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# 3rd Quarter Financial Results for FYE June, 2015

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**May 15, 2015**

(Securities code : 7747

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



# FYE 6/2015 Q3YTD Main Points

- Net Sales 26,064 Mil. Yen <Year-on-year +25.4%>
  - ~Medical Division and Device Division, both progress favorably~
  - Medical Division ~addition to firm demands from all area, US and Euro currency appreciation supports the performance with large increase~
    - ✓ Growth of PTCA GW especially due to “SION Series”
    - ✓ Share growth of PTCA GC “Hyperion” and PTCA Balloon “Kamui”
    - ✓ Falling reimbursement prices (Δ766 Mil. Yen )
  - Device Division ~Industrial components capacity increased, including effect of acquisition of Toyoflex group as consolidated subsidiary~
    - ✓ Medical components increased both domestically and overseas.
    - ✓ Industrial component business became brisk especially in automobile and construction market as one of effect of Toyoflex acquisition
- While R&D expense and sales expenses increased, positive sales growth contributed to large operating income performance.
  - Gross profit 16,451 Mil. Yen <YoY +22.6%>
  - Operating income 6,521 Mil. Yen < YoY +29.2% >
    - ✓ Increased R&D expenses (2,293 Mil. Yen ) ( YoY +417 Mil. Yen, Sales ratio 8.8% )
    - ✓ Increased sales related expenses , etc.
  - Ordinary income 6,917 Mil. Yen < YoY +32.6% >
    - ✓ Increased currency exchange gain (+245 Mil. yen)
  - Net income 4,703 Mil. Yen < YoY +27.6% >
    - ✓ Total negative goodwill from last year’s acquisition of Toyoflex has not occurred in this year, thus affecting decrease of profit earning this year (Δ319 Mil. Yen )

Exchange rate	(Unit: JPY)		
14/06FY	US \$	100.91	BAHT 3.14
3QYTD	EURO	135.52	CNY 16.53
15/06FY	US \$	113.54	BAHT 3.50
3QYTD	EURO	138.46	CNY 18.33



# Highlight

	FYE 6/2014 Q3 YTD		FYE 6/2015 Q3 YTD			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	YoY	
					Changes (Mil. Yen)	Changes (%)
Net Sales	20,787	100.0	26,064	100.0	+5,277	+25.4
Gross Profit	13,418	64.6	16,451	63.1	+3,032	+22.6
Operating Income	5,048	24.3	6,521	25.0	+1,473	+29.2
Ordinary Income	5,216	25.1	6,917	26.5	+1,700	+32.6
Net Income	3,686	17.7	4,703	18.0	+1,016	+27.6
* EPS	115.54 yen		146.73 yen		+31.19 yen	+27.0

\* : As from January 1, 2014, 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 6/2014 Q3 YTD		FYE 6/2015 Q3 YTD			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Changes (%)
Medical	16,392	78.9	20,394	78.2	+4,001	+24.4
Device	4,394	21.1	5,670	21.8	+1,276	+29.1
Total Amount	20,787	100.0	26,064	100.0	+5,277	+25.4

( Reference )

Medical Field	18,076	87.0	22,175	85.1	+4,099	+22.7
Industrial Field	2,711	13.0	3,889	14.9	+1,178	+43.5



# Operating Income by Segment Division

	FYE 6/2014 Q3 YTD		FYE 6/2015 Q3 YTD			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Changes (%)
Medical	5,385	85.2	6,460	82.6	+1,075	+20.0
Device	934	14.8	1,362	17.4	+428	+45.9 ※
Subtotal	6,319	100.0	7,822	100.0	+1,503	+23.8
Erasing & Head Quarters	△1,270	-	△1,301	-	△30	+2.4
Total Amount	5,048	-	6,521	-	+1,473	+29.2

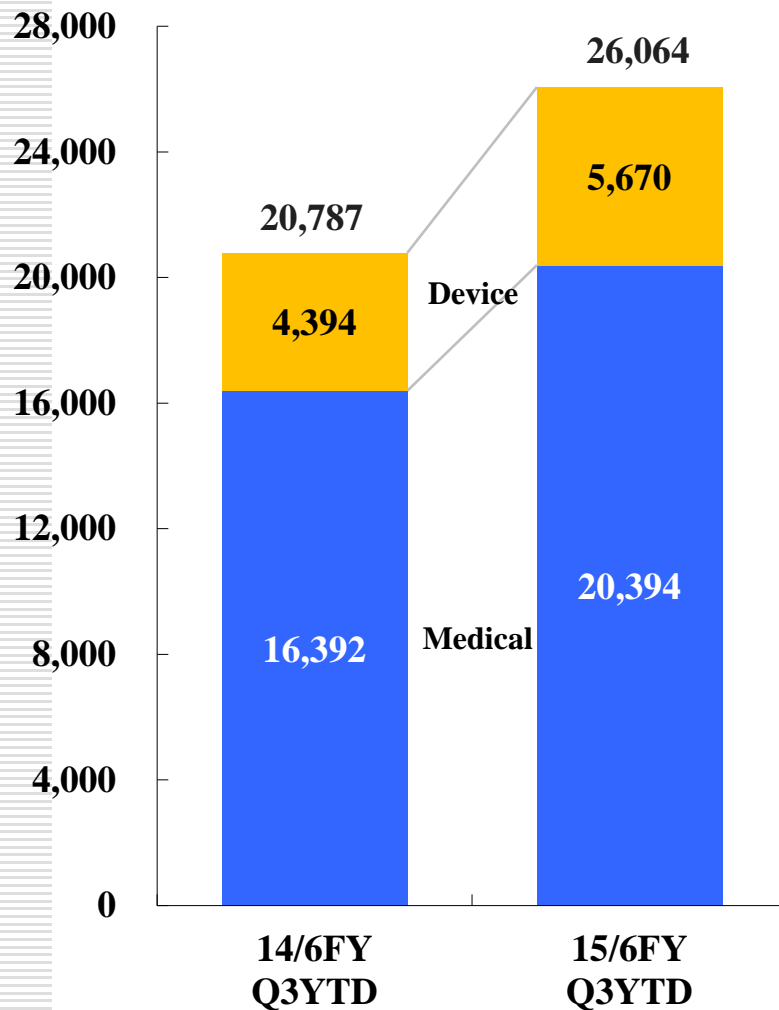
※Increase from inter segment business transaction is inclusive



# Earnings Performance by Segment Division

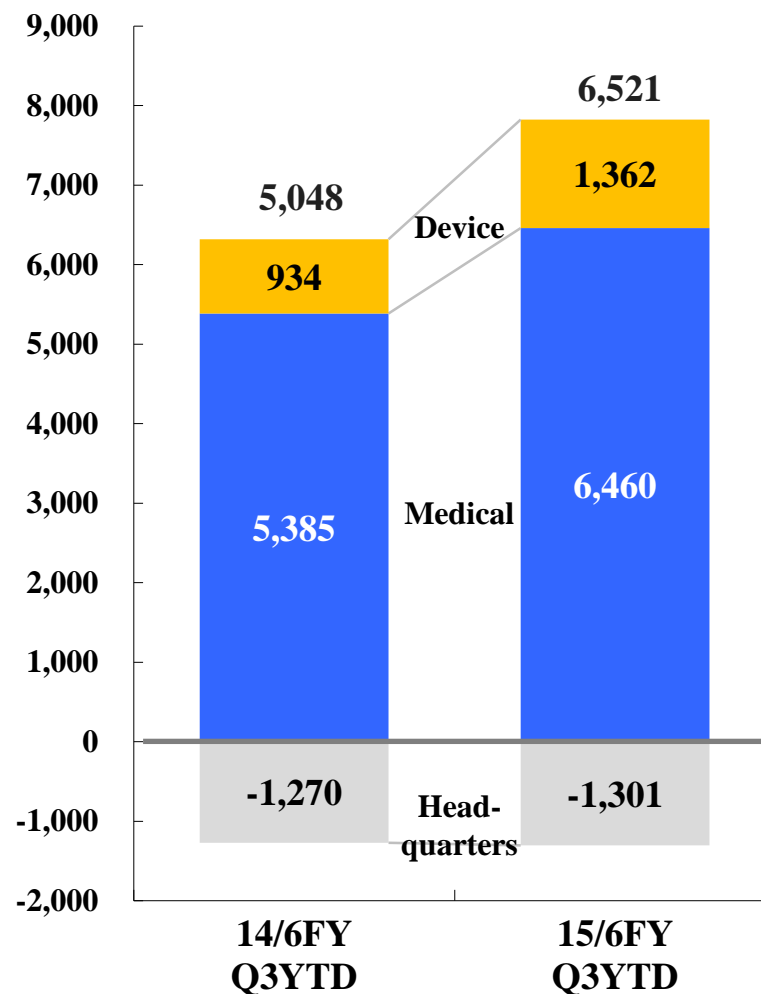
(Mil. Yen)

## 【 Net Sales 】



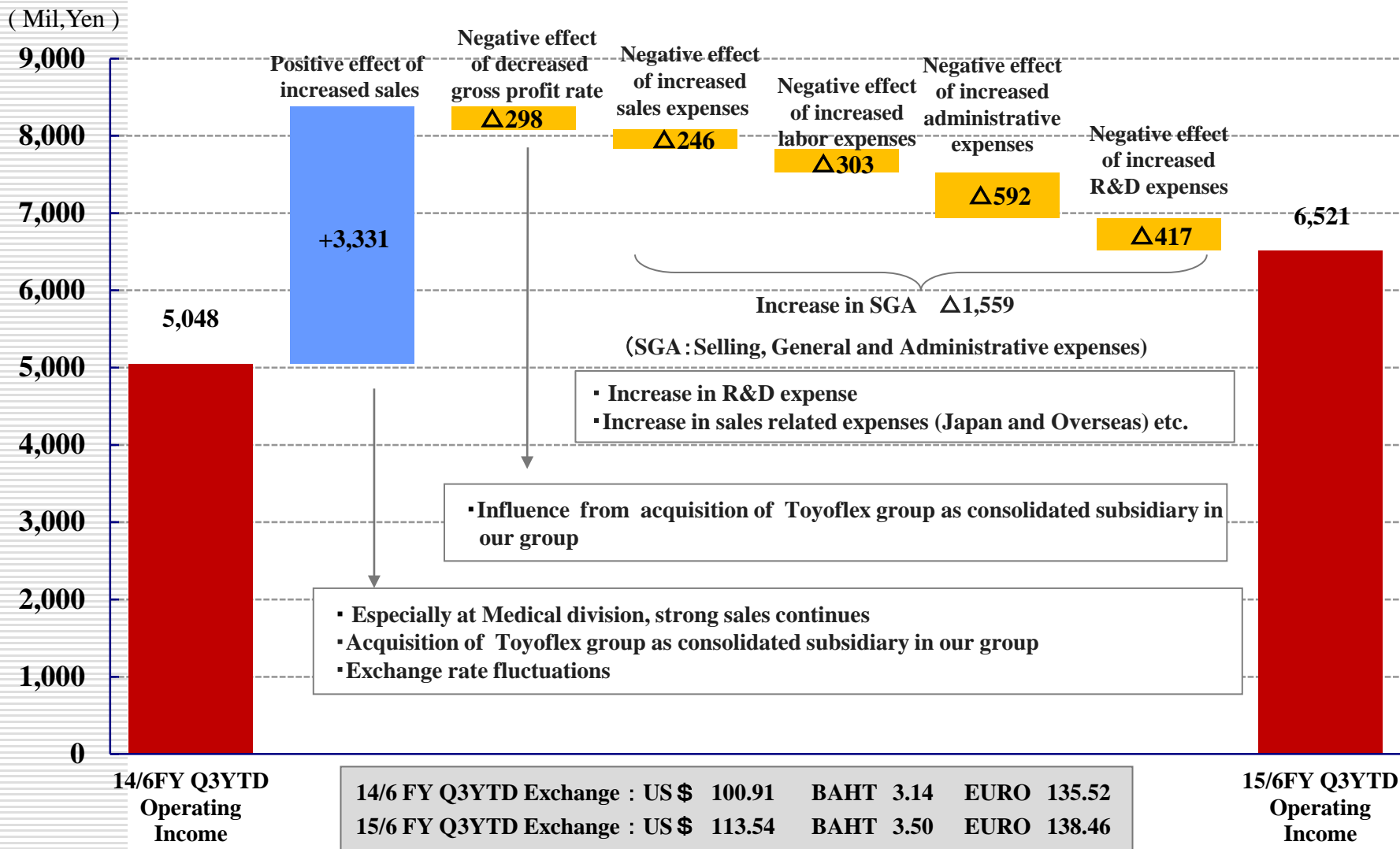
(Mil. Yen)

## 【 Operating Income 】



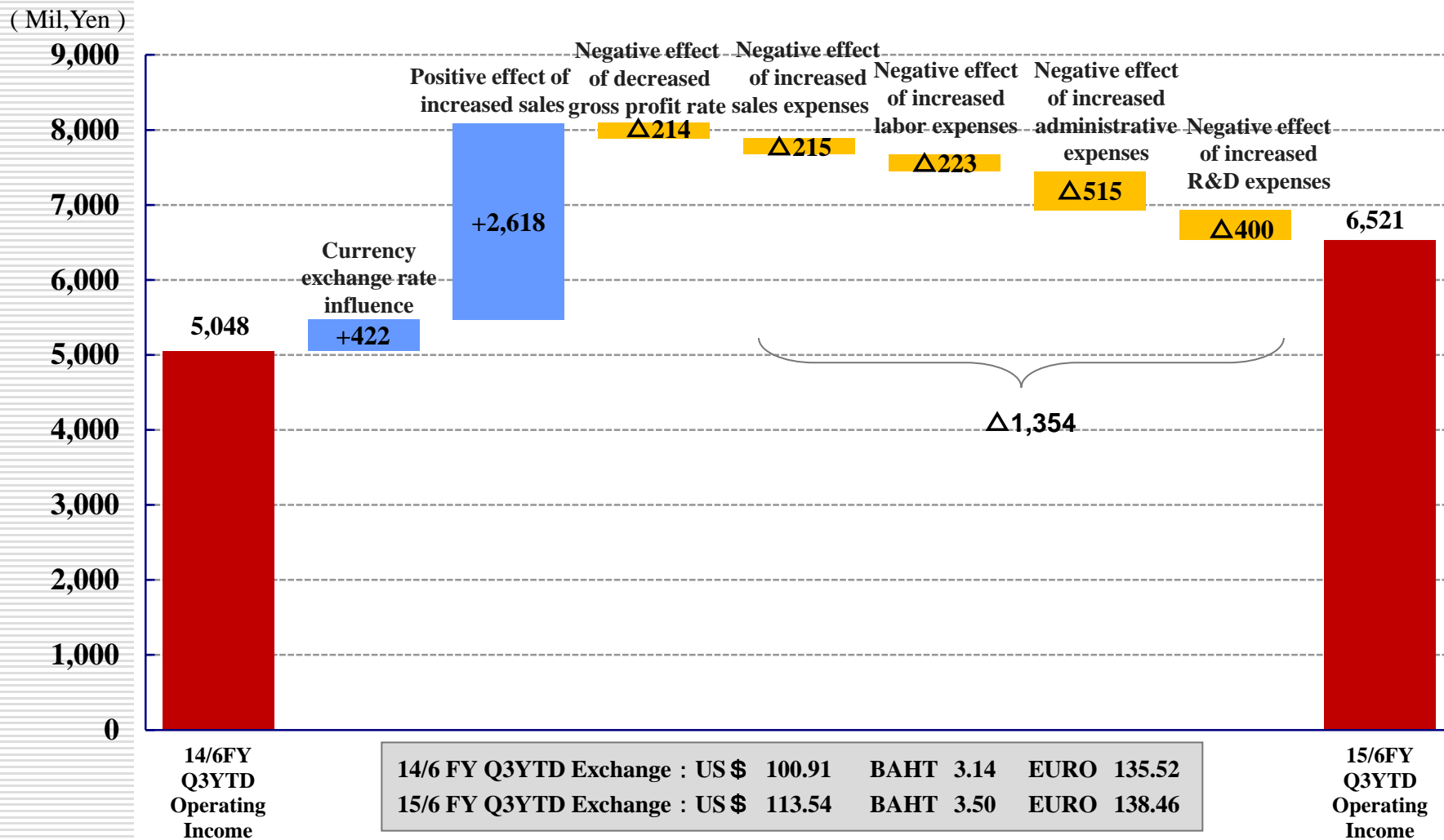


# Attribution Analysis of Operating Income – 1 (Exchange Rate Fluctuations Included)





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

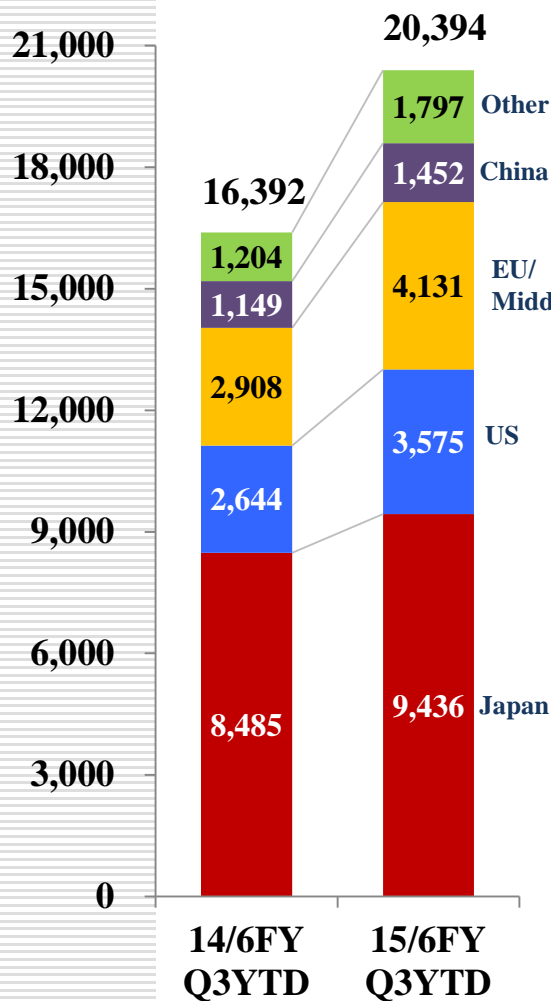






## Per Segment by Medical Division (by Geography-1)

(Mil, Yen)



### 【Net Sales (YoY)】

■ **Japan: Cardiovascular and non-Cardiovascular segments favorably progressed despite reimbursement price reduction (Δ766 Mil. Yen).**

- PTCAGW: 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 : In all area, good market demand shown. US and Euro 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: Market demands grows continuously, resulting in good result progress.  
Penetration Catheter “Corsair”: Increasing demand
- <China>  
PTCA GW: Increased sales due to increased demand  
Penetration Catheter “Corsair”: 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)

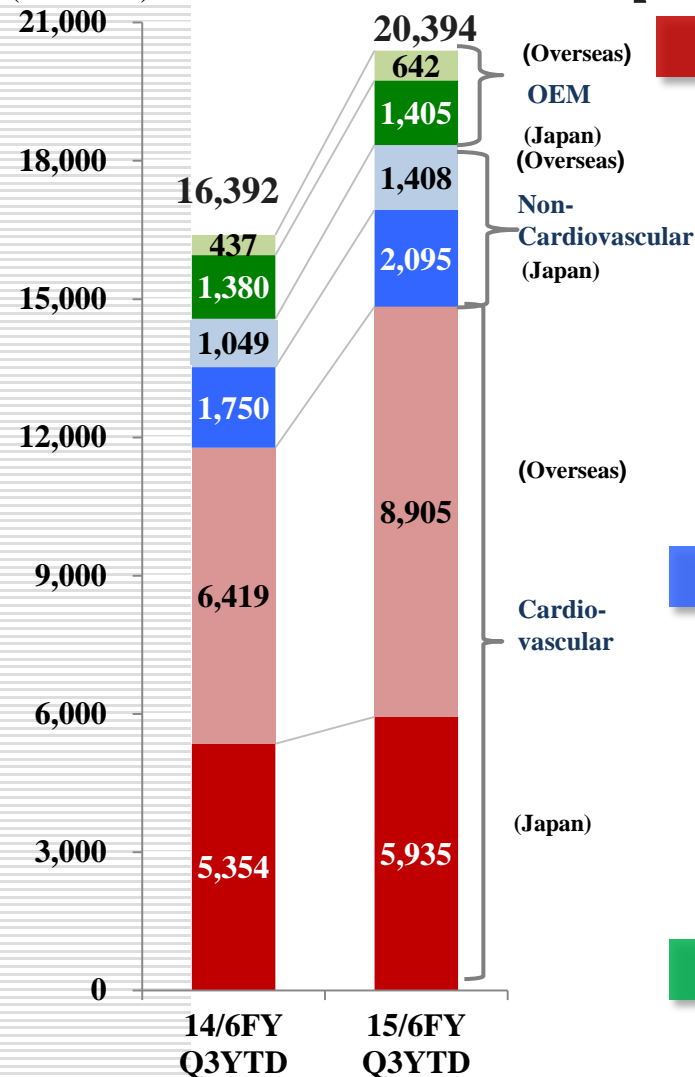
	FYE 6/2014 Q3 YTD	FYE 6/2015 Q3 YTD	YoY	
			Changes	Changes (%)
(Exchange rate: USD→Yen)	100.91	113.54	+12.63	+12.5
Net Sales	16,392	20,394	+4,001	+24.4
Japan	8,485	9,436	+951	+11.2
Overseas	7,907	10,957	+3,049	+38.6
USA	2,644	3,575	+930	+35.2
EU/Middle East	2,908	4,131	+1,223	+42.1
China	1,149	1,452	+303	+26.4
Other	1,204	1,797	+592	+49.2
Operating Income	5,385	6,460	+1,075	+20.0



# Per Segment by Medical Division (by Treatment-1)

( Mil. Yen )

【Net Sales (YoY)】



## Cardiovascular

- **Japan:** In addition to established product, 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”
- **Overseas :** In all area, PTCA GW mainly shows good result trends.
  - US: PTCA GW/ Shipments above contractual minimums.
  - US, EU, Middle East, China: Penetration Catheter “Corsair”/ Increased sales due to increased demand

## 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
- **Overseas :**
  - Asia(including China) : Abdominal vascular products shows 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)

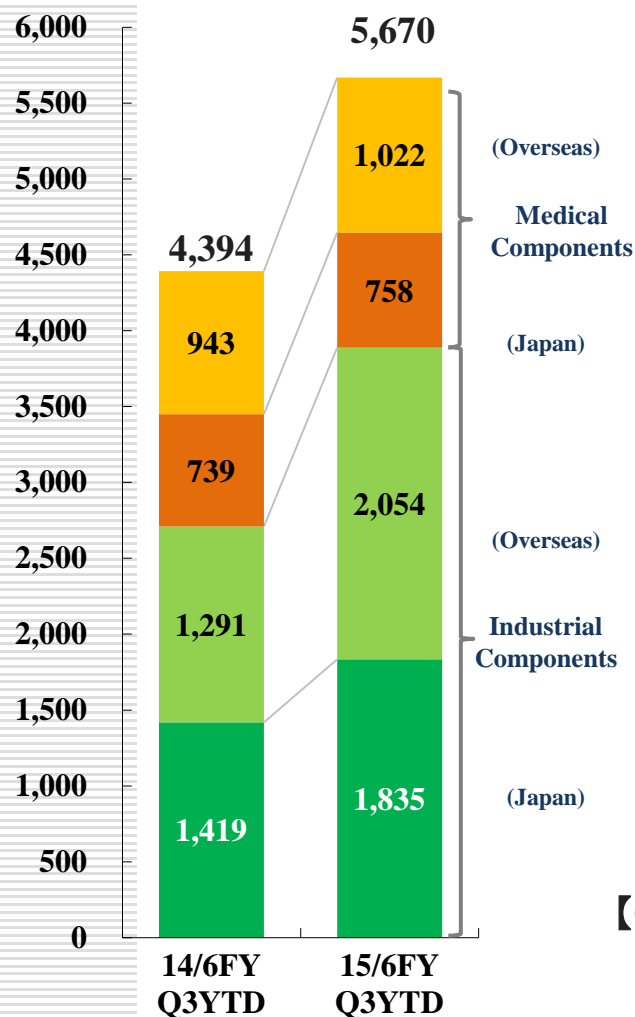
(Mil. Yen)

	FYE 6/2014 Q3 YTD	FYE 6/2015 Q3 YTD	YoY	
			Changes	Changes (%)
(Exchange rate: USD→Yen)	100.91	113.54	+12.63	+12.5
Net Sales	16,392	20,394	+4,001	+24.4
Japan	8,485	9,436	+951	+11.2
Overseas	7,907	10,957	+3,049	+38.6
Cardiovascular	11,773	14,841	+3,068	+26.1
Japan	5,354	5,935	+581	+10.9
Overseas	6,419	8,905	+2,486	+38.7
Non-Cardiovascular	2,800	3,504	+703	+25.1
Japan	1,750	2,095	+344	+19.7
Overseas	1,049	1,408	+359	+34.2
OEM	1,818	2,048	+229	+12.6
Japan	1,380	1,405	+25	+1.8
Overseas	437	642	+204	+46.7



# Per Segment by Device Division -1

( Mil. Yen )



## 【Net Sales (YoY)】

Medical components increased both domestically and overseas.

Industrial components increased given effect of the Toyoflex acquisition. (1Q portion increased due to effect of subsidiary consolidation in 2Q of last year.)

### Medical Components

■ Japan : Endoscope related components shows 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】

■ Minimal profit growth from acquisition of Toyoflex group as consolidated subsidiary.

■ Sales Increases contributed its profit growth.



## Per Segment by Device Division -2

(Mil. Yen)

	FYE 6/2014 Q3 YTD	FYE 6/2015 Q3 YTD	YoY		
			Changes		Changes (%)
				Toyoflex Co. Q1 YTD	
(Exchange rate : USD→Yen)	100.91	113.54	+12.63	-	+12.5
Net sales	4,394	5,670	+1,276	+959	+29.1
Japan	2,158	2,593	+434	+527	+20.1
Overseas	2,235	3,077	+842	+432	+37.7
Medical Components	1,683	1,781	+98	-	+5.8
Japan	739	758	+19	-	+2.6
Overseas	943	1,022	+78	-	+8.4
Industrial Components	2,711	3,889	+1,178	+959	+43.5
Japan	1,419	1,835	+415	+527	+29.2
Overseas	1,291	2,054	+763	+432	+59.1
Operating Income	934	1,362	+428	-	+45.9



## Reference : P/L

	FYE 6/2014 Q3YTD		FYE 6/2015 Q3YTD			
	Amount (Mil.Yen)	Ratio (%)	Amount (Mil.Yen)	Ratio (%)	Changes (Mil.Yen)	The Main Comparison Factors
Net Sales	20,787	100.0	26,064	100.0	+5,277	<ul style="list-style-type: none"> <li>•Positive trends observed in Medical Division in all area.</li> <li>•Acquisition of Toyoflex group as consolidated subsidiary in our group</li> </ul>
Cost of Sales	7,368	35.4	9,613	36.9	+2,245	
Gross Profit	13,418	64.6	16,451	63.1	+3,032	<ul style="list-style-type: none"> <li>•Brisk sales growth</li> <li>•Gross profit ratio decreased due to acquisition of Toyoflex group as consolidated subsidiary</li> </ul>
SGA	8,370	40.3	9,929	38.1	+1,559	•R&D expenses and Sales related expenses increased
Operating Income	5,048	24.3	6,521	25.0	+1,473	
Non-operating Income	236	1.1	449	1.7	+213	•Currency exchange gain increased
Non-operating Expense	68	0.3	53	0.2	△14	
Ordinary Income	5,216	25.1	6,917	26.5	+1,700	
Extraordinary Gain	319	1.5	-	0.0	△319	•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	76	0.4	0	0.0	△75	
Net Income	3,686	17.7	4,703	18.0	+1,016	
Comprehensive Income	3,855	18.5	6,937	26.6	+3,081	•Foreign currency translation adjustment increased +1,897 Mil. Yen



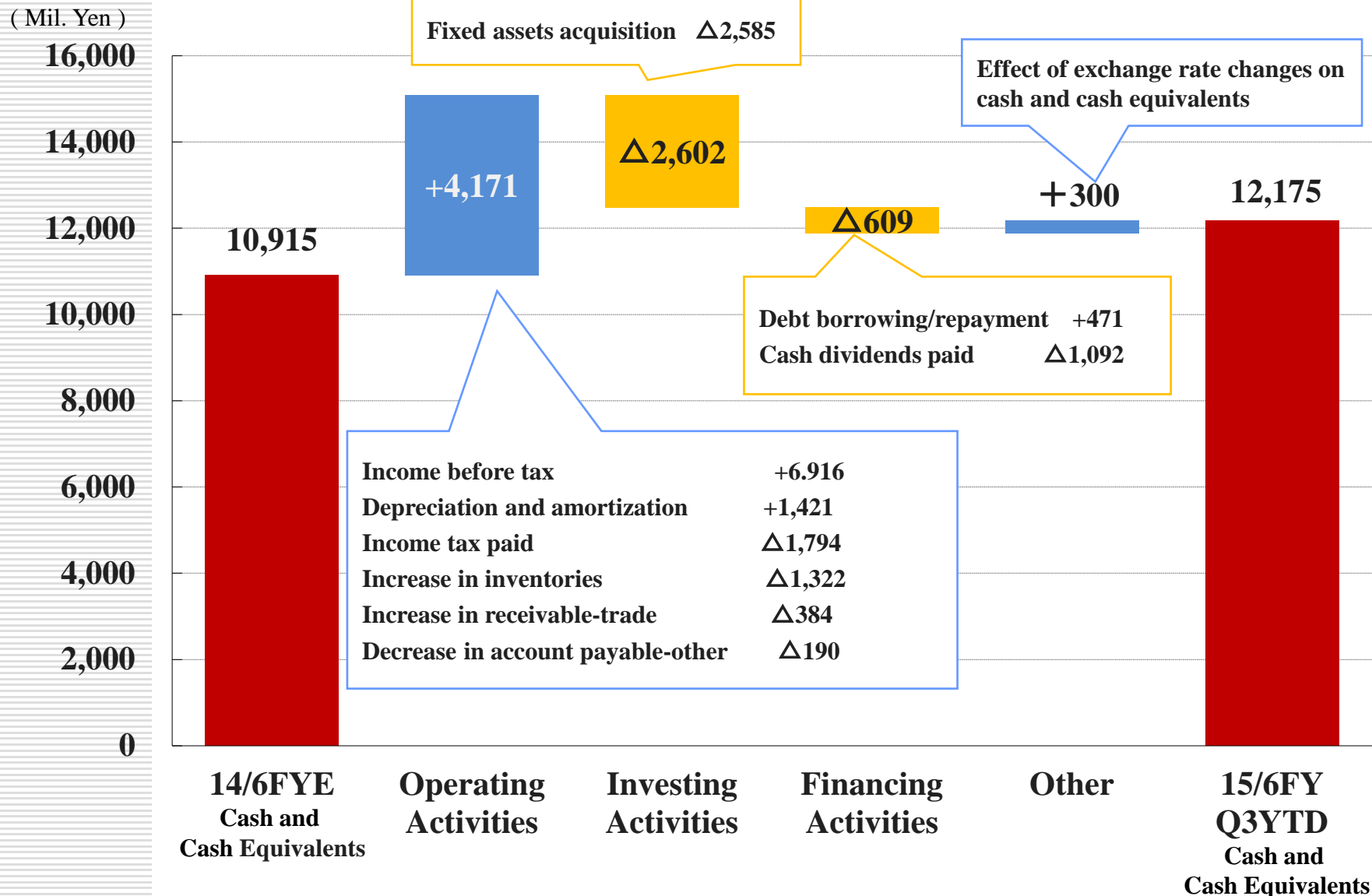
## Reference : B/S

		FYE 6/2014		FYE 6/2015 Q3YTD			
		Amount (Mil.Yen)	Ratio (%)	Amount (Mil.Yen)	Ratio (%)	Changes (Mil.Yen)	The Main Comparison Factors
Assets	Current Assets	26,408	61.5	30,981	61.8	+4,572	Cash and deposit +1,819 Receivable-trade +950 Investment securities (Negotiable deposit) △600 Inventory assets +2,072
	Fixed Assets	16,558	38.5	19,132	38.2	+2,573	Tangible fixed assets +2,006 Investments and other assets +513
Total Assets		42,967	100.0	50,114	100.0	+7,146	
Liabilities	Current Liabilities	9,482	22.1	10,125	20.2	+642	Payable-trade +419 Accrued corporation tax +370 Short-term debt +183 Account payable-other △288
	Fixed Liabilities	7,747	18.0	8,400	16.8	+653	Long-term debt +287 Long-term deferred tax liabilities +330
Total Liabilities		17,230	40.1	18,526	37.0	+1,295	
Total Net Assets		25,736	59.9	31,587	63.0	+5,851	Retained earnings +3,596 Foreign currency translation adjustments +2,033
Total Liabilities & Net Assets		42,967	100.0	50,114	100.0	+7,146	





## Reference : C/F





# Caution Regarding Information Presented

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**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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