



ASAHI

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Financial Results of the 2nd Quarter for Fiscal Year ending June 2016

February 12, 2016

(Securities code: 7747

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



FYE June 2016 Q2 YTD Main Points-1

Net Sales 19,949 Mil. Yen <Year-on-year +17.6%>
~Medical Division and Device Division, both progress favorably~

- **Medical Division ~In addition to firm demands, US currency appreciation supports performance with large increase~**
 - ◆ Positive results from all areas in both Japan and overseas markets.
 - ◆ Positive results both in cardiovascular and non-cardiovascular segments.
 - Good progress and increased share of PTCA GW especially due to SION Series
 - Increase of Penetration Catheter due to all-purpose “Caravel”
 - Continuous increase of PTCA Guiding Catheter “Hyperion”
 - Increase of Peripheral vascular, Abdominal vascular, and Neurovascular products in non-cardiovascular segments.
- Japan
 - Tendency of growth shown for PTCA GW in all areas
 - Overseas
 - Strong growth for the Penetration Catheter “Corsair” especially in US, EU/Middle East, and Asia
 - Increase in non-cardiovascular segments based on peripheral vascular products switched to direct sales in July 2015 in US
- **Device Division ~Medical and Industrial components, both progress favorably especially in overseas market~**
 - ◆ In the Medical components business, orders increased in products targeting overseas markets
 - ◆ Industrial components business became brisk especially in products targeting overseas leisure markets



FYE June 2016 Q2 YTD Main Points-2

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

- **Gross profit 12,994 Mil. Yen < YoY +21.9% >**
 - Gross Profit increased in proportion to sales increase. Gross profit ratio increased.
- **Operating income 5,689 Mil. Yen < YoY +37.2% >**
 - Increased R&D expenses (1,726 Mil. Yen) (YoY +226 Mil. Yen, Sales ratio 8.7%)
 - Increased expenses to strengthen sales and marketing activities in overseas markets
- **Ordinary income 5,712 Mil. Yen < YoY +25.7% >**
 - Decreased currency exchange gain (YoY -385 Mil. Yen)
 - Arising of Gain on sales of fixed assets including selling the land of the former headquarters of a subsidiary in Japan (YoY +122 Mil. Yen)
- **Net income 4,073 Mil. Yen < YoY +32.5% >**

Exchange rate (Unit: JPY)	US \$	BAHT	EURO	CNY
FYE June 2015 Q2 YTD	110.69	3.42	140.61	17.95
FYE June 2016 Q2 YTD	121.59	3.39	134.42	19.03



Highlights

	FYE June 2015 Q2YTD		FYE June 2016 Q2YTD						
	Amount (Mil. Yen)	Ratio (%)	Initial plan Aug. 11, 2015	Amount (Mil. Yen)	Ratio (%)	YoY		Compared with initial plan	
						Changes (Mil. Yen)	Changes (%)	Changes (Mil. Yen)	Changes (%)
Net sales	16,958	100.0	19,225	19,949	100.0	+2,991	+17.6	+724	+3.8
Gross profit	10,661	62.9	12,134	12,994	65.1	+2,332	+21.9	+860	+7.1
Operating income	4,147	24.5	4,239	5,689	28.5	+1,542	+37.2	+1,450	+34.2
Ordinary income	4,543	26.8	4,356	5,712	28.6	+1,169	+25.7	+1,356	+31.1
Net income	3,073	18.1	3,000	4,073 ^{*1}	20.4	+1,000	+32.5	+1,072	+35.7
EPS ^{*2}	47.94 yen	-	47.47 yen	64.42 yen	-	+16.48 yen	+34.4	+16.95 yen	+35.7

^{*1}: Net income in Q2 YTD for FYE June 2016 is net income attributable to parent company shareholders.

^{*2}: 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 2015 Q2 YTD		FYE June 2016 Q2YTD			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Changes (%)
Medical	13,161	77.6	15,631	78.4	+2,469	+18.8
Device	3,796	22.4	4,318	21.6	+521	+13.7
Total amount	16,958	100.0	19,949	100.0	+2,991	+17.6

(Reference)

Medical field	14,358	84.7	17,252	86.5	+2,894	+20.2
Industrial field	2,600	15.3	2,696	13.5	+96	+3.7

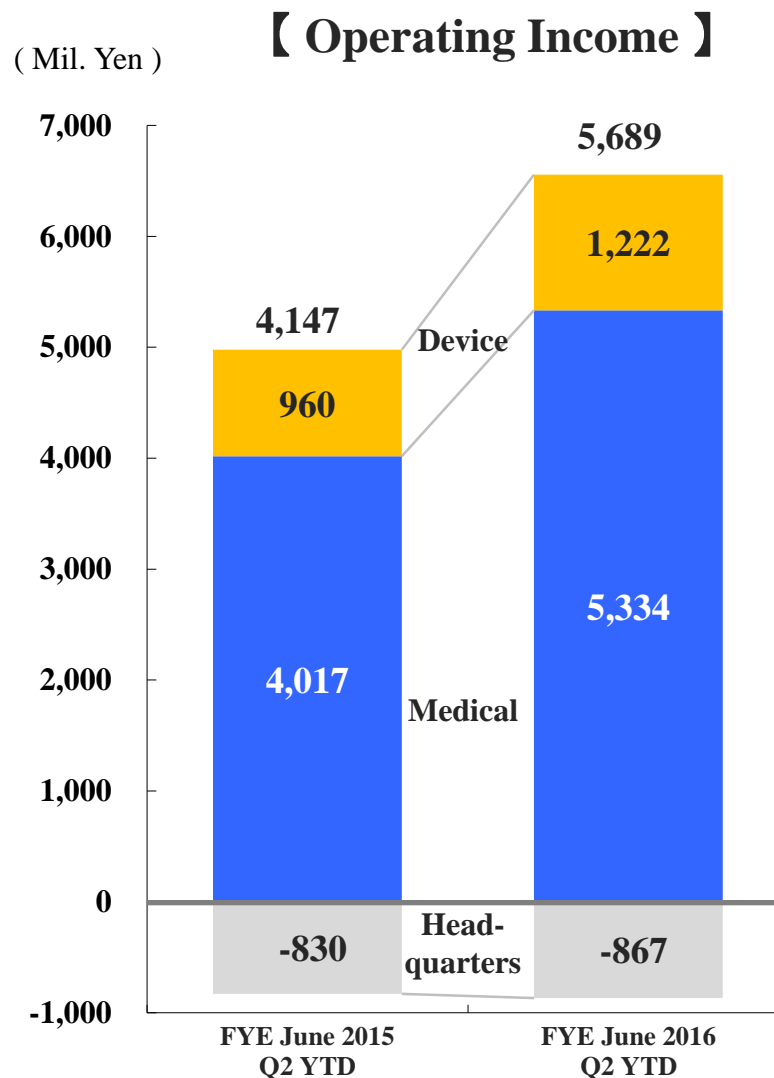
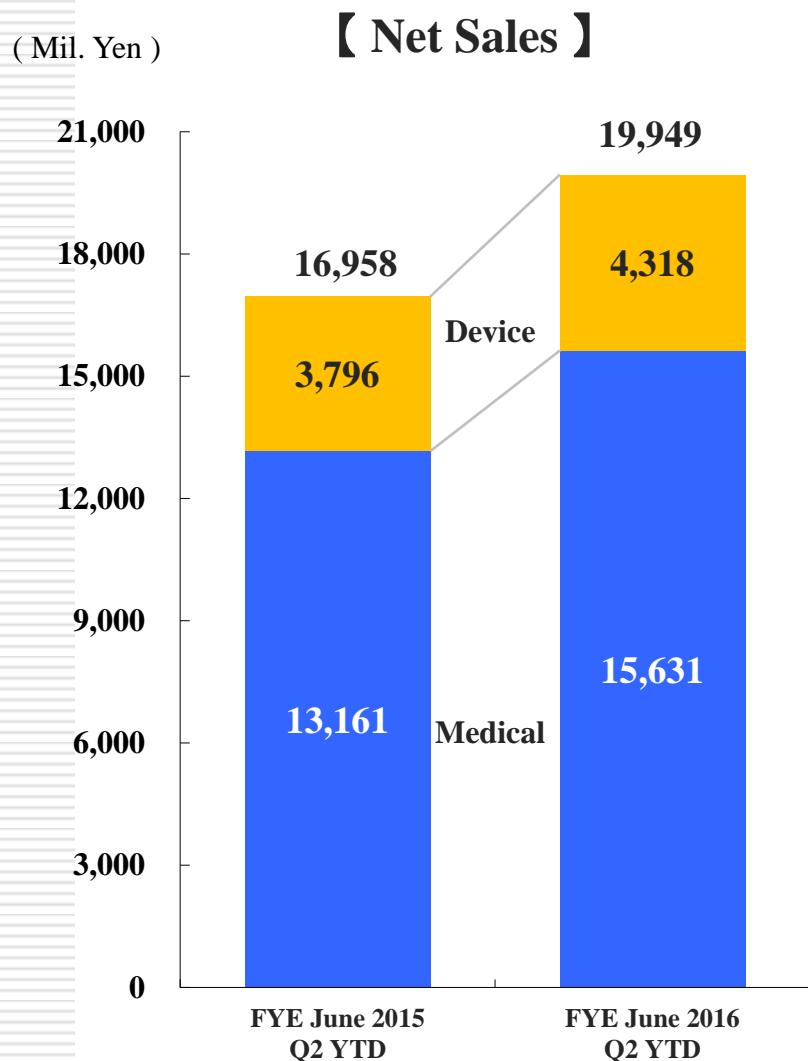


Operating Income by Segment Division

	FYE June 2015 Q2 YTD		FYE June 2016 Q2 YTD			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Changes (%)
Medical	4,017	80.7	5,334	81.4	+1,316	+32.8
Device	960	19.3	1,222	18.6	+262	+27.3
Subtotal	4,977	100.0	6,557	100.0	+1,579	+31.7
Erasing & Head Quarters	-830	-	-867	-	-36	+4.4
Total amount	4,147	-	5,689	-	+1,542	+37.2

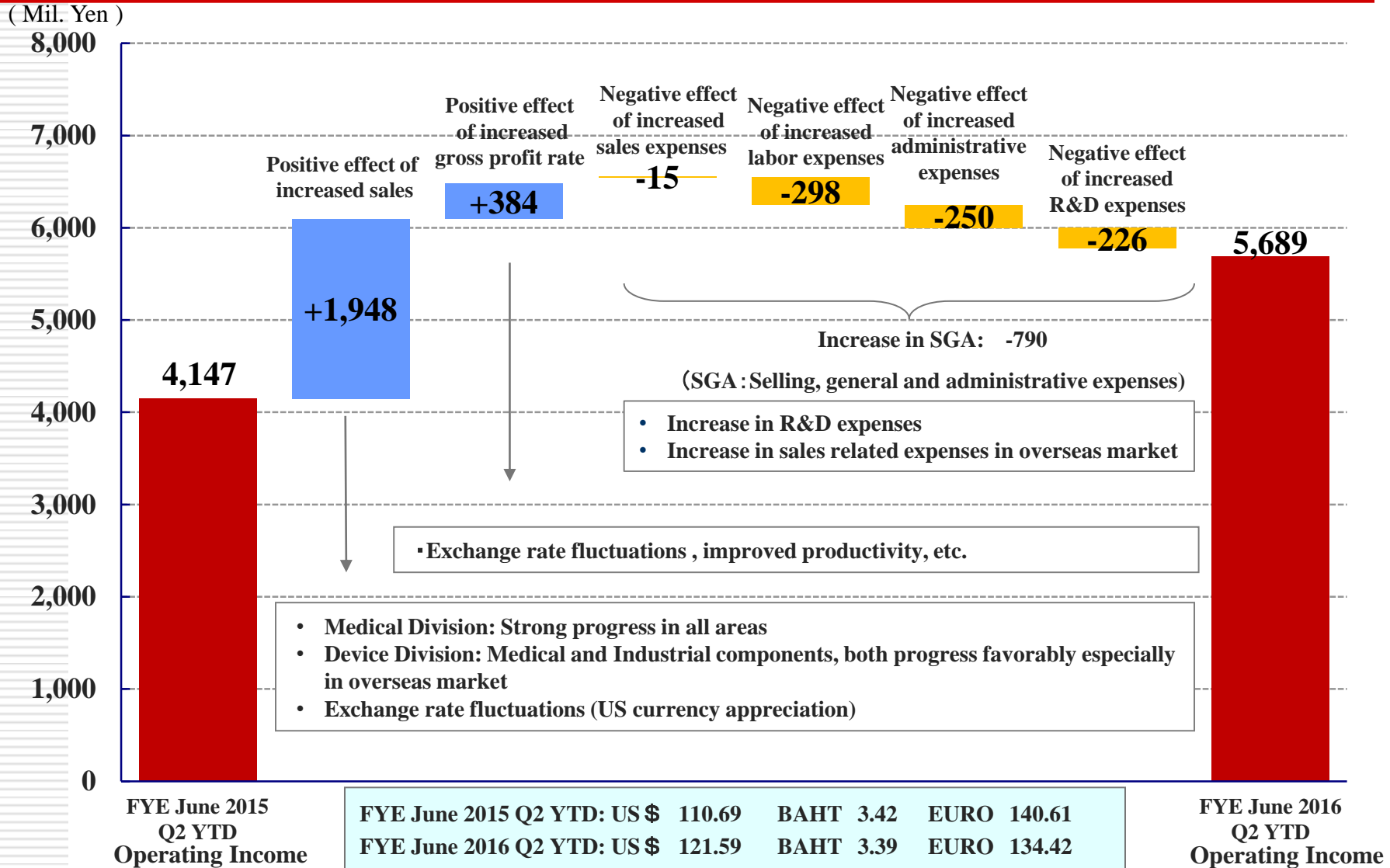


Earnings Performance by Segment Division



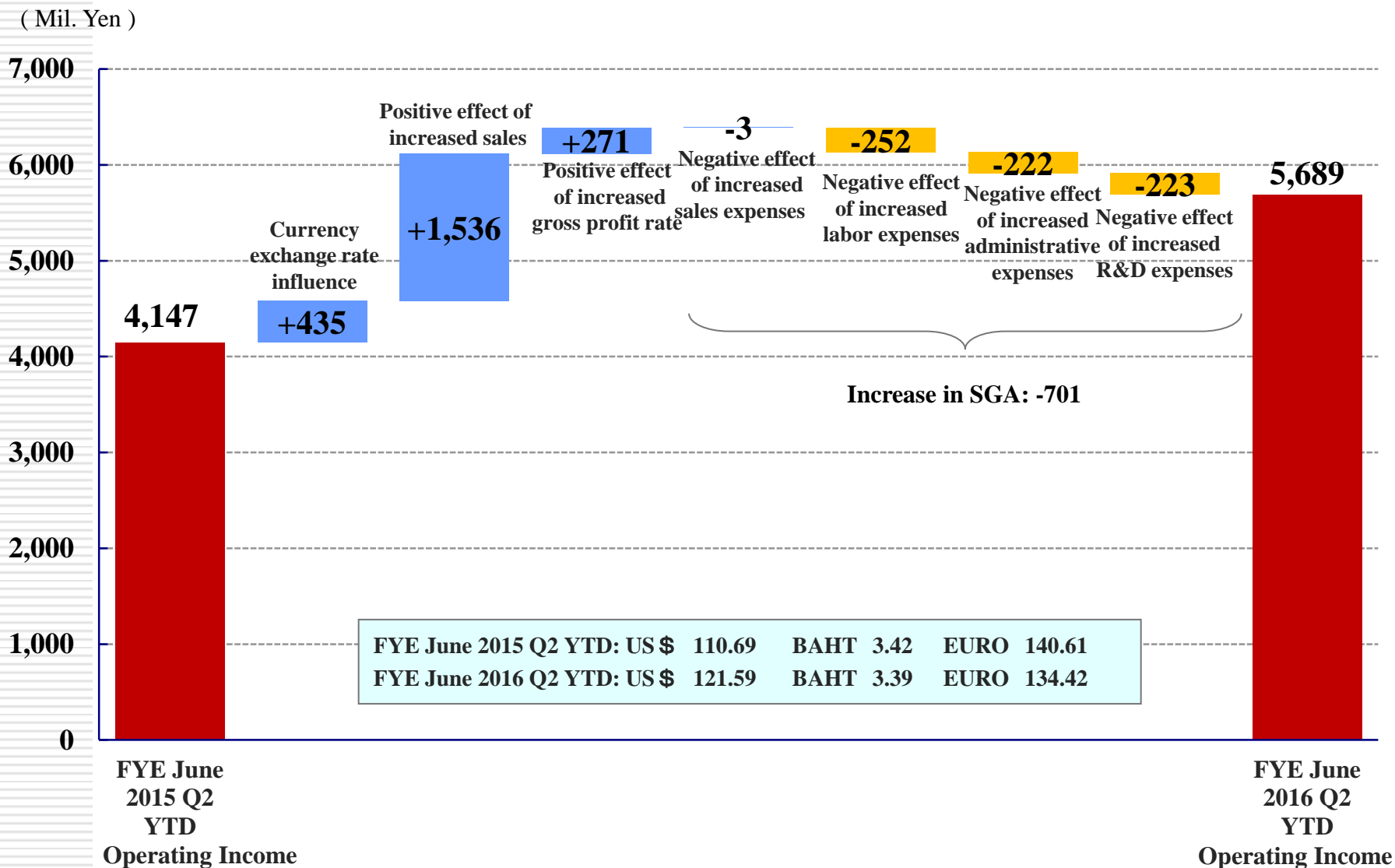


Attribution Analysis of Operating Income – 1 (Exchange Rate Fluctuations Included)





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

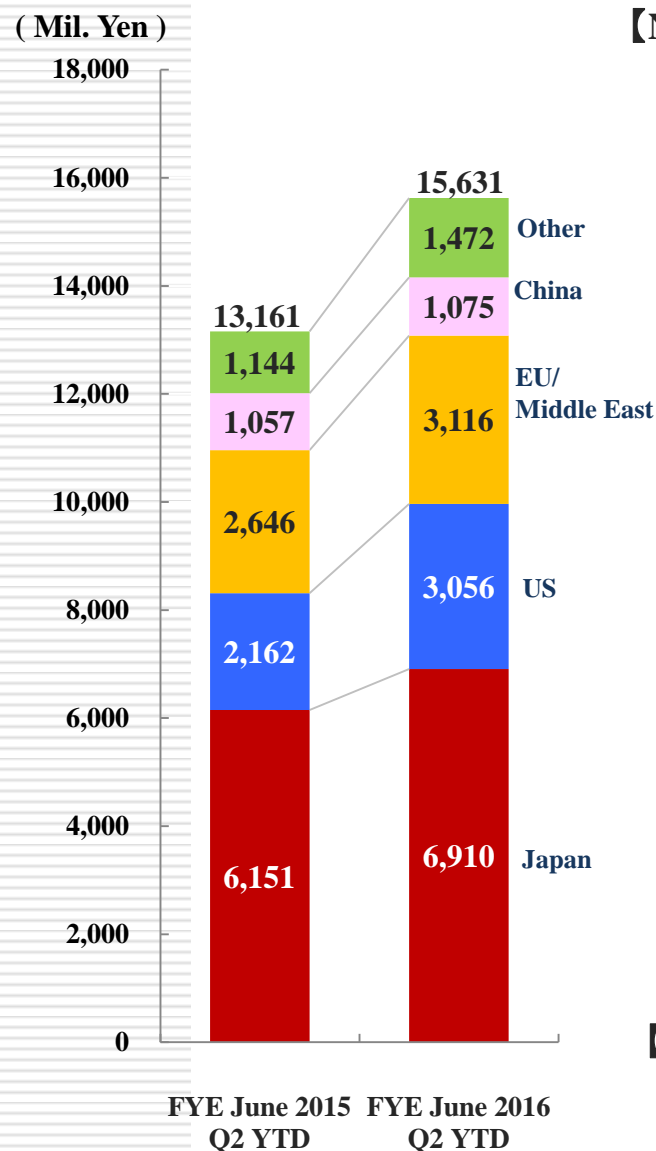




Situation Per Segment Division



Per Segment by Medical Division (by Geography - 1)



【Net Sales (YoY)】

- **Japan: Cardiovascular and non-cardiovascular segments favorably progressed**
 - PTCA GW: Volume increases based on SION Series
 - Penetration Catheter: Favorable growth of all-purpose “Caravel”
 - PTCA Guiding Catheter: Increased share by “Hyperion”
 - Non-cardiovascular segment: Increase in Peripheral vascular, Abdominal vascular, and Neurovascular products
- **Overseas: In addition to good market demand, US currency appreciation supported further increase**
 - <US>
 - PTCA GW: Growth trends of shipments above contractual minimums
 - Penetration Catheter: “Corsair” showed good progress from direct sales effects
 - Peripheral vascular products: Increases based on peripheral guide wire switched to direct sales on July 2015
 - <EU/Middle East>
 - PTCA GW and Penetration Catheter “Corsair”: Growth trends due to increased share in Western Europe
 - <China>
 - PTCA GW: Increased sales year on year
 - Penetration Catheter: Decreased sales of “Corsair” (Batch shipment at the end of the previous fiscal year)
 - <Other>
 - PTCA GW and Penetration Catheter “Corsair”: Growth trends by expanding market in Asia

【Operating Income】

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



Per Segment by Medical Division (by Geography - 2)

(Mil. Yen)

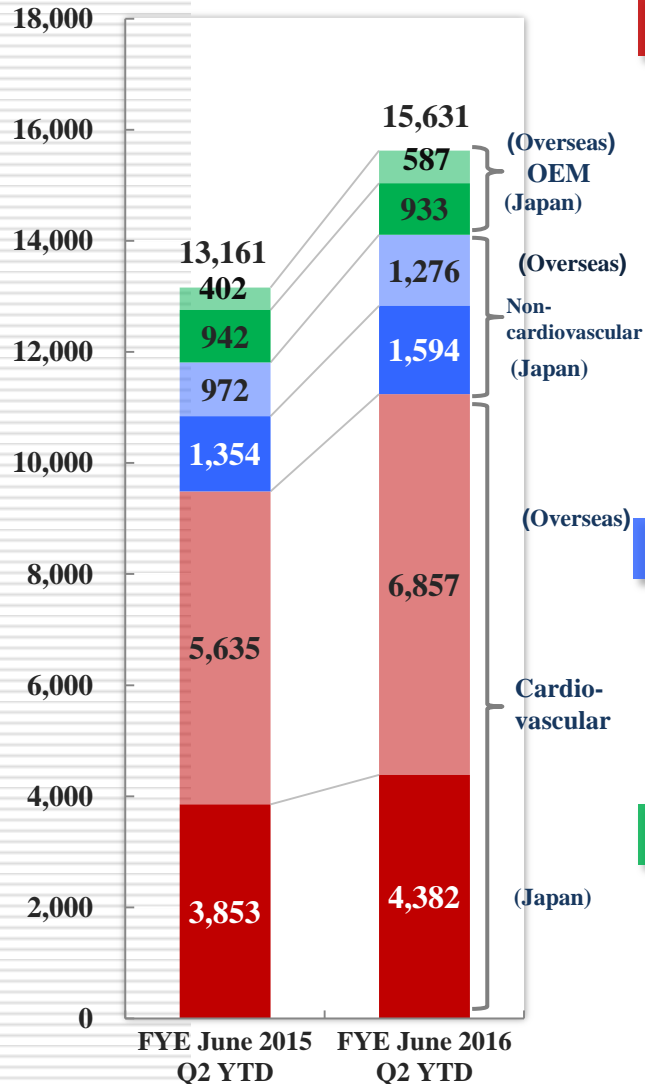
	FYE June 2015 Q2 YTD	FYE June 2016 Q2 YTD	YoY	
			Changes	Changes (%)
(Exchange rate: USD→Yen)	110.69	121.59	+10.9	+9.8
Net sales	13,161	15,631	+2,469	+18.8
Japan	6,151	6,910	+759	+12.4
Overseas	7,010	8,720	+1,710	+24.4
US	2,162	3,056	+893	+41.3
EU/Middle East	2,646	3,116	+470	+17.8
China	1,057	1,075	+18	+1.7
Other	1,144	1,472	+328	+28.7
Operating income	4,017	5,334	+1,316	+32.8



Per Segment by Medical Division (by Treatment - 1)

(Mil. Yen)

【Net Sales (YoY)】



Cardiovascular

- **Japan: PTCA GW and Penetration Catheter mainly show good results**
 - PTCA GW: SION Series mainly shows good results
 - Penetration Catheter: : Favorable growth of all-purpose “Caravel”
 - PTCA Guiding Catheter: Increased share by “Hyperion”
- **Overseas: PTCA GW and Penetration Catheter mainly show good results**
 - PTCA GW: Tendency of growth in all areas
 - Penetration Catheter “Corsair”: Increased sales especially in US ,EU/Middle East and Asia

Non-cardiovascular

- **Japan:**
Increase in Peripheral vascular, Abdominal vascular, and Neurovascular products
- **Overseas:**
Increases based on peripheral guide wire switched to direct sales in July 2015 in US

OEM

- **Japan: Flattening out**
- **Overseas: Increase of Mini-Guide Wire in cardiovascular diagnosis**



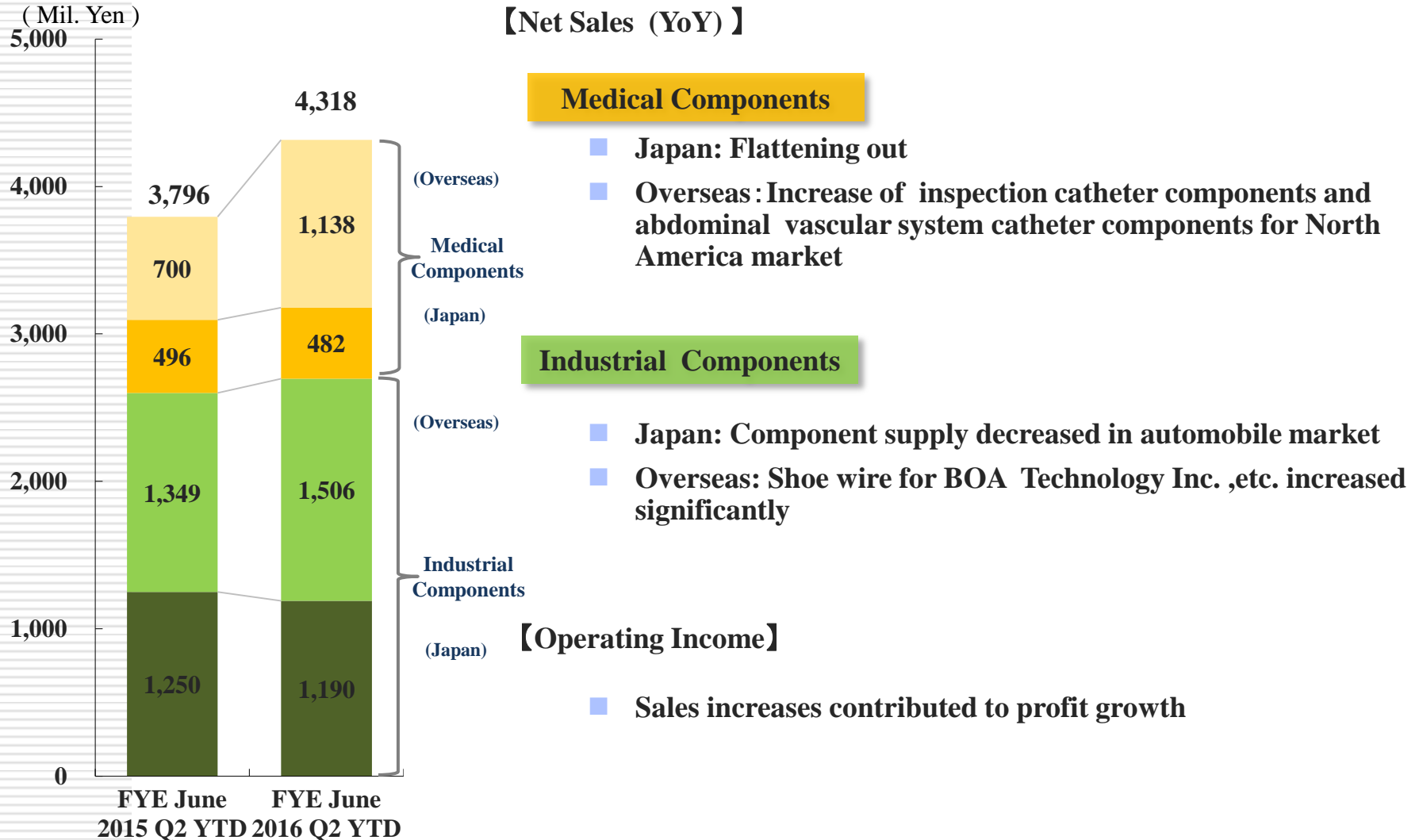
Per Segment by Medical Division (by Treatment - 2)

(Mil. Yen)

	FYE June 2015 Q2YTD	FYE June 2016 Q2 YTD	YoY	
			Changes	Changes (%)
(Exchange rate: USD→Yen)	110.69	121.59	+10.9	+9.8
Net sales	13,161	15,631	+2,469	+18.8
Japan	6,151	6,910	+759	+12.4
Overseas	7,010	8,720	+1,710	+24.4
Cardiovascular	9,489	11,239	+1,750	+18.4
Japan	3,853	4,382	+528	+13.7
Overseas	5,635	6,857	+1,221	+21.7
Non-cardiovascular	2,327	2,871	+543	+23.3
Japan	1,354	1,594	+239	+17.7
Overseas	972	1,276	+303	+31.2
OEM	1,344	1,520	+176	+13.1
Japan	942	933	-9	-1.0
Overseas	402	587	+185	+46.0



Per Segment by Device Division - 1





Per Segment by Device Division - 2

(Mil. Yen)

	FYE June 2015 Q2 YTD	FYE June 2016 Q2 YTD	YoY	
			Changes	Changes (%)
(Exchange rate: USD→Yen)	110.69	121.59	+10.9	+9.8
Net sales	3,796	4,318	+521	+13.7
Japan	1,747	1,672	-74	-4.3
Overseas	2,049	2,645	+596	+29.1
Medical components	1,196	1,621	+424	+35.5
Japan	496	482	-14	-2.8
Overseas	700	1,138	+438	+62.7
Industrial components	2,600	2,696	+96	+3.7
Japan	1,250	1,190	-60	-4.9
Overseas	1,349	1,506	+157	+11.7
Operating income	960	1,222	+262	+27.3



Reference: P/L

	FYE June 2015 Q2 YTD		FYE June 2016 Q2 YTD			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Main comparison factors
Net sales	16,958	100.0	19,949	100.0	+2,991	• Both divisions progress favorably
Cost of sales	6,296	37.1	6,955	34.9	+658	
Gross profit	10,661	62.9	12,994	65.1	+2,332	• Along with brisk sales growth
SGA	6,514	38.4	7,304	36.6	+790	• R&D and Sales related expenses increased
Operating income	4,147	24.5	5,689	28.5	+1,542	
Non-operating income	423	2.5	168	0.8	-254	• Currency exchange gain decreased • Gain on sales of fixed assets increased
Non-operating expense	27	0.2	145	0.7	+118	• Currency exchange loss increased
Ordinary income	4,543	26.8	5,712	28.6	+1,169	
Extraordinary gain	-	0.0	0	0.0	+0	
Extraordinary loss	-	0.0	7	0.0	+7	
Net income	3,073	18.1	4,073	20.4	+1,000	
Comprehensive income	5,204	30.7	3,319	16.6	-1,884	• Foreign currency translation adjustment decreased -2,725 Mil. Yen

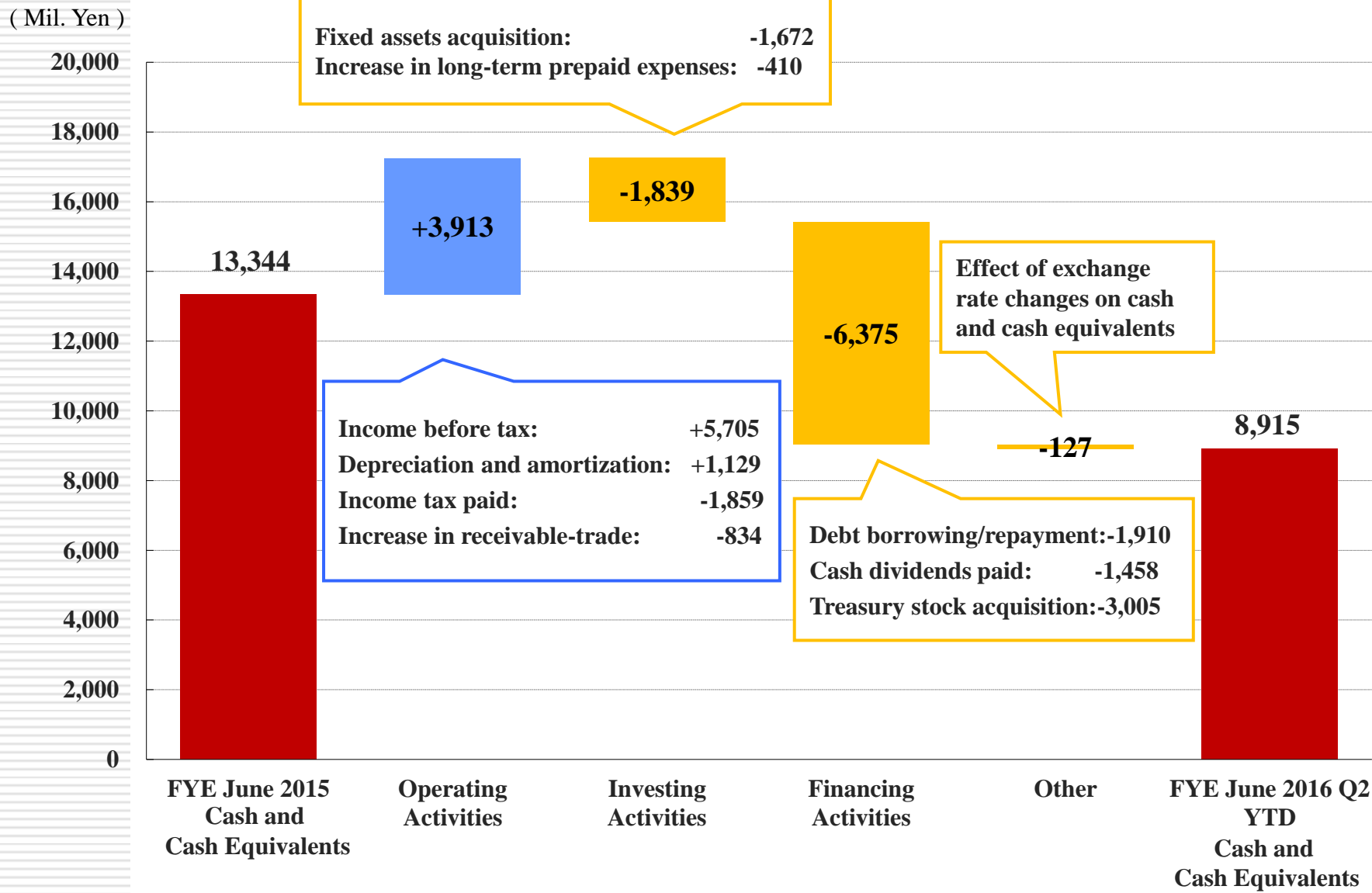


Reference: B/S

		FYE June 2015		FYE June 2016 Q2 YTD			
		Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Main comparison factors
Assets	Current assets	31,423	61.6	27,282	58.3	-4,141	Cash and deposit: -4,429 Receivable-trade: +673 Inventory assets: -262
	Fixed assets	19,625	38.4	19,500	41.7	-125	Tangible fixed assets: -378 Investments and other assets: +329
Total assets		51,049	100.0	46,782	100.0	-4,266	
Liabilities	Current liabilities	10,595	20.8	8,324	17.8	-2,271	Short-term debt: -990 Accrued corporation tax: -268 Other current liability: -748
	Fixed liabilities	7,861	15.4	7,005	15.0	-856	Long-term debt: -923
Total liabilities		18,457	36.2	15,329	32.8	-3,127	
Total net assets		32,592	63.8	31,453	67.2	-1,139	Retained earnings: +2,616 Treasury stock: -3,005 Foreign currency translation adjustment: -765
Total liabilities & net assets		51,049	100.0	46,782	100.0	-4,266	



Reference: C/F





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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