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Financial Results for FYE June, 2014

August 12, 2014

(Securities code : 7747 2nd section of the Tokyo Stock Exchange,
2nd section of the Nagoya Stock Exchange)



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1. Summary of Financial Results of FYE 6/2014

2. Earnings Estimate of FYE 6/2015



FYE 6/2014 Main Points - 1

■ **Net sales 28,145 Mil. Yen (Year-on-year +40.9 %)**

~Medical Division and Device Division, both progress favorably.~

● Medical Division

~In addition to firm demands from all area, US and Euro currency appreciation supports the performance with large increase. ~

➤ **Both in Japan and Overseas, sales favorably progressed in all territories.**

Japan {

- ✓ PTCA GW sales speeded up after CCT Conference (October).
- ✓ PTCA Balloon Catheter “Kamui” sales steadily progressed.
- ✓ PTCA Guiding Catheter “Hyperion” shows progress with higher growth rate over the plan after 3rd Quarter.

Overseas {

- ✓ In overseas, market penetration increasing rapidly, especially in EU.

● Device Division

~In addition to the upward trend of conventional business, sales increases from its addition of Toyoflex group after consolidation as subsidiary. ~

- ✓ Increase mainly in Medical Components based on overseas markets
- ✓ Sales increased from acquisition of Toyoflex group as consolidated subsidiary (September 17, 2013).



FYE 6/2014 Main Points - 2

- **While R&D expense and Sales expenses increased, positive sales growth contributed to large Operating income performance.**
 - **Gross profit 17,919 Mil. Yen (YoY +32.6 %)**
 - ✓ **Gross Profit increased in proportion to sales increase.**
 - **Operating income 5,995Mil. Yen (YoY +37.8 %)**
 - ✓ **Increased R&D expense (2,714Mil. Yen) (YoY+ 759 Mil. Yen , Sales ratio 9.6 %)**
 - ✓ **Increased Sales related expenses to switch to direct sales, etc.**
 - **Ordinary income 6,099 Mil. Yen (YoY +27.0 %)**
 - ✓ **Decreased Currency exchange profit (Δ489 Mil. Yen) ,Grant allocated (69 Mil. Yen)**
 - **Net income 4,360 Mil. Yen Yen (YoY+ 45.1%)**
 - ✓ **Earning of bargain purchase of goodwill by acquisition of Toyoflex Co.,Ltd. as consolidated subsidiary (319Mil. Yen)**
 - ✓ **Allocated impaired loss of GMA R&D Center's former factory lands , etc. (Δ78 Mil Yen)**

Exchange rate	(Unit : JPY)			
2013/06 FY	US\$	88.18	BAHT	2.90
	EURO	112.00	CNY	14.17
2014/06 FY	US\$	101.16	BAHT	3.14
	EURO	136.78	CNY	16.48



Highlight

	FYE 6/2013		FYE 6/2014						
	Amount (mil.yen)	Ratio (%)	Revision Plan Nov.2013	Amount (mil.yen)	Ratio (%)	YoY		Compared with Revision Plan Nov.2013	
						Changes (mil.yen)	Changes (%)	Changes (mil.yen)	Changes (%)
Net sales	19,968	100.0	26,578	28,145	100.0	+8,176	+40.9	+1,567	+5.9
Gross profit	13,510	67.7	16,958	17,919	63.7	+4,408	+32.6	+960	+5.7
Operating income	4,351	21.8	5,546	5,995	21.3	+1,643	+37.8	+449	+8.1
Ordinary income	4,802	24.0	5,519	6,099	21.7	+1,297	+27.0	+580	+10.5
Net income	3,004	15.0	4,168	4,360	15.5	+1,355	+45.1	+191	+4.6
EPS*	98.89 yen	-	130.69 yen	136.50 yen	-	+37.60	+38.0	+5.81	+4.4

* : As from January 1, 2014, 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 6/2013		FYE 6/2014			
	Amount (mil.yen)	Ratio (%)	Amount (mil.yen)	Ratio (%)	Changes (mil.yen)	Changes (%)
Medical	17,053	85.4	21,891	77.8	+4,838	+28.4
Device	2,915	14.6	6,253	22.2	+3,337	+114.5
Total amount	19,968	100.0	28,145	100.0	+8,176	+40.9

(Reference)

Medical Field	18,814	94.2	24,208	86.0	+5,393	+28.7
Industrial Field	1,154	5.8	3,936	14.0	+2,782	+241.1

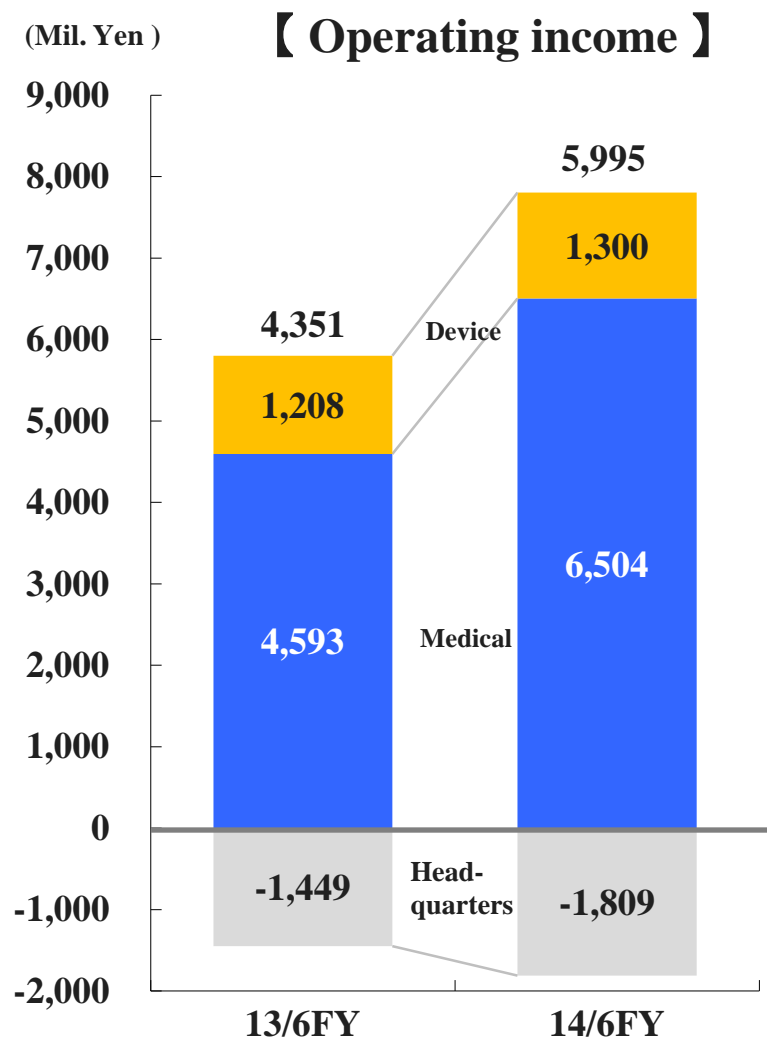
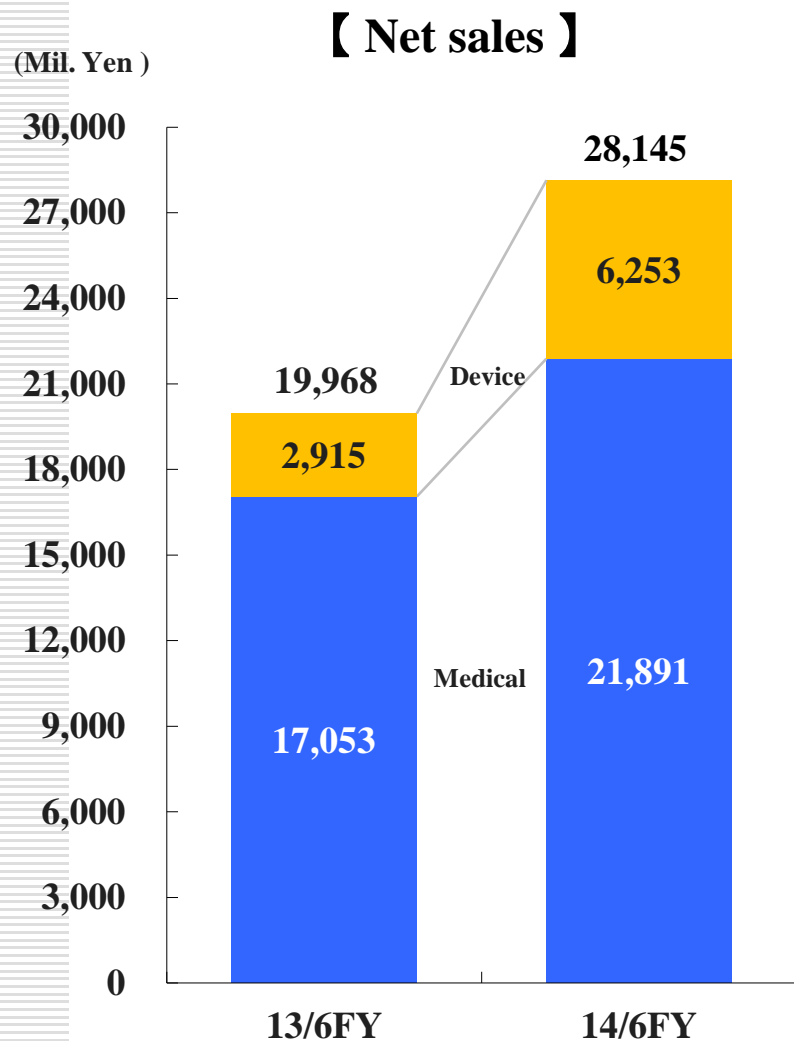


Operating Income by Segment Division

	FYE 6/2013		FYE 6/2014			
	Amount (mil.yen)	Ratio (%)	Amount (mil.yen)	Ratio (%)	Changes (mil.yen)	Changes (%)
Medical	4,593	79.2	6,504	83.3	+1,911	+41.6
Device	1,208	20.8	1,300	16.7	+91	+7.6
Subtotal	5,801	100.0	7,804	100.0	+2,003	+34.5
Erasing & Head quarters	△1,449	-	△1,809	-	△359	+24.8
Total Amount	4,351	-	5,995	-	+1,643	+37.8



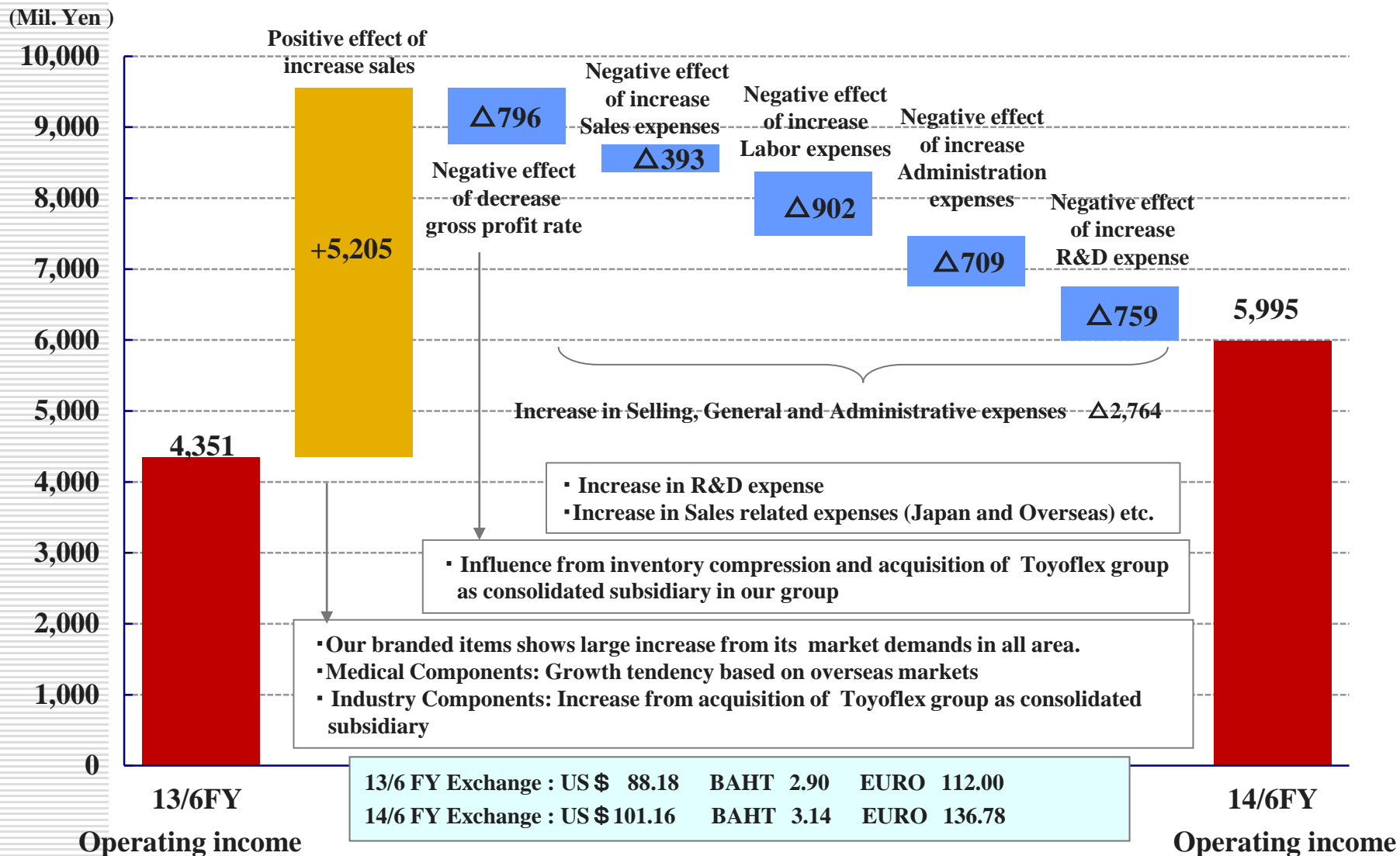
Earnings Performance by Segment Division





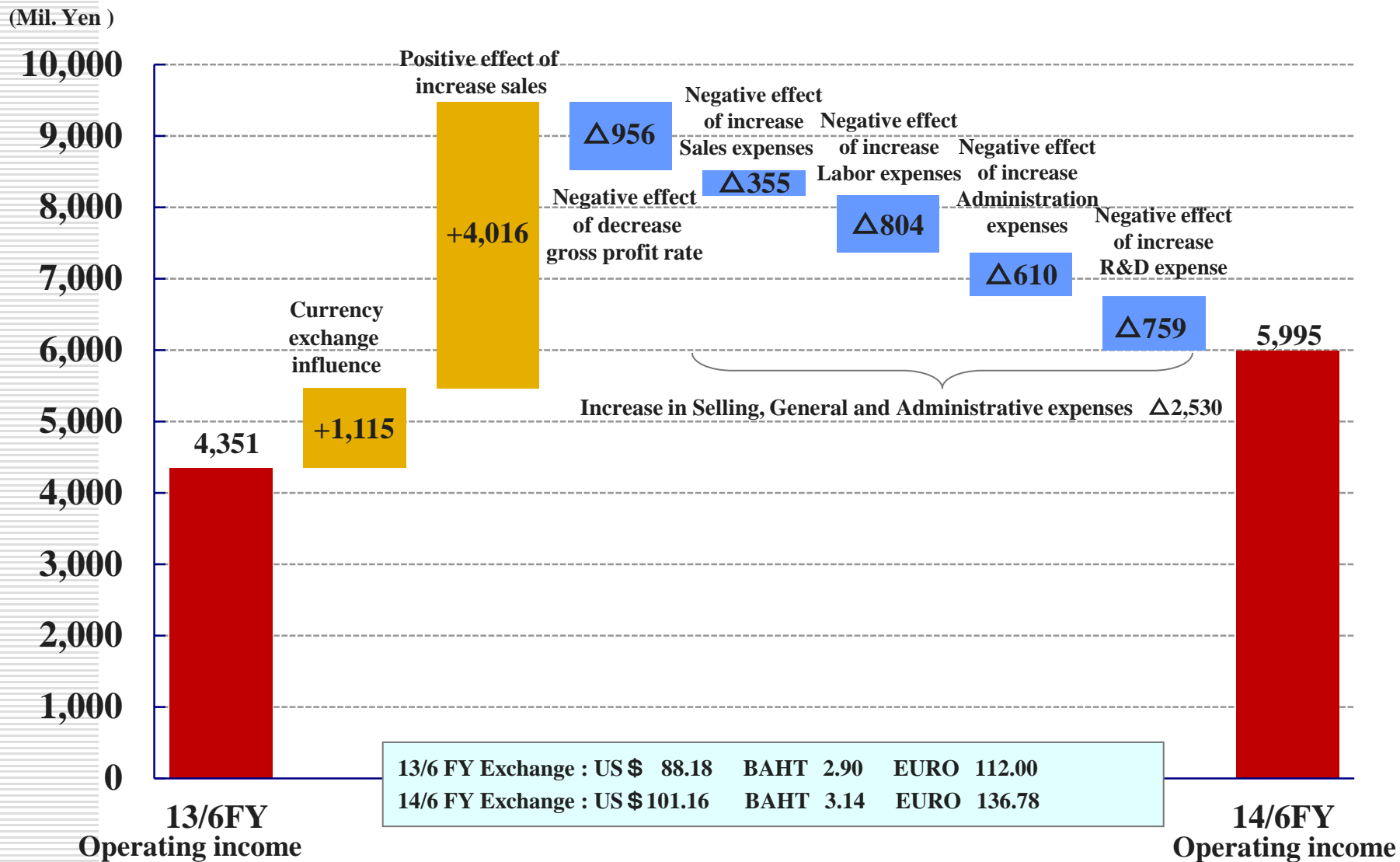
Attribution analysis of Operating Income – 1

(Exchange rate fluctuations included)





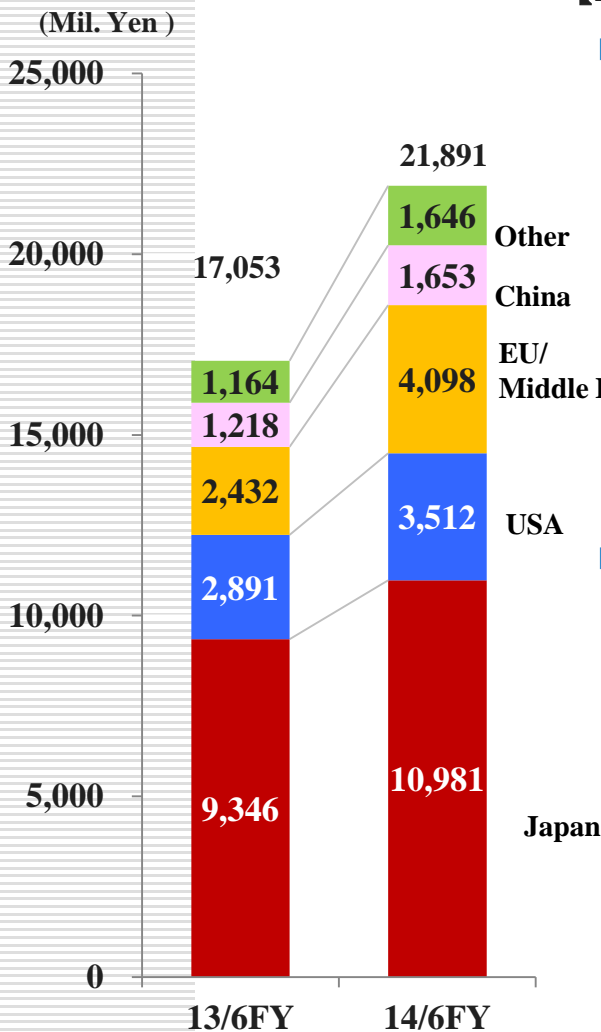
Attribution analysis of Operating Income – 2 (Exchange rate fluctuations excluded)





Per Segment by Medical Division (by Geography-1)

【Net sales (YoY)】



■ **Japan: Cardiovascular and non-Cardiovascular segments favorably progressed despite of suffering the influence of the reimbursement price reduction (Δ200 Mil. Yen).**

- PTCA Guide Wire : “SION Series” favorably progressed due to synergy effects from GAIA.
- PTCA Balloon Catheter : New item “Kamui” progresses well .
- PTCA Guiding Catheter : New item “Hyperion” shows high growth rate after 3rd Quarter.
- Abdominal / Neurovascular products show increase trend from direct sales (July, 2013 -) impact
- As from June end of 2014, we moved into complete direct sales of whole own brand items. PTCA Guiding Catheters (Partly) ,Diagnostic Catheter ,Peripheral GW switched to direct sales. Re-purchase of in-hospital consignment (About Δ320 Mil. Yen) , having been owned by distributor and supply adjustment made to compress the distributor’s inventory.

■ **Overseas : In all area, good market demand shown. US & EURO currency appreciation supports further increase.**

- USA: PTCA GW / Half-year shipments as agreed contractually
Penetration Catheter “Corsair”/ Growth trends from direct sales effects
Peripheral vascular products : Peripheral GW shows good progress.
- EU/ Middle East : PTCA GW / Market demands grows continuously, resulting in good result progress.
- China: PTCA GW / Progresses well over market growth rate
- Other : PTCA GW mainly shows good result trends.

【Operating income】

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



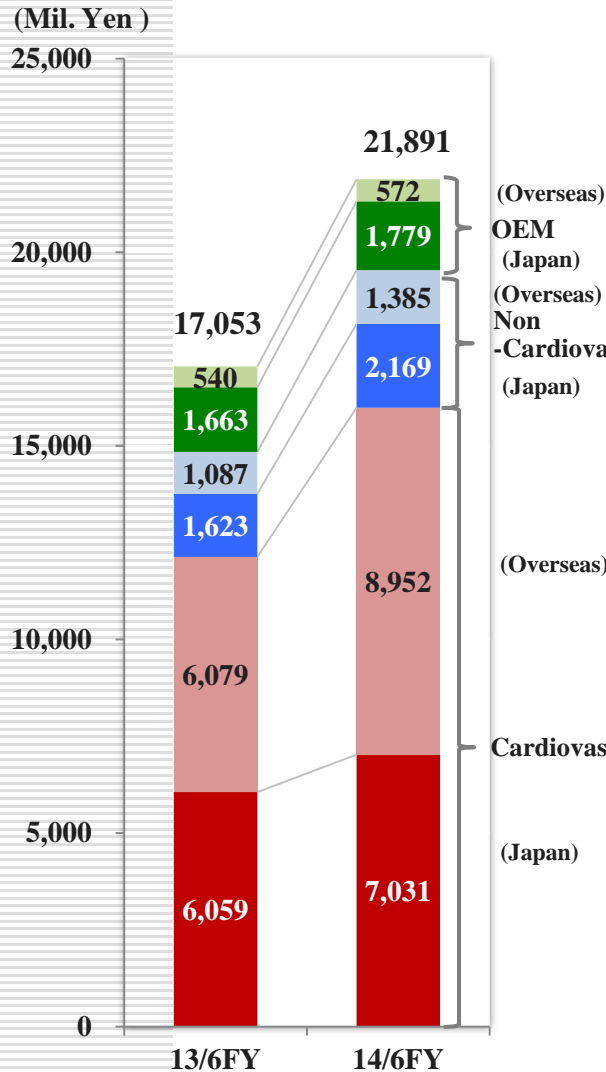
Per Segment by Medical Division (by Geography-2)

(Mil. Yen)

	FYE 6/2013	FYE 6/2014	YoY	
			Changes (mil.yen)	Changes (%)
(Exchange rate:USD)	88.18	101.16	+12.98	+14.7
Net sales	17,053	21,891	+4,838	+28.4
Japan	9,346	10,981	+1,635	+17.5
Overseas	7,707	10,910	+3,203	+41.6
USA	2,891	3,512	+620	+21.5
EU/EMEA	2,432	4,098	+1,666	+68.5
China	1,218	1,653	+434	+35.6
Other	1,164	1,646	+481	+41.4
Operating income	4,593	6,504	+1,911	+41.6



Per Segment by Medical Division (by Treatment-1)



【Net sales (YoY)】

Cardiovascular

- **Japan:** In addition to conventional product, new products also progress well.
 - PTCA GW / “SION Series” mainly shows good result trends.
 - PTCA BC / New Item “Kamui” gains good evaluation.
 - PTCA GC / New item “Hyperion” shows high growth rate after 3rd Quarter.
- **Overseas :** In all area, PTCA GW mainly shows good result trends.
 - USA: PTCA GW / Half-year shipments as agreed contractually
 - Penetration Catheter “Corsair” / Growth trends from direct sales effects

Non-Cardiovascular

- **Japan :** Temporal decrease along with Peripheral GW accrued from its switch over to direct business. (June end, 2013 ~).
(Due to Re-purchase of inventory/ Supply Adjustment).
Abdominal / Neurovascular products shows increase trend from direct sales (July, 2013 ~) impact
- **Overseas :** USA Peripheral vascular products : Peripheral GW shows good result trends

OEM

- **Japan :** Mini-Guide Wire in cardiac diagnosis increases.
Endoscope related products shows good progress.
- **Overseas :** Mini-Guide Wire in cardiovascular diagnosis increases.



Per Segment by Medical Division (by Treatment-2)

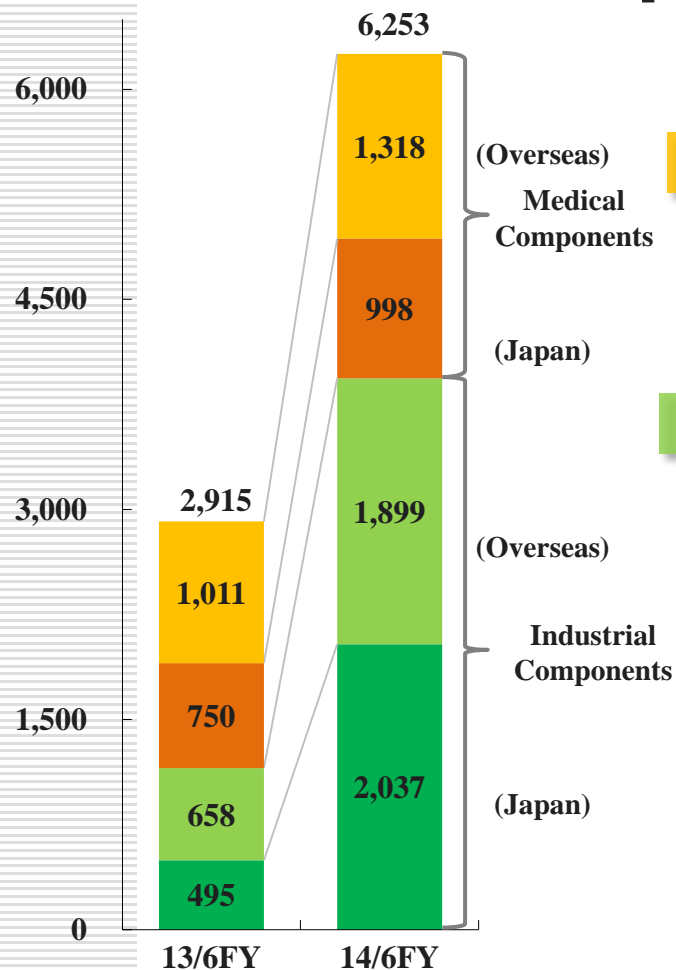
	FYE 6/2013	FYE 6/2014	YoY	
			Changes (mil.yen)	Changes (%)
(Exchange rate:USD)	88.18	101.16	+12.98	+14.7
Net sales	17,053	21,891	+4,838	+28.4
Japan	9,346	10,981	+1,635	+17.5
Overseas	7,707	10,910	+3,203	+41.6
Cardiovascular	12,138	15,983	+3,845	+31.7
Japan	6,059	7,031	+972	+16.0
Overseas	6,079	8,952	+2,872	+47.3
Non-Cardiovascular	2,710	3,555	+845	+31.2
Japan	1,623	2,169	+546	+33.7
Overseas	1,087	1,385	+298	+27.4
OEM	2,204	2,352	+147	+6.7
Japan	1,663	1,779	+115	+7.0
Overseas	540	572	+31	+5.9

(Mil. Yen)



Per Segment by Device Division -1

(Mil. Yen)



【Net sales (YoY)】

Addition to increase Medical Components based on overseas markets, increase from acquisition of Toyoflex group as consolidated subsidiary +2,710

Medical Components

- Growth tendency based on overseas markets

- USA: Increase in medical components for usage of cardiovascular diagnostic devices.

Industrial Components

- Japan : Increase from acquisition of Toyoflex group as consolidated subsidiary

+1,514

- Overseas : Component supply increased in leisure industry and automobile market.

Increase from acquisition of Toyoflex group as consolidated subsidiary

+1,008

【Operating income】

- Minimal profit growth from acquisition of Toyoflex group as consolidated subsidiary.

- Sales Amount Increases contributed its profit growth.



Per Segment by Device Division -2

(Mil. Yen)

	FYE 6/2013	FYE 6/2014	YoY		
			Changes	Changes	
				Toyoflex.Co.	(%)
(Exchange rate:USD)	88.18	101.16	+12.98	-	+14.7
Net sales	2,915	6,253	+3,337	2,710	+114.5
Japan	1,245	3,036	+1,790	1,692	+143.7
Overseas	1,669	3,217	+1,547	1,017	+92.7
Medical Components	1,761	2,316	+555	187	+31.5
Japan	750	998	+248	178	+33.1
Overseas	1,011	1,318	+306	9	+30.3
Industrial Components	1,154	3,936	+2,782	2,522	+241.1
Japan	495	2,037	+1,541	1,514	+310.9
Overseas	658	1,899	+1,240	1,008	+188.5
Operating income	1,208	1,300	+91	-	+7.6



Reference : P/L

	FYE 6/2013		FYE 6/2014			
	Amount (mil.yen)	Ratio (%)	Amount (mil.yen)	Ratio (%)	Changes (mil.yen)	The main comparison factors
Net sales	19,968	100.0	28,145	100.0	+8,176	<ul style="list-style-type: none"> Positive trends observed in Medical Field in all area. Increase from acquisition of Toyoflex group as consolidated subsidiary
Cost of Sales	6,458	32.3	10,226	36.3	+3,767	
Gross profit	13,510	67.7	17,919	63.7	+4,408	<ul style="list-style-type: none"> Along with brisk sales growth Gross profit ratio decreased due to acquisition of Toyoflex group as consolidated subsidiary
SGA	9,158	45.9	11,923	42.4	+2,764	<ul style="list-style-type: none"> R&D expense and Sales related expenses increased
Operating income	4,351	21.8	5,995	21.3	+1,643	
Non-operating income	550	2.8	203	0.7	△347	<ul style="list-style-type: none"> Currency exchange profit decreased
Non-operating expense	99	0.5	98	0.4	+0	
Ordinary income	4,802	24.0	6,099	21.7	+1,297	
Extraordinary gain	0	0.0	323	1.1	+322	<ul style="list-style-type: none"> Allocated bargain purchase of goodwill by acquisition of Toyoflex group as consolidated subsidiary 319Mil. Yen
Extraordinary loss	39	0.2	90	0.3	+50	<ul style="list-style-type: none"> Allocated impairment loss 78Mil. Yen
Net income	3,004	15.0	4,360	15.5	+1,355	
Comprehensive income	5,288	26.5	4,392	15.6	△896	<ul style="list-style-type: none"> Foreign currency translation adjustment decreased △1,903Mil. Yen

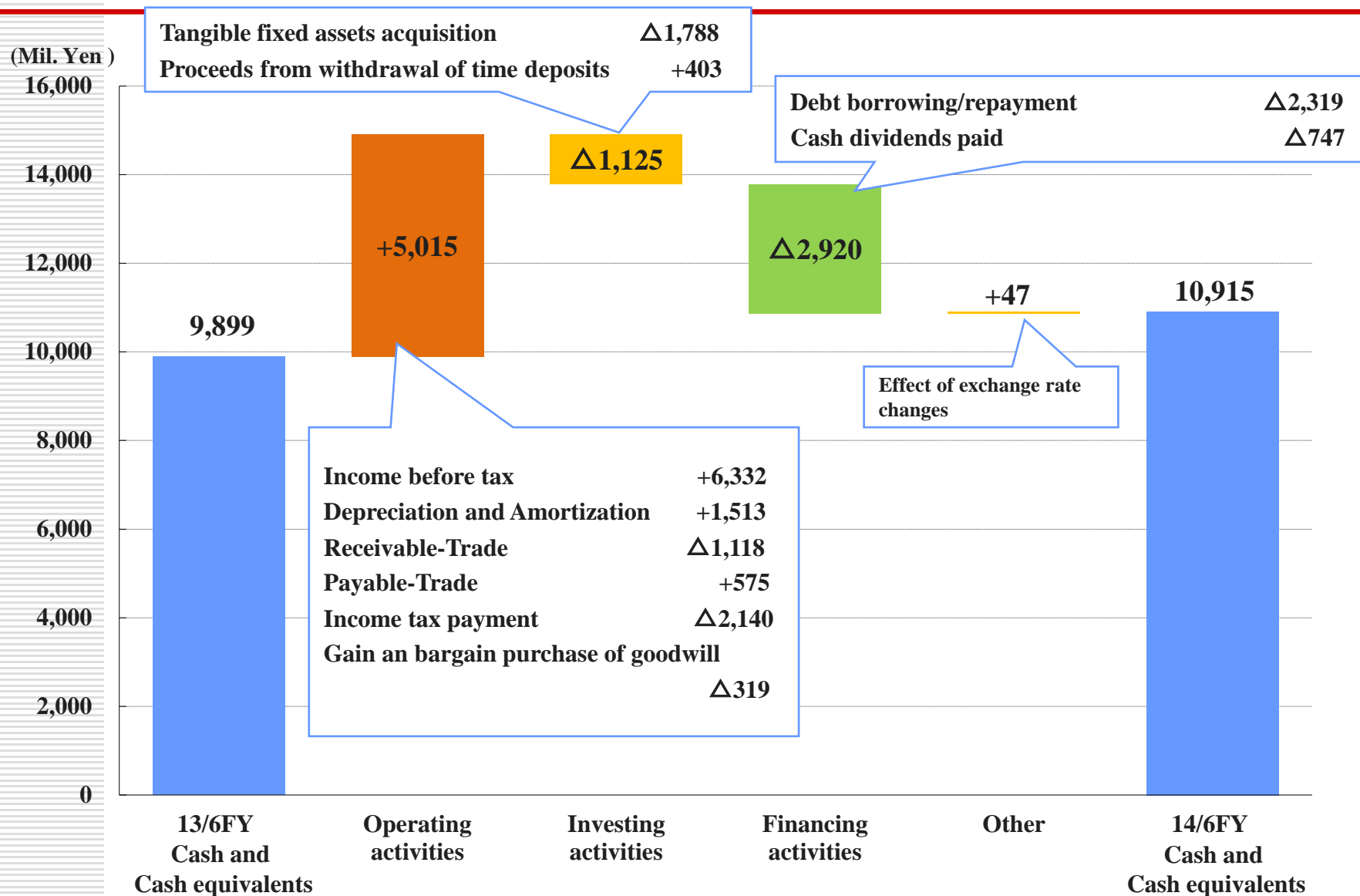


Reference : B/S

		FYE 6/2013		FYE 6/2014			
		Amount (mil.yen)	Ratio (%)	Amount (mil.yen)	Ratio (%)	Changes (mil.yen)	The main comparison factors
Assets	Current assets	22,343	61.1	26,408	61.5	+4,065	Cash and deposit Δ 647 Receivable-trade +1,875 Investment securities +1,600 Inventory assets +832
	Fixed assets	14,243	38.9	16,558	38.5	+2,314	Tangible fixed assets +1,776 Investments and other assets +490
Total assets		36,587	100.0	42,967	100.0	+6,379	
Liabilities	Current liabilities	7,804	21.3	9,482	22.1	+1,677	Payable-Trade +884 Accrued corporation tax Δ 490 Other Current liability +624
	Fixed liabilities	6,857	18.7	7,747	18.0	+890	Long term debt +521
Total liabilities		14,662	40.1	17,230	40.1	+2,567	
Total net assets		21,924	59.9	25,736	59.9	+3,811	Retained earnings +3,609
Total liabilities & Net assets		36,587	100.0	42,967	100.0	+6,379	



Reference : C/F





1. Summary of Financial Results of FYE 6/2014

2. Earnings Estimate of FYE 6/2015



Vision for FYE 6/2015

Sales growth realized from continuous growth of main Item of PTCA GW on global scale and new product launches into catheter segment, with the expectation of establishing a strong secondary product stream

■ Net Sales forecast is 32,101 Mil. Yen (YoY+14.1%)

< Increase of income factors >

- Further increase of market share at Japan, Europe・Middle East, USA, Asia (China inclusive)
- PTCA Balloon Catheter “Kamui”, PTCA Guiding Catheter “Hyperion” share expansion to continue.
- Profit improvement from its switch over to direct business of Peripheral GW, etc in Japanese market.

< Decrease of income factors >

- Reimbursement prices falling (△760 Mil. Yen)

■ Increased sales coupled with sales costs and other fees led to large profit increases

- Operating income 6,908 Mil. Yen (YoY+15.2 %)
 - Increased R&D expense (YoY+ 325 Mil. Yen, Sales ratio 9.5 %)
 - Labor expenses and related overhead expenses increase due to enforcement of sales function.
- Ordinary income 6,890 Mil. Yen (YoY+13.0%)
- Net income 4,406 Mil. Yen (YoY+1.1 %)

Impairment Loss of 150 Mil. Yen at subsidiary company accrued

Assumed Exchange Rate	(Unit : JPY)			
14/06FY (Actual)	US \$	101.16	BAHT	3.14
	EURO	136.78	CHY	16.48
15/06FY (Plan)	US \$	100.00	BAHT	3.16
	EURO	140.00	CHY	16.35

Effect of exchange rate on operating income (estimate)

US \$ (+ 1 yen influence) : approx. 74 Mil. Yen Increase
 BAHT(+0.1 yen influence) : approx. 132 Mil. Yen Decrease
 EURO (+ 1 yen influence) : approx. 24 Mil. Yen Increase



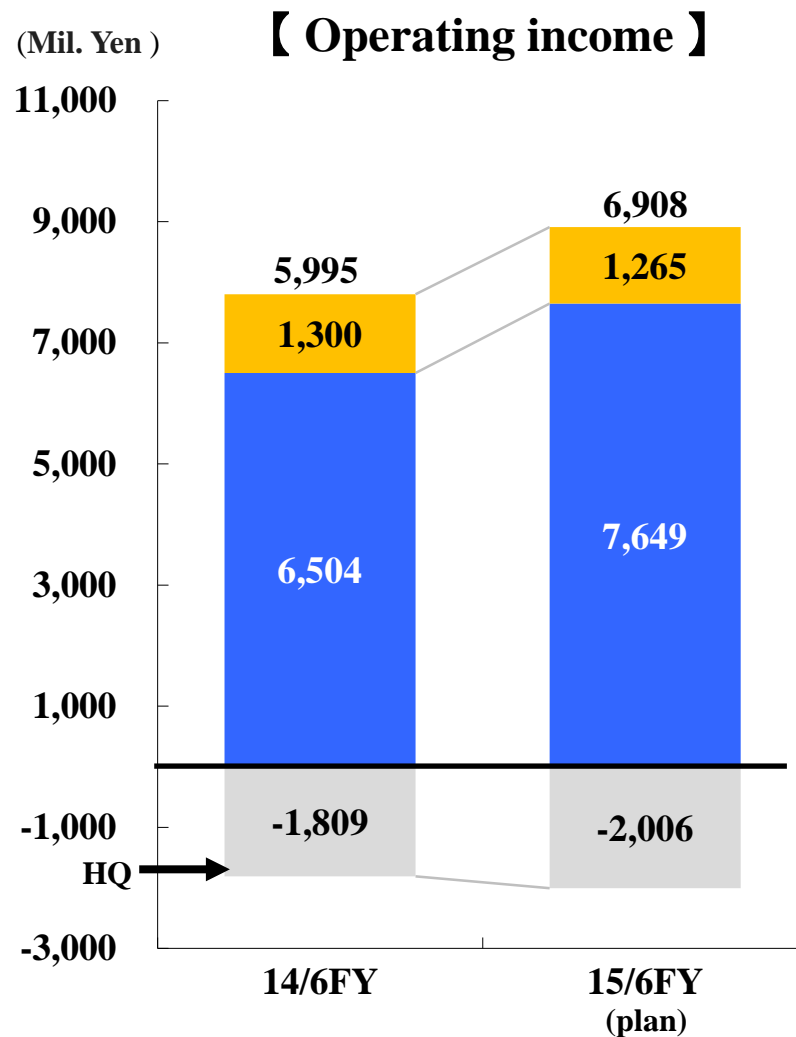
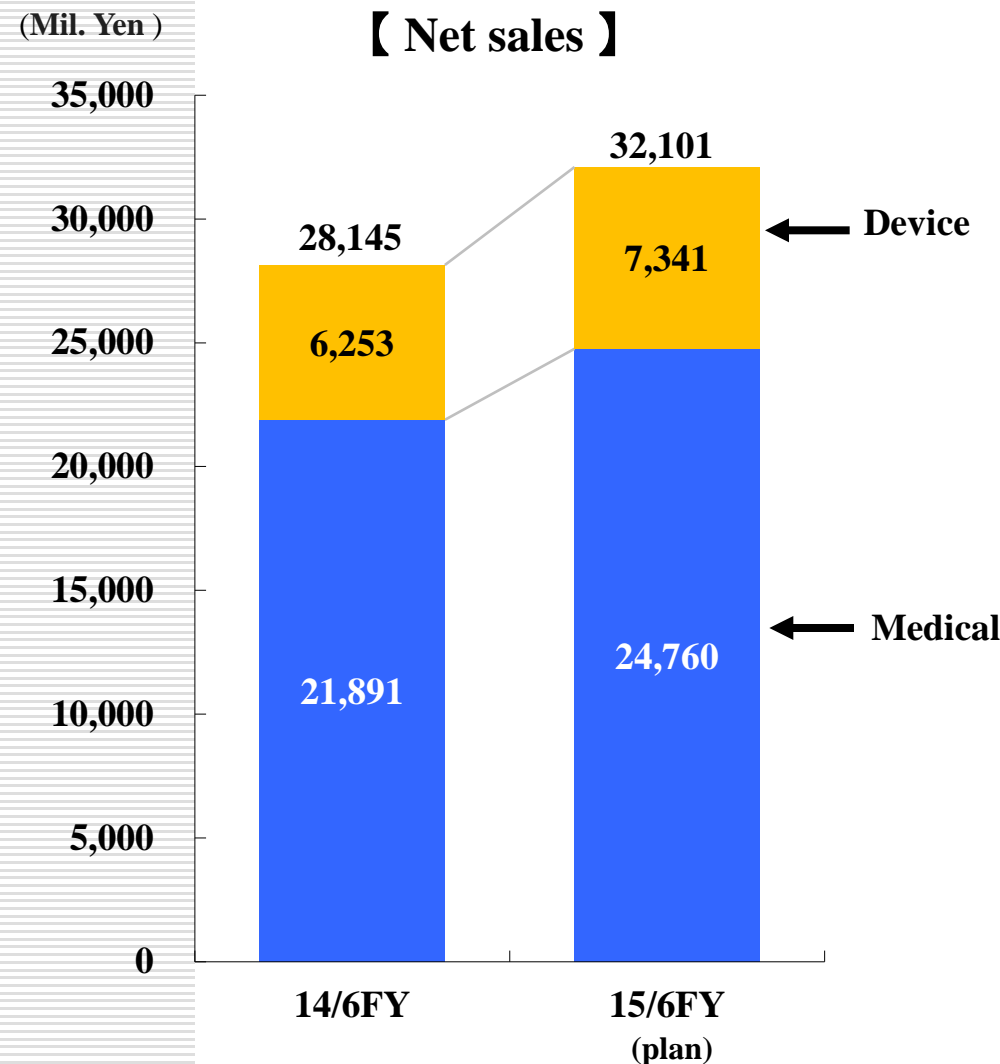
Earning Estimate of FYE 6/2015

	FYE 6/2014 (Actual)		FYE 6/2015 (Plan)			
	Amount (mil.yen)	Ratio (%)	Amount (mil.yen)	Ratio (%)	YoY	
					Changes (mil.yen)	Changes (%)
Net sales	28,145	100.0	32,101	100.0	+3,956	+14.1
Gross profit	17,919	63.7	20,718	64.5	+2,799	+15.6
Operating income	5,995	21.3	6,908	21.5	+913	+15.2
Ordinary income	6,099	21.7	6,890	21.5	+790	+13.0
Net income	4,360	15.5	4,406	13.7	+46	+1.1
EPS *	136.50yen	-	137.49yen	-	+0.99	+0.7

* : As from January 1, 2014, 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.

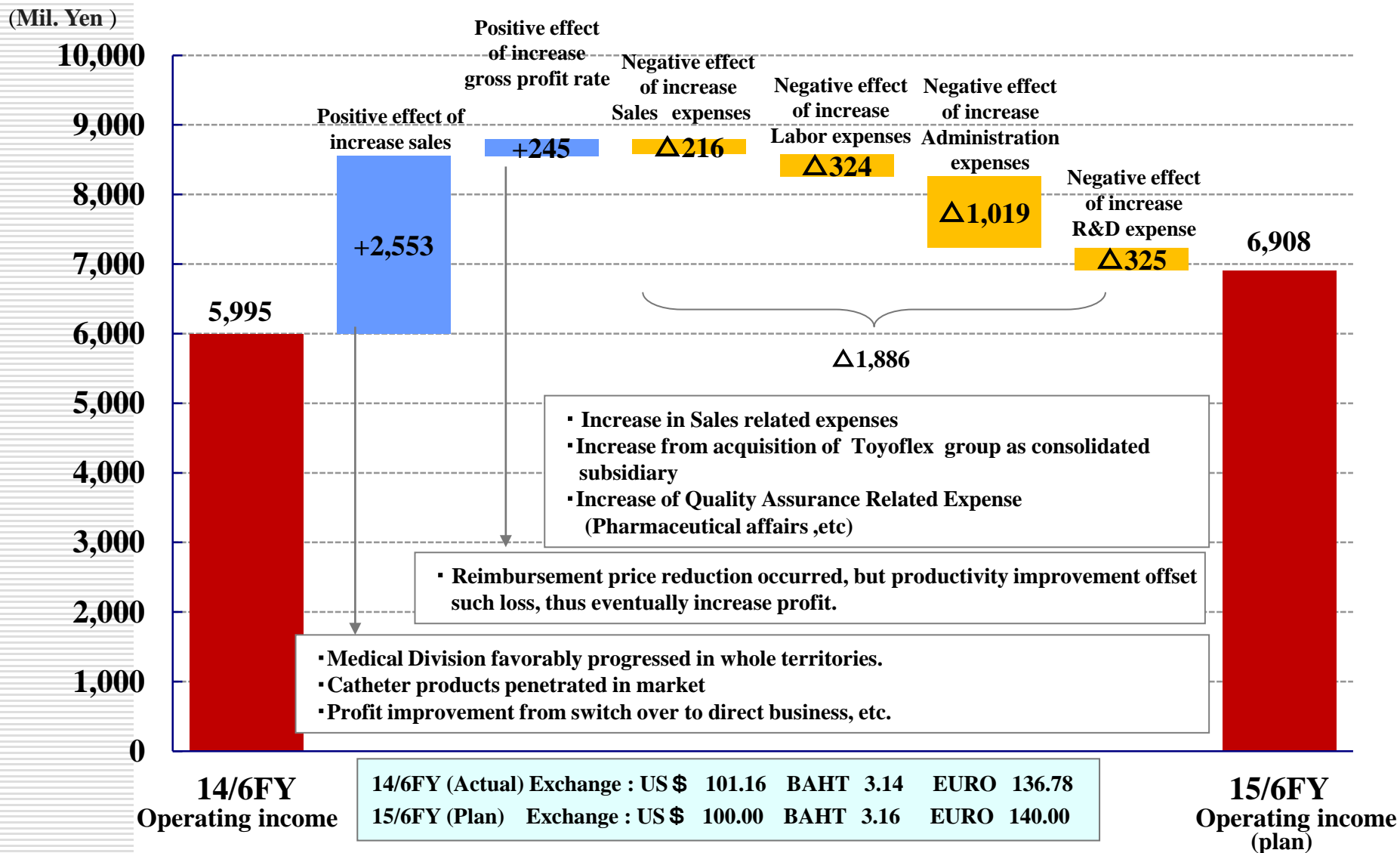


Earnings Estimate by Segment Division





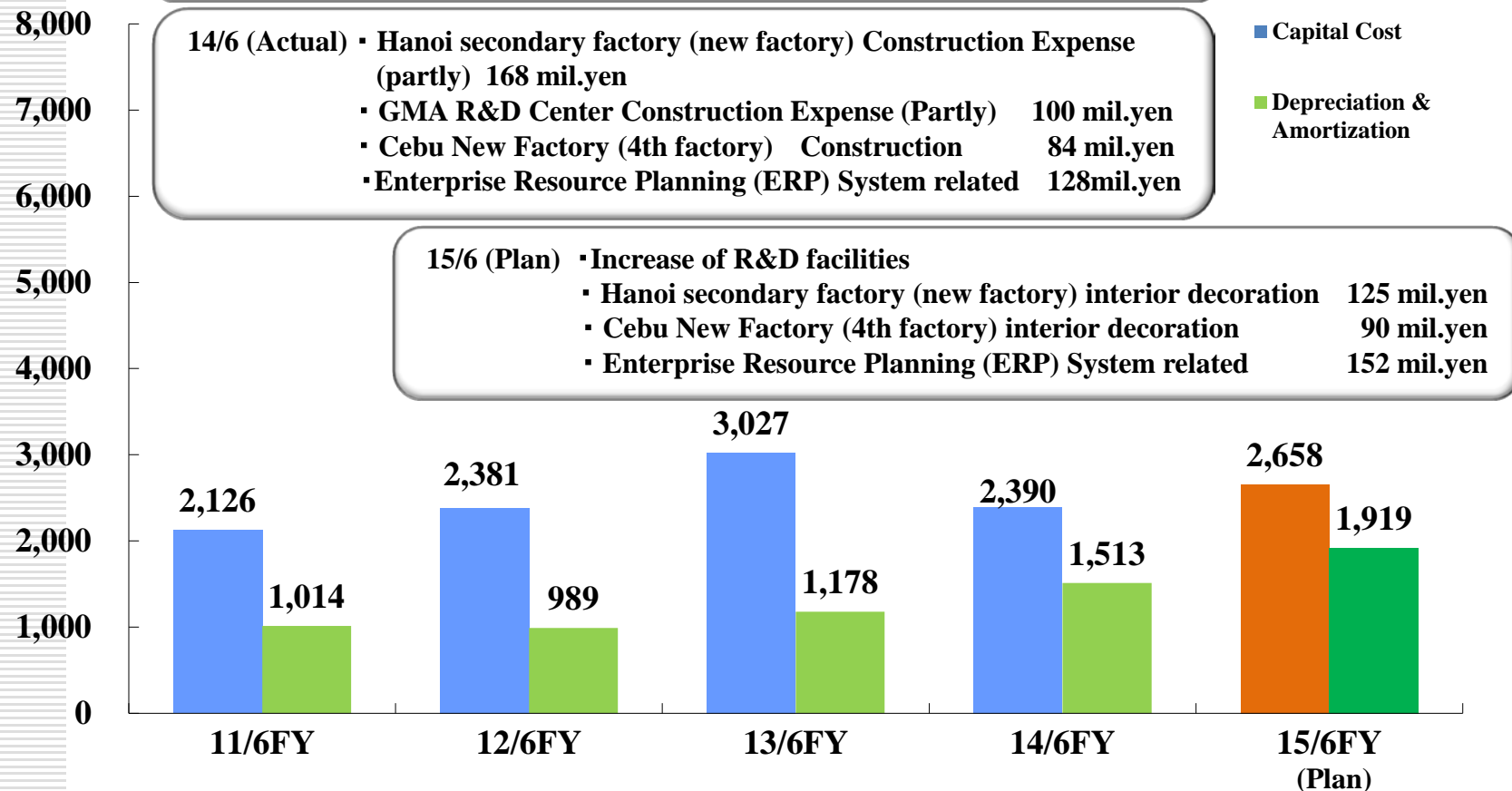
Attribution analysis of Operating Income for Earning Estimate of FYE 6/2015





Reference : Equipment Installation Actual and Plan

(Mil. Yen)



*:From FYE June, 2013, Our depreciation method except building to change from the fixed rate to the straight line method in our company and domestic consolidated subsidiary.



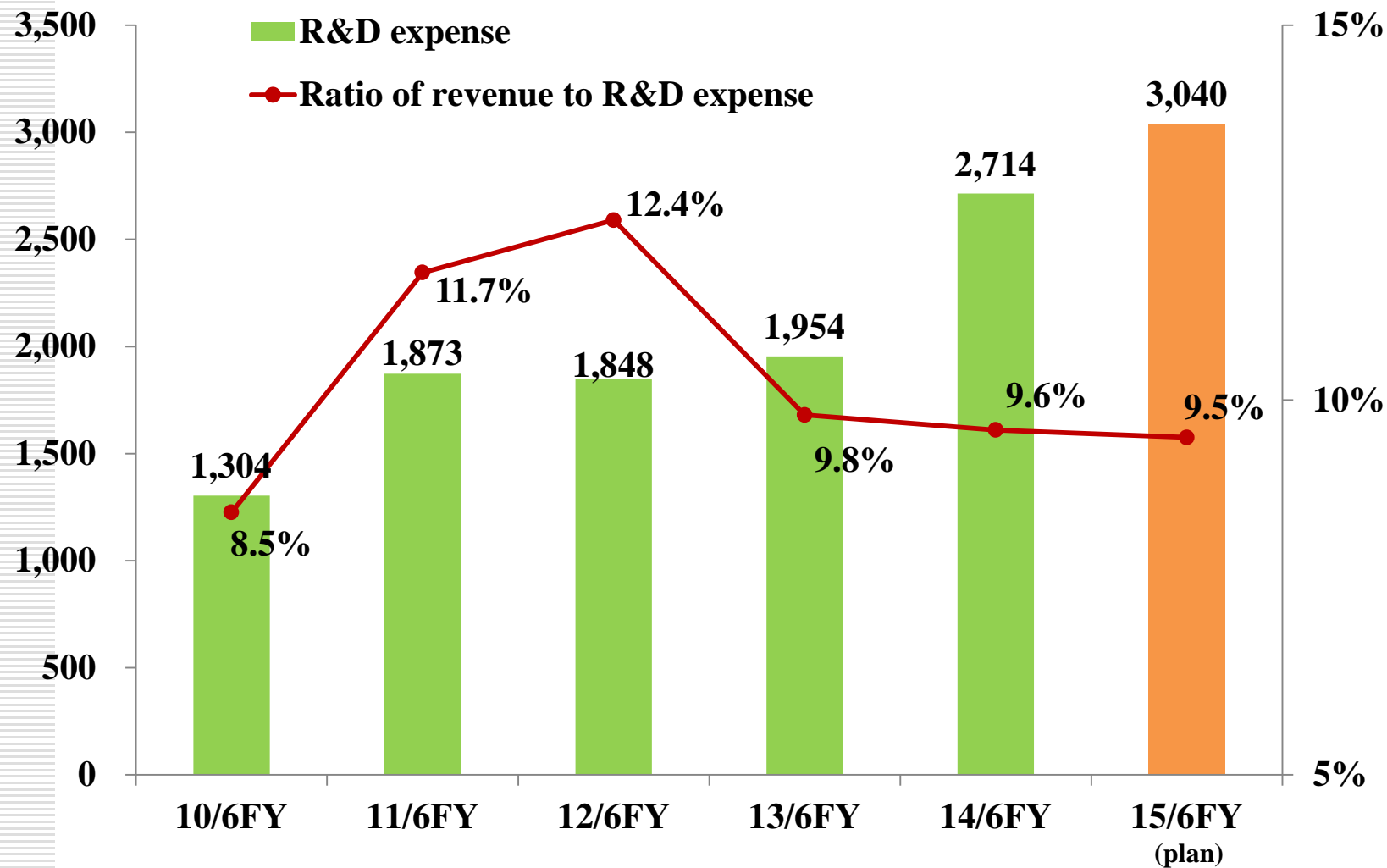
Reference : R&D expense

R&D expense

(Mil. Yen)

Ratio of revenue to R&D expense

(%)





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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