- **Logistical costs** : decreased with sales decrease of discontinued products and saline bags.
- **R&D expenses** : decreased because of the delay of spending/recording experiment and research costs.
- **Other decreasing expenses** : decreased because of reductions in welfare expenses and travel expenses.

Got approval of manufacturing and sales of “colonic stent”

We acquired an approval from Japan Ministry of Health, Labor and Welfare in June, 2019 for manufacturing and sales of New “Colonic stent”. We plan to sell in September to the limited facilities.

Got approval of manufacturing and sales of “Plasmapheresis(CART*) filter”

We acquired an approval for manufacturing & sales of new Plasmapheresis(CART) filter. We plan to sell with a tie-up partner this autumn.

*CART is Cell-free and Concentrated Ascites Reinfusion Therapy.

Completed production of unprofitable products and voluntary retirement

We completed production of unprofitable products in June and completed the voluntary retirement program at the same time.

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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