



ASAHI

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Financial Results of the 1st Quarter for Fiscal Year ending June 2020

November 14, 2019

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



FYE June 2020 Q1 YTD Main Points-1

Revenue 15,512Mil. Yen <Year-on-year +13.0%>

~Increase with strong performance, centering on foreign revenue in Medical Division though influenced by the exchange rate fluctuation~

■ **Medical Division ~ Increase with strong performance centering on foreign demands~**

Japan

- The number of cases tended to decrease slightly compared to the same period of the previous year (Remained at the same level compared to previous second half due to bottoming-out)
- PTCA GW remained at the same level due to decrease in number of cases
- Penetration Catheters increased with expansion of “Caravel” and “SASUKE”
- Non-compliant type “NC Kamui” led the increase of PTCA Balloon Catheters
- Non-Cardiovascular segment increased in Neurovascular and Peripheral vascular field

Overseas

- Good progress of PTCA GW in all areas centering on US
- Expansion of PTCA Guiding Catheters with market penetration in Chinese market
- Non-Cardiovascular segment increased in Abdominal vascular, Neurovascular and Peripheral vascular field
- Influenced by the exchange rate fluctuation (-473 Mil. yen)

■ **Device Division ~ Despite decrease in Industrial Components business, increase due to good progress of Medical Components business ~**

- ◆ In Medical Components business, good progress in Cardiovascular examination catheter components and Abdominal vascular catheter components in US market
- ◆ In Industrial Components business, decrease in business for the overseas automotive market, despite increase in business for overseas leisure related market



FYE June 2020 Q1 YTD Main Points-2

Despite increase in sales and R&D related expenses,
good progress of revenue contributed to increase operating profit

- **Gross profit :10,844 Mil. Yen < YoY +9.3% >**
 - Increase in gross profit due to revenue increase.
- **Operating income :4,979Mil. Yen < YoY +4.8% >**
 - Increase in R&D expenses (1,404Mil. Yen, YoY +156Mil. Yen, Ratio of Revenue 9.1%)
 - Increase in expenses to strengthen sales and marketing activities such as US and Chinese market
 - Increase in expense for management and maintenance with the starting operation of new office building
 - Increase in personnel expenses for strengthening organizational structure
- **Ordinary income : 4,959Mil. Yen < YoY +2.1% >**
 - Decrease in currency exchange gain (YoY -149Mil. Yen)
- **Net income attributable to parent company shareholders : 3,557Mil. Yen < YoY -9.3% >**
 - Decrease in gain on step acquisitions (400 Mil. Yen)

Exchange rate (Unit: JPY)	US \$	EURO	CNY	BAHT
FYE June 2020 Q1 YTD	107.44	119.46	15.31	3.50
FYE June 2019 Q1 YTD	111.46	129.59	16.37	3.38



Highlights

	FYE June 2019 Q1 YTD		FYE June 2020 Q1 YTD			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	YoY	
					Changes (Mil. Yen)	Changes (%)
Revenue	13,722	100.0	15,512	100.0	+1,790	+13.0
Gross profit	9,919	72.3	10,844	69.9	+924	+9.3
Operating income	4,749	34.6	4,979	32.1	+229	+4.8
Ordinary income	4,857	35.4	4,959	32.0	+101	+2.1
Net income attributable to parent company shareholders	3,924	28.6	3,557	22.9	-366	-9.3
EPS *	15.18 yen	-	13.67 yen	-	-1.51 yen	-10.0

* : As of July 1st, 2019, 2-for-1 stock was implemented. As such, for EPS, figures after the share splits are shown in assuming splits of shares at the beginning of previous fiscal year.



Net Revenue by Segment

	FYE June 2019 Q1 YTD		FYE June 2020 Q1 YTD			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Changes (%)
Medical	11,465	83.6	13,171	84.9	+1,706	+14.9
Device	2,257	16.4	2,341	15.1	+84	+3.7
Total amount	13,722	100.0	15,512	100.0	+1,790	+13.0

(Reference)

Medical field	12,365	90.1	14,226	91.7	+1,861	+15.1
Industrial field	1,357	9.9	1,286	8.3	-71	-5.3

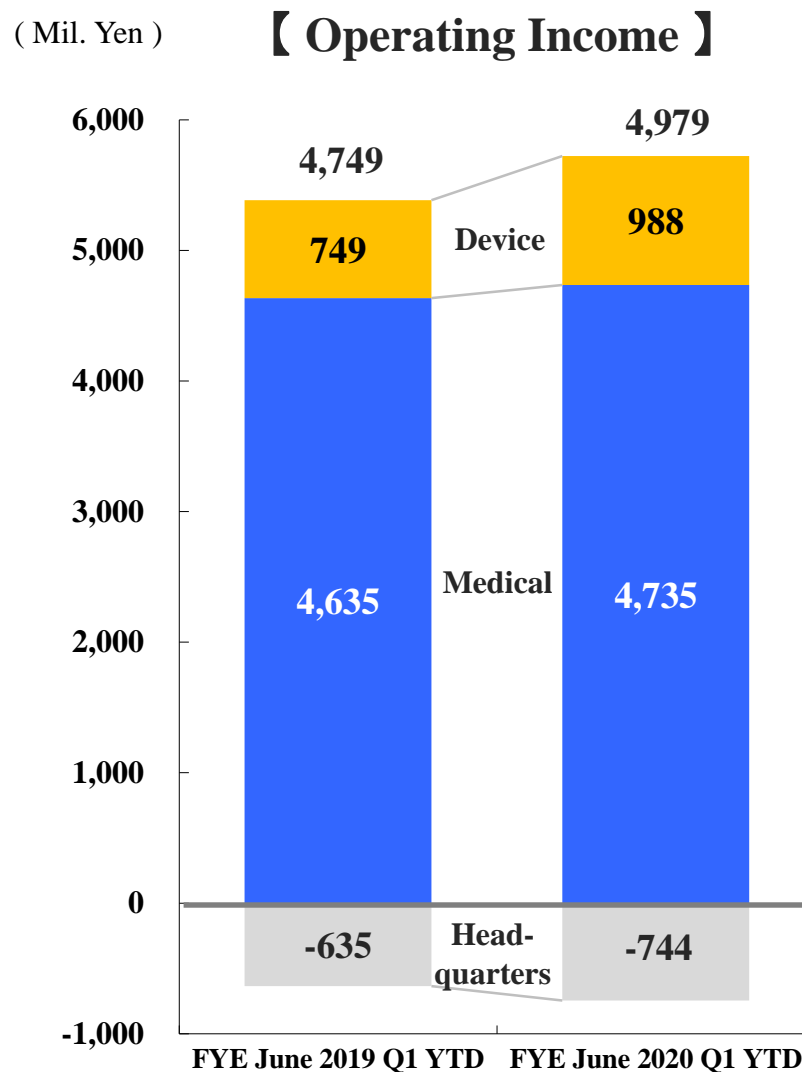
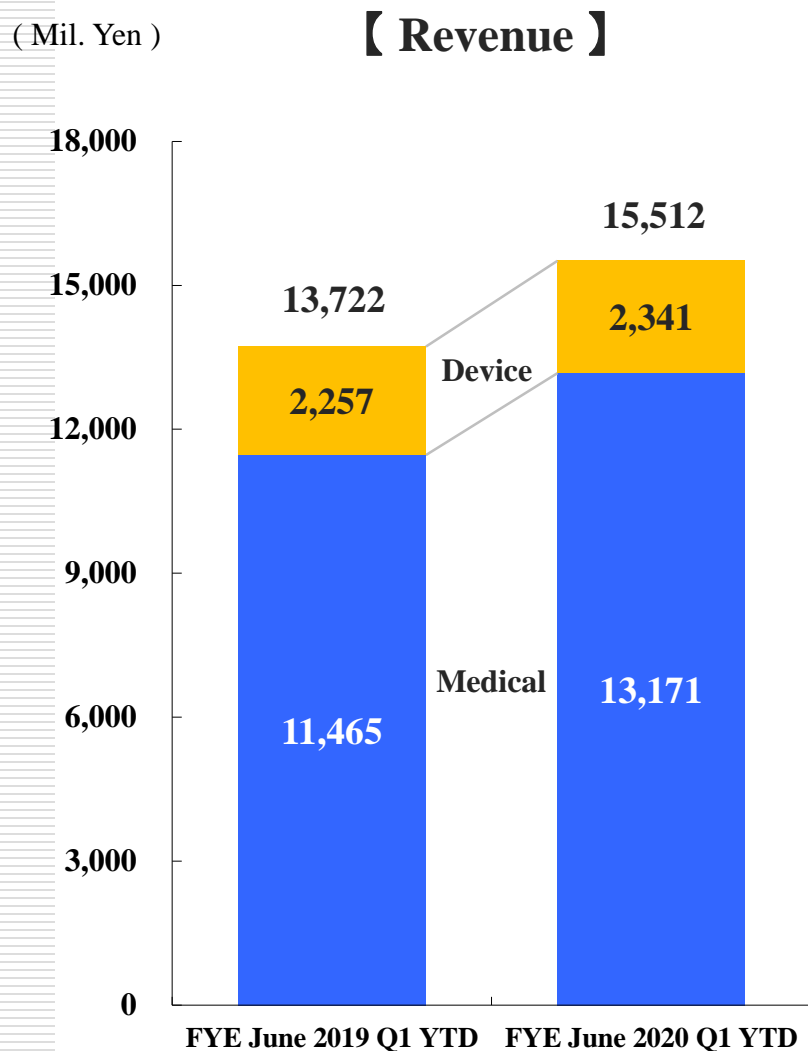


Operating Income by Segment

	FYE June 2019 Q1 YTD		FYE June 2020 Q1 YTD			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Changes (%)
Medical	4,635	86.1	4,735	82.7	+99	+2.2
Device	749	13.9	988	17.3	+238	+31.9
Subtotal	5,385	100.0	5,723	100.0	+338	+6.3
Erasing & Head Quarters	-635	-	-744	-	-108	+17.1
Total amount	4,749	-	4,979	-	+229	+4.8
(Reference) Device Division Segment Revenue	705	-	1,081	-	+376	+53.4

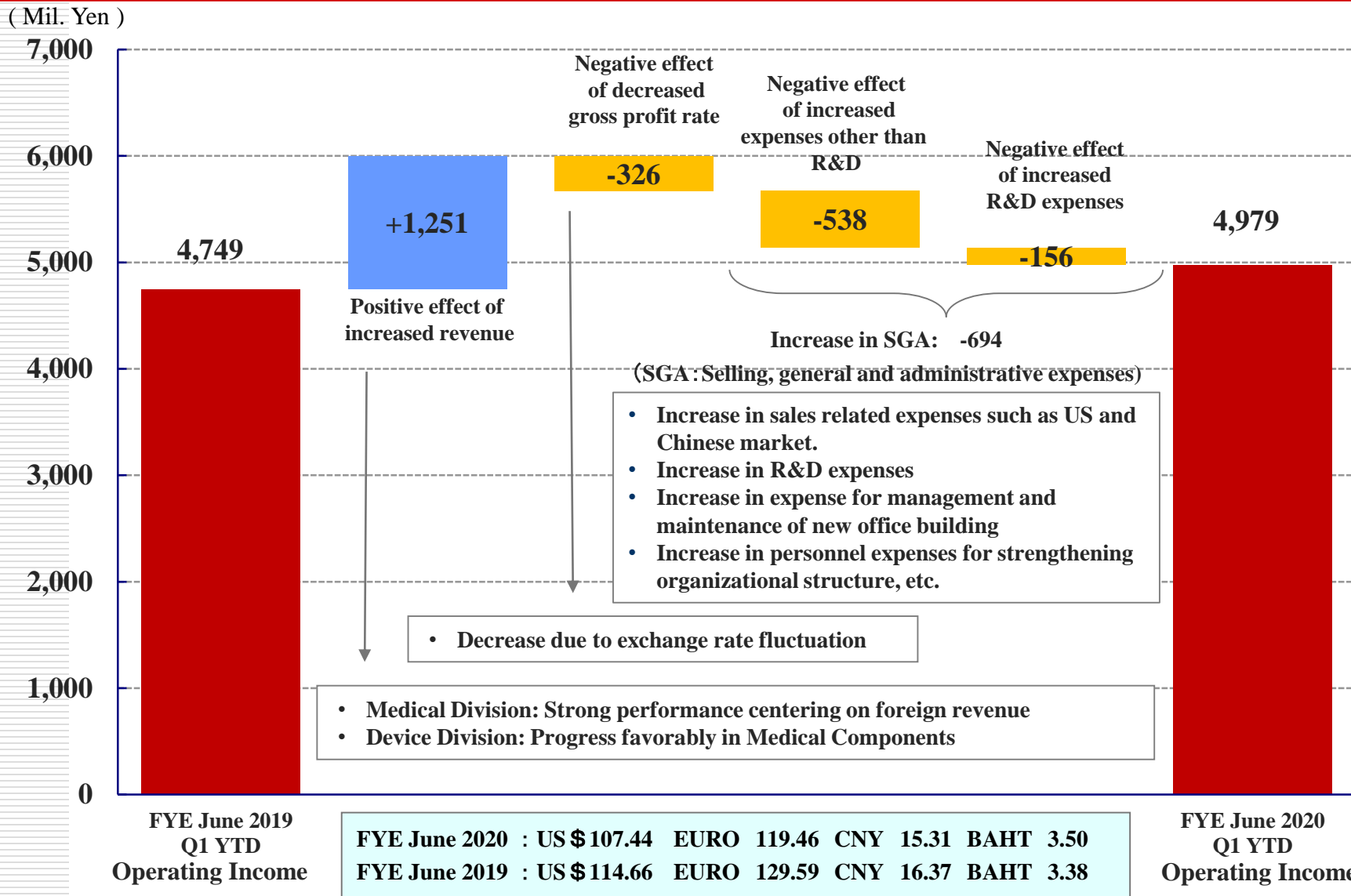


Earnings Performance by Segment





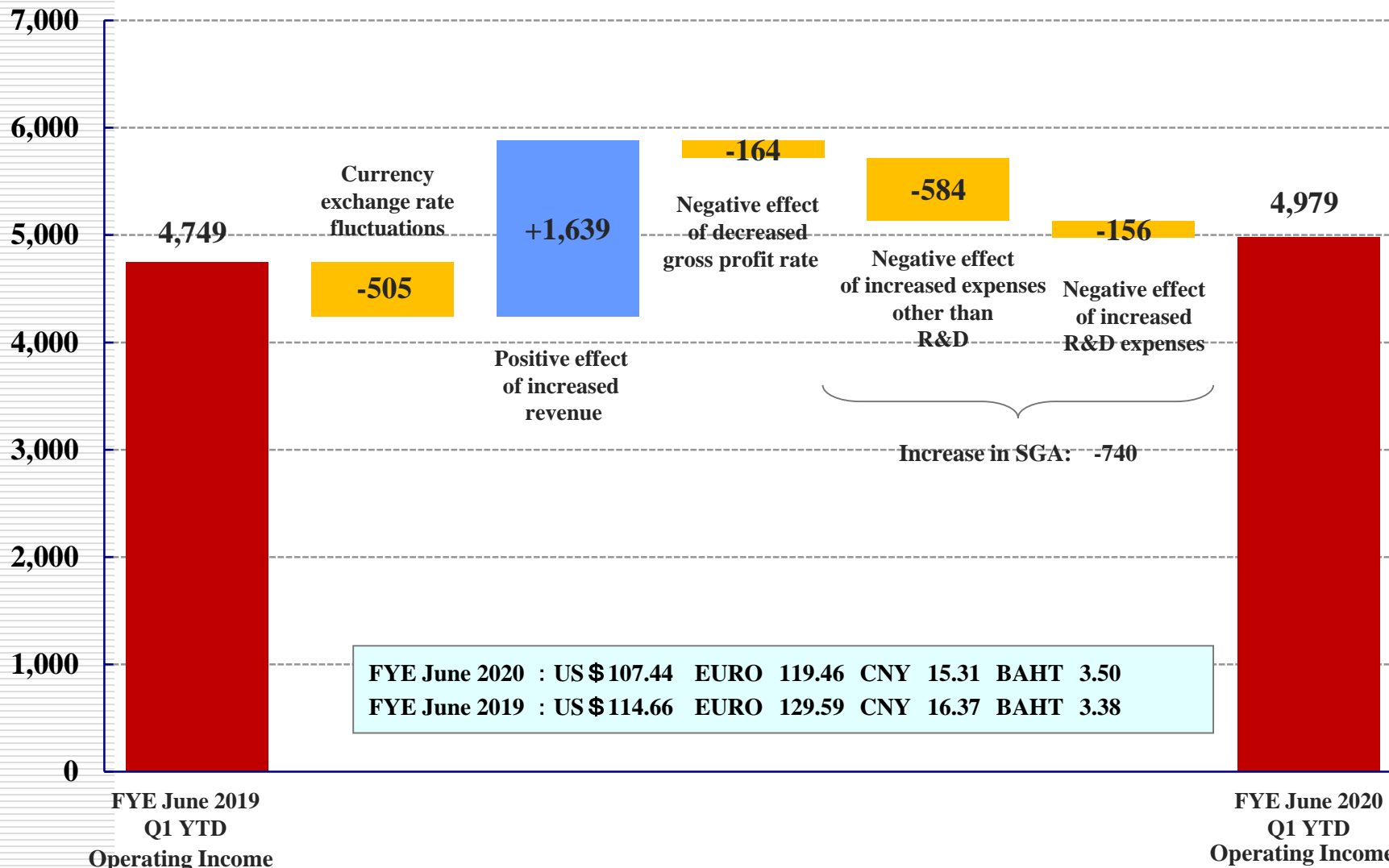
Attribution Analysis of Operating Income – 1 (Exchange Rate Fluctuations Included)





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

(Mil. Yen)





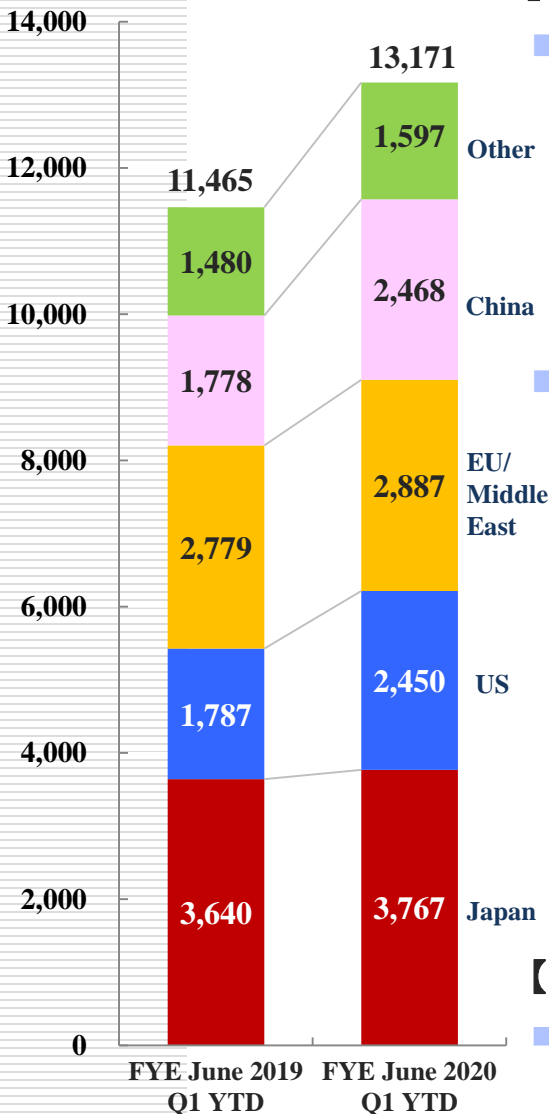
Situation Per Segment Division



Per Segment by Medical Division (by Geography - 1)

(Mil. Yen)

【Revenue (YoY)】



- **Japan: Steady progress - bottoming-out in the number of cases**
 - Bottoming-out in the number of cases since previous second half
However, the number of cases tended to decrease slightly in this Q1 compared to the same period of the previous year
 - PTCA GW: Remained at the same level
 - Penetration Catheters: Increased with expansion of “Caravel” and “SASUKE”
 - PTCA Balloon Catheters: Increase with expansion of “NC Kamui”
 - Non-cardiovascular segment: Increase in Neurovascular and Peripheral vascular field
- **Overseas: Increased greatly centering on US and China despite the influence of exchange rate fluctuation (-473Mil. yen)**
 - <US>
PTCA GW: Increase due to promotion of direct sales (Parallel sales in the first half of the previous year)
Penetration Catheter / Peripheral GW: Increase due to strengthening direct sales
Neurovascular field : Temporary decrease due to inventory adjustment of Medtronic
 - <EU/Middle East>
PTCA GW: Increase due to expansion of market share
 - <China>
PTCA GW: Increase due to special demand shifting to actual demand
PTCA Guiding Catheters: Sales expansion with market penetration
Non-cardiovascular segment: Increase in Abdominal vascular and Neurovascular field
 - <Other>
PTCA GW: Good progress with market expansion mainly in Asia

【Operating Income】

- Despite expenditure for R&D and sales related expenses, positive revenue growth contributed to profit performance



Per Segment by Medical Division (by Geography - 2)

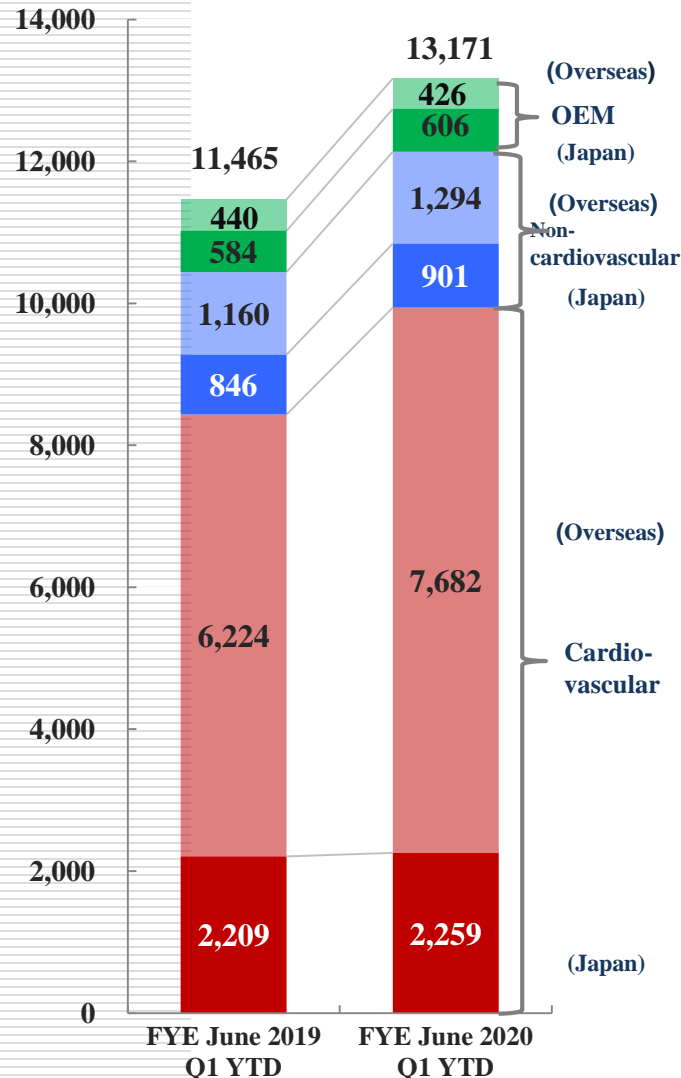
(Mil. Yen)

		FYE June 2019 Q1 YTD	FYE June 2020 Q1 YTD	YoY	
				Changes	Changes (%)
Exchange rate(Yen)	USD	111.46	107.44	-4.02	-3.6
	EURO	129.59	119.46	-10.13	-7.8
	CNY	16.37	15.31	-1.06	-6.5
Total Revenue		11,465	13,171	+1,706	+14.9
Japan		3,640	3,767	+127	+3.5
Overseas		7,825	9,403	+1,578	+20.2
US		1,787	2,450	+663	+37.1
EU/Middle East		2,779	2,887	+108	+3.9
China		1,778	2,468	+690	+38.8
Other		1,480	1,597	+116	+7.9
Operating income		4,635	4,735	+99	+2.2



Per Segment by Medical Division (by Treatment - 1)

(Mil. Yen)



【Revenue (YoY)】

Cardiovascular

- **Japan: Steady progress - bottoming-out in the number of cases**
 - Bottoming-out in the number of cases since previous second half
 - However, the number of cases tended to decrease slightly in this Q1 compared to the same period of the previous year
 - PTCA GW: Remaining at the same level
 - PTCA Balloon Catheter : Increase with expansion of “NC Kamui”
- **Overseas: Good progress centering on PTCA GW despite the influence of exchange rate fluctuation**
 - PTCA GW: Good progress in all areas
 - Increase in US market due to promotion of direct sales
 - Increase in Chinese market due to special demand shifting to actual demand
 - PTCA Guiding Catheter: Sales expansion with market penetration in Chinese market

Non-cardiovascular

- **Japan: Increase in Neurovascular and Peripheral vascular field**
- **Overseas: Good progress in Abdominal vascular, Neurovascular and Peripheral vascular field**

OEM

- **Japan: Increase in business of Wires for Gastrointestinal, etc.**
- **Overseas: Decrease in business of Peripheral GW**



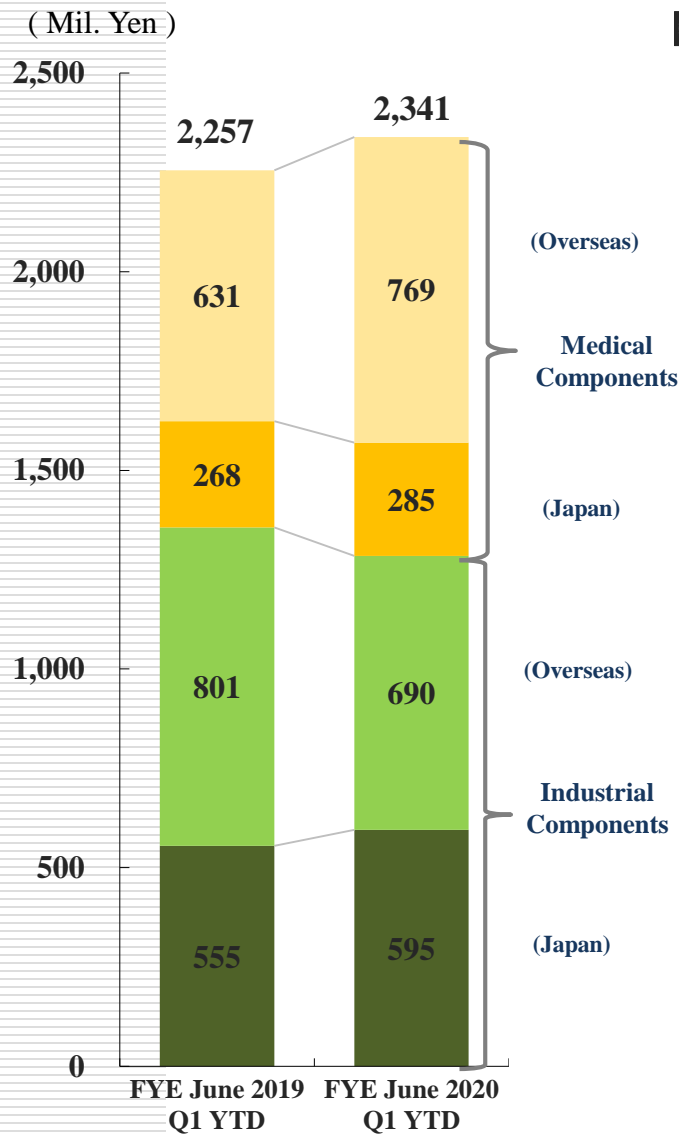
Per Segment by Medical Division (by Treatment - 2)

		FYE June 2019 Q1 YTD	FYE June 2020 Q1 YTD	YoY	
				Changes	Changes (%)
Exchange rate (Yen)	USD	111.46	107.44	-4.02	-3.6
	EURO	129.59	119.46	-10.13	-7.8
	CNY	16.37	15.31	-1.06	-6.5
Total Revenue		11,465	13,171	+1,706	+14.9
	Japan	3,640	3,767	+127	+3.5
	Overseas	7,825	9,403	+1,578	+20.2
Cardiovascular		8,433	9,942	+1,509	+17.9
	Japan	2,209	2,259	+50	+2.3
	Overseas	6,224	7,682	+1,458	+23.4
Non-cardiovascular		2,006	2,195	+189	+9.4
	Japan	846	901	+55	+6.5
	Overseas	1,160	1,294	+133	+11.5
OEM		1,025	1,033	+7	+0.8
	Japan	584	606	+21	+3.7
	Overseas	440	426	-14	-3.2

(Mil. Yen)



Per Segment by Device Division - 1



【Revenue (YoY)】

Medical Components

- **Japan:** Increase in business of prototypes for new fields
- **Overseas:** Increase in Cardiovascular examination catheter components and Abdominal vascular catheter components in US market

Industrial Components

- **Japan:** Increase in business related to construction
- **Overseas:** Despite increase in business related to leisure market, decrease in business related to automotive and office automation equipment market

【Operating Income】

- Increase in profit due to increase in external sales and segment deals



Per Segment by Device Division - 2

		FYE June 2019 Q1 YTD	FYE June 2020 Q1 YTD	YoY	
				Changes	Changes(%)
Exchange rate (Yen)	USD	111.46	107.44	-4.02	-3.6
Total Revenue		2,257	2,341	+84	+3.7
	Japan	824	880	+56	+6.9
	Overseas	1,432	1,460	+27	+1.9
Medical Components		899	1,055	+155	+17.3
	Japan	268	285	+16	+6.3
	Overseas	631	769	+138	+22.0
Industrial Components		1,357	1,286	-71	-5.3
	Japan	555	595	+39	+7.2
	Overseas	801	690	-111	-13.9
Operating income		749	988	+238	+31.9
(Reference) Segment Revenue		705	1,081	+376	+53.4

(Mil. Yen)



Reference: P/L

	FYE June 2019 Q1 YTD		FYE June 2020 Q1 YTD			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Main comparison factors
Revenue	13,722	100.0	15,512	100.0	+1,790	• Strong performance mainly in overseas revenue in Medical division
Cost of sales	3,803	27.7	4,668	30.1	+865	
Gross profit	9,919	72.3	10,844	69.9	+924	• Increase in proportion to good revenue progress
SGA	5,170	37.7	5,864	37.8	+694	• Increase in R&D expenses and sales related expenses
Operating income	4,749	34.6	4,979	32.1	+229	
Non-operating income	177	1.3	30	0.2	-146	• Decrease in currency exchange gain
Non-operating expense	68	0.5	50	0.3	-18	
Ordinary income	4,857	35.4	4,959	32.0	+101	
Extraordinary gain	400	2.9	-	0.0	-400	• Decrease in gain on revaluation of investments in securities
Extraordinary loss	-	0.0	-	0.0	0	
Net income attributable to parent company shareholders	3,924	28.6	3,557	22.9	-366	
Comprehensive income	4,498	32.8	3,756	24.2	-742	• Decrease in foreign currency translation adjustment



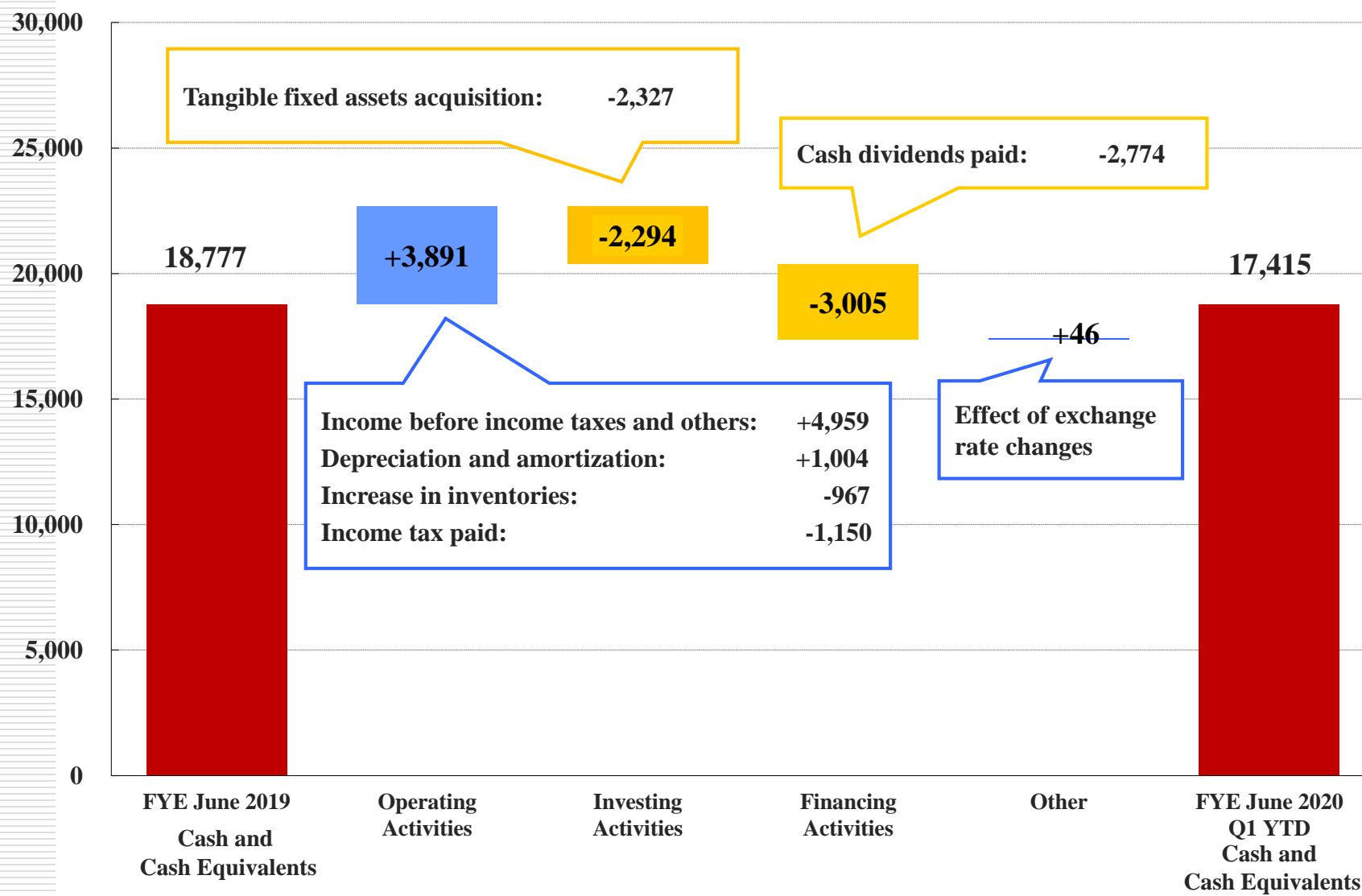
Reference: B/S

		FYE June 2019		FYE June 2020 Q1 YTD			
		Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Main comparison factors
Assets	Current assets	45,824	54.3	44,363	52.5	-1,460	Cash and deposit: -1,361
	Fixed Assets	38,534	45.7	40,203	47.5	+1,668	Tangible fixed assets: +2,141 Investments and other assets: -524
Total assets		84,358	100.0	84,567	100.0	+208	
Liabilities	Current Liabilities	12,621	15.0	11,595	13.7	-1,026	Provision for bonuses: +357 Other current liability: -1,400
	Fixed liabilities	6,286	7.5	6,593	7.8	+306	Other fixed liability: +363 Long-term debt: -87
Total liabilities		18,908	22.4	18,188	21.5	-719	
Total net assets		65,450	77.6	66,378	78.5	+927	Retained earnings: +710 Foreign currency translation adjustment +140
Total liabilities & net assets		84,358	100.0	84,567	100.0	+208	



Reference: C/F

(Mil. Yen)





Caution Regarding Information Presented

All forward looking statements contained herein, including revenue 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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