



ASAHI

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Financial Results of the 3rd Quarter for Fiscal Year ending June 2021

May 14, 2021

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



FYE June 2021 3Q YTD Main Points-1

Revenue 44,803 Mil. Yen <Year-on-year -1.3%>

~ Although increased in the medical division,
decrease in the device division due to the impact of COVID-19 ~

■ Medical Division ~ Increase due to the strengthening the sales promotion activities in overseas market despite the impact of COVID-19 ~

Japan

- Decrease in the number of cases year-on-year since April 2020 due to the impact of COVID-19
- Decrease in the most of the company's own brand products in cardiovascular segment 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 (-285 Mil. yen)

Overseas

- Decrease in the number of cases in many regions due to the impact of COVID-19
- Increase in PTCA GW due to strengthening sales promotion in Chinese market and promoting direct sales in Korean market, etc.
- In Non-Cardiovascular segment, increase in Neurovascular field in Chinese, US, and Europe and Middle Eastern market
- Influence of the exchange rate fluctuation (-42 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 overseas automobile market and office automation market



FYE June 2021 3Q YTD Main Points-2

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

- **Gross profit : 30,451 Mil. Yen < YoY -2.0% >**
 - Decrease in gross profit due to decrease in revenue

- **Operating income : 10,086 Mil. Yen < YoY -18.4% >**
 - Increase in R&D expenses (5,394 Mil. Yen, YoY +702 Mil. Yen, Ratio of Revenue 12.0%)
 - Increase in personnel expenses for strengthening organizational structure
 - Increase in IT expenses
 - Occurrence of expenses for recovering from network issues caused by unauthorized access

- **Ordinary income : 10,397 Mil. Yen < YoY -16.0% >**
 - Increase in currency exchange gain (YoY +260 Mil. Yen)

- **Net income attributable to parent company shareholders :**
7,374 Mil. Yen < YoY -20.5% >

Exchange rate (Unit: JPY)	US \$	EURO	CNY	BAHT
FYE June 2021 3Q YTD	105.61	125.46	15.84	3.44
FYE June 2020 3Q YTD	108.37	119.96	15.45	3.53



Highlights

	FYE June 2020 3Q YTD		FYE June 2021 3Q YTD				(Reference) At the same exchange rate as the pervious year			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	YoY		Amount (Mil. Yen)	Ratio (%)	YoY	
					Changes (Mil. Yen)	Changes (%)			Changes (Mil. Yen)	Changes (%)
Revenue	45,407	100.0	44,803	100.0	-603	-1.3	44,915	100.0	-491	-1.1
Gross profit	31,068	68.4	30,451	68.0	-616	-2.0	30,326	67.5	-741	-2.4
Operating income	12,366	27.2	10,086	22.5	-2,279	-18.4	9,836	21.9	-2,529	-20.5
Ordinary income	12,381	27.3	10,397	23.2	-1,984	-16.0	10,147	22.6	-2,233	-18.0
Net income attributable to parent company shareholders	9,278	20.4	7,374	16.5	-1,904	-20.5	7,124	15.9	-2,154	-23.2
EPS	35.64 yen	—	28.29 yen	—	-7.35 yen	-20.6	—	—	—	—



Net Revenue by Segment

	FYE June 2020 3Q YTD		FYE June 2021 3Q YTD			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Changes (%)
Medical	38,583	85.0	38,686	86.3	+103	+0.3
Device	6,824	15.0	6,117	13.7	-706	-10.4
Total amount	45,407	100.0	44,803	100.0	-603	-1.3

(Reference)

Medical field	41,730	91.9	41,221	92.0	-509	-1.2
Industrial field	3,676	8.1	3,582	8.0	-94	-2.6

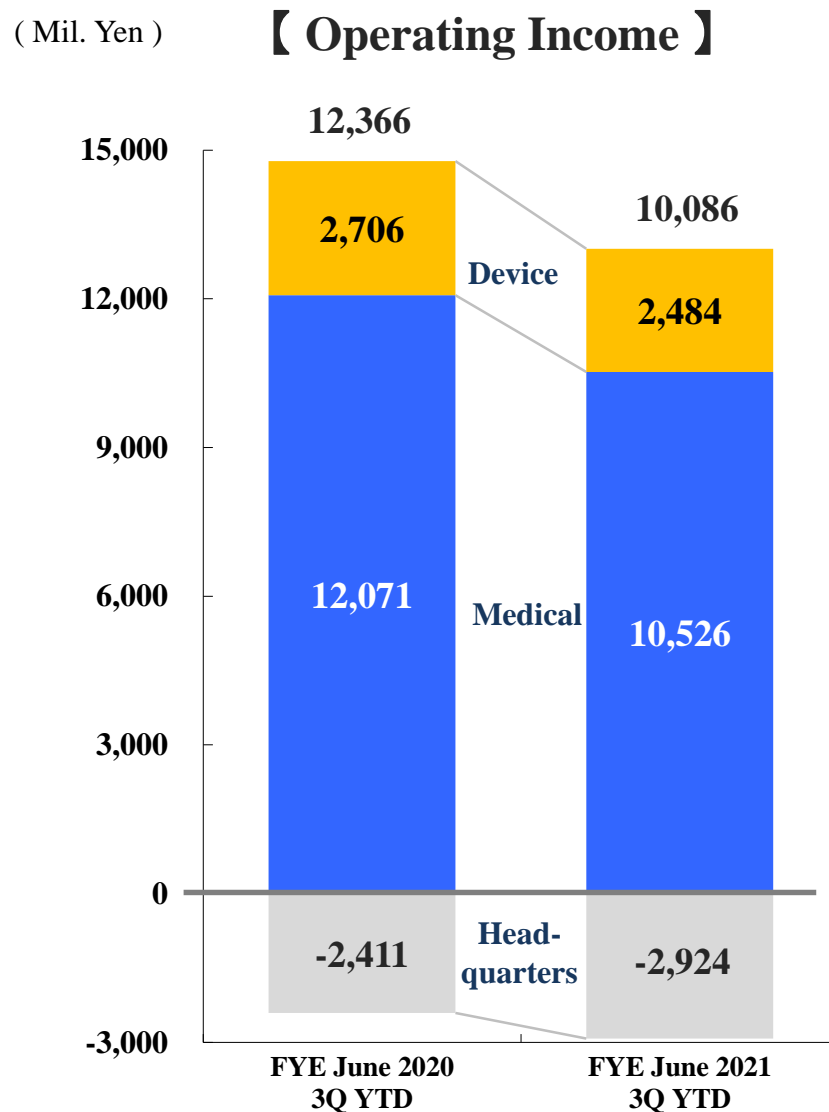
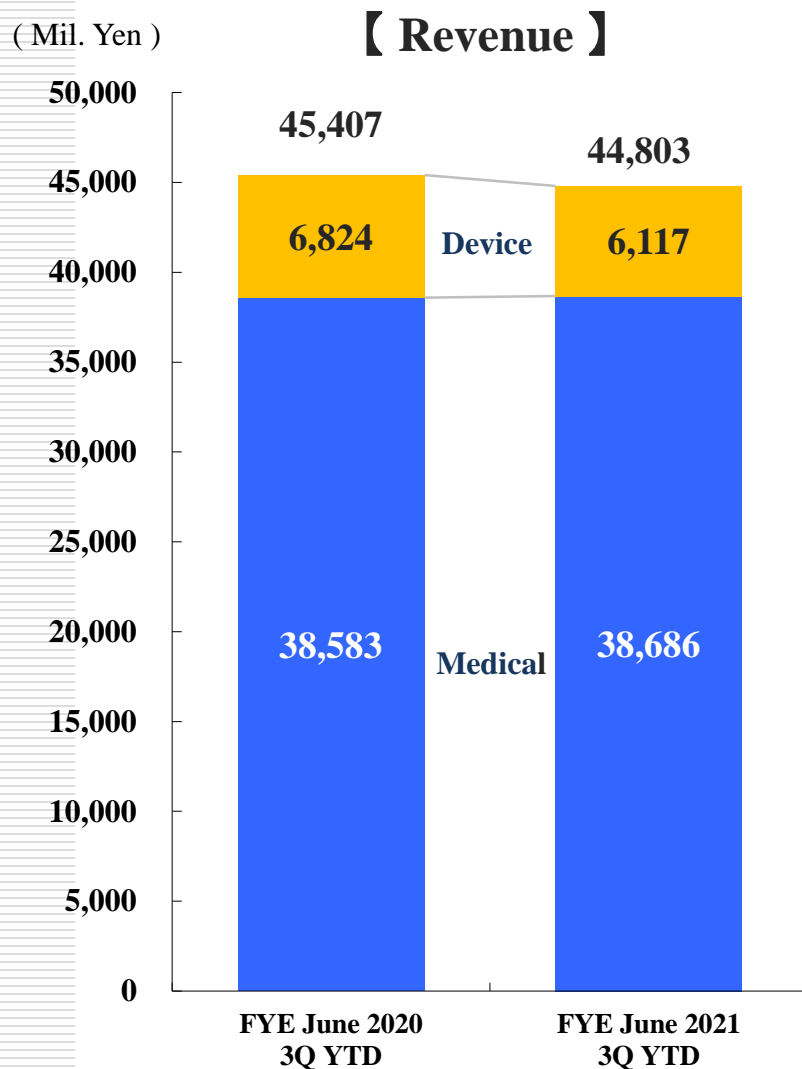


Operating Income by Segment

	FYE June 2020 3Q YTD		FYE June 2021 3Q YTD			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Changes (%)
Medical	12,071	81.7	10,526	80.9	-1,544	-12.8
Device	2,706	18.3	2,484	19.1	-221	-8.2
Subtotal	14,778	100.0	13,011	100.0	-1,766	-12.0
Erasing & Head Quarters	-2,411	—	-2,924	—	-513	+21.3
Total amount	12,366	—	10,086	—	-2,279	-18.4
(Reference) Device Division Segment Revenue	3,194	—	4,175	—	+980	+30.7



Earnings Performance by Segment

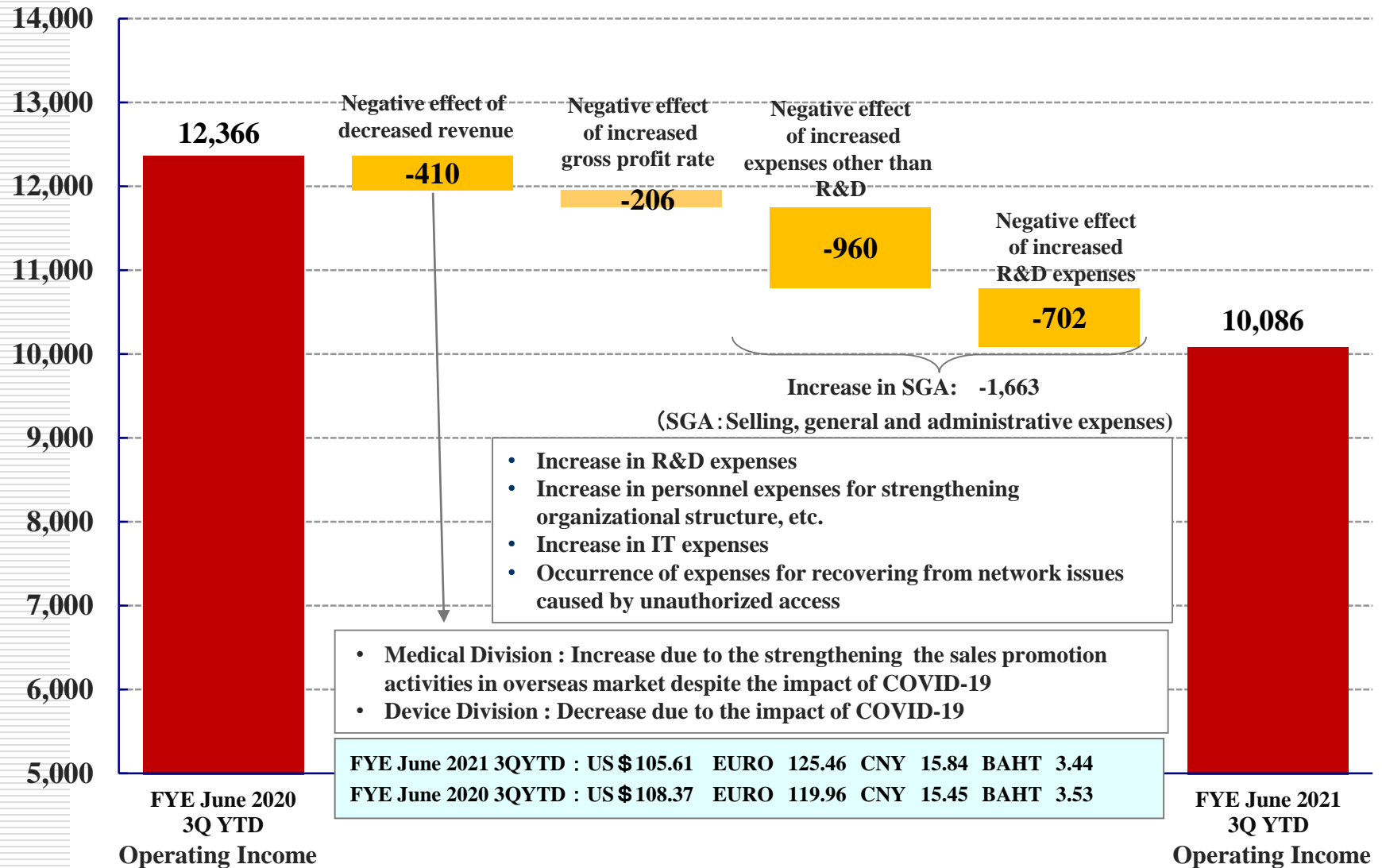




Attribution Analysis of Operating Income – 1

(Exchange Rate Fluctuations Included)

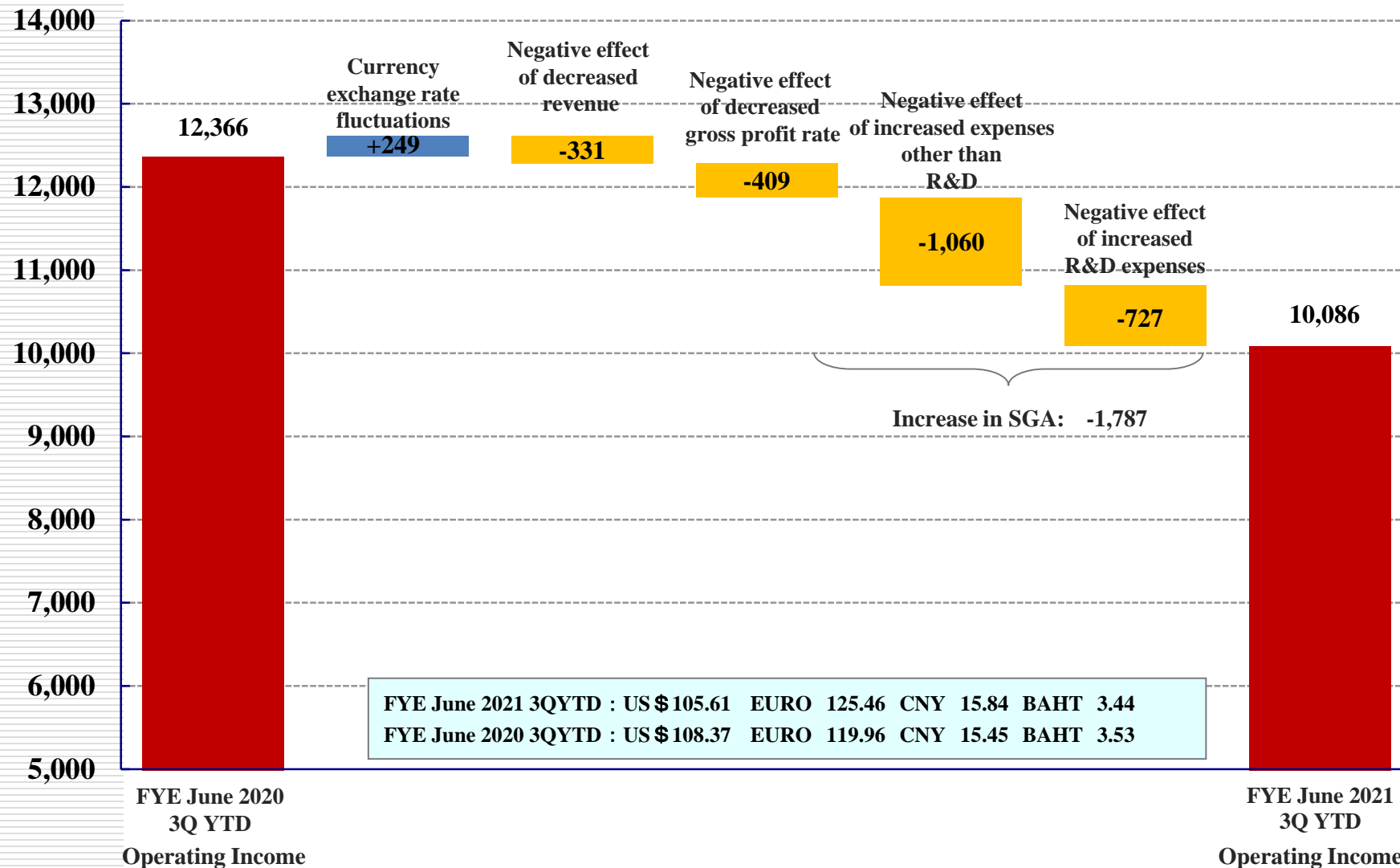
(Mil. Yen)





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

(Mil. Yen)



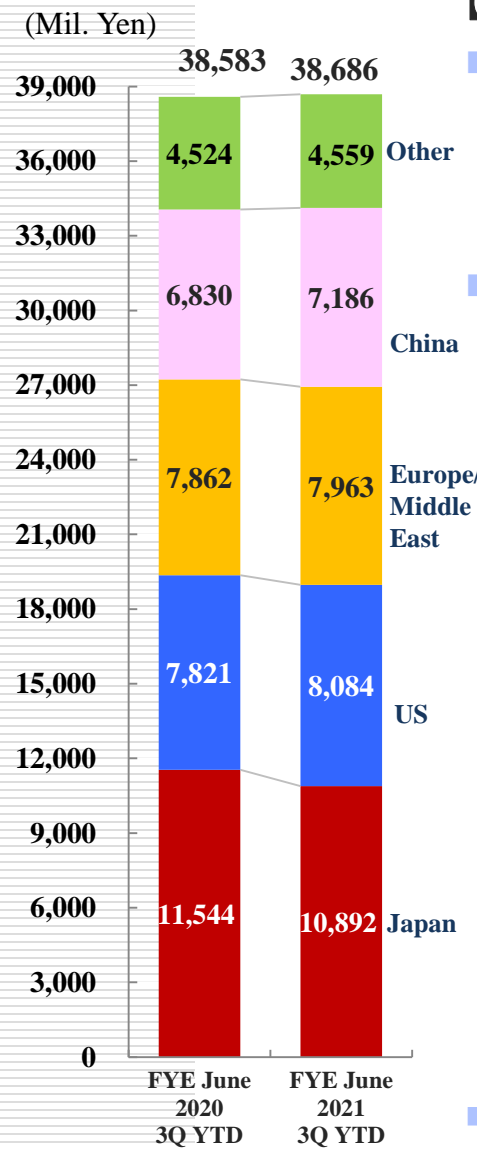


Situation Per Segment Division



Per Segment by Medical Division (by Geography - 1)

【Revenue (YoY)】



- **Japan: Decrease in revenue due to decrease in the number of cases by the impact of COVID-19 in addition to the influence of reimbursement price reduction (-285Mil.yen)**
 - Decrease in the number of cases due to the impact of COVID-19
 - PTCA GW: Decrease due to reimbursement price reduction and the impact of COVID-19
 - Neurovascular field: Increase mainly in new product, Balloon guide catheter “Branchor”
- **Overseas: Increase in revenue due to strengthening sales promotion activities and the promotion of direct sales despite decrease in the number of cases due to the impact of COVID-19**
 - <US>
 - PTCA GW: Despite the impact of COVID-19, increase in number associated with promotion of direct sales
 - Neurovascular field : Increase due to the inventory adjustment for Medtronic in the previous year
 - OEM: Increase in supply of FFR components for Boston Scientific (US)
 - <Europe/Middle East>
 - Although increase in Western Europe, decrease in Middle East and CIS
 - Western Europe: Increase due to the promotion of direct sales in France ,etc.
 - Middle East: Impact of COVID-19, etc.
 - CIS: Temporary refraining from buying due to currency depreciation
 - <China>
 - PTCA GW / Penetration Catheter : Despite the impact of COVID-19 and bidding on stents , increase due to strengthening sales promotion activities
 - PTCA Guiding Catheters “Hyperion”: Reactionary decrease by the distributor inventory construction in the previous year
 - Non-cardiovascular segment: Decrease in Abdominal field and increase in Neurovascular field
 - <Other>
 - PTCA GW : Increase due to the promotion of direct sales in Korea despite the the impact of COVID-19

【Operating Income】

- Decrease due to increase in R&D expenses



Per Segment by Medical Division (by Geography - 2)

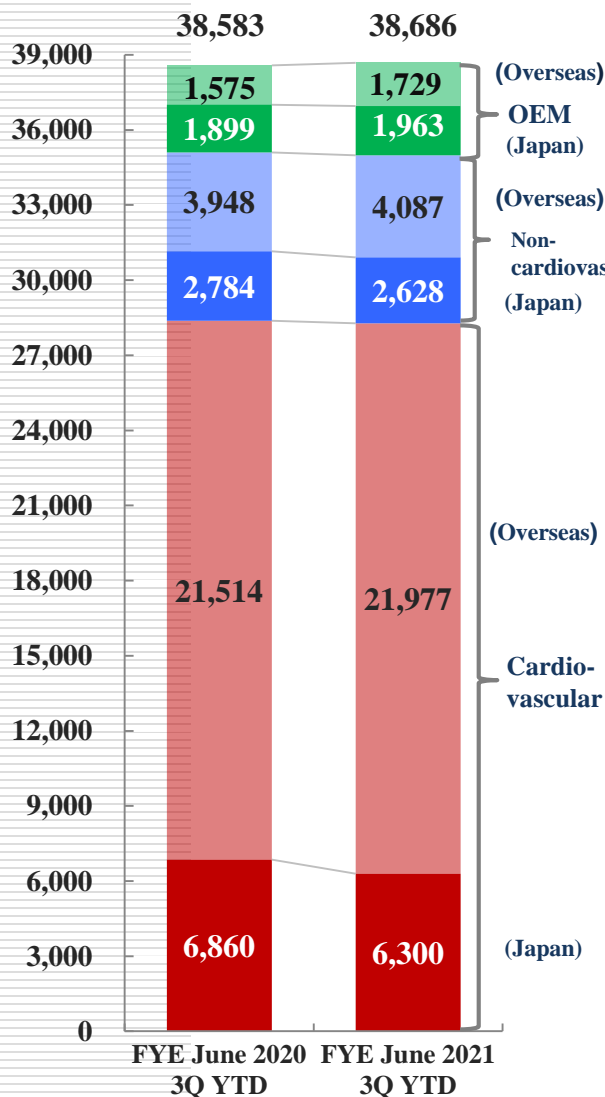
(Mil. Yen)

		FYE June 2020 3Q YTD	FYE June 2021 3Q YTD	YoY	
				Changes	Changes (%)
Exchange rate(Yen)	USD	108.37	105.61	-2.76	-2.5
	EURO	119.96	125.46	+5.50	+4.6
	CNY	15.45	15.84	+0.39	+2.5
Total Revenue		38,583	38,686	+103	+0.3
Japan		11,544	10,892	-651	-5.6
Overseas		27,038	27,793	+755	+2.8
US		7,821	8,084	+262	+3.4
Europe/Middle East		7,862	7,963	+100	+1.3
China		6,830	7,186	+356	+5.2
Other		4,524	4,559	+34	+0.8
Operating income		12,071	10,526	-1,544	-12.8



Per Segment by Medical Division (by Treatment - 1)

(Mil. Yen)



【Revenue (YoY)】

Cardiovascular

- **Japan:** : Decrease in revenue due to decrease in the number of cases by the impact of COVID-19 in addition to the influence of reimbursement price reduction
- **Overseas:** Increase in revenue due to strengthening sales promotion activities and the promotion of direct sales despite decrease in the number of cases due to the impact of COVID-19
 - **PTCA GW:** Increase mainly in US market and Chinese market despite the impact of COVID-19
 - US market: Despite the impact of COVID-19, increase in number due to the promotion of direct sales
 - Chinese market: Despite the impact of COVID-19 and bidding on stents, increase due to strengthening sales promotion activities
 - Europe/Middle Eastern market: Decrease in CIS and Middle East
 - Middle East: Impact of COVID-19, etc.
 - CIS: Temporary refraining from buying due to currency depreciation
 - **Penetration Catheter:** Increase in China

Non-cardiovascular

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

OEM

- **Japan:** Increase in business of wires for Peripheral vascular, etc.
- **Overseas:** Increase in supply of FFR components for Boston Scientific (US)



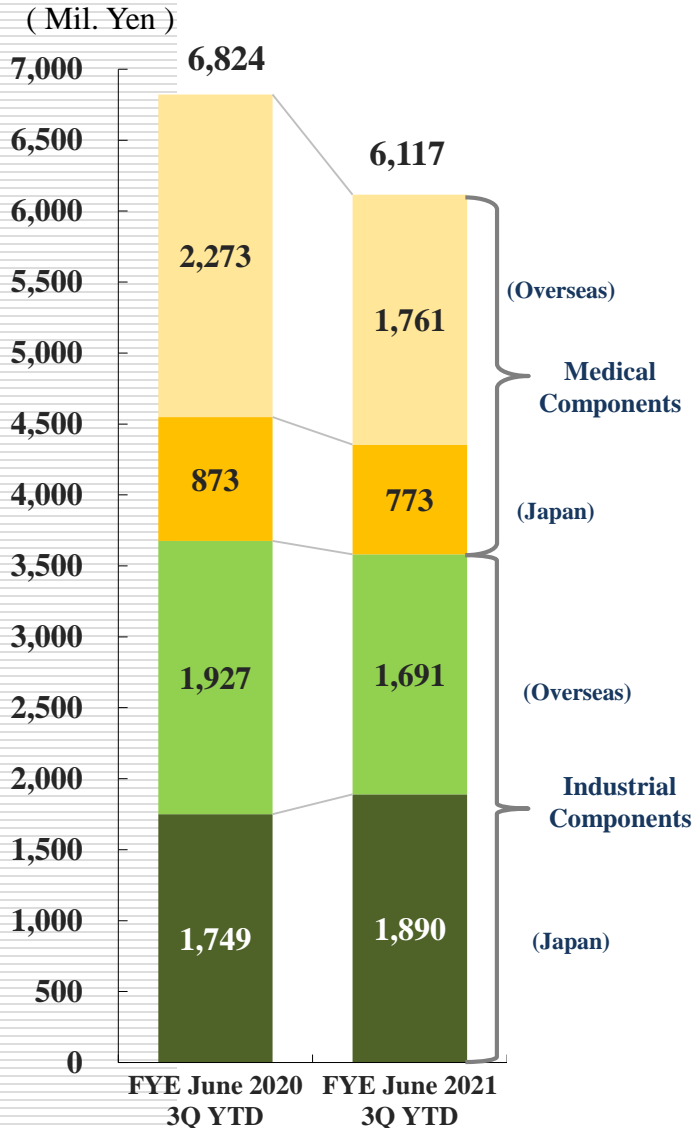
Per Segment by Medical Division (by Treatment - 2)

(Mil. Yen)

		FYE June 2020 3Q YTD	FYE June 2021 3Q YTD	YoY	
				Changes	Changes (%)
Exchange rate (Yen)	USD	108.37	105.61	-2.76	-2.5
	EURO	119.96	125.46	+5.50	+4.6
	CNY	15.45	15.84	+0.39	+2.5
Total Revenue		38,583	38,686	+103	+0.3
	Japan	11,544	10,892	-651	-5.6
	Overseas	27,038	27,793	+755	+2.8
Cardiovascular		28,375	28,277	-97	-0.3
	Japan	6,860	6,300	-559	-8.2
	Overseas	21,514	21,977	+462	+2.1
Non-cardiovascular		6,732	6,715	-16	-0.3
	Japan	2,784	2,628	-155	-5.6
	Overseas	3,948	4,087	+138	+3.5
OEM		3,475	3,692	+217	+6.3
	Japan	1,899	1,963	+63	+3.4
	Overseas	1,575	1,729	+153	+9.8



Per Segment by Device Division - 1



【Revenue (YoY)】

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

Medical Components

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

Industrial Components

- **Japan:** Increase due to increase in business related to construction, home appliance and automobile market despite decrease in business related to office automation market
- **Overseas:** Decrease revenue due to decrease in business related to automobile and office automation market despite increase in business related to leisure market

【Operating Income】

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



Per Segment by Device Division - 2

		FYE June 2020 3Q YTD	FYE June 2021 3Q YTD	YoY	
				Changes	Changes(%)
Exchange rate (Yen)	USD	108.37	105.61	-2.76	-2.5
Total Revenue		6,824	6,117	-706	-10.4
	Japan	2,623	2,663	+40	+1.6
	Overseas	4,201	3,453	-747	-17.8
Medical Components		3,147	2,535	-612	-19.5
	Japan	873	773	-100	-11.5
	Overseas	2,273	1,761	-512	-22.5
Industrial Components		3,676	3,582	-94	-2.6
	Japan	1,749	1,890	+140	+8.0
	Overseas	1,927	1,691	-235	-12.2
Operating income		2,706	2,484	-221	-8.2
(Reference) Segment Revenue		3,194	4,175	+980	+30.7

(Mil. Yen)



Reference: P/L

	FYE June 2020 3Q YTD		FYE June 2021 3Q YTD			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Main comparison factors
Revenue	45,407	100.0	44,803	100.0	-603	•Decrease due to the impact of COVID-19 and reimbursement price reduction
Cost of sales	14,338	31.6	14,351	32.0	+13	
Gross profit	31,068	68.4	30,451	68.0	-616	•Decrease due to decrease in revenue
SGA	18,702	41.2	20,365	45.5	+1,663	•Increase in R&D expenses , etc.
Operating income	12,366	27.2	10,086	22.5	-2,279	
Non-operating income	94	0.2	428	1.0	+334	
Non-operating expense	80	0.2	118	0.3	+38	•Increase in currency exchange gain
Ordinary income	12,381	27.3	10,397	23.2	-1,984	
Extraordinary gain	959	2.1	-	0.0	-959	
Extraordinary loss	508	1.1	221	0.5	-287	
Net income attributable to parent company shareholders	9,278	20.4	7,374	16.5	-1,904	
Comprehensive income	8,456	18.6	8,706	19.4	+249	•Increase in foreign currency translation adjustment: +1,468 •Increase in valuation difference on available-for-sale securities: +670



Reference: B/S

		FYE June 2020		FYE June 2020 3Q YTD			
		Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Main comparison factors
Assets	Current assets	47,793	51.0	49,538	48.8	+1,745	Cash and deposit: -4,350 Receivable-trade: +3,136 Inventory: +2,311
	Fixed Assets	45,935	49.0	51,901	51.2	+5,965	Tangible fixed assets: +3,388 Investments and other assets: +1,909 Intangible fixed assets: +667
Total assets		93,729	100.0	101,439	100.0	+7,710	
Liabilities	Current Liabilities	12,786	13.6	13,751	13.6	+964	Bill payable and account payable: +556 Short-term debt: +1,602 Accrued corporate tax, etc.: -1,067
	Fixed liabilities	8,968	9.6	9,191	9.1	+223	
Total liabilities		21,754	23.2	22,942	22.6	+1,188	
Total net assets		71,975	76.8	78,497	77.4	+6,522	Retained earnings: +5,078 Foreign currency translation adjustment: +631 Valuation difference on available-for-sale securities: +666
Total liabilities & net assets		93,729	100.0	101,439	100.0	+7,710	



Reference: C/F

(Mil. Yen)

25,000

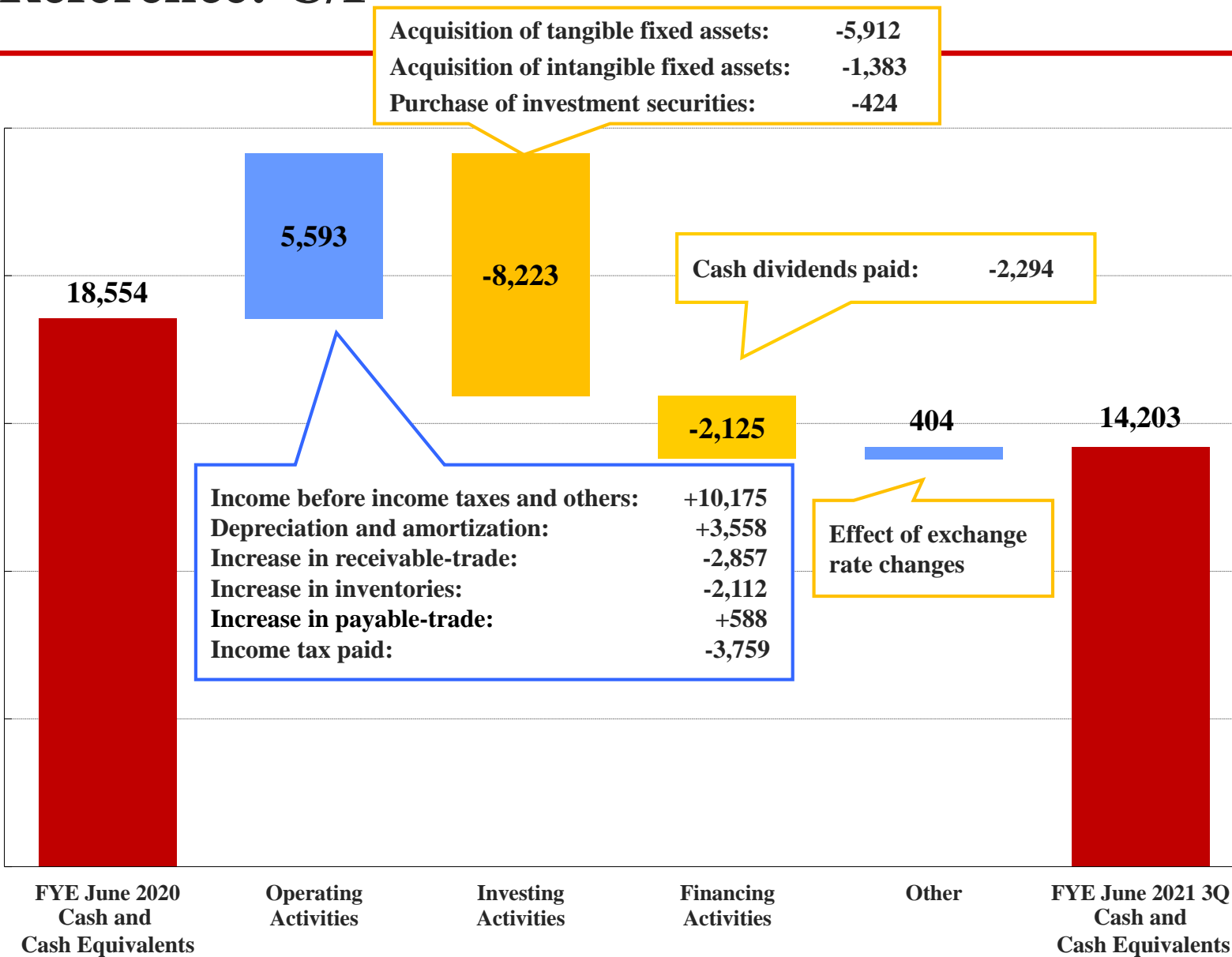
20,000

15,000

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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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