



ASAHI

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Financial Results for Fiscal Year ended June 2015

August 11, 2015

(Securities code: 7747

2nd section of the Tokyo Stock Exchange,
2nd section of the Nagoya Stock Exchange)



Contents

1. Summary of Financial Results for FYE June 2015

2. Earnings Forecast for FYE June 2016



FYE June 2015 Main Points - 1

Net Sales 35,323 Mil. Yen <Year-on-year +25.5%>
~Medical Division and Device Division, both progress favorably~

■ Medical Division

~Addition to firm demands, US currency appreciation supports performance with large increase~

Positive results from all areas in both Japan and overseas markets.

Japan

- Continuous growth of PTCA GW especially due to “SION Series”
- Share growth of PTCA GC “Hyperion” and PTCA Balloon “Kamui”
- Falling reimbursement prices (-766 Mil. Yen)

Overseas

- Tendency of strong growth shown for PTCA GW in all areas
- Strong growth for the Penetration Catheter “Corsair” in US, EU, Middle East, China, and Asia

■ Device Division

~Industrial components capacity increased, including effects from the acquisition of Toyoflex group as a consolidated subsidiary~

- Medical components increased both in Japan and overseas.
- Industrial component business became brisk especially in automobile and construction markets as one of effects of Toyoflex acquisition



FYE June 2015 Main Points - 2

While R&D expenses and sales expenses increased, positive sales growth contributed to large operating income performance

- **Gross profit 22,211 Mil. Yen < YoY +24.0% >**
 - Gross Profit increased in proportion to sales increase
- **Operating income 7,976 Mil. Yen < YoY +33.0% >**
 - Increased R&D expenses (3,230 Mil. Yen) (YoY +516 Mil. Yen, Sales ratio 9.1%)
 - Increased sales related expenses to switch to direct sales, etc.
- **Ordinary income 8,399 Mil. Yen < YoY +37.7% >**
 - Increased currency exchange gain (+348 Mil. Yen)
- **Net income 5,828 Mil. Yen < YoY +33.7% >**
 - Total negative goodwill from last year's acquisition of Toyoflex has not occurred in this year, thus affecting decrease of profit earning this year (-319 Mil. Yen)

Exchange rate	(Unit.:JPY)			
	FYE June 2014	US \$	101.16	BAHT
	EURO	136.78	CNY	16.48
FYE June 2015	US \$	115.59	BAHT	3.53
	EURO	137.39	CNY	18.66



Highlights

	FYE June 2014		FYE June 2015						
	Amount (Mil. Yen)	Ratio (%)	Revised plan Feb.2015	Amount (Mil. Yen)	Ratio (%)	YoY		Compared with revised plan Feb.2015	
						Changes (Mil. Yen)	Changes (%)	Changes (Mil. Yen)	Changes (%)
Net sales	28,145	100.0	34,930	35,323	100.0	+7,178	+25.5	+393	+1.1
Gross profit	17,919	63.7	21,970	22,211	62.9	+4,292	+24.0	+240	+1.1
Operating income	5,995	21.3	7,500	7,976	22.6	+1,980	+33.0	+476	+6.3
Ordinary income	6,099	21.7	7,900	8,399	23.8	+2,299	+37.7	+499	+6.3
Net income	4,360	15.5	5,223	5,828	16.5	+1,468	+33.7	+605	+11.6
EPS *	68.25 yen	-	81.47 yen	90.92 yen	-	+22.68 yen	+33.2	+9.46 yen	+11.6

* : As of August 1, 2015, one ordinary share was split into two shares. As such, as to EPS, figures after share splits are shown in assumption of splits of share at the beginning of previous fiscal year.



Net Sales by Segment Division

	FYE June 2014		FYE June 2015			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Changes (%)
Medical	21,891	77.8	27,574	78.1	+5,683	+26.0
Device	6,253	22.2	7,748	21.9	+1,494	+23.9
Total amount	28,145	100.0	35,323	100.0	+7,178	+25.5

(Reference)

Medical field	24,208	86.0	30,056	85.1	+5,847	+24.2
Industrial field	3,936	14.0	5,267	14.9	+1,330	+33.8

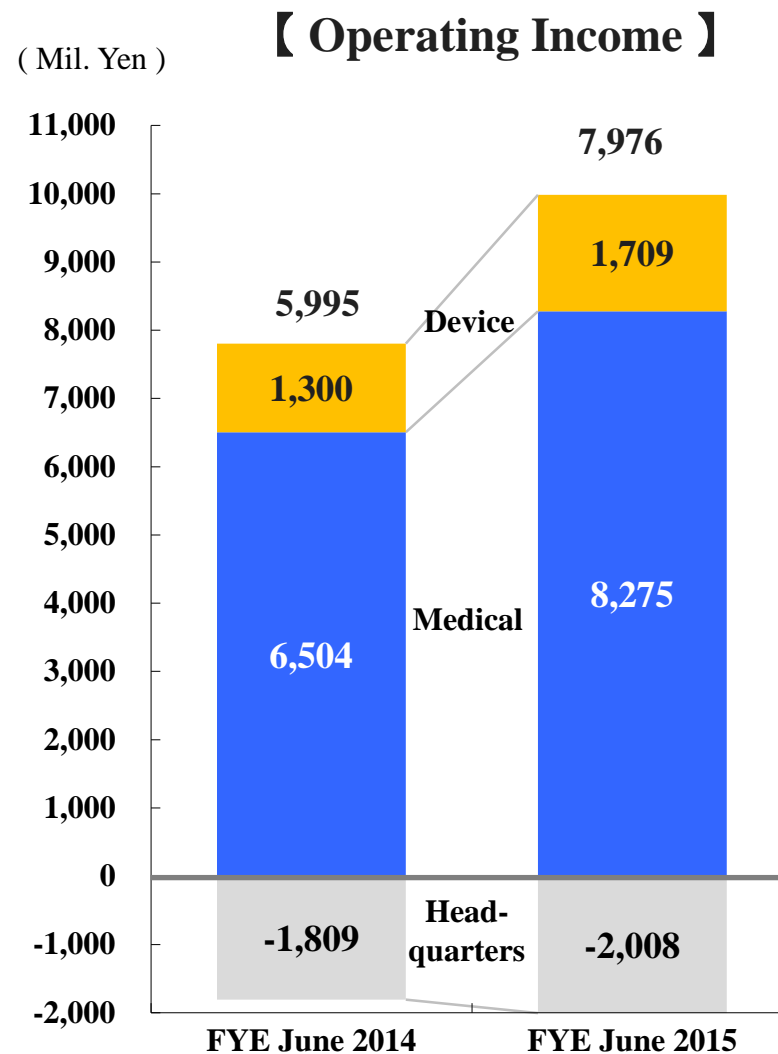
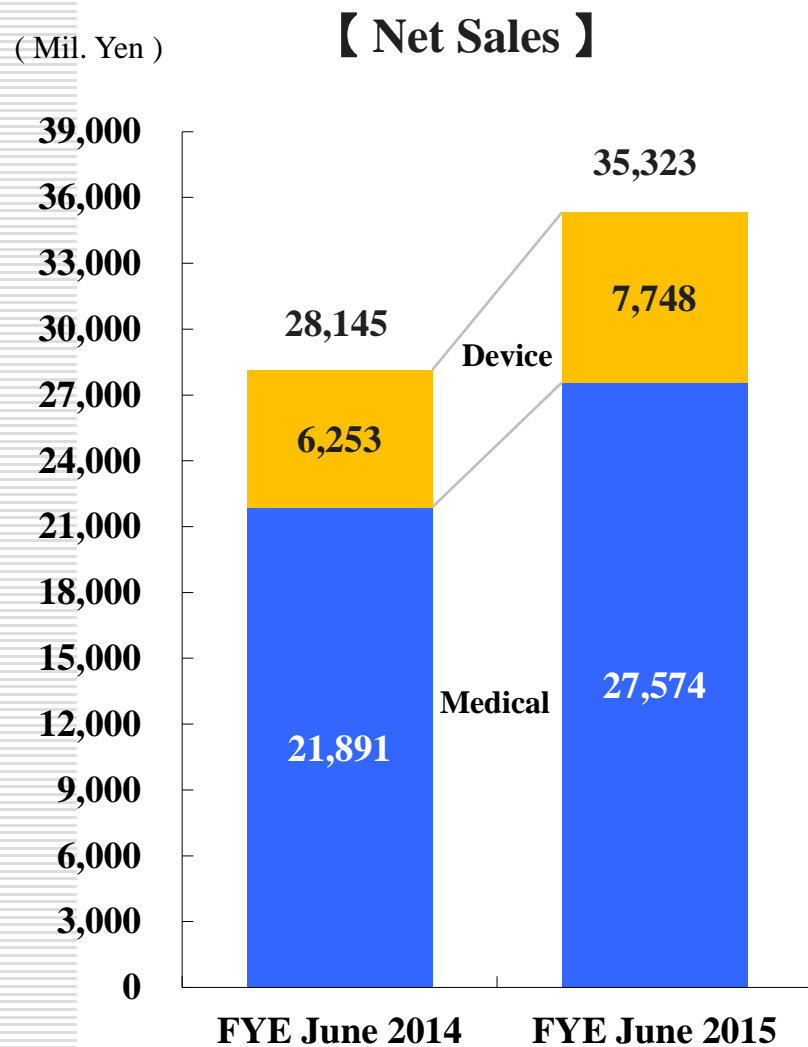


Operating Income by Segment Division

	FYE June 2014		FYE June 2015			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Changes (%)
Medical	6,504	83.3	8,275	82.9	+1,770	+27.2
Device	1,300	16.7	1,709	17.1	+409	+31.5
Subtotal	7,804	100.0	9,985	100.0	+2,180	+27.9
Erasing & Head Quarters	-1,809	-	-2,008	-	-199	+11.0
Total amount	5,995	-	7,976	-	+1,980	+33.0



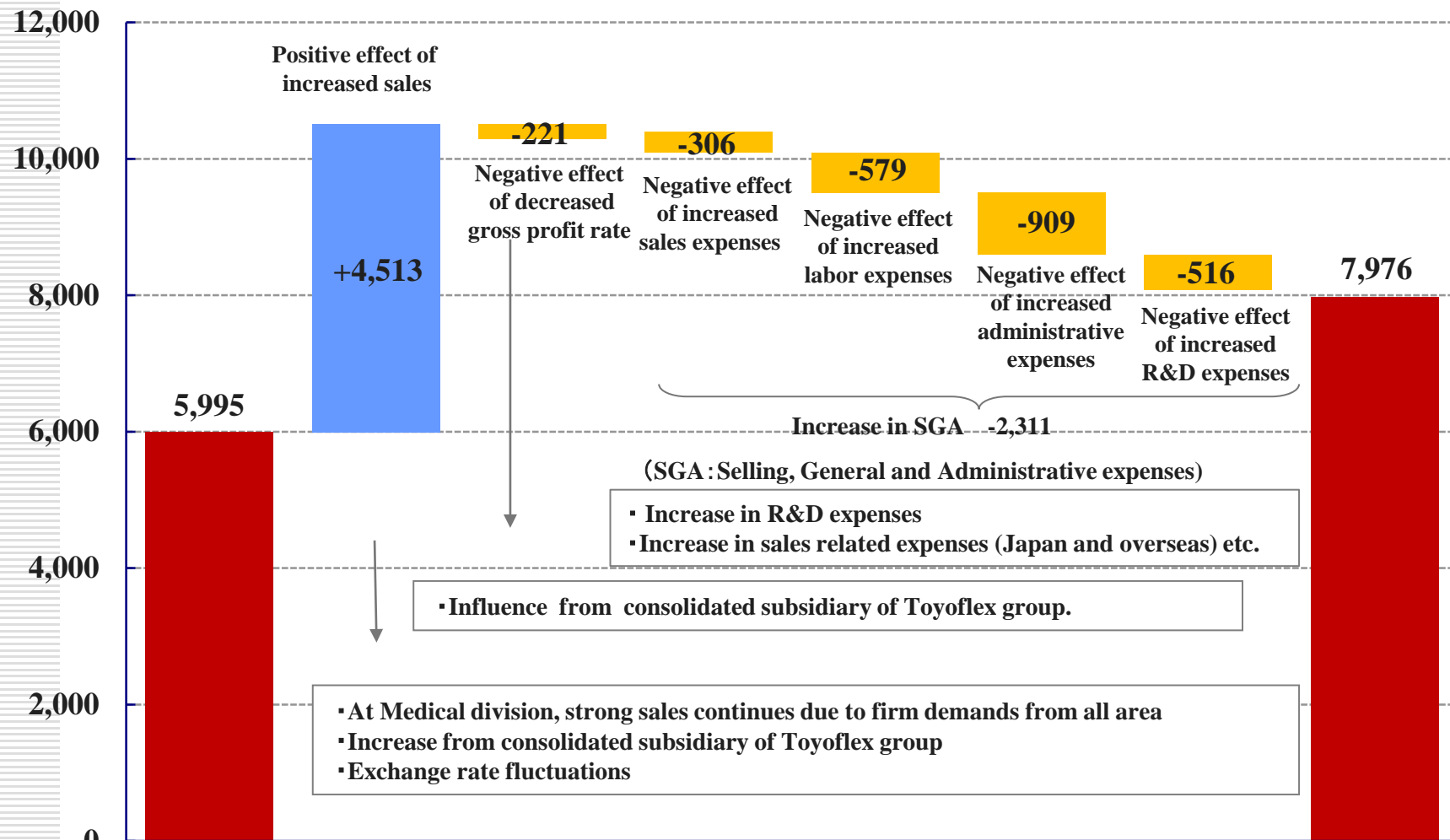
Earnings Performance by Segment Division





Attribution Analysis of Operating Income – 1 (Exchange Rate Fluctuations Included)

(Mil. Yen)



FYE June 2014
Operating Income

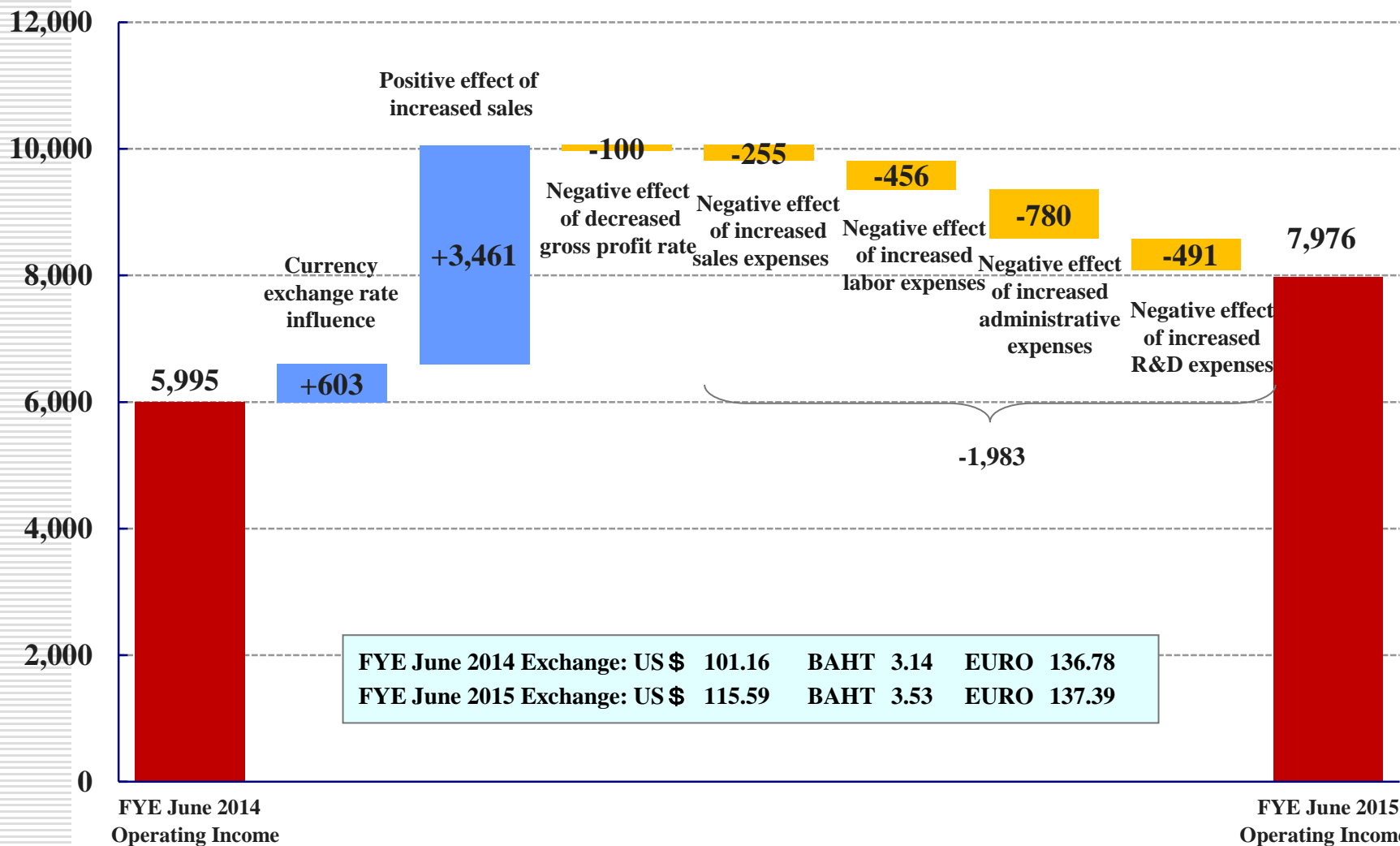
FYE June 2014 Exchange: US \$	101.16	BAHT	3.14	EURO	136.78
FYE June 2015 Exchange: US \$	115.59	BAHT	3.53	EURO	137.39

FYE June 2015
Operating Income



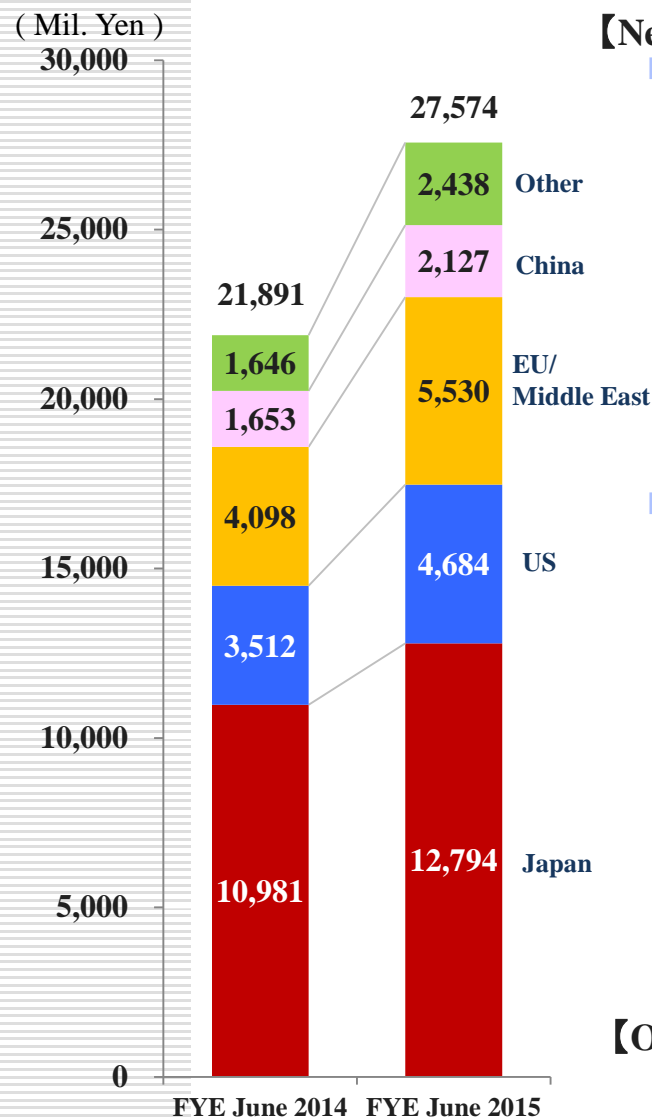
Attribution Analysis of Operating Income – 2 (Exchange Rate Fluctuations Excluded)

(Mil. Yen)





Per Segment by Medical Division (by Geography-1)



【Net Sales (YoY)】

■ **Japan: Cardiovascular and non-cardiovascular segments favorably progressed despite reimbursement price reduction(-766 Mil. Yen)**

- PTCA GW: Volume increases based on “SION Series”
- PTCA Balloon Catheter: Increased share due to launch of new product “Kamui”
- PTCA Guiding Catheter: Increased share due to launch of new product “Hyperion”
- Penetration Catheter: Expansion of new product “Caravel” with vertical angle trend
- Peripheral Products: Growth trends from new product introduction of Peripheral Guide Wire
- Abdominal vascular / Neurovascular Products: Slight increase due to favorable sales figures

■ **Overseas : Good market demand seen in all areas. US currency appreciation supports further increase.**

- <US>
PTCA GW: Shipments above contractual minimums
Penetration Catheter “Corsair”: Growth trends from direct sales effects
- <EU/ Middle East>
PTCA GW and Penetration Catheter “Corsair”: Increased sales due to increased share
- <China>
Penetration Catheter “Corsair” and Abdominal vascular products: Increased sales due to increased demand
- <Other>
PTCA GW mainly shows good result trends.

【Operating Income】

- While expending R&D expenses and Sales related expenses, sales growth contributed to large profit performance.



Per Segment by Medical Division (by Geography-2)

(Mil. Yen)

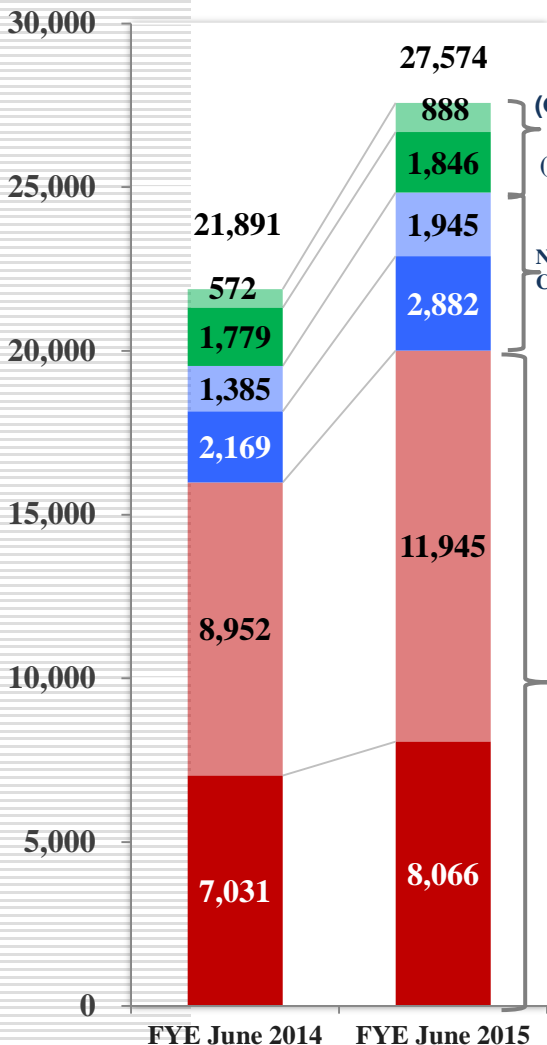
	FYE June 2014	FYE June 2015	YoY	
			Changes	Changes (%)
(Exchange rate: USD→Yen)	101.16	115.59	+14.43	+14.3
Net sales	21,891	27,574	+5,683	+26.0
Japan	10,981	12,794	+1,813	+16.5
Overseas	10,910	14,780	+3,870	+35.5
USA	3,512	4,684	+1,172	+33.4
EU/Middle East	4,098	5,530	+1,431	+34.9
China	1,653	2,127	+474	+28.7
Other	1,646	2,438	+792	+48.1
Operating income	6,504	8,275	+1,770	+27.2



Per Segment by Medical Division (by Treatment - 1)

(Mil. Yen)

【Net Sales (YoY)】



Cardiovascular

- **Japan:** In addition to established products, new products also progress well.
 - PTCA GW: “SION Series” mainly shows good results
 - PTCA Balloon Catheter: Increased share due to launch of new product “Kamui”
 - PTCA Guiding Catheter: Increased share due to launch of new product “Hyperion”
 - Penetration Catheter: Expansion of new product “Caravel” with vertical angle trend.
- **Overseas:** PTCA GW and Penetration Catheter mainly shows good result trends in all areas.
 - PTCA GW: Increased sales in all areas
 - Penetration Catheter “Corsair”: Increased sales in all areas

Non-cardiovascular

- **Japan:**
 - Abdominal vascular / Neurovascular Products: Trend to increase due to strong sales
 - Peripheral products: Growth trends from new product introduction of Peripheral Guide Wire in addition to switch to direct sales
- **Overseas:**
 - Asia (including China): Abdominal vascular products show good result trends

OEM

- **Japan:** Increase of Endoscope Snare etc.
- **Overseas:** Mini-Guide Wire in cardiovascular diagnosis increases



Per Segment by Medical Division (by Treatment - 2)

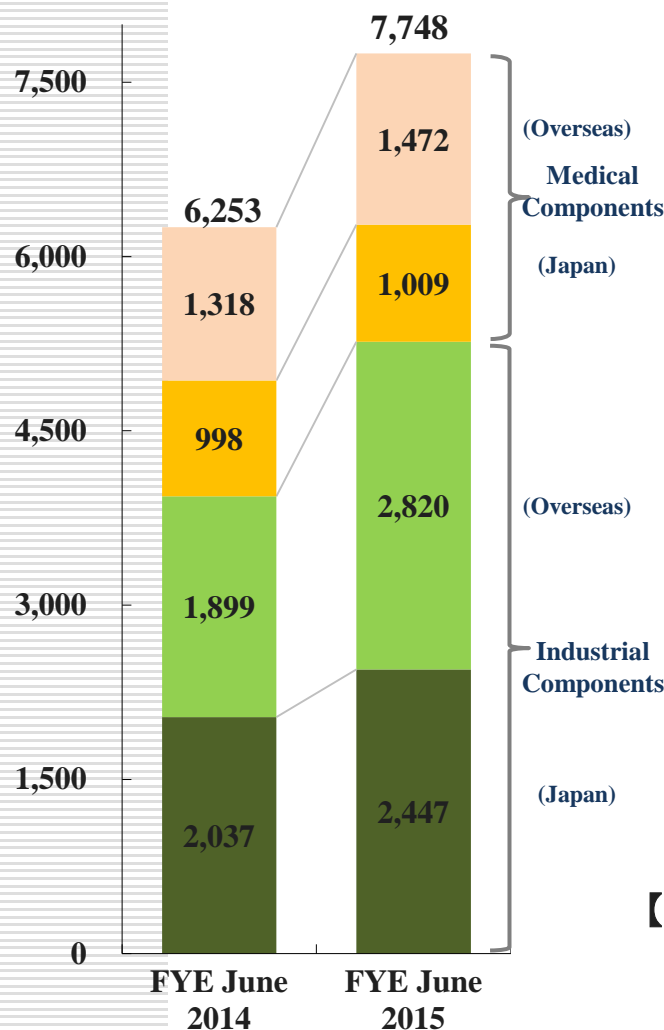
(Mil. Yen)

	FYE June 2014	FYE June 2015	YoY	
			Changes	Changes (%)
(Exchange rate: USD→Yen)	101.16	115.59	+14.43	+14.3
Net sales	21,891	27,574	+5,683	+26.0
Japan	10,981	12,794	+1,813	+16.5
Overseas	10,910	14,780	+3,870	+35.5
Cardiovascular	15,983	20,011	+4,028	+25.2
Japan	7,031	8,066	+1,034	+14.7
Overseas	8,952	11,945	+2,993	+33.4
Non-cardiovascular	3,555	4,827	+1,271	+35.8
Japan	2,169	2,882	+712	+32.8
Overseas	1,385	1,945	+559	+40.4
OEM	2,352	2,735	+383	+16.3
Japan	1,779	1,846	+66	+3.7
Overseas	572	888	+316	+55.4



Per Segment by Device Division - 1

(Mil. Yen)



【Net Sales (YoY)】

Medical components increased both in Japan and overseas

Industrial components increased given the effects from the acquisition of Toyoflex group as a consolidated subsidiary (1Q portion increased due to effect from subsidiary consolidation in 2Q of last year)

Medical Components

- Japan : Endoscope related components show good progress
- Overseas : Increase of Medical Component business of peripheral vascular and cardiovascular markets in North America

Industrial Components

- Japan : Component supply increased in construction market and automobile market Increase from acquisition of Toyoflex group as consolidated subsidiary
- Overseas : Component supply increased in automobile market and construction market Increase from acquisition of Toyoflex group as consolidated subsidiary

【Operating Income】

- Sales increases contributed its profit growth



Per Segment by Device Division - 2

(Mil. Yen)

	FYE June 2014	FYE June 2015	YoY		
			Changes	Toyoflex Co. Q1 YTD	Changes (%)
(Exchange rate : USD→Yen)	101.16	115.59	+14.43	-	+14.3
Net sales	6,253	7,748	+1,494	+959	+23.9
Japan	3,036	3,456	+420	+527	+13.8
Overseas	3,217	4,292	+1,074	+432	+33.4
Medical components	2,316	2,481	+164	-	+7.1
Japan	998	1,009	+10	-	+1.1
Overseas	1,318	1,472	+153	-	+11.7
Industrial components	3,936	5,267	+1,330	+959	+33.8
Japan	2,037	2,447	+409	+527	+20.1
Overseas	1,899	2,820	+920	+432	+48.5
Operating income	1,300	1,709	+409	-	+31.5



Reference: P/L

	FYE June 2014		FYE June 2015			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Main comparison factors
Net sales	28,145	100.0	35,323	100.0	+7,178	<ul style="list-style-type: none"> Positive trends observed in Medical Division in all areas Increase from consolidated subsidiary of Toyoflex group
Cost of sales	10,226	36.3	13,112	37.1	+2,886	
Gross profit	17,919	63.7	22,211	62.9	+4,292	<ul style="list-style-type: none"> Brisk sales growth Gross profit ratio decreased due to acquisition of Toyoflex group as a consolidated subsidiary
SGA	11,923	42.4	14,234	40.3	+2,311	<ul style="list-style-type: none"> R&D expenses and Sales related expenses increased
Operating income	5,995	21.3	7,976	22.6	+1,980	
Non-operating income	203	0.7	523	1.5	+320	<ul style="list-style-type: none"> Currency exchange gain increased +348 Mil. Yen
Non-operating expense	98	0.4	100	0.3	+2	
Ordinary income	6,099	21.7	8,399	23.8	+2,299	
Extraordinary gain	323	1.1	0	0.0	-322	<ul style="list-style-type: none"> Total negative goodwill from last year's acquisition of Toyoflex group has not occurred this year, thus affecting -319 Mil. Yen this year
Extraordinary loss	90	0.3	40	0.1	-50	
Net income	4,360	15.5	5,828	16.5	+1,468	
Comprehensive income	4,392	15.6	7,940	22.5	+3,548	<ul style="list-style-type: none"> Foreign currency translation adjustment increased +1,970 Mil. Yen

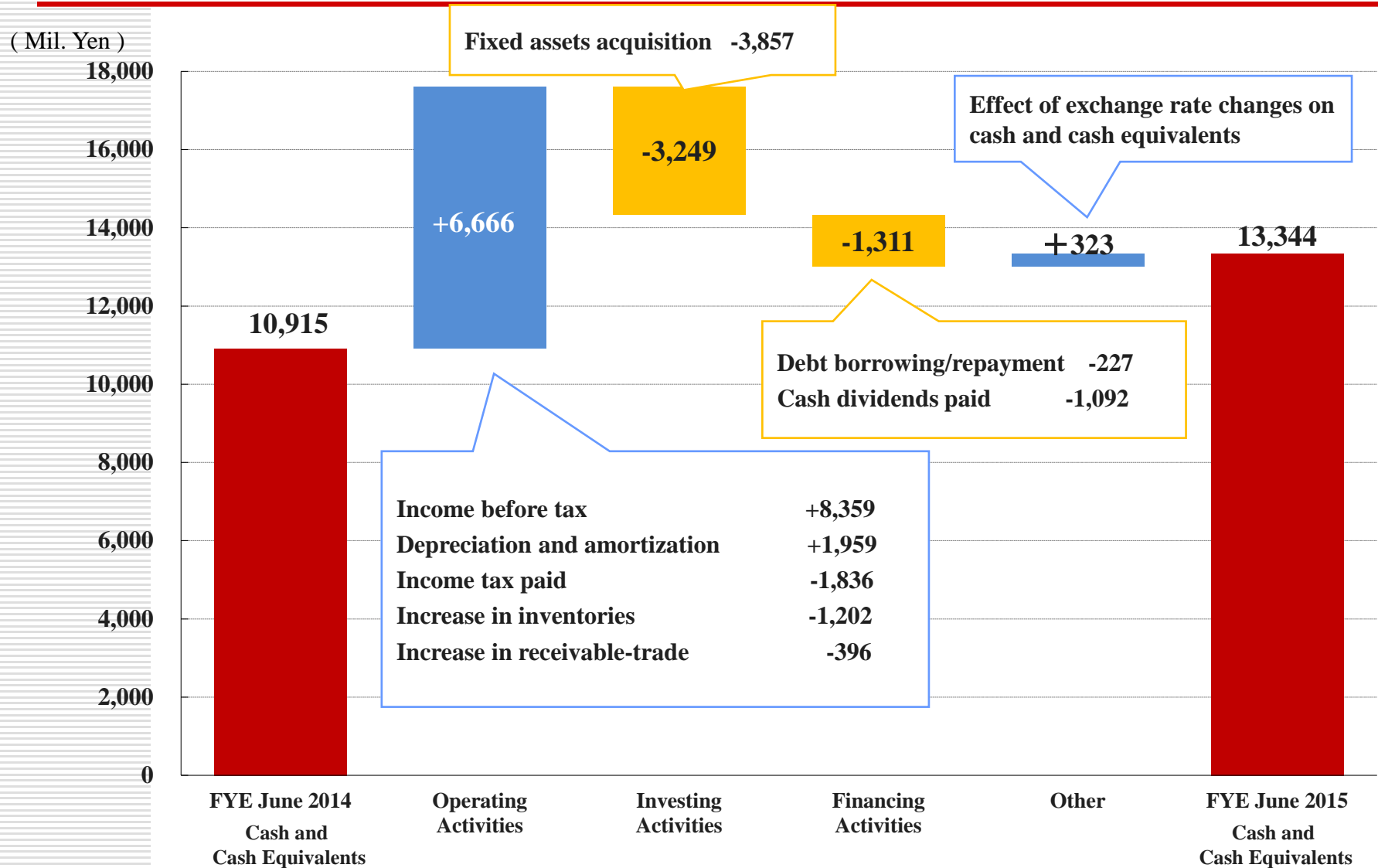


Reference: B/S

		FYE June 2014		FYE June 2015			Main comparison factors
		Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	
Assets	Current assets	26,408	61.5	31,423	61.6	+5,014	Cash and deposit +3,988 Investment securities (negotiable deposit) -2,000 Receivable-trade +973 Inventory assets +1,927
	Fixed assets	16,558	38.5	19,625	38.4	+3,067	Tangible fixed assets +2,653 Investments and other assets +333
Total assets		42,967	100.0	51,049	100.0	+8,082	
Liabilities	Current liabilities	9,482	22.1	10,595	20.8	+1,113	Payable-trade +247 Short-term debt +99 Accrued corporation tax +650
	Fixed liabilities	7,747	18.0	7,861	15.4	+113	Long-term debt -304 Long-term deferred tax liabilities +341 Liabilities related to retirement benefits +123
Total liabilities		17,230	40.1	18,457	36.2	+1,226	
Total net assets		25,736	59.9	32,592	63.8	+6,855	Retained earnings +4,721 Foreign currency translation adjustments +1,941
Total liabilities & net assets		42,967	100.0	51,049	100.0	+8,082	



Reference: C/F





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1. Summary of Financial Results for FYE June 2015

2. Earnings Forecast for FYE June 2016



Vision for FYE June 2016

Sales growth realized from continuous growth of main item of PTCA GW on global scale , consecutive impact of new product launches, and switch to direct sales in US.

■ Net sales forecast is 39,575 Mil. Yen (YoY+12.0%)

< Increase of income factors >

- Further increase of market share in all areas in Japan and overseas markets
- Growth of Penetration Catheter “Caravel” and Peripheral Guide Wire as new products in Japan market at FYE June 2015
- Profit improvement from its switch over to direct business of Peripheral GW in US market

< Decrease of income factors >

- Reimbursement prices falling (-271 Mil. Yen)

■ Increased sales coupled with sales costs and other fees led to large profit increases

● Operating income 9,050 Mil. Yen (YoY+13.5 %)

- Increased R&D expenses (YoY+ 556 Mil. Yen, Sales ratio 9.6 %)
- Labor expenses and related overhead expenses increase due to enforcement of sales function

● Ordinary income 9,174 Mil. Yen (YoY+9.2%)

- Gain of 120 Mil. Yen on sale of headquarter building of the subsidiary company (Toyoflex)

● Net income 6,340 Mil. Yen (YoY+8.8 %)

Assumed Exchange Rate	(Unit : JPY)			
	FYE June 2015	US \$	115.59	BAHT
	EURO	137.39	CHY	18.66
FYE June 2016 (Plan)	US \$	120.00	BAHT	3.70
	EURO	130.00	CHY	18.50

Effect of exchange rate on operating income (estimate)

US \$ (+ 1 yen influence) : approx. 91 Mil. Yen Increase
 BAHT(+0.1 yen influence) : approx. 143 Mil. Yen Decrease
 EURO (+ 1 yen influence) : approx. 35 Mil. Yen Increase



Earnings Forecast for FYE June 2016

	FYE June 2015 (Actual)		FYE June 2016 (Plan)			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	YoY	
					Changes (Mil. Yen)	Changes (%)
Net sales	35,323	100.0	39,575	100.0	+4,251	+12.0
Gross profit	22,211	62.9	25,011	63.2	+2,800	+12.6
Operating income	7,976	22.6	9,050	22.9	+1,074	+13.5
Ordinary income	8,399	23.8	9,174	23.2	+775	+9.2
Net income	5,828	16.5	6,340	16.0	+511	+8.8
EPS [*]	90.92 yen	-	100.29 yen	-	+9.37 yen	+10.3

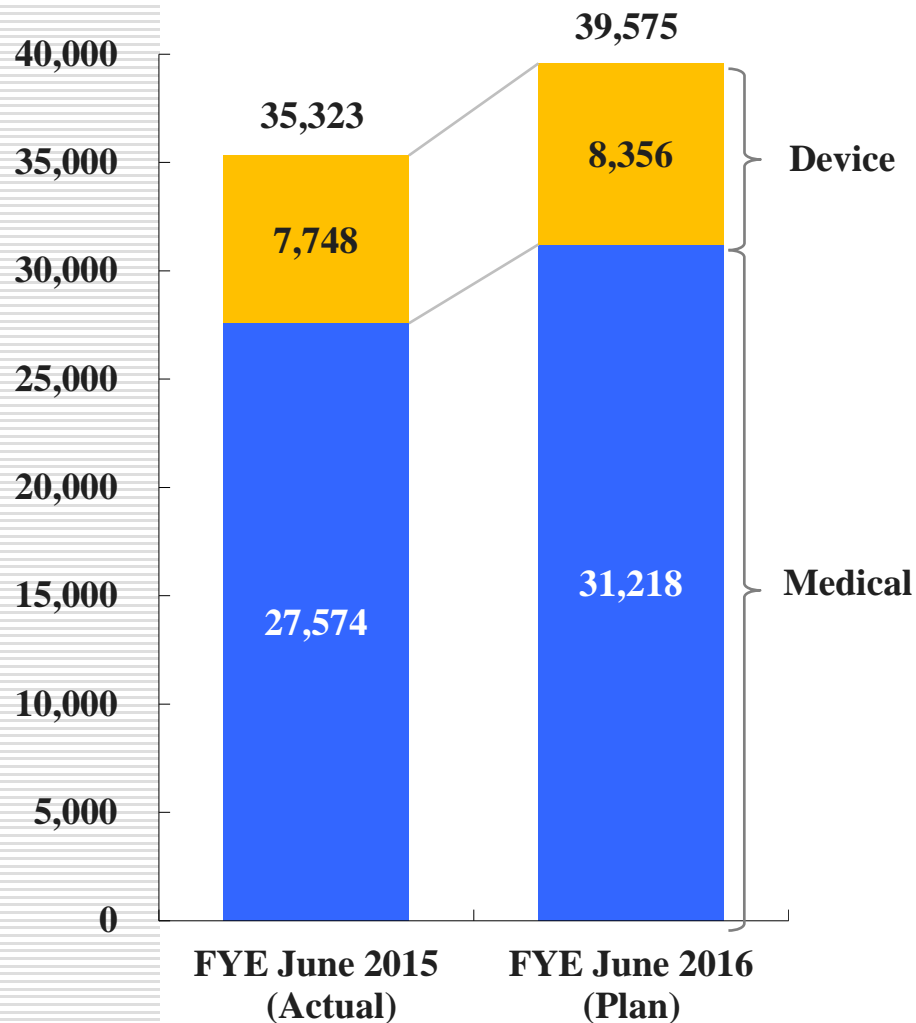
* : As of August 1, 2015, one ordinary share was split into two shares. As such, as to EPS, figures after share splits are shown in assumption of splits of share at the beginning of previous fiscal year.



Earnings Forecast by Segment Division

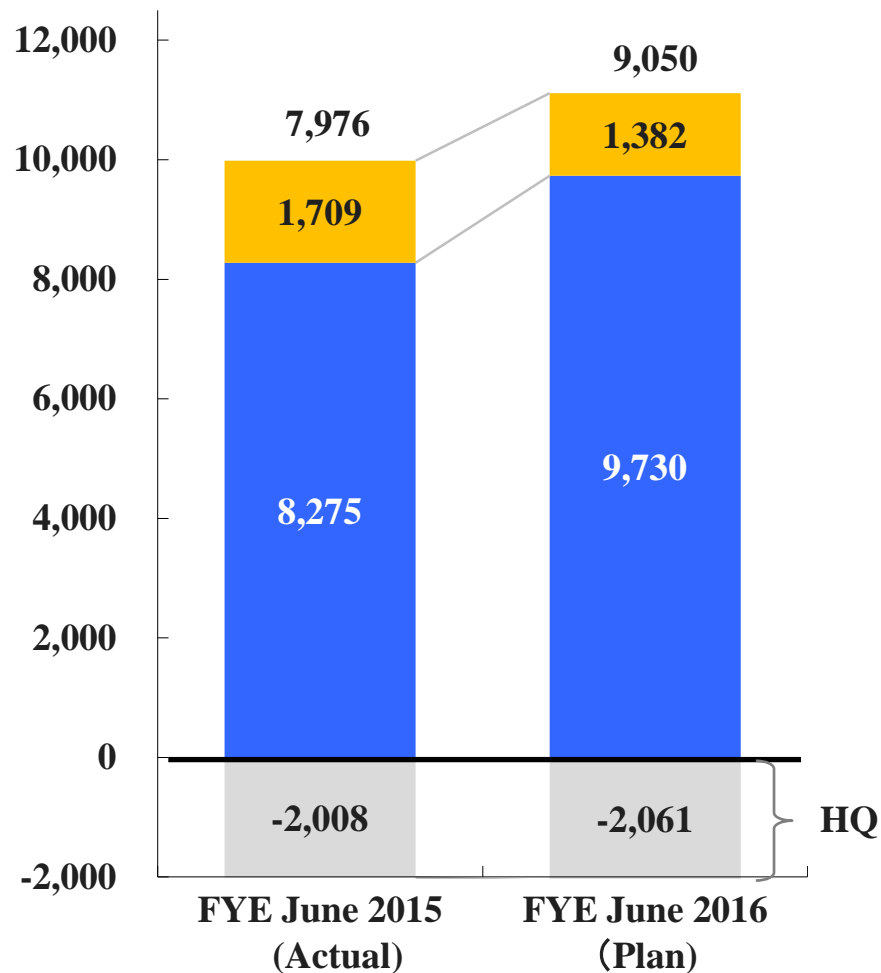
(Mil. Yen)

【 Net Sales 】



(Mil. Yen)

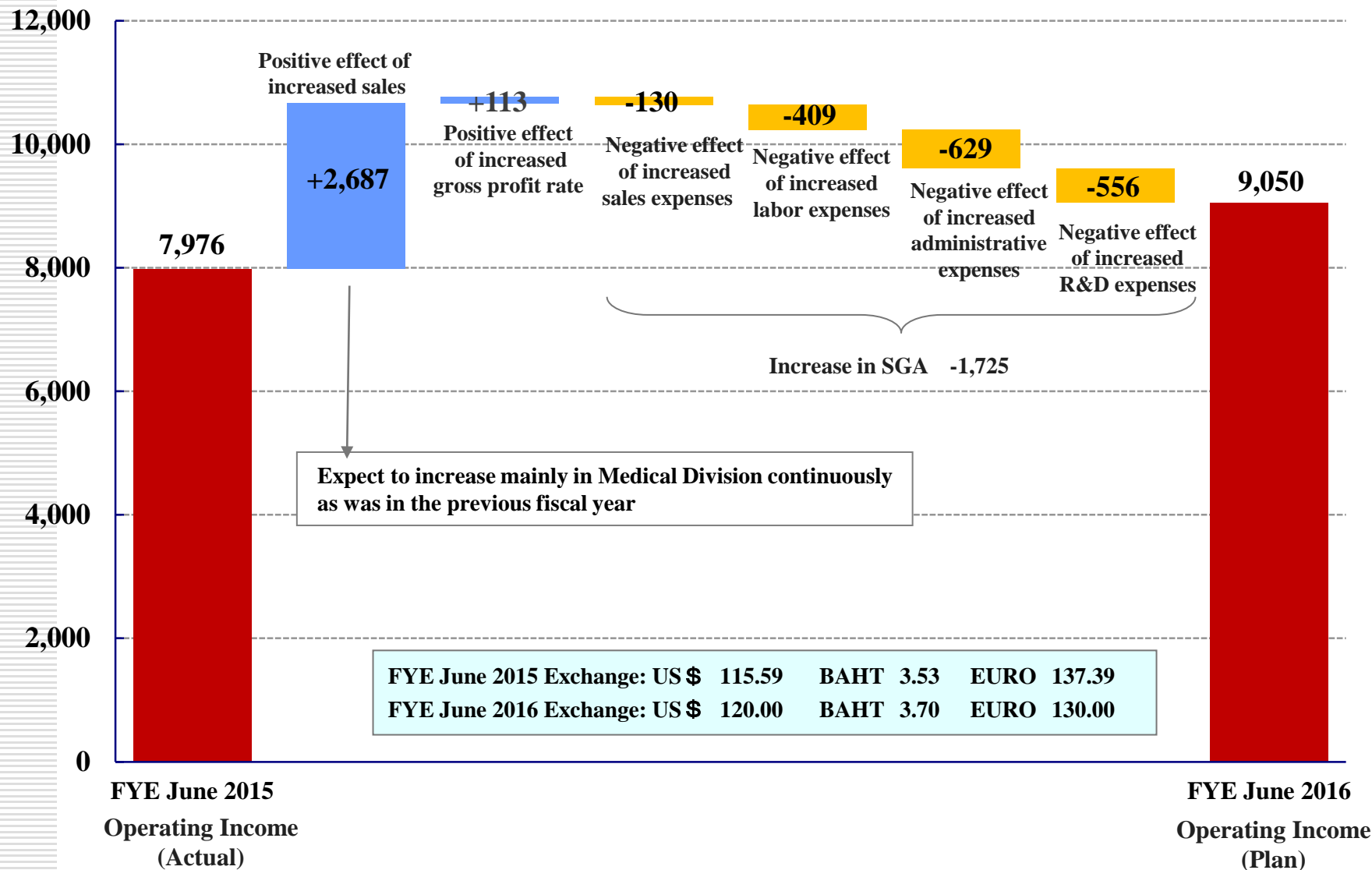
【 Operating Income 】





Attribution Analysis of Operating Income (Exchange Rate Fluctuations Included)

(Mil. Yen)





Equipment Installation Actual and Plan

Amount of equipment investment increases, mainly for extension work in overseas factories and R&D

Amount of equipment investment and depreciation and amortization in overseas factories contain exchange rate fluctuation

FYE June 2013 (Actual)

- Hanoi new factory construction (partly) 684 Mil. Yen
- GMA R&D center construction 716 Mil. Yen

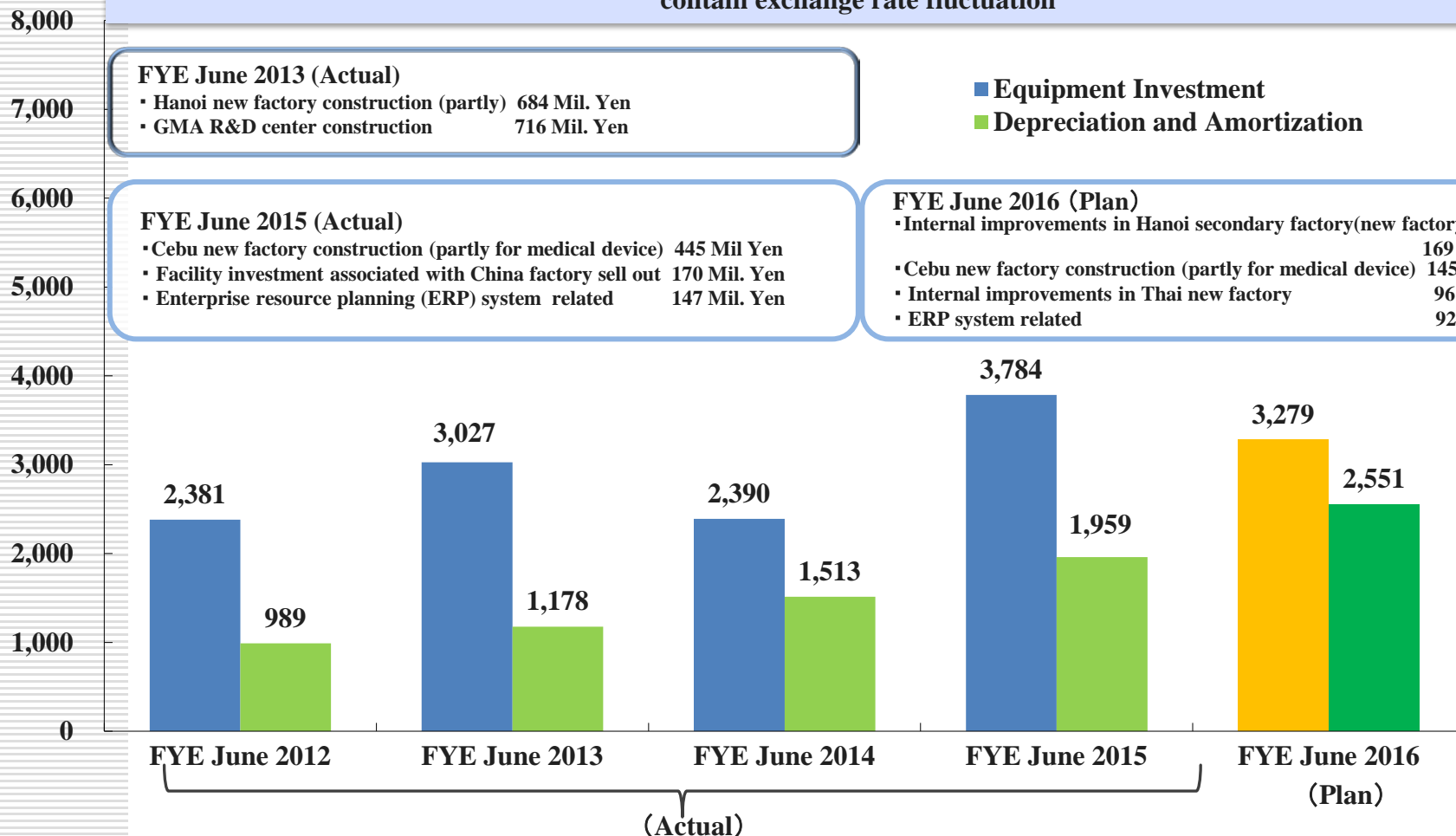
FYE June 2015 (Actual)

- Cebu new factory construction (partly for medical device) 445 Mil Yen
- Facility investment associated with China factory sell out 170 Mil. Yen
- Enterprise resource planning (ERP) system related 147 Mil. Yen

FYE June 2016 (Plan)

- Internal improvements in Hanoi secondary factory(new factory) 169 Mil. Yen
- Cebu new factory construction (partly for medical device) 145 Mil Yen
- Internal improvements in Thai new factory 96 Mil. Yen
- ERP system related 92 Mil. Yen

■ Equipment Investment
■ Depreciation and Amortization



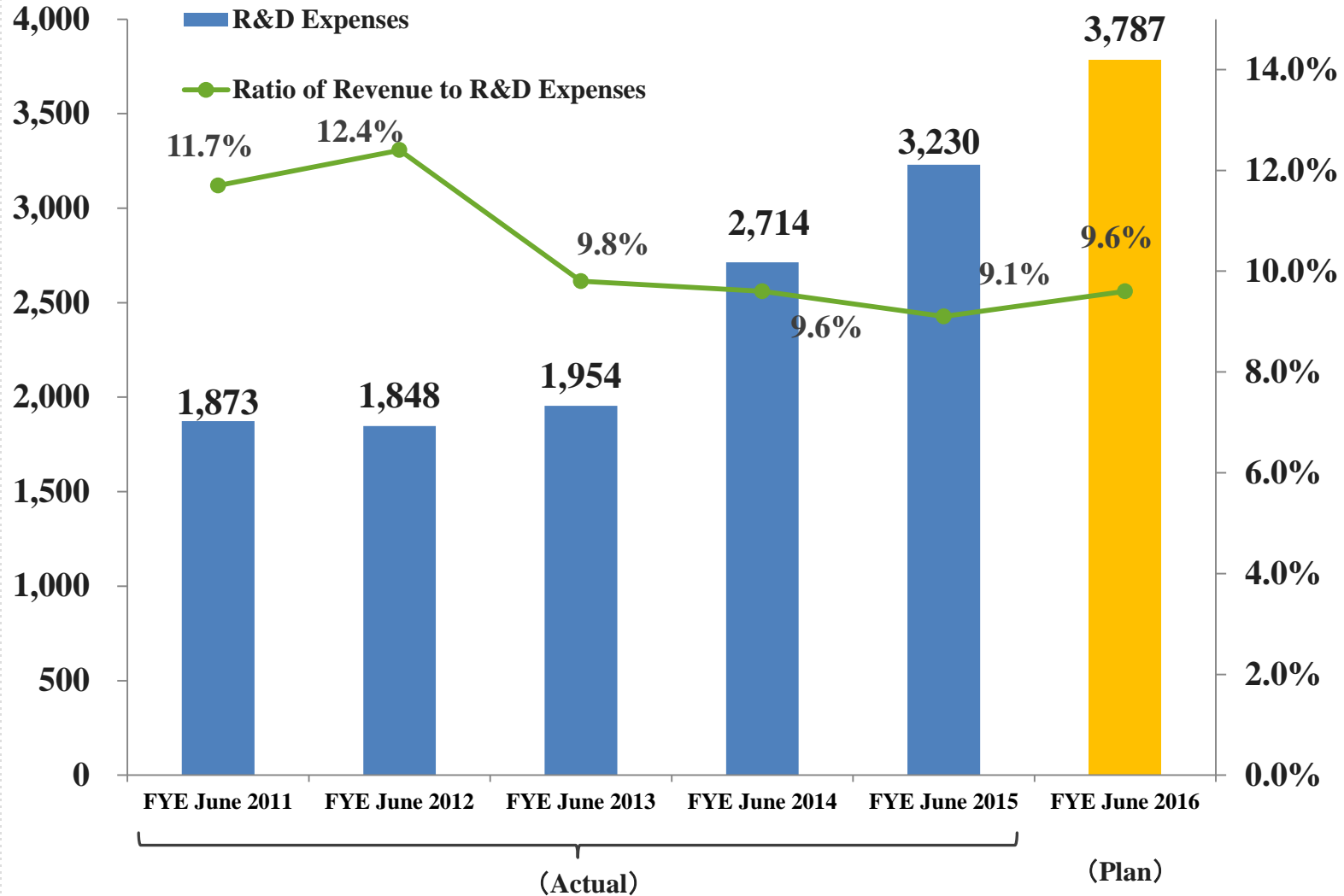


Reference : R&D Expenses

R&D Expenses

Ratio of Revenue to R&D Expenses (%)

(Mil. Yen)





Caution Regarding Information Presented

All forward looking statements contained herein, including sales forecasts, outlooks, and strategic plans, are based on the best currently available data; however, risk and uncertainty are involved in these statements. Please note that actual results may differ greatly from plans presented here.

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