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2nd Quarter Financial Results for FYE June, 2013

February 14, 2013

(Securities code : 7747

2nd section of the Tokyo Stock Exchange,
2nd section of the Nagoya Stock Exchange)



Contents

1. Summary of Financial Results of FYE 6/2013 Q2

2. Earnings Estimate of FYE 6/2013



FYE 6/2013 Q2YTD Main Points

■ Net Sales 9,618 Mil. Yen (+21.8% year-on-year)

- Medical Field showed large growth in all territories along with its growing demands, while being suffered somewhat from falling reimbursement price and decreased Industrial Field.

Increase of income factor	–	Japan direct sales of PTCAGW increased profits (however, same period last FY saw sudden order increase due to change over to direct sales. Market sales volume itself increased though)
	–	EU, EMEA, USA and Asia including China showed positive growth trends.
	–	Except Cardiovascular Products (Peripheral vascular, Neurovascular, etc.) showing positive growth.
Decrease of income factor	–	Falling reimbursements led to decrease in sales revenue (Δ391 Mil. Yen YoY)
	–	Decreased in Industrial Field sales revenue due to Thai flooding (Δ155 Mil. Yen YoY)

■ Operating income largely increased along with brisk sales trend, while sales related expense increased.

● Gross profit 6,562 Mil. Yen (+ 20.9% YoY)

- Productivity improved from its enlarged production output, which aimed at the recovery from reduced production enforced by Thailand Flooding.

● Operating income 2,226 Mil. Yen (+ 27.8% YoY)

- R&D costs (938 Mil. Yen) essentially flat from last period (+ 21 Mil. Yen YoY, Sales ratio 9.8 %)
- Increased sales costs related to switch to direct sales, etc.

● Ordinary income 2,459 Mil. Yen (+ 42.3% YoY)

- Currency exchange profit (235 Mil. Yen) allocated (Same year-ago period allocated Exchange loss of 44 Mil. Yen)

● Net income 1,784 Mil. Yen (+ 192.7% YoY)

- Same year-ago period allocated Extraordinary gain of 522 Mil. Yen and Extraordinary loss of 1,314 Mil. Yen

Exchange rate	(Unit : JPY)		
FYE 6/2012	US \$	77.48	BAHT 2.52
Q2YTD	EURO	109.49	CNY 12.12
FYE 6/2013	US \$	80.46	BAHT 2.60
Q2YTD	EURO	100.51	CNY 12.81



Highlight

	FYE 6/2012 Q2 YTD		FYE 6/2013 Q2 YTD						
	Amount (mil.yen)	Ratio (%)	Initial Plan 2012/8/10	Amount (mil.yen)	Ratio (%)	YoY		Compared to Initial Plan	
						Changes (mil.yen)	Changes (%)	Changes (mil.yen)	Changes (%)
Net sales	7,899	100.0	9,032	9,618	100.0	+1,718	+21.8	+585	+6.5
Gross profit	5,428	68.7	5,839	6,562	68.2	+1,134	+20.9	+723	+12.4
Operating income	1,741	22.0	1,469	2,226	23.1	+484	+27.8	+757	+51.5
Ordinary income	1,728	21.9	1,450	2,459	25.6	+730	+42.3	+1,008	+69.5
Net income (Q2YTD)	609	7.7	1,038	1,784	18.6	+1,175	+192.7	+745	+71.8
EPS	38.46Y	-	67.59Y	117.50Y	-	+79.04Y	+205.5	+49.91Y	+73.8



Net Sales by Segment Division

	FYE 6/2012 Q2 YTD		FYE 6/2013 Q2 YTD			
	Amount (mil.yen)	Ratio (%)	Amount (mil.yen)	Ratio (%)	Changes (mil.yen)	Changes (%)
Medical	6,542	82.8	8,211	85.4	+1,669	+25.5
Device	1,357	17.2	1,406	14.6	+49	+3.6
Total amount	7,899	100.0	9,618	100.0	+1,718	+21.8

(Reference)

Medical Field	7,180	90.9	9,054	94.1	+1,874	26.1
Industrial Field	719	9.1	563	5.9	△155	△21.7



Operating Income by Segment Division

	FYE 6/2012 Q2 YTD		FYE 6/2013 Q2 YTD			
	Amount (mil.yen)	Ratio (%)	Amount (mil.yen)	Ratio (%)	Changes (mil.yen)	Changes (%)
Medical	1,887	78.2	2,239	77.5	+351	+18.6
Device	525	21.8	650	22.5	+124	+23.7
Subtotal	2,413	100.0	2,889	100.0	+476	+19.7
Erasing & Head quarters	△671	-	△663	-	+8	△1.3
Total Amount	1,741	-	2,226	-	+484	+27.8

* : Increase from inter segment business transaction:

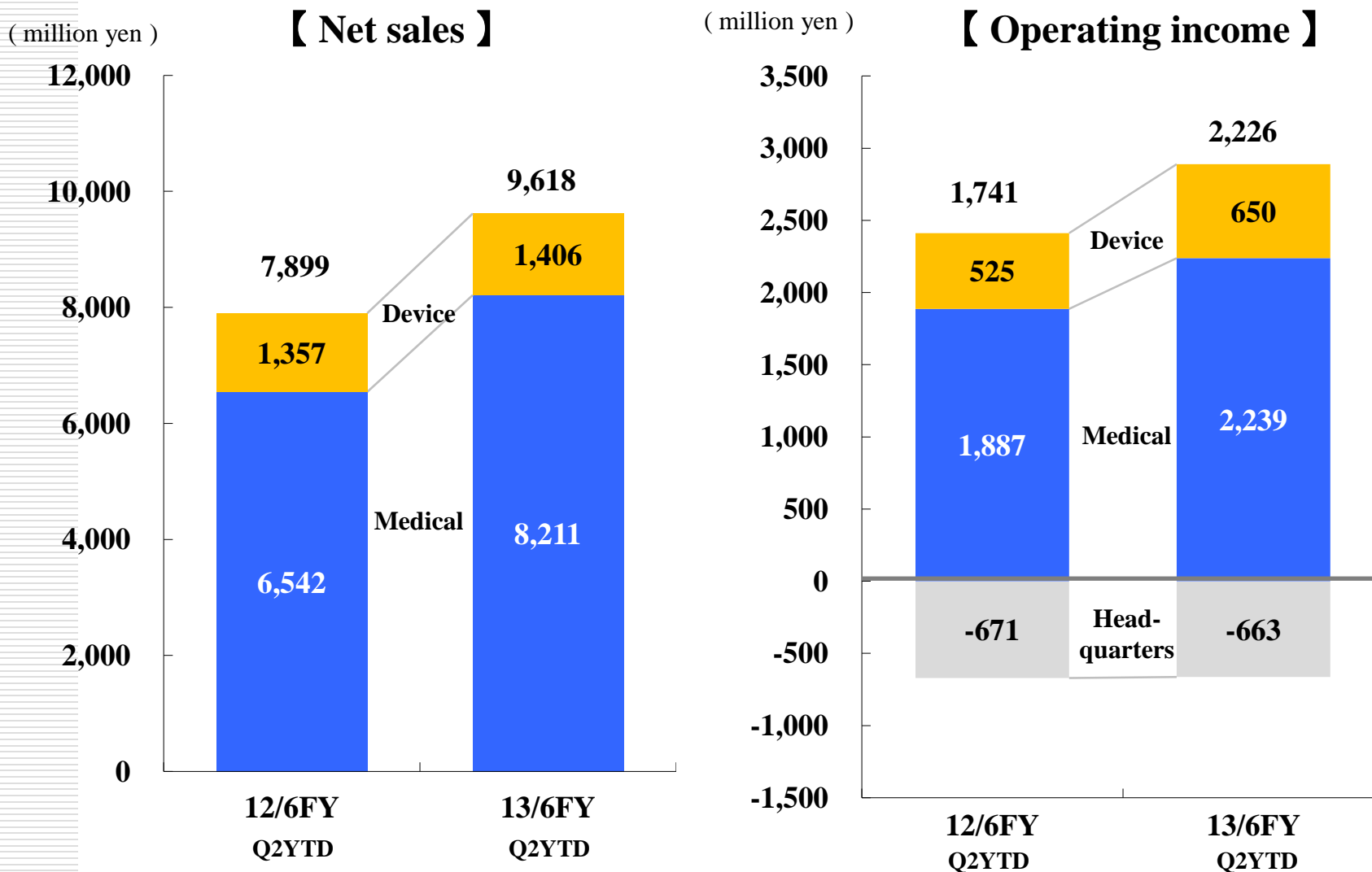
Device Division inter segment business revenue

FYE 6/2012 Q2YTD 470Mil.Yen

FYE 6/2013 Q2YTD 597Mil.Yen +127Mil.Yen (+27.1%)



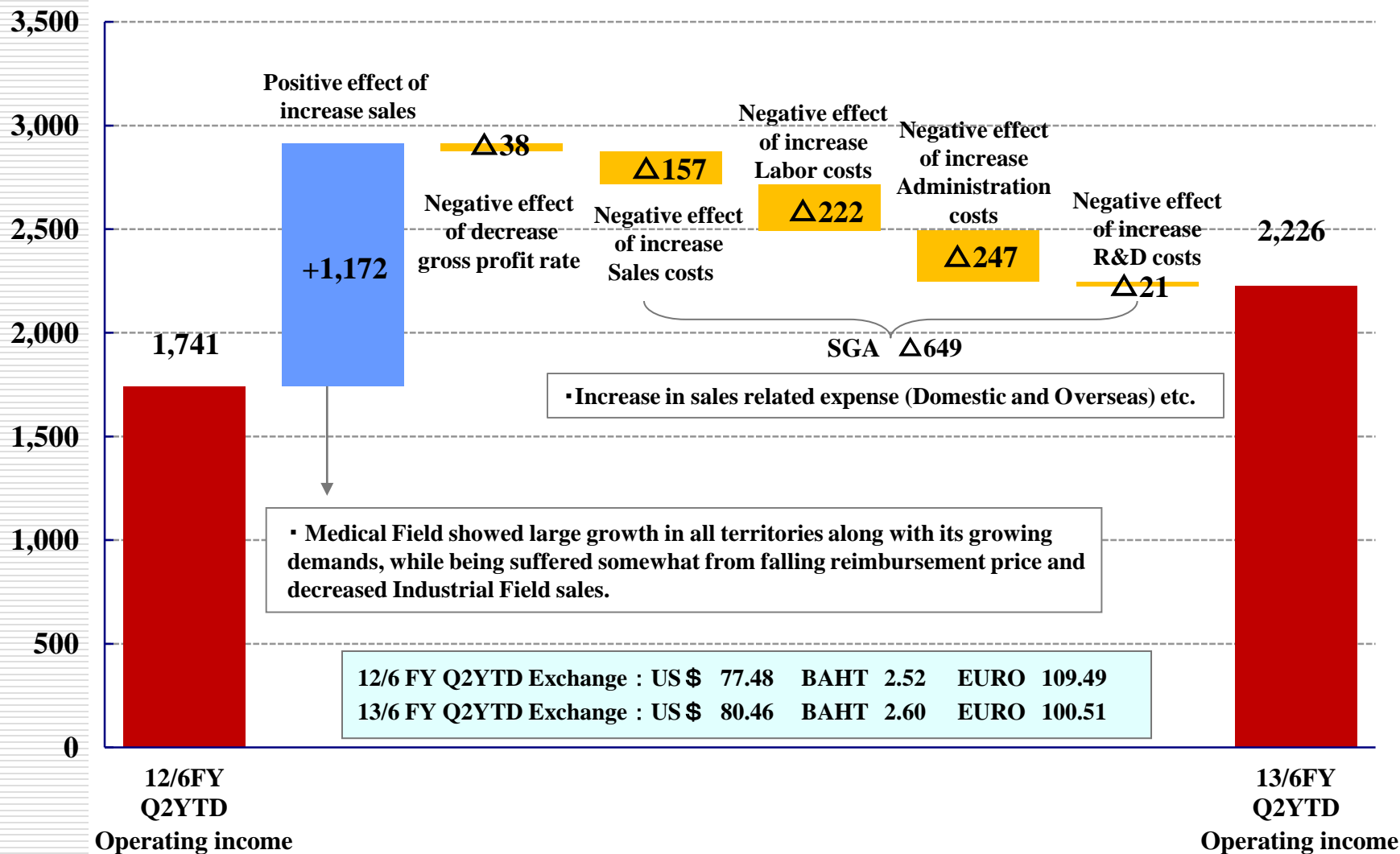
Earnings Performance by Segment Division





Attribution analysis of Operating Income – 1 (Exchange rate fluctuations included)

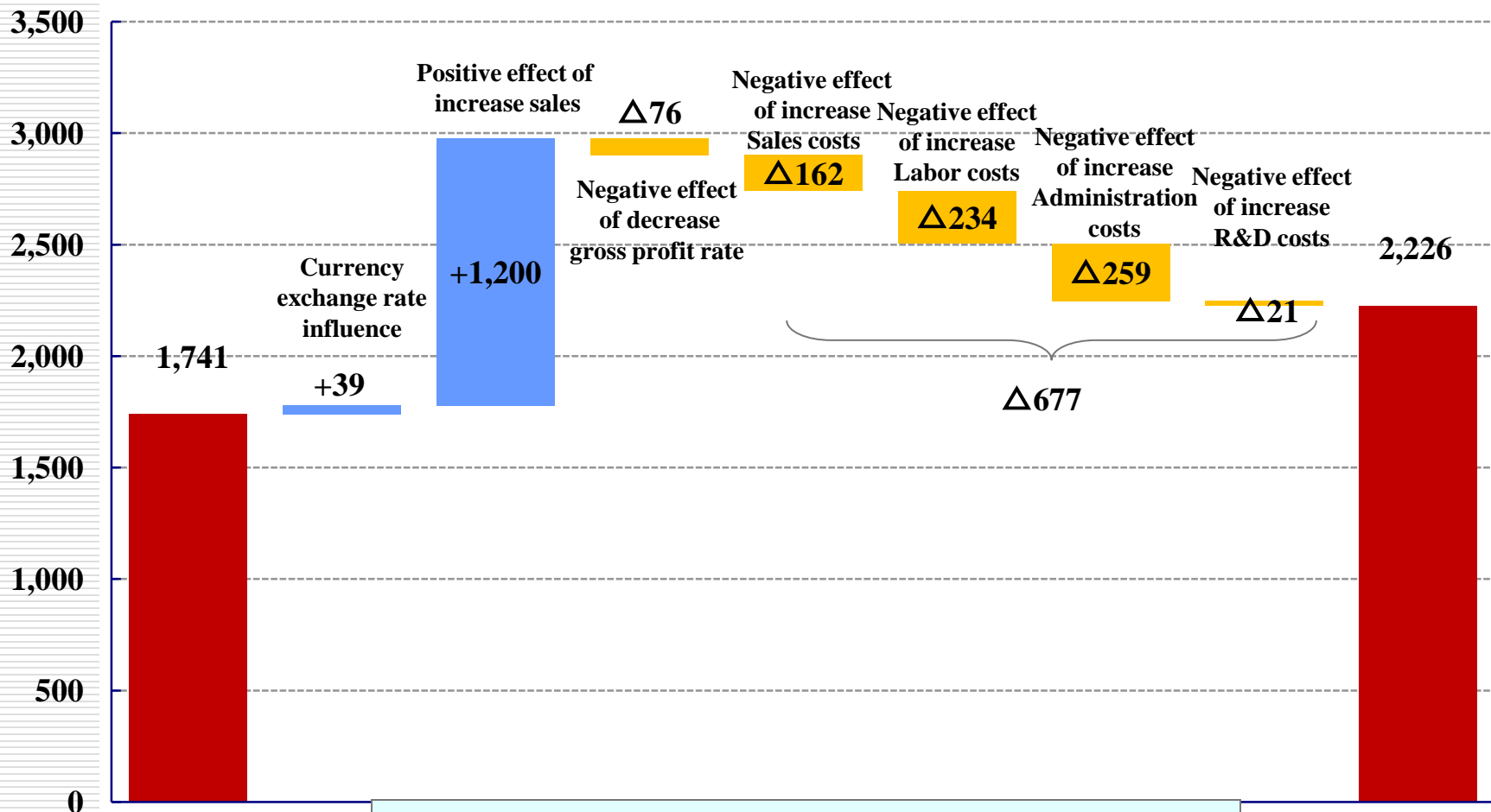
(million yen)





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

(million yen)



12/6FY
Q2YTD
Operating income

12/6 FY Q2YTD Exchange : US \$	77.48	BAHT	2.52	EURO	109.49
13/6 FY Q2YTD Exchange : US \$	80.46	BAHT	2.60	EURO	100.51

13/6FY
Q2YTD
Operating income

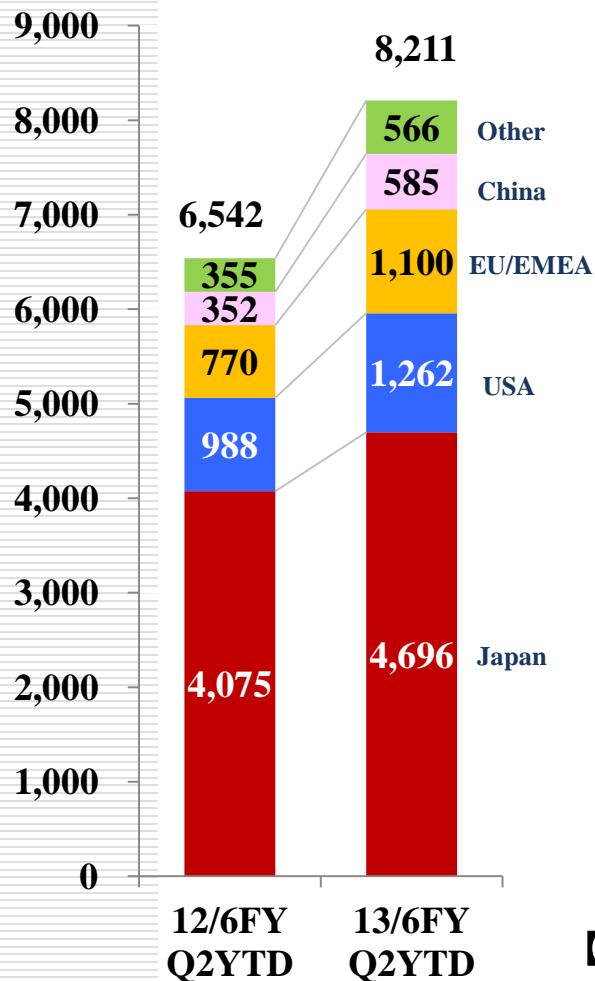


Situation Per Segment Division



Per Segment by Medical Division (by Geography-1)

(million yen)



【Net Sales】

■ **Japan** : Impact of increased end user demand but falling reimbursement prices (Δ391Mil.Yen)

- **PTCA GW**: Switch to direct sales on plan; end use volume showing stable growth. (The last 1st half was in rather irregular adjustment period, prior to transition to direct business. Thus, actual sales volume has not co-related with market sales volume)
New product “Gaia” and “SION” Series usage growing as expected with other items.

- **Peripheral vascular products**: Strong market penetration showed positive business trend in Guide Wire business.

- **Neurovascular products**: Neurovascular Guide Catheter launch driving growth

- **OEM** : Peripheral products in last 1st half showed impact of initial orders; switch to ordinary/repurchase orders led to slight loss

■ **Overseas** : Growth on schedule despite weak Euro exchange rate.

EU/EMEA, USA, Asia including China showed positive growth trends mainly in cardiovascular area.

- **USA**: PTCA GW Supply commenced and continued according to contractual quantity after completion of Quality Audit. Corsair as micro catheter increased its in-coming ordering quantity after start of direct sales.

- **EU** : Sales progressed well due to change of distributors of PTCA GW, despite being influenced from EURO currency depreciation.

- **China** : Recovery of loss from Thai flooding progressing as expected.

- **Other territories** : Business progresses well mainly from PTCA GW.

【Operating income】

- Increasing trend shown in proportion to its sales growth, offsetting increased sales related expenses for business transition to direct business.



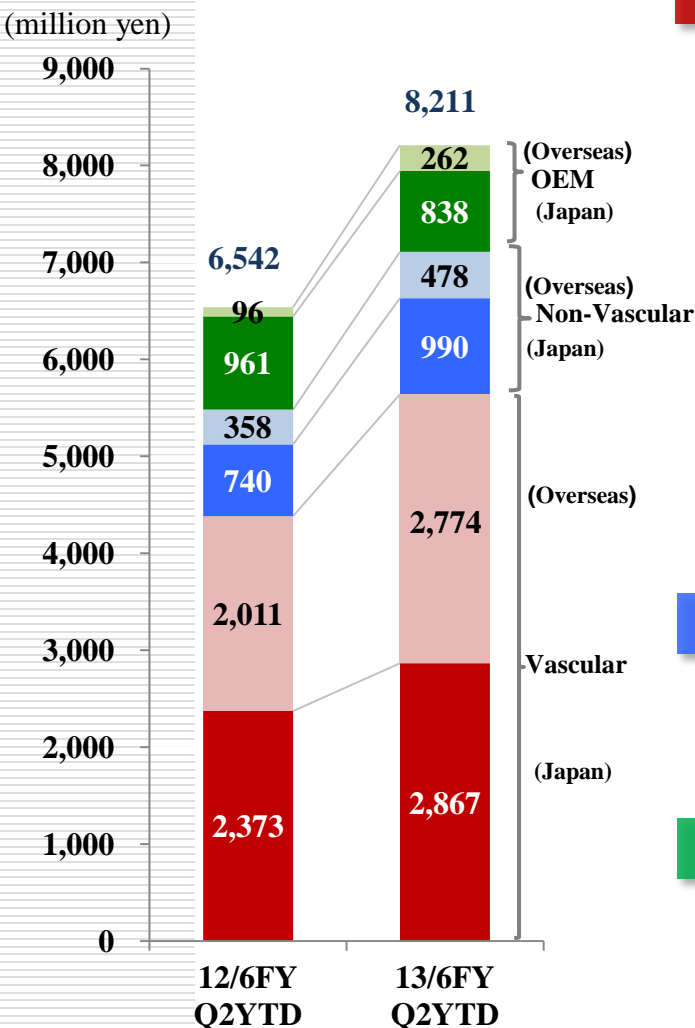
Per Segment by Medical Division (by Geography-2)

(million yen)

	2012/6FY Q2 YTD	2013/6FY Q2 YTD	YoY	
			Changes (mil.yen)	Changes (%)
(Exchange rate: USD)	77.48	80.46	+2.98	+3.8
Net sales	6,542	8,211	+1,669	+25.5
Japan	4,075	4,696	+620	+15.2
Overseas	2,466	3,515	+1,048	+42.5
USA	988	1,262	+274	+27.8
EU/EMEA	770	1,100	+329	+42.8
China	352	585	+233	+66.3
Other	355	566	+210	+59.4
Operating income	1,887	2,239	+351	+18.6



Per Segment by Medical Division (by Treatment-1)



Vascular

- **Japan** : Positive trend shown, being affected by transition to direct business of PTCA GW, offsetting falling reimbursement price (Δ391Mil. Yen)
 - PTCA GW : See P.10
 - Micro catheter “Corsair” : Uptake of end user market as expected
 - Products for investigation: Decreased as according to plan
- **Overseas** : Growth on schedule despite weak Euro exchange rate. EU, EMEA, USA and Asia including China showed positive growth trends.
 - USA, EU, China, Other: See P.10

Non-Vascular

- **Peripheral vascular product** : Abdominal and Neurology vascular products both increased. See P.10

OEM

- **Japan**: Peripheral vascular products in last 1st half showed impact of initial orders; switch to ordinary/repurchase orders led to slight loss.
- **USA**: OEM business increases in diagnostic Mini Guide Wire of Cardiovascular segment.



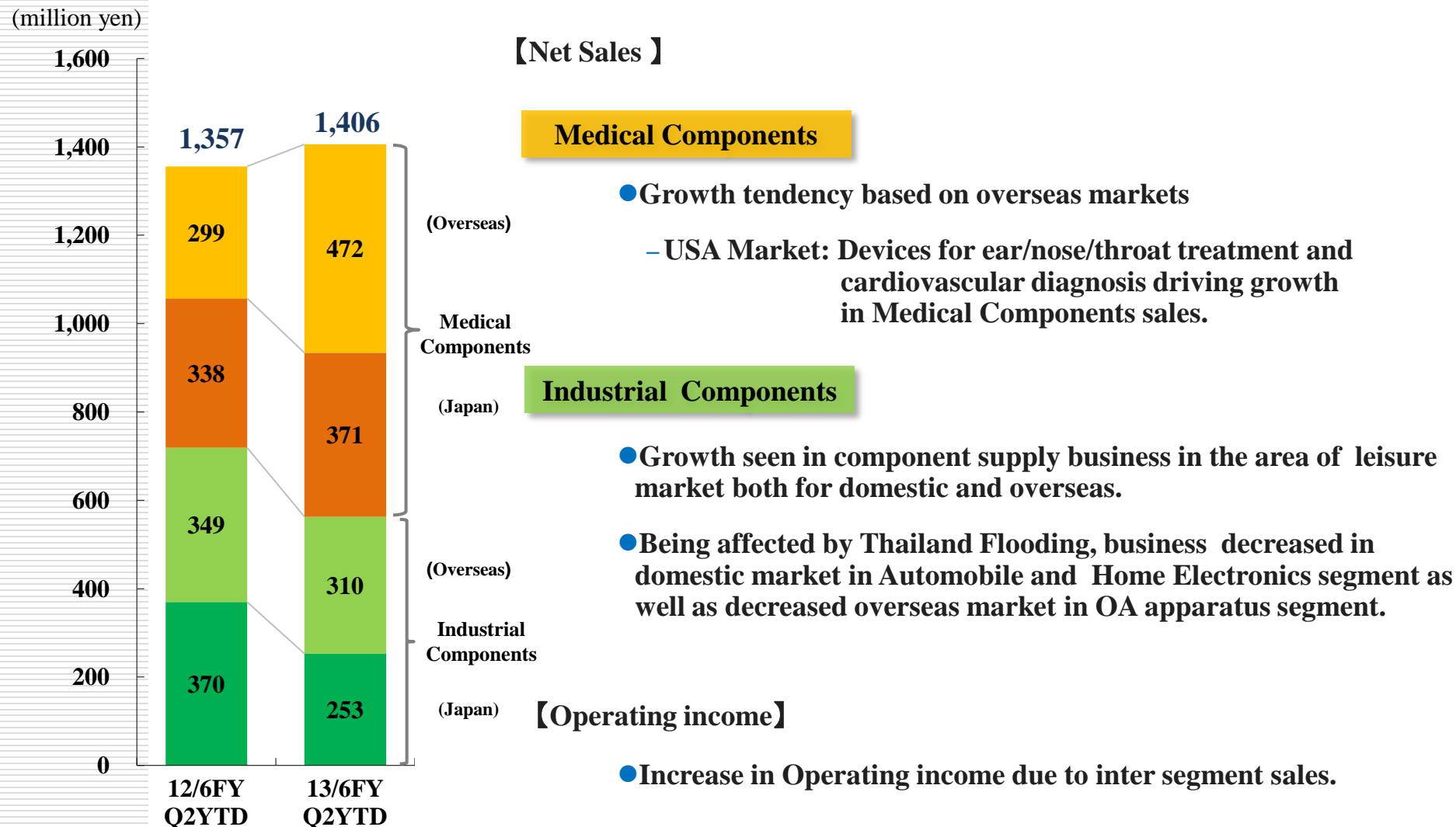
Per Segment by Medical Division (by Treatment-2)

(million yen)

	FYE 6/2012 Q2 YTD	FYE 6/2013 Q2 YTD	YoY	
			Changes (mil.yen)	Changes (%)
(Exchange rate: USD)	77.48	80.46	+2.98	+3.8
Net sales	6,542	8,211	+1,669	+25.5
Japan	4,075	4,696	+620	+15.2
Overseas	2,466	3,515	+1,048	+42.5
Vascular	4,384	5,642	+1,257	+28.7
Japan	2,373	2,867	+494	+20.8
Overseas	2,011	2,774	+763	+38.0
Non-Vascular	1,099	1,468	+368	+33.5
Japan	740	990	+249	+33.6
Overseas	358	478	+119	+33.4
OEM	1,057	1,100	+42	+4.0
Japan	961	838	△122	△12.8
Overseas	96	262	+165	+171.2



Per Segment by Device Division -1





Per Segment by Device Division -2

(million yen)

	FYE 6/2012 Q2 YTD	FYE 6/2013 Q2 YTD	YoY	
			Changes (mil.yen)	Changes (%)
(Exchange rate : USD)	77.48	80.46	+2.98	+3.8
Net sales	1,357	1,406	+49	+3.6
Japan	708	624	△83	△11.8
Overseas	649	782	+133	+20.5
Medical Components	637	843	+205	+32.2
Japan	338	371	+32	+9.7
Overseas	299	472	+172	+57.5
Industrial Components	719	563	△155	△21.7
Japan	370	253	△116	△31.5
Overseas	349	310	△39	△11.2
Operating income	525	650	+124	+23.7



Reference : P/L

	FYE 6/2012 Q2YTD		FYE 6/2013 Q2YTD			
	Amount (mil.yen)	Ratio (%)	Amount (mil.yen)	Ratio (%)	Changes (mil.yen)	The main comparison factors
Net sales	7,899	100.0	9,618	100.0	+1,718	Positive trends observed in Medical Field in all territories.
Cost of Sales	2,471	31.3	3,056	31.8	+584	
Gross profit	5,428	68.7	6,562	68.2	+1,134	Along with Sales Increase
SGA	3,686	46.7	4,335	45.1	+649	Business related expense
Operating income	1,741	22.0	2,226	23.1	+484	
Non-operating income	60	0.8	268	2.8	+208	Gain due to exchange rates +235
Non-operating expense	73	0.9	36	0.3	△37	
Ordinary income	1,728	21.9	2,459	25.6	+730	
Extraordinary gain	522	6.6	0	0.0	△522	Disaster insurance △504
Extraordinary loss	1,314	16.6	3	0.0	△1,311	Loss due to disaster △1,156
Net income	609	7.7	1,784	18.6	+1,175	

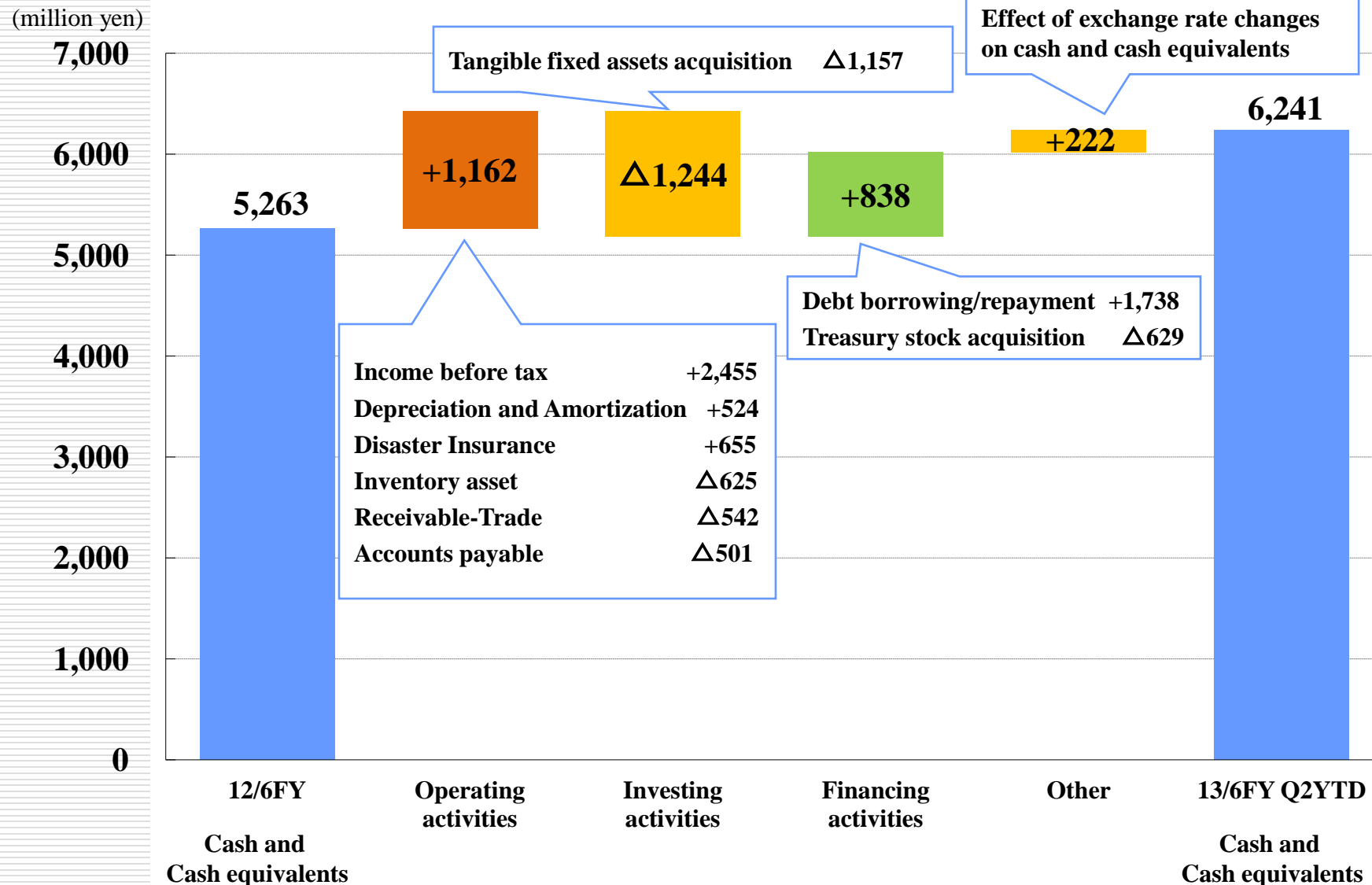


Reference : B/S

		FYE 6/2012		FYE 6/2013 Q2YTD			
		Amount (mil.yen)	Ratio (%)	Amount (mil.yen)	Ratio (%)	Changes (mil.yen)	The main comparison factors
Assets	Current assets	15,608	58.5	17,539	58.8	+1,930	Cash and deposit +978 Inventory assets +1,006
	Fixed assets	11,058	41.5	12,303	41.2	+1,245	Tangible fixed assets +996
Total assets		26,666	100.0	29,842	100.0	+3,175	
Liabilities	Current liabilities	6,758	25.3	6,497	21.8	△260	Account payable-other △681 Accrued corporation tax +427
	Fixed liabilities	5,841	21.9	7,417	24.9	+1,576	Long term debt (syndicate lone etc.) +1,479
Total liabilities		12,600	47.3	13,915	46.6	+1,315	
Total net assets		14,066	52.7	15,926	53.4	+1,860	Retained earnings +1,477 Treasury stock △629
Total liabilities & Net assets		26,666	100.0	29,842	100.0	+3,175	



Reference : C/F





Contents

1. Summary of Financial Results of FYE 6/2013 Q2

2. Earnings Estimate of FYE 6/2013



Vision for FYE 6/2013

**Yearly business forecast to be revised upwardly,
along with the fact of 1st half result favorably progressed.**

■ Sales

- Main Medical Division may progress favorably as shown at the 1st half, which may thus result in anticipation to exceed the initial forecast.
- Meanwhile, Device Division contains uncertain business trends of Industrial Field, which may thus result in the possibility of unattainable result of initial forecast.
- Overall achievement however may progress favorably according to initial forecast.

■ Income

- In SGA, one factor (approx. 130Mil. Yen) originally planned to be expensed in 1st half is now scheduled to be carried over to 2nd half.
- Other than the above, 2nd half plan remains as it was.



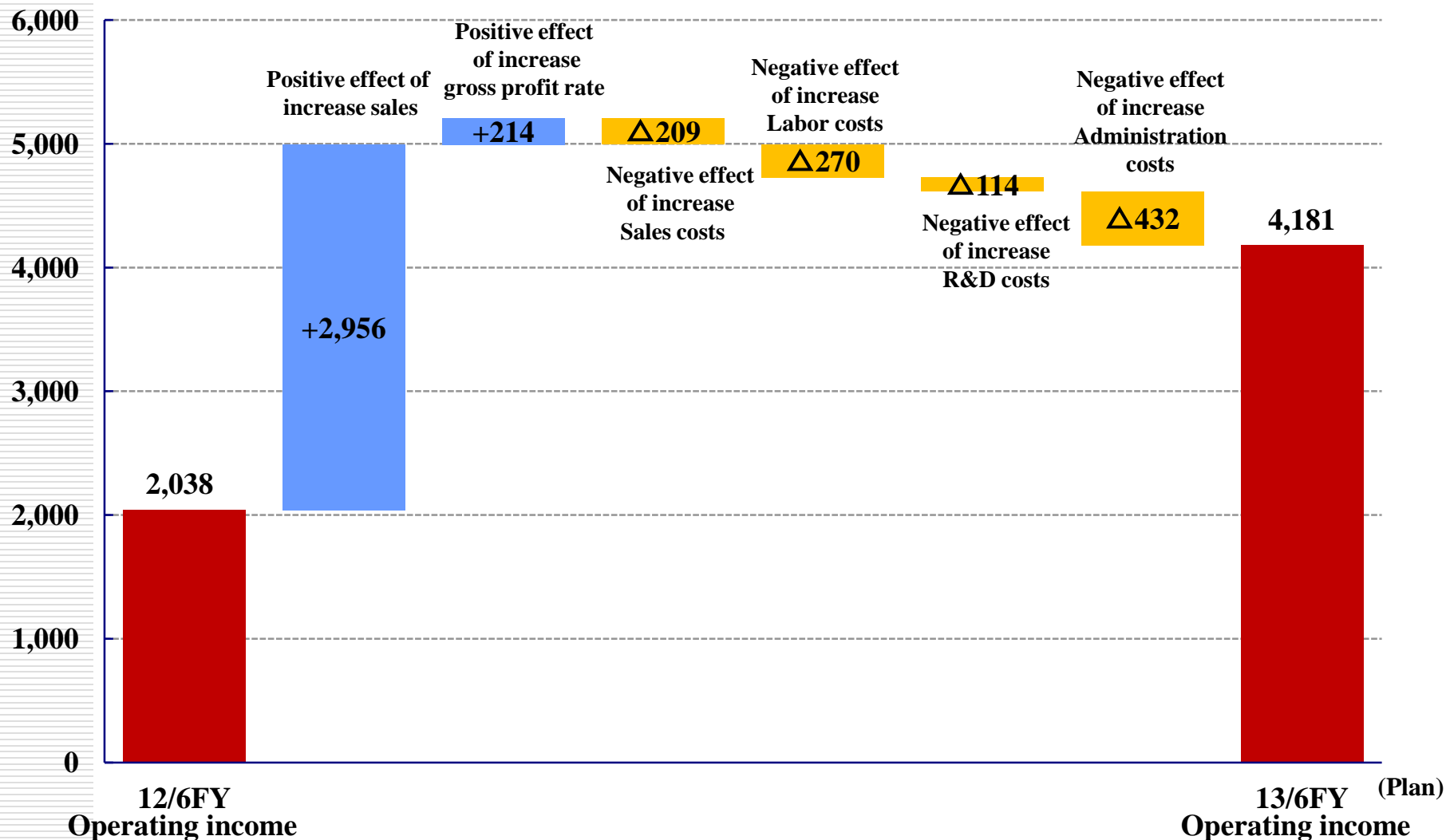
Earning Estimate of FYE 6/2013

	FYE 6/2012 (Actual)		FYE 6/2013 (Plan)					
	Amount (mil.yen)	Ratio (%)	Initial Plan 2012/8/10	Amount (mil.yen)	Ratio (%)	YoY		Compared to Initial Plan
						Changes (mil.yen)	Changes (%)	Changes (%)
Net sales	14,852	100.0	18,691	19,277	100.0	+4,425	+29.8	+3.1
Gross profit	9,923	66.8	12,370	13,093	67.9	+3,170	+31.9	+5.8
Operating income	2,038	13.7	3,554	4,181	21.7	+2,142	+105.1	+17.6
Ordinary income	1,931	13.0	3,526	4,404	22.8	+2,472	+128.0	+24.9
Net income	967	6.5	2,491	3,162	16.4	+2,194	+226.7	+26.9
EPS	61.49Y	-	162.09Y	208.67Y	-	+147.18Y	+239.3	+28.7



Attribution Analysis of Operating Income for Earnings Estimate of FYE 6/2013

(million 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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