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# Financial Results of the 1<sup>st</sup> Quarter for Fiscal Year ending June 2021

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November 13, 2020

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



# FYE June 2021 Q1 YTD Main Points-1

**Revenue 14,407 Mil. Yen <Year-on-year -7.1%>**

**~ Decrease due to the external factors such as impact of COVID-19 and reimbursement price reduction ~**

■ **Medical Division ~ Decrease due to the impact of COVID-19 and reimbursement price reduction ~**

Japan

- Decrease in the number of cases since April year-on-year due to the impact of COVID-19
- Decrease in the most of our own brand products such as PTCA GW due to the decrease in the number of cases
- Increase year-on-year in Neurovascular field mainly in new product Balloon guide catheter “Branchor”
- Reimbursement price reduction in October 2019 and April 2020 (-200 Mil. yen)

Overseas

- Decrease in the number of cases worldwide due to the impact of COVID-19
- Decrease in PTCA GW year-on-year in all regions affected by the decrease in the number of cases
- Increase in Neurovascular field in Non-Cardiovascular segment decreased (Increase due to inventory adjustment in the previous period despite decrease in the number of cases)
- Influence of the exchange rate fluctuation (-6 Mil. yen)

■ **Device Division ~ Decrease in Medical Components business / Industrial Components business due to the impact of COVID-19 ~**

- ◆ In Medical Components business, decrease in Abdominal vascular catheter components and Cardiovascular examination catheter components for US market
- ◆ In Industrial Components business, decrease in business related to the automobile, office automation market and leisure market for overseas



## FYE June 2021 Q1 YTD Main Points-2

**Decrease in operating income due to increase in such as R&D expenses with ongoing upfront investment**

- **Gross profit 10,015 Mil. Yen < YoY -7.6% >**
  - Decrease in gross profit rate mainly due to decrease in revenue
- **Operating income :3,534 Mil. Yen < YoY -29.0% >**
  - Increase in R&D expenses (1,722 Mil. Yen, YoY +318 Mil. Yen, Ratio of Revenue 12.0%)
  - Increase in personnel expenses for strengthening organizational structure
  - Increase in IT expenses
- **Ordinary income : 3,483 Mil. Yen < YoY -29.8% >**
  - Increase in currency exchange loss (YoY +28 Mil. Yen)
- **Net income attributable to parent company shareholders :**  
**2,591 Mil. Yen < YoY -27.2% >**

Exchange rate (Unit: JPY)	US \$	EURO	CNY	BAHT
FYE June 2021 Q1 YTD	106.23	124.08	15.35	3.39
FYE June 2020 Q1 YTD	107.44	119.46	15.31	3.50



# Highlights Year on Year

	FYE June 2020 Q1 YTD		FYE June 2021 Q1 YTD				(Reference) At the same exchange rate as the previous year			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	YoY		Amount (Mil. Yen)	Ratio (%)	YoY	
					Changes (Mil. Yen)	Changes (%)			Changes (Mil. Yen)	Changes (%)
Revenue	15,512	100.0	14,407	100.0	-1,105	-7.1	14,422	100.0	-1,090	-7.0
Gross profit	10,844	69.9	10,015	69.5	-828	-7.6	9,957	69.0	-886	-8.2
Operating income	4,979	32.1	3,534	24.5	-1,444	-29.0	3,444	23.9	-1,535	-30.8
Ordinary income	4,959	32.0	3,483	24.2	-1,475	-29.8	3,392	23.5	-1,566	-31.6
Net income attributable to parent company shareholders	3,557	22.9	2,591	18.0	-966	-27.2	2,500	17.3	-1,057	-29.7
EPS	13.67 yen	—	9.95 yen	—	-3.72 yen	-27.2	—	—	—	—



# Net Revenue by Segment

	FYE June 2020 Q1 YTD		FYE June 2021 Q1 YTD			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Changes (%)
<b>Medical</b>	<b>13,171</b>	<b>84.9</b>	<b>12,673</b>	<b>88.0</b>	<b>-498</b>	<b>-3.8</b>
<b>Device</b>	<b>2,341</b>	<b>15.1</b>	<b>1,734</b>	<b>12.0</b>	<b>-607</b>	<b>-25.9</b>
<b>Total amount</b>	<b>15,512</b>	<b>100.0</b>	<b>14,407</b>	<b>100.0</b>	<b>-1,105</b>	<b>-7.1</b>

## (Reference)

<b>Medical field</b>	<b>14,226</b>	<b>91.7</b>	<b>13,409</b>	<b>93.1</b>	<b>-816</b>	<b>-5.7</b>
<b>Industrial field</b>	<b>1,286</b>	<b>8.3</b>	<b>997</b>	<b>6.9</b>	<b>-288</b>	<b>-22.4</b>

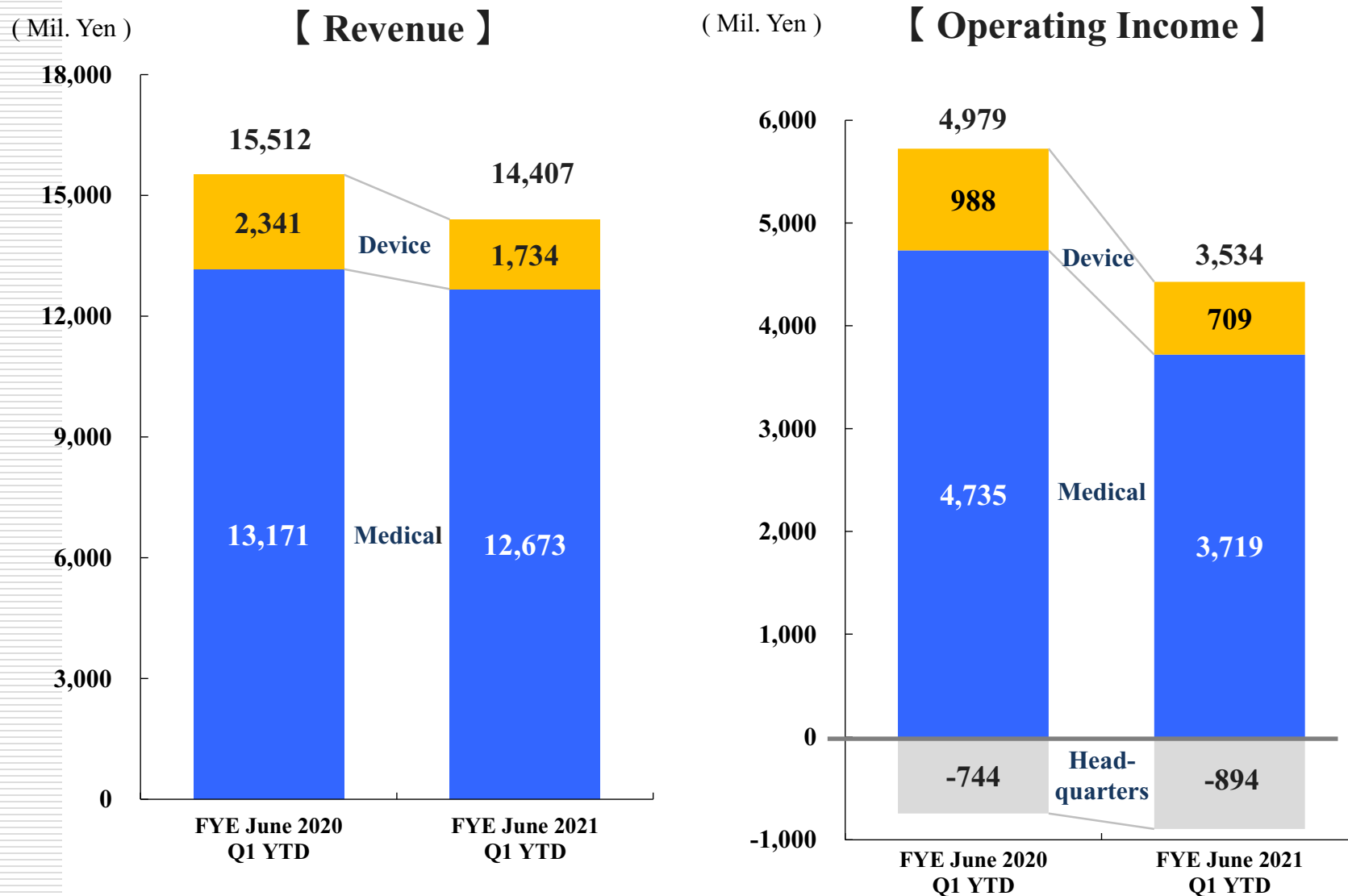


# Operating Income by Segment

	FYE June 2020 Q1 YTD		FYE June 2021 Q1 YTD			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Changes (%)
<b>Medical</b>	<b>4,735</b>	<b>82.7</b>	<b>3,719</b>	<b>84.0</b>	<b>-1,015</b>	<b>-21.4</b>
<b>Device</b>	<b>988</b>	<b>17.3</b>	<b>709</b>	<b>16.0</b>	<b>-279</b>	<b>-28.3</b>
<b>Subtotal</b>	<b>5,723</b>	<b>100.0</b>	<b>4,429</b>	<b>100.0</b>	<b>-1,294</b>	<b>-22.6</b>
<b>Erasing &amp; Head Quarters</b>	<b>-744</b>	<b>-</b>	<b>-894</b>	<b>-</b>	<b>-149</b>	<b>+20.1</b>
<b>Total amount</b>	<b>4,979</b>	<b>-</b>	<b>3,534</b>	<b>-</b>	<b>-1,444</b>	<b>-29.0</b>
<b>(Reference) Device Division Segment Revenue</b>	<b>1,081</b>	<b>-</b>	<b>1,488</b>	<b>-</b>	<b>+407</b>	<b>+37.7</b>

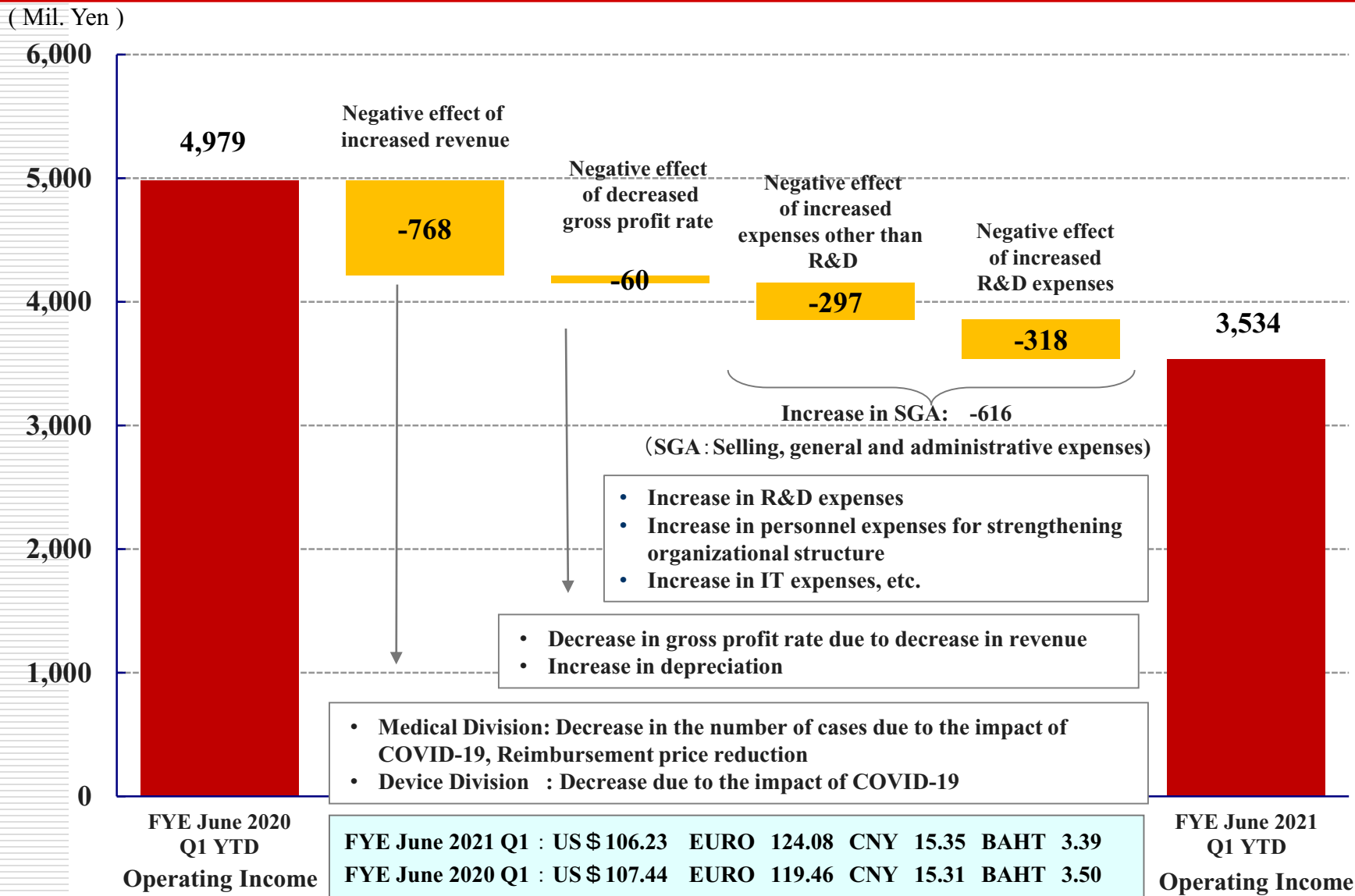


# Earnings Performance by Segment





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

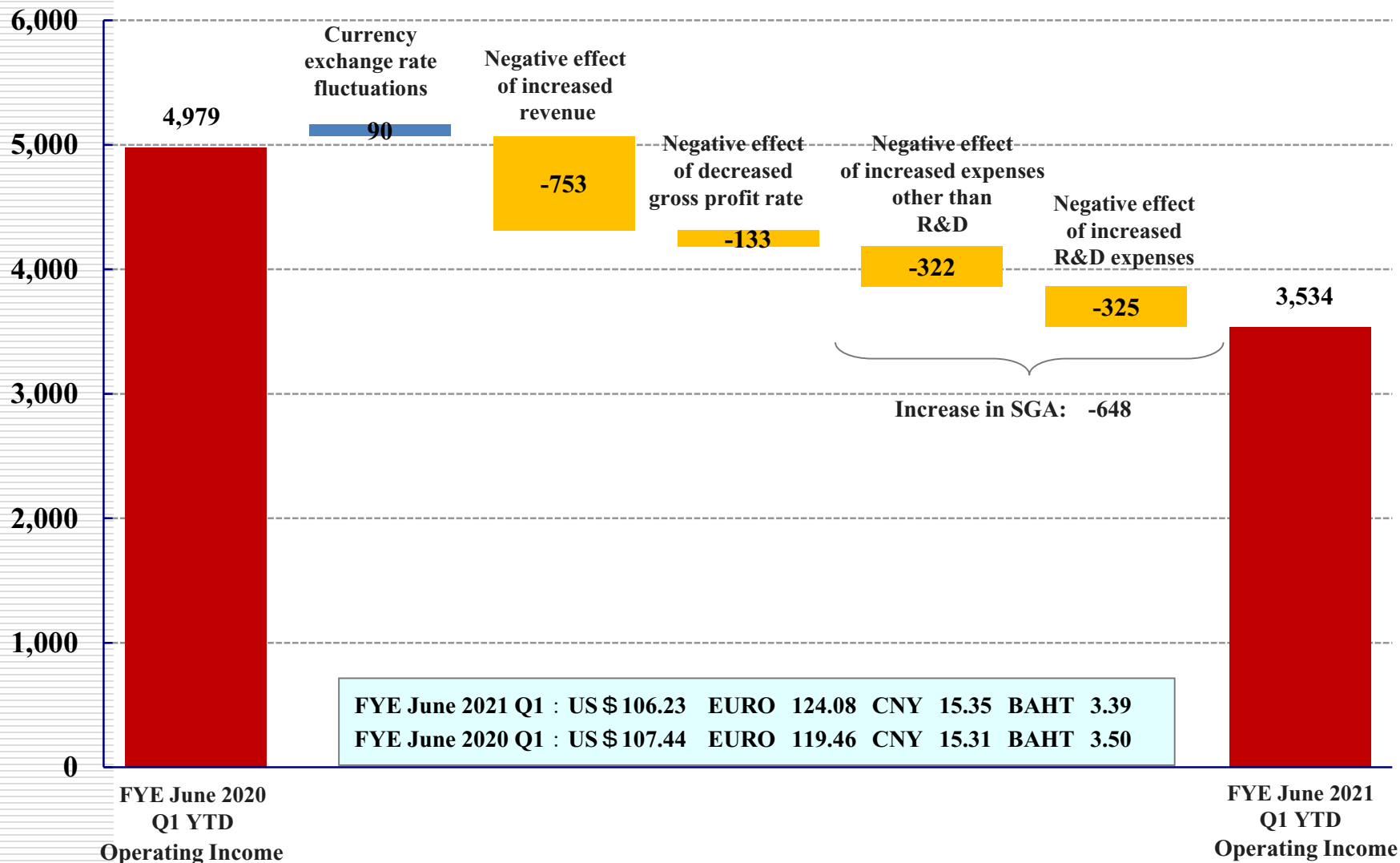






## Attribution Analysis of Operating Income – 2 (Exchange Rate Fluctuations Excluded)

(Mil. Yen)



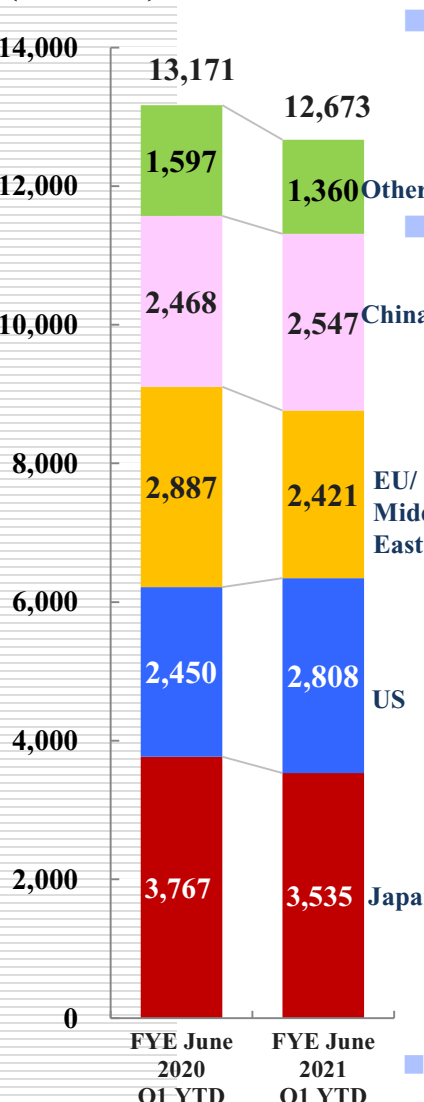


# Situation Per Segment Division



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

(Mil. Yen)



## 【Revenue (YoY)】

- **Japan:** In addition to the influence of reimbursement price reduction (-200Mil.yen), decrease in revenue due to decrease in the number of cases by the impact of COVID-19
- **PTCA GW:** Decrease due to the impact of COVID-19 in addition to reimbursement price reduction
- **Neurovascular field:** Increase mainly in new product, Balloon guide catheter “Branchor”
- **Overseas:** Decrease in revenue due to decrease in the number of cases by the impact of COVID-19
  - **<US>**  
PTCA GW: Slight increase with promotion of direct sales despite the impact of COVID-19  
Penetration Catheter : Increase due to the favorable progress of “SASUKE” despite the impact of COVID-19  
Neurovascular field : Increase due to inventory adjustment in the previous period despite the impact of COVID-19  
OEM: Increase in supply of FFR components
  - **<EU/Middle East>**  
Decrease in PTCA GW, etc. due to the impact of COVID-19
  - **<China>**  
PTCA GW / Penetration Catheter : Despite the impact of COVID-19, increase due to such as inventory replenishment by distributor sales  
PTCA Guiding Catheters “Hyperion”: Reactionary decrease in distributor inventory construction in the previous year  
Non-cardiovascular segment: Decrease in Abdominal field due to the impact of COVID-19
  - **<Other>**  
Decrease in PTCA GW due to the impact of COVID-19

## 【Operating Income】

- Decrease due to decrease in revenue and increase in R&D expenses



## Per Segment by Medical Division (by Geography - 2)

(Mil. Yen)

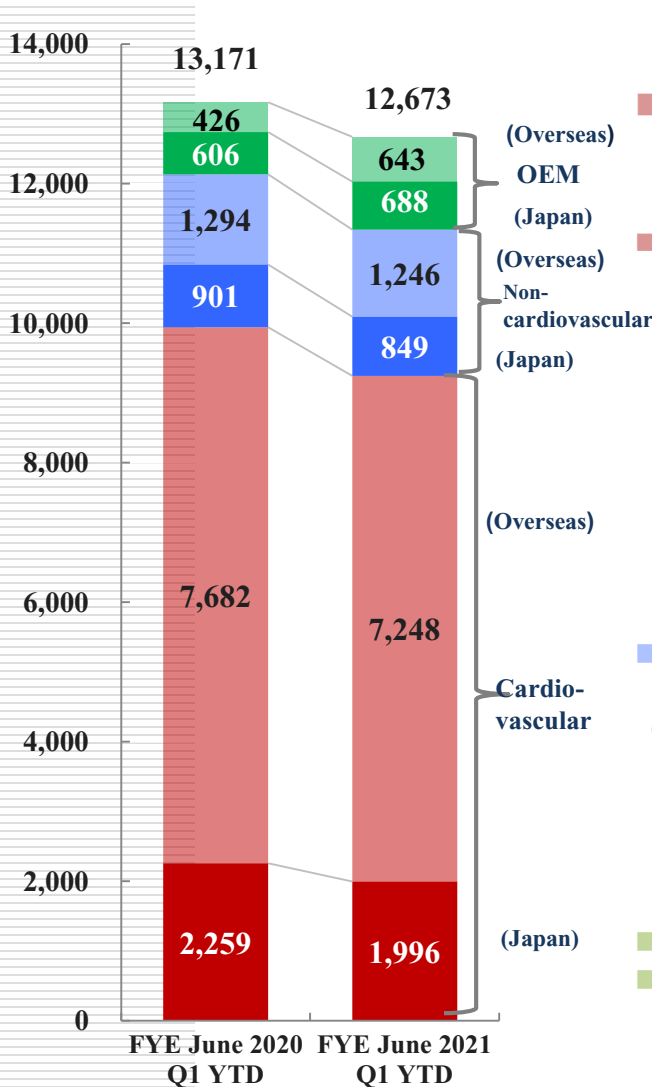
		FYE June 2020 Q1 YTD	FYE June 2021 Q1 YTD	YoY	
				Changes	Changes (%)
Exchange rate(Yen)	USD	107.44	106.23	-1.21	-1.1
	EURO	119.46	124.08	+4.62	+3.9
	CNY	15.31	15.35	+0.04	+0.3
<b>Total Revenue</b>		<b>13,171</b>	<b>12,673</b>	<b>-498</b>	<b>-3.8</b>
Japan		3,767	3,535	-232	-6.2
Overseas		9,403	9,138	-265	-2.8
US		2,450	2,808	+358	+14.6
EU/Middle East		2,887	2,421	-466	-16.2
China		2,468	2,547	+79	+3.2
Other		1,597	1,360	-237	-14.8
<b>Operating income</b>		<b>4,735</b>	<b>3,719</b>	<b>-1,015</b>	<b>-21.4</b>



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

(Mil. Yen)

【Revenue (YoY)】



## Cardiovascular

- **Japan:** : In addition to the influence of reimbursement price reduction, decrease in revenue due to decrease in the number of cases by the impact of COVID-19
- **Overseas:** Decrease in revenue due to decrease in the number of cases by the impact of COVID-19
- **PTCA GW:** Decrease due to the impact of COVID-19 despite increase in some regions  
 US market: Slight increase due to the promotion of direct sales  
 Chinese market: Despite the impact of COVID-19, increased due to such as inventory replenishment by the distributor sales
- **Penetration Catheter:** Decrease due to the impact of COVID-19 in EU/Middle East Market

## Non-cardiovascular

- **Japan:** In Neurovascular field, increase mainly in new product, Balloon guide catheter “Branchor”
- **Overseas:** Neurovascular field: Increase due to the inventory adjustment in the previous period despite the impact of COVID-19  
 Abdominal vascular field: Decrease in China due to the impact of COVID-19

## OEM

- **Japan:** Increase in business of wires for Gastrointestinal, etc.
- **Overseas:** Increase in supply of FFR components for US market



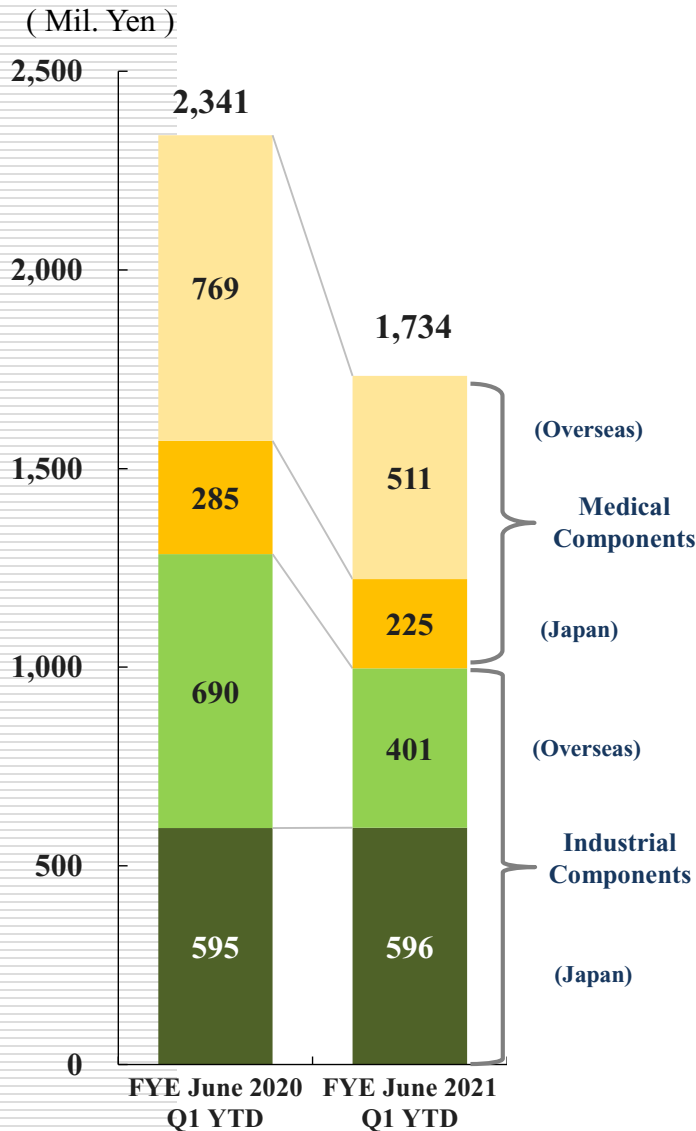
## Per Segment by Medical Division (by Treatment - 2)

(Mil. Yen)

		FYE June 2020Q Q1 YTD	FYE June 2021 Q1 YTD	YoY	
				Changes	Changes (%)
Exchange rate (Yen)	USD	107.44	106.23	-1.21	-1.1
	EURO	119.46	124.08	+4.62	+3.9
	CNY	15.31	15.35	+0.04	+0.3
<b>Total Revenue</b>		<b>13,171</b>	<b>12,673</b>	<b>-498</b>	<b>-3.8</b>
	<b>Japan</b>	<b>3,767</b>	<b>3,535</b>	<b>-232</b>	<b>-6.2</b>
	<b>Overseas</b>	<b>9,403</b>	<b>9,138</b>	<b>-265</b>	<b>-2.8</b>
<b>Cardiovascular</b>		<b>9,942</b>	<b>9,244</b>	<b>-697</b>	<b>-7.0</b>
	<b>Japan</b>	<b>2,259</b>	<b>1,996</b>	<b>-263</b>	<b>-11.7</b>
	<b>Overseas</b>	<b>7,682</b>	<b>7,248</b>	<b>-434</b>	<b>-5.7</b>
<b>Non-cardiovascular</b>		<b>2,195</b>	<b>2,096</b>	<b>-99</b>	<b>-4.5</b>
	<b>Japan</b>	<b>901</b>	<b>849</b>	<b>-51</b>	<b>-5.7</b>
	<b>Overseas</b>	<b>1,294</b>	<b>1,246</b>	<b>-48</b>	<b>-3.7</b>
<b>OEM</b>		<b>1,033</b>	<b>1,332</b>	<b>+299</b>	<b>+29.0</b>
	<b>Japan</b>	<b>606</b>	<b>688</b>	<b>+82</b>	<b>+13.6</b>
	<b>Overseas</b>	<b>426</b>	<b>643</b>	<b>+217</b>	<b>+50.9</b>



# Per Segment by Device Division - 1



## 【Revenue (YoY)】

Both industrial components and medical components were sluggish partly due to the impact of COVID-19

### Medical Components

- **Japan:** Decrease in endoscope components
- **Overseas:** Decrease in Abdominal vascular catheter components and Cardiovascular examination catheter components for US

### Industrial Components

- **Japan:** Remain at the same level due to increase in construction market despite decrease in business related to automobile and office automation equipment market
- **Overseas:** Decrease in business related to automobile, office automation and leisure market

## 【Operating Income】

- **Decrease due to decrease in revenue and increase in R&D expenses**



## Per Segment by Device Division - 2

		FYE June 2020 Q1 YTD	FYE June 2021 Q1 YTD	YoY	
				Changes	Changes(%)
Exchange rate (Yen)	USD	107.44	106.23	-1.21	-1.1
<b>Total Revenue</b>		<b>2,341</b>	<b>1,734</b>	<b>-607</b>	<b>-25.9</b>
	Japan	880	821	-59	-6.7
	Overseas	1,460	912	-547	-37.5
<b>Medical Components</b>		<b>1,055</b>	<b>736</b>	<b>-318</b>	<b>-30.2</b>
	Japan	285	225	-60	-21.1
	Overseas	769	511	-258	-33.6
<b>Industrial Components</b>		<b>1,286</b>	<b>997</b>	<b>-288</b>	<b>-22.4</b>
	Japan	595	596	0	+0.2
	Overseas	690	401	-289	-41.9
<b>Operating income</b>		<b>988</b>	<b>709</b>	<b>-279</b>	<b>-28.3</b>
<b>(Reference) Segment Revenue</b>		<b>1,081</b>	<b>1,488</b>	<b>+407</b>	<b>+37.7</b>

( Mil. Yen)





## Reference: P/L

	FYE June 2020 Q1 YTD		FYE June 2021 Q1 YTD			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Main comparison factors
Revenue	15,512	100.0	14,407	100.0	-1,105	·Decrease due to the impact of COVID-19 and reimbursement price reduction
Cost of sales	4,668	30.1	4,391	30.5	-277	
Gross profit	10,844	69.9	10,015	69.5	-828	·Decrease due to decrease in revenue
SGA	5,864	37.8	6,481	45.0	+616	·Increase in R&D expenses , etc.
Operating income	4,979	32.1	3,534	24.5	-1,444	
Non-operating income	30	0.2	44	0.3	+13	
Non-operating expense	50	0.3	95	0.7	+45	·Increase in currency exchange loss
Ordinary income	4,959	32.0	3,483	24.2	-1,475	
Extraordinary gain	-	0.0	-	0.0	-	
Extraordinary loss	-	0.0	-	0.0	-	
Net income attributable to parent company shareholders	3,557	22.9	2,591	18.0	-966	
Comprehensive income	3,756	24.2	1,953	13.6	-1,802	·Unrealized loss on securities +233 ·Foreign currency translation adjustment -1,079



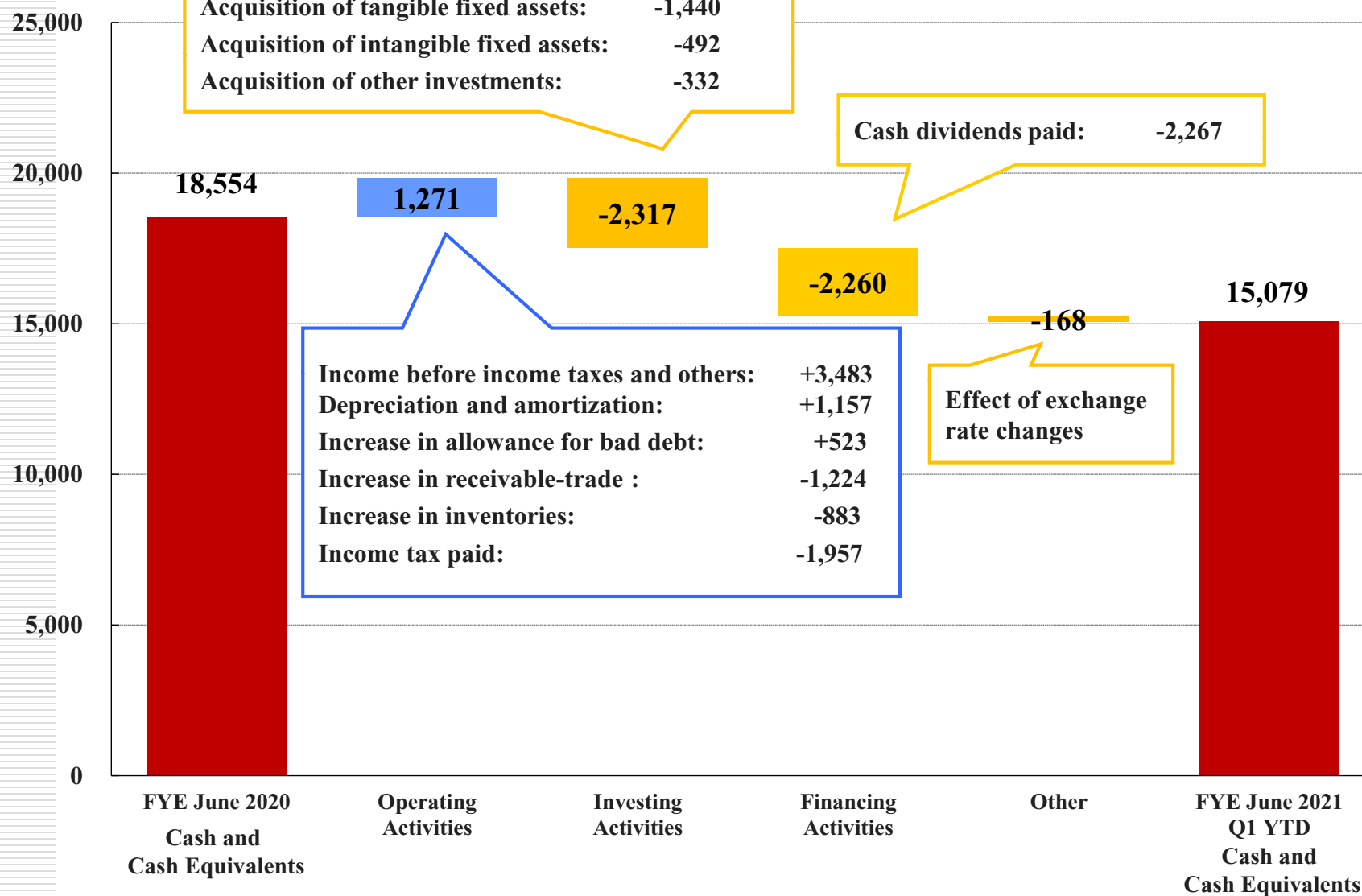
## Reference: B/S

		FYE June 2020		FYE June 2020 Q1 YTD			Main comparison factors
		Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	
Assets	Current assets	47,793	51.0	45,495	49.0	-2,298	Cash and deposit: -3,474 Receivable-trade: +1,062
	Fixed Assets	45,935	49.0	47,276	51.0	+1,340	Investments and other assets: +998 Intangible fixed assets: +533 Tangible fixed assets: -191
Total assets		93,729	100.0	92,772	100.0	-957	
Liabilities	Current Liabilities	12,786	13.6	12,156	13.1	-629	Accrued corporate tax, etc.: -906 Provision for bonus: +516
	Fixed liabilities	8,968	9.6	8,962	9.7	-5	
Total liabilities		21,754	23.2	21,118	22.8	-635	
Total net assets		71,975	76.8	71,653	77.2	-321	Retained earnings: +296 Unrealized loss on securities: +285 Foreign currency translation adjustment: -938
Total liabilities & net assets		93,729	100.0	92,772	100.0	-957	



## 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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