



ASAHI

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Financial Results of the 1st Quarter for Fiscal Year ending June 2018

November 14, 2017

**(Securities code: 7747 Second Section of the Tokyo Stock Exchange,
Second Section of the Nagoya Stock Exchange)**



FYE June 2018 Q1 YTD Main Points-1

Net Sales 12,568 Mil. Yen <Year-on-year **+25.8%**>
 ~ **Medical Division and Device Division, both progressed favorably** ~

■ **Medical Division ~ Large increase in both Japanese and overseas markets due to firm demands**

◆ **Good progress in both cardiovascular and non-cardiovascular segments in Japanese and overseas markets**

Japan

- Positive progress of PTCA GW based on SION Series
- Volume increase of PTCA Balloon Catheters “NC Kamui” launched in the second half of the previous fiscal year
- Increases of Penetration Catheter based on multi lumen type “SASUKE”
- Increases all of peripheral vascular, abdominal vascular, and neurovascular products in non-cardiovascular segments.

Overseas

- Positive progress of PTCA GW and Penetration Catheter in cardiovascular segments
- Growth trends in the demand of EU/Middle East and Chinese markets
Though temporal increases, such as distributor’s inventory building and special demand, etc. were included, end user demand favorably progressed in the Chinese market.
- Positive impacts of the exchange rate (+554 Mil. Yen)

■ **Device Division ~Good progress in both Medical and Industrial Components mainly in overseas markets**

- ◆ Increase of endoscope related components for overseas markets in the Medical Components business
- ◆ Increased orders for overseas leisure market in the Industrial Components business



FYE June 2018 Q1 YTD Main Points-2

Although R&D expenses and sales related expenses increased, positive sales growth contributed to large profit performance

- **Gross profit 8,708 Mil. Yen < YoY +27.7% >**
 - Increase of gross profit ratio due to strong orders and improved productivity, etc.
- **Operating income 4,249 Mil. Yen < YoY +36.5% >**
 - Increased R&D expenses (1,188Mil. Yen) (YoY +256 Mil. Yen, Sales ratio 9.5%)
 - Increased expenses to strengthen sales and marketing activities in overseas markets
- **Ordinary income 4,295 Mil. Yen < YoY +37.9% >**
 - Increased currency exchange gain (YoY +35 Mil. Yen)
- **Net income attributable to parent company shareholders 3,073 Mil. Yen < YoY +32.2% >**

Exchange rate (Unit: JPY)	US \$	BAHT	EURO	CNY
FYE June 2018 Q1 YTD	111.04	3.33	130.42	16.64
FYE June 2017 Q1 YTD	102.42	2.94	114.26	15.35



Highlights

	FYE June 2017 Q1 YTD		FYE June 2018 Q1 YTD			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	YoY	
					Changes (Mil. Yen)	Changes (%)
Net sales	9,988	100.0	12,568	100.0	+2,580	+25.8
Gross profit	6,817	68.3	8,708	69.3	+1,891	+27.7
Operating income	3,113	31.2	4,249	33.8	+1,136	+36.5
Ordinary income	3,115	31.2	4,295	34.2	+1,179	+37.9
Net income attributable to parent company shareholders	2,324	23.3	3,073	24.5	+749	+32.2
EPS	36.74 yen	-	47.65 yen	-	+10.91 yen	+29.7



Net Sales by Segment Division

	FYE June 2017 Q1 YTD		FYE June 2018 Q1 YTD			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Changes (%)
Medical	7,942	79.5	10,311	82.0	+2,369	+29.8
Device	2,046	20.5	2,256	18.0	+210	+10.3
Total amount	9,988	100.0	12,568	100.0	+2,580	+25.8

(Reference)

Medical field	8,722	87.3	11,128	88.5	+2,405	+27.6
Industrial field	1,265	12.7	1,440	11.5	+175	+13.8

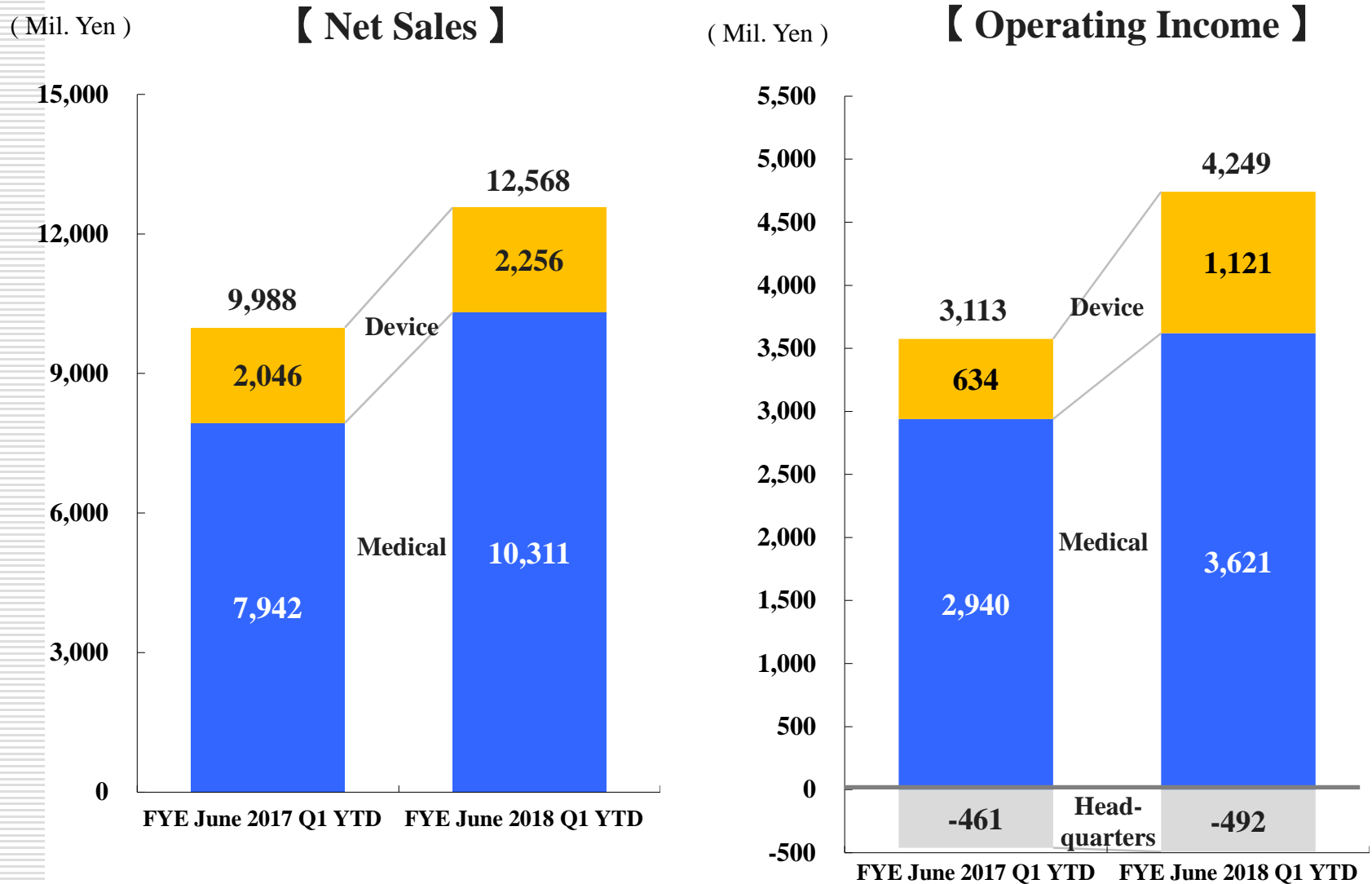


Operating Income by Segment Division

	FYE June 2017 Q1 YTD		FYE June 2018 Q1 YTD			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Changes (%)
Medical	2,940	82.3	3,621	76.4	+680	+23.1
Device	634	17.7	1,121	23.6	+486	+76.7 ※
Subtotal	3,575	100.0	4,742	100.0	+1,166	+32.6
Erasing & Head Quarters	-461	-	-492	-	-30	+6.7
Total amount	3,113	-	4,249	-	+1,136	+36.5
※						
(Reference) Segment Sales	494	-	1,033	-	+538	+108.9

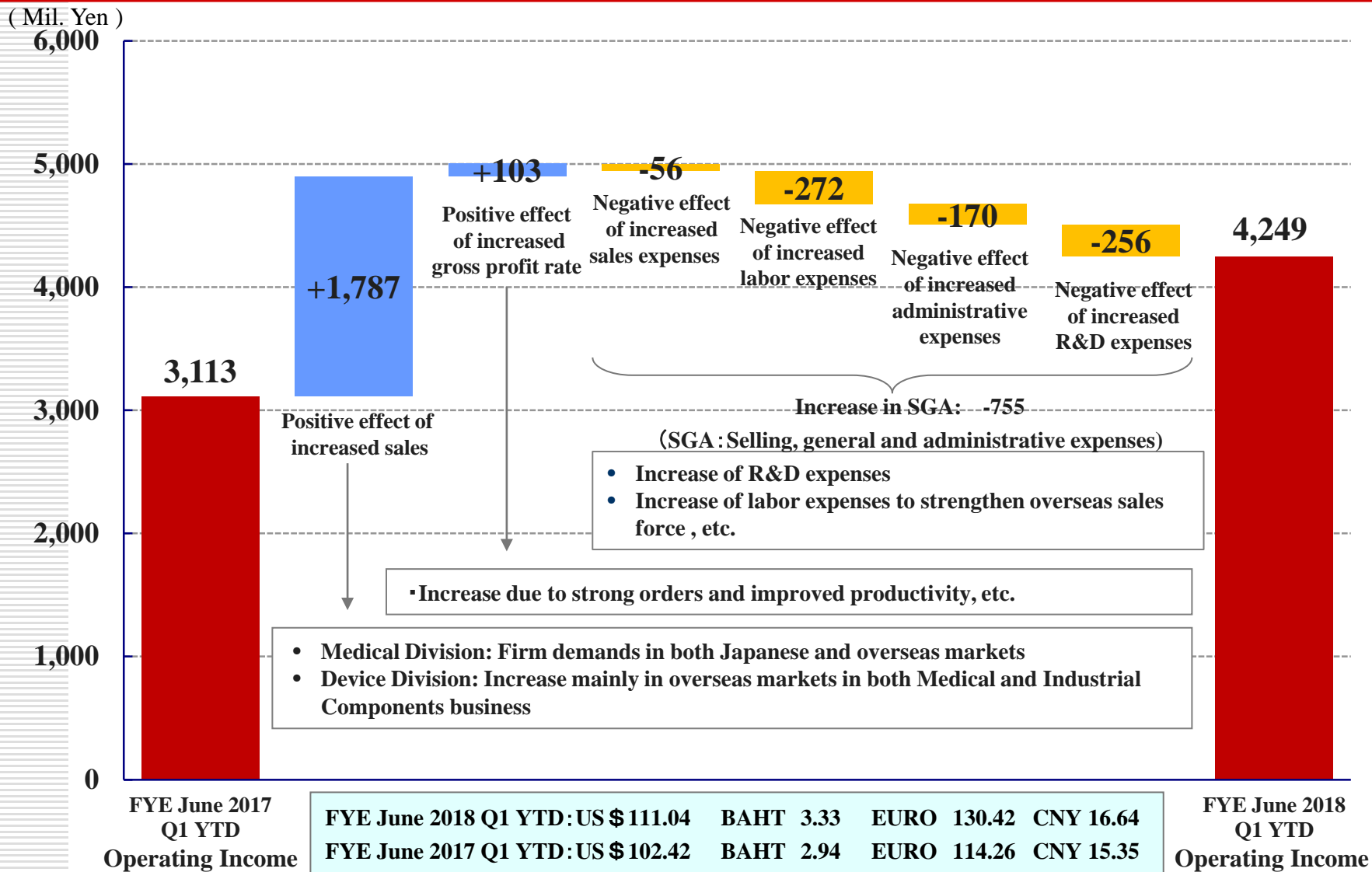


Earnings Performance by Segment Division





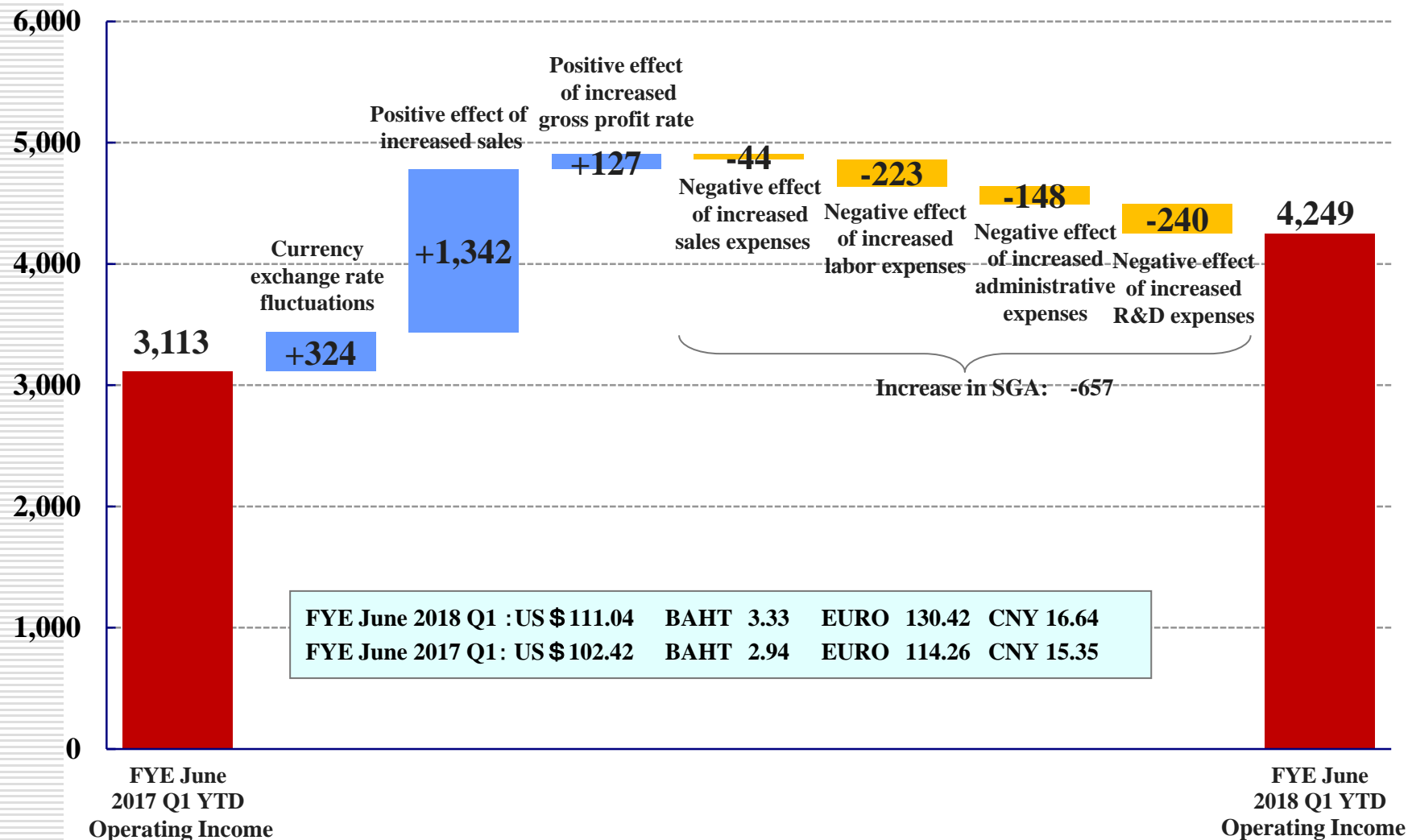
Attribution Analysis of Operating Income – 1 (Exchange Rate Fluctuations Included)





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

(Mil. Yen)





Situation Per Segment Division



Per Segment by Medical Division (by Geography - 1)

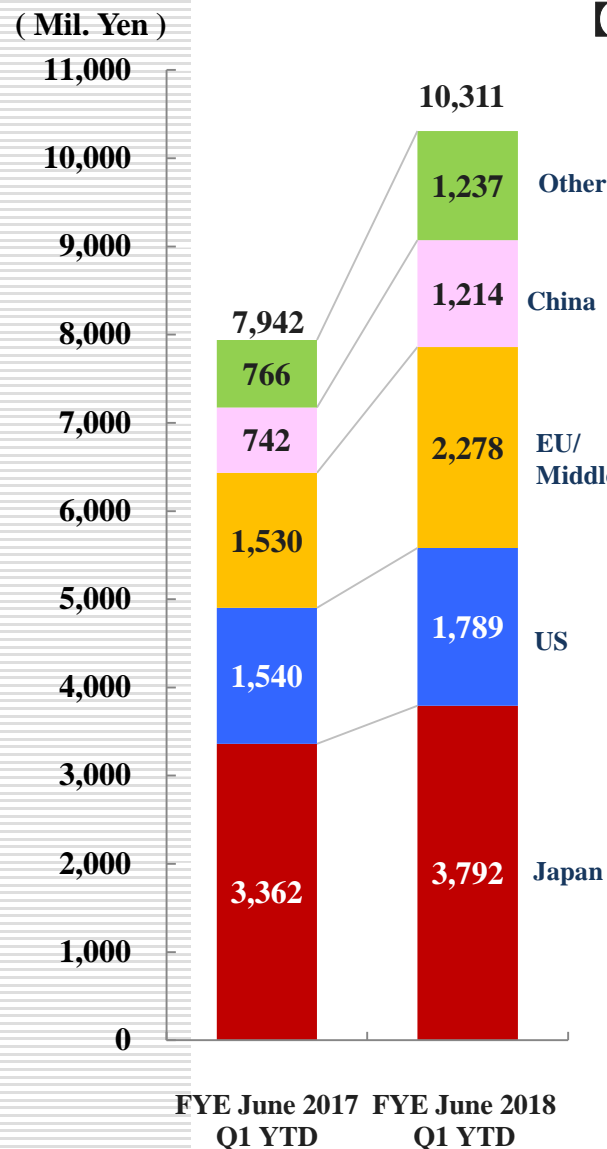
【Net Sales (YoY)】

- **Japan: Both cardiovascular and non-cardiovascular segments favorably progressed**
 - PTCA GW: Good progress based on SION series
 - PTCA Balloon Catheters: Increase of “NC Kamui” launched in the second half of the previous fiscal year
 - Penetration Catheter: Demand increase based on multi lumen type “SASUKE”
 - Non-cardiovascular segment: Increases in Peripheral vascular, Abdominal vascular, and Neurovascular products

- **Overseas: Firm demands in all areas in addition to the positive impacts of the exchange rate**
 - <US>
PTCA GW: Volume increase above contractual minimums
Penetration Catheter/ Peripheral Guide Wire: Increase in the direct sales
 - <EU/Middle East>
PTCA GW: Good progress due to expanding market share
 - <China>
PTCA GW and Penetration Catheter “Corsair”: Increase due to continuous switch to multi agent system.
Though temporal increases, such as distributor’s inventory building and special demand, etc. were included, end user demand favorably progressed.
 - <Other>
PTCA GW and Penetration Catheter “Corsair”: Good progress due to expanding market share in Asia

【Operating Income】

- While R&D and sales related expenses in SGA increased, positive sales growth contributed to profit performance





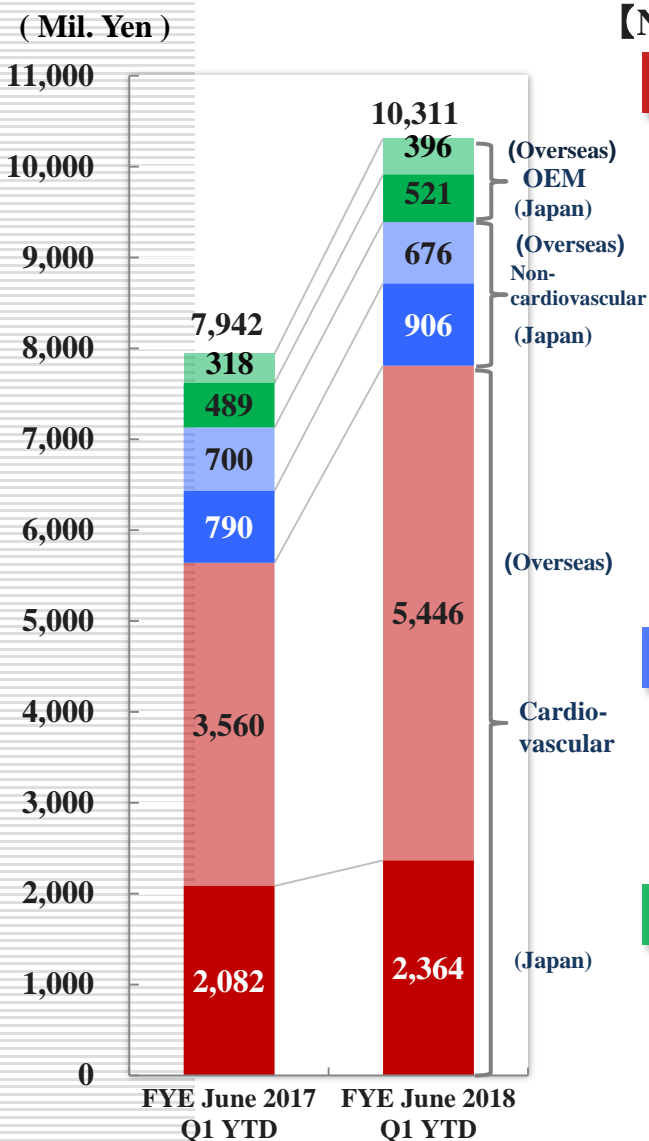
Per Segment by Medical Division (by Geography - 2)

		FYE June 2017 Q1 YTD	FYE June 2018 Q1 YTD	YoY	
				Changes	Changes (%)
Exchange rate(Yen)	USD	102.42	111.04	+8.62	+8.4
	EURO	114.26	130.42	+16.16	+14.1
	CNY	15.35	16.64	+1.29	+8.4
Net sales		7,942	10,311	+2,369	+29.8
Japan		3,362	3,792	+429	+12.8
Overseas		4,579	6,519	+1,940	+42.4
US		1,540	1,789	+249	+16.2
EU/Middle East		1,530	2,278	+747	+48.8
China		742	1,214	+472	+63.7
Other		766	1,237	+471	+61.5
Operating income		2,940	3,621	+680	+23.1

(Mil. Yen)



Per Segment by Medical Division (by Treatment - 1)



Cardiovascular

- **Japan:** Good progress due to new products impacts in addition to the existing products growth
 - PTCA GW: Good progress based on SION Series
 - PTCA Balloon Catheter : : Increase of “NC Kamui” launched in the second half of the previous fiscal year
 - Penetration Catheter : Demand increase based on multi lumen type “SASUKE”
- **Overseas:** Favorable progress based on PTCA GW and Penetration Catheter
 - PTCA GW: Good progress in all areas. Special demand was included in China.
 - Penetration Catheter : Increase mainly in EU/Middle East and China

Non-cardiovascular

- **Japan:** Good progress in the Peripheral vascular, Abdominal vascular, and Neurovascular products
- **Overseas:** Good progress in the Peripheral vascular and Neurovascular products

OEM

- **Japan:** Increase of Mini-Guide wire for inspection in cardiovascular
- **Overseas:** Increased supply of FFR guide wire for Boston Scientific (US)



Per Segment by Medical Division (by Treatment - 2)

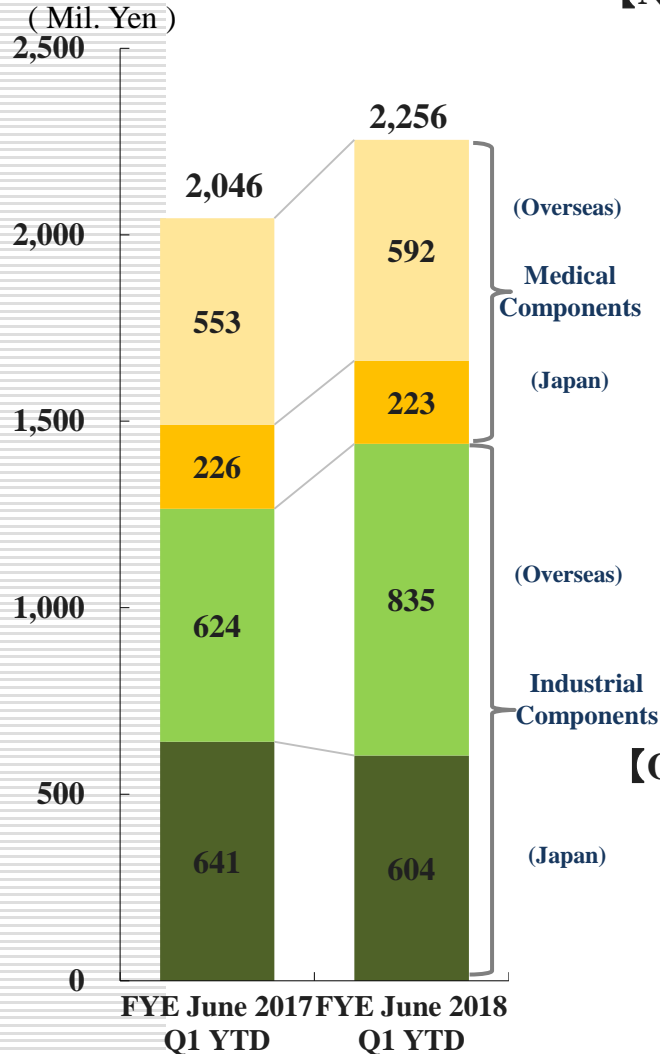
		FYE June 2017 Q1 YTD	FYE June 2018 Q1 YTD	YoY	
				Changes	Changes (%)
Exchange rate (Yen)	USD	102.42	111.04	+8.62	+8.4
	EURO	114.26	130.42	+16.16	+14.1
	CNY	15.35	16.64	+1.29	+8.4
Net sales		7,942	10,311	+2,369	+29.8
	Japan	3,362	3,792	+429	+12.8
	Overseas	4,579	6,519	+1,940	+42.4
Cardiovascular		5,643	7,810	+2,166	+38.4
	Japan	2,082	2,364	+281	+13.5
	Overseas	3,560	5,446	+1,885	+53.0
Non-cardiovascular		1,491	1,582	+91	+6.1
	Japan	790	906	+116	+14.7
	Overseas	700	676	-24	-3.5
OEM		807	918	+111	+13.8
	Japan	489	521	+32	+6.7
	Overseas	318	396	+78	+24.8

(Mil. Yen)



Per Segment by Device Division - 1

【Net Sales (YoY)】



Medical Components

- **Japan: Flattening out**
- **Overseas: Increase of endoscope related components / Increase of ear, nose and throat related components**

Industrial Components

- **Japan: Decreased orders for construction market due to client's overseas transfer**
- **Overseas: Increased orders for the US leisure market and increased orders for the construction market due to client's overseas transfer**

【Operating Income】

- **Sales increases to outside customers and segment sales increases contributed to profit performance**



Per Segment by Device Division - 2

		FYE June 2017 Q1 YTD	FYE June 2018 Q1 YTD	YoY	
				Changes	Changes (%)
Exchange rate (Yen)	USD	102.42	111.04	+8.62	+8.4
Net sales		2,046	2,256	+210	+10.3
	Japan	868	828	-39	-4.6
	Overseas	1,178	1,428	+250	+21.2
Medical Components		780	816	+35	+4.6
	Japan	226	223	-3	-1.5
	Overseas	553	592	+38	+7.0
Industrial Components		1,265	1,440	+175	+13.8
	Japan	641	604	-36	-5.7
	Overseas	624	835	+211	+33.9
Operating income		634	1,121	+486	+76.7
(Reference) Segment Sales		494	1,033	+538	+108.9

(Mil. Yen)



Reference: P/L

	FYE June 2017 Q1 YTD		FYE June 2018 Q1 YTD			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Main comparison factors
Net sales	9,988	100.0	12,568	100.0	+2,580	Both divisions progressed favorably
Cost of sales	3,170	31.7	3,859	30.7	+688	
Gross profit	6,817	68.3	8,708	69.3	+1,891	Increase due to strong orders and improved productivity, etc.
SGA	3,703	37.1	4,458	35.5	+755	Increased R&D and sales related expenses
Operating income	3,113	31.2	4,249	33.8	+1,136	
Non-operating income	21	0.2	66	0.5	+44	Increased currency exchange gain
Non-operating expense	19	0.2	20	0.2	+1	
Ordinary income	3,115	31.2	4,295	34.2	+1,179	
Extraordinary gain	-	0.0	0	0.0	+0	
Extraordinary loss	-	0.0	-	0.0	-	
Net income attributable to parent company shareholders	2,324	23.3	3,073	24.5	+749	
Comprehensive income	2,166	21.7	3,582	28.5	+1,416	Foreign currency translation adjustment increased +518 Mil. Yen



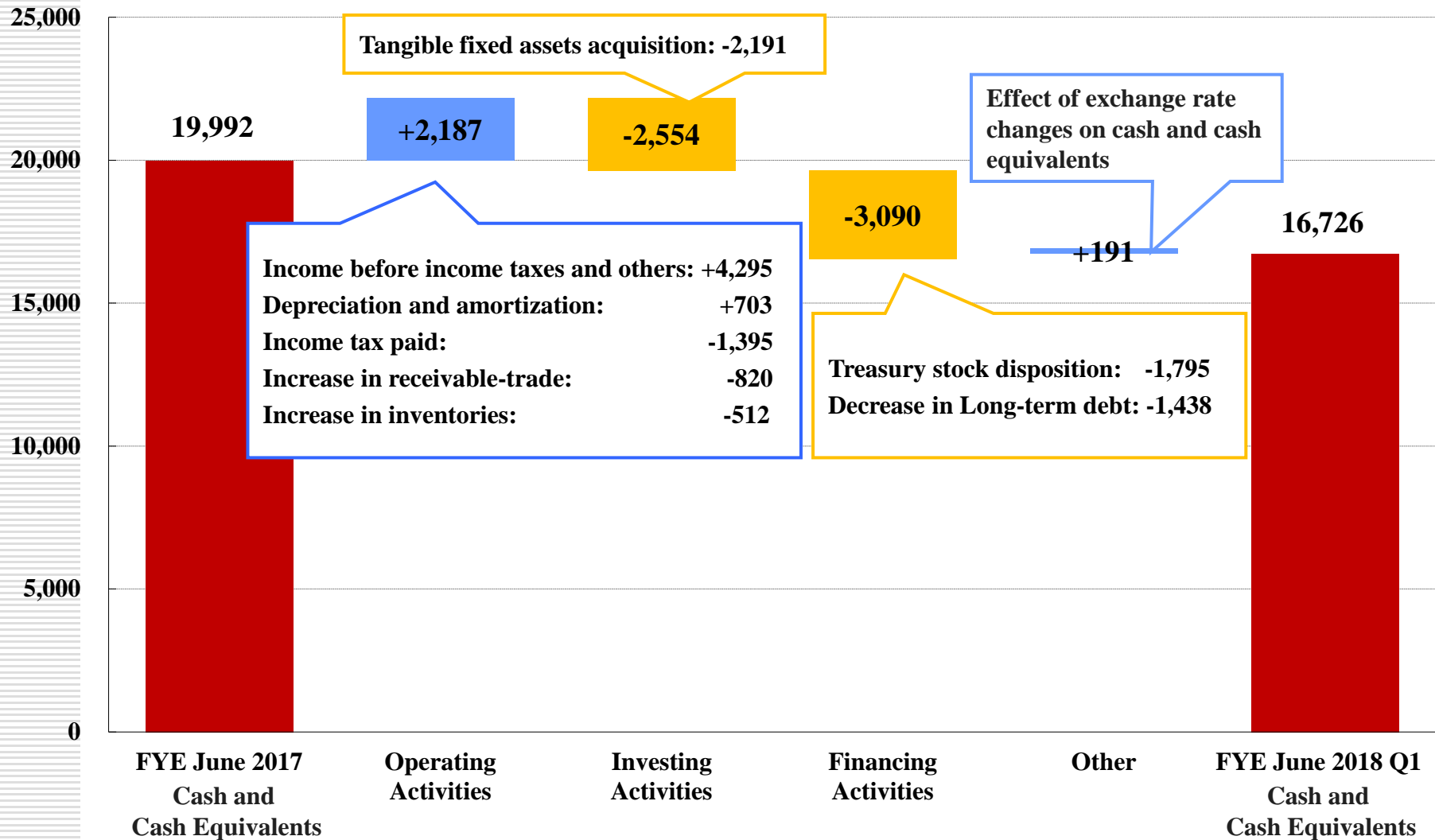
Reference: B/S

		FYE June 2017		FYE June 2018 Q1			
		Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Main comparison factors
Assets	Current assets	39,718	62.8	38,116	59.8	-1,601	Cash and deposit: -3,265 Receivable-trade: +908 Inventory assets: +641
	Fixed assets	23,528	37.2	25,573	40.2	+2,044	Tangible fixed assets: +1,645
Total assets		63,246	100.0	63,690	100.0	+443	
Liabilities	Current liabilities	12,285	19.4	10,289	16.2	-1,995	Short-term debt: -1,849
	Fixed liabilities	6,302	10.0	6,967	10.9	+665	Long-term debt: +416
Total liabilities		18,587	29.4	17,256	27.1	-1,330	
Total net assets		44,659	70.6	46,433	72.9	+1,774	Retained earnings: +1,113 Foreign currency translation adjustment: +373
Total liabilities & net assets		63,246	100.0	63,690	100.0	+443	



Reference: C/F

(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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