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1st Quarter Financial Results for FYE June, 2013

November 13,2012

(Securities code : 7747

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



FYE 6/2013 Q1 Main Points (Consolidated)

■ Net sales 4,550 million yen (Δ 0.6 % year-on-year)

- High end user demand in Japan, Asia and EU offset by falling reimbursements, aftereffects of Thai flooding, and loss of industrial revenue account for flat growth.

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)
		- Products except cardiovascular (Peripheral, Neurovascular, etc.) showing positive growth.
Decrease of income factor	{	- Falling reimbursements led to decrease in sales revenue (Δ 195Mil. Yen YoY)
		- Quality audits relating to Thai flood recovery finished in August, causing delays to sales revenue
		- Losses in industrial division sales revenue due to Thai flooding (Δ 121 Mil. Yen YoY)

■ Rising Sales cost offset by increased Gross profit margin, accounting for flat growth in Operating income.

- Gross profit 3,217 million yen (+9.9 % YoY)
 - Increased gross profit margin by inventory buildup and improved productivity
- Operating income 1,117 million yen (+2.8 % YoY)
 - R&D costs (454 Mil. Yen) essentially flat from last period (+11 Mil. Yen YoY, Sales ratio 10.0%)
 - Increased sales costs related to switch to direct sales, etc.
- Ordinary income 1,084 million yen (+5.8 % YoY)
 - Loss due to exchange rates (Δ 55 Mil. Yen YoY)
- Net income 850 million yen (+3.9 % YoY)

Exchange rate	(Unit : JPY)		
FYE 6/2012	US \$	77.08	BAHT 2.54
Q1	EURO	112.98	CNY 12.05
FYE 6/2013	US \$	78.12	BAHT 2.50
Q1	EURO	97.65	CNY 12.32



Highlight

	FYE 6/2012 Q1 YTD		FYE 6/2013 Q1 YTD			
	Amount (mil.yen)	Ratio (%)	Amount (mil.yen)	Ratio (%)	YoY	
					Changes (mil.yen)	Changes (%)
Net sales	4,580	100.0	4,550	100.0	Δ29	Δ0.6
Gross profit	2,928	63.9	3,217	70.7	+289	+9.9
Operating income	1,086	23.7	1,117	24.5	+30	+2.8
Ordinary income	1,024	22.4	1,084	23.8	+59	+5.8
Net income	818	17.9	850	18.7	+31	+3.9
EPS	51.65	-	55.73	-	+4.08	+7.9



Net Sales by Segment Division

	FYE 6/2012 Q1 YTD		FYE 6/2013 Q1 YTD			
	Amount (mil.yen)	Ratio (%)	Amount (mil.yen)	Ratio (%)	Changes (mil.yen)	Changes (%)
Medical	3,824	83.5	3,831	84.2	+7	+0.2
Device	755	16.5	718	15.8	△36	△4.9
Total amount	4,580	100.0	4,550	100.0	△29	△0.7

(Reference)

Medical Field	4,164	90.9	4,256	93.5	+91	+2.2
Industrial Field	415	9.1	294	6.5	△121	△29.2



Operating Income by Segment Division

	FYE 6/2012 Q1 YTD		FYE 6/2013 Q1 YTD			
	Amount (mil.yen)	Ratio (%)	Amount (mil.yen)	Ratio (%)	Changes (mil.yen)	Changes (%)
Medical	1,212	84.9	1,038	71.4	△173	△14.3
Device	215	15.1	416	28.6	+200	+93.0
Subtotal	1,428	100.0	1,454	100.0	+26	+1.9
Erasing & Head quarters	△341	-	△337	-	+3	△1.1
Total Amount	1,086	-	1,117	-	+30	+2.8

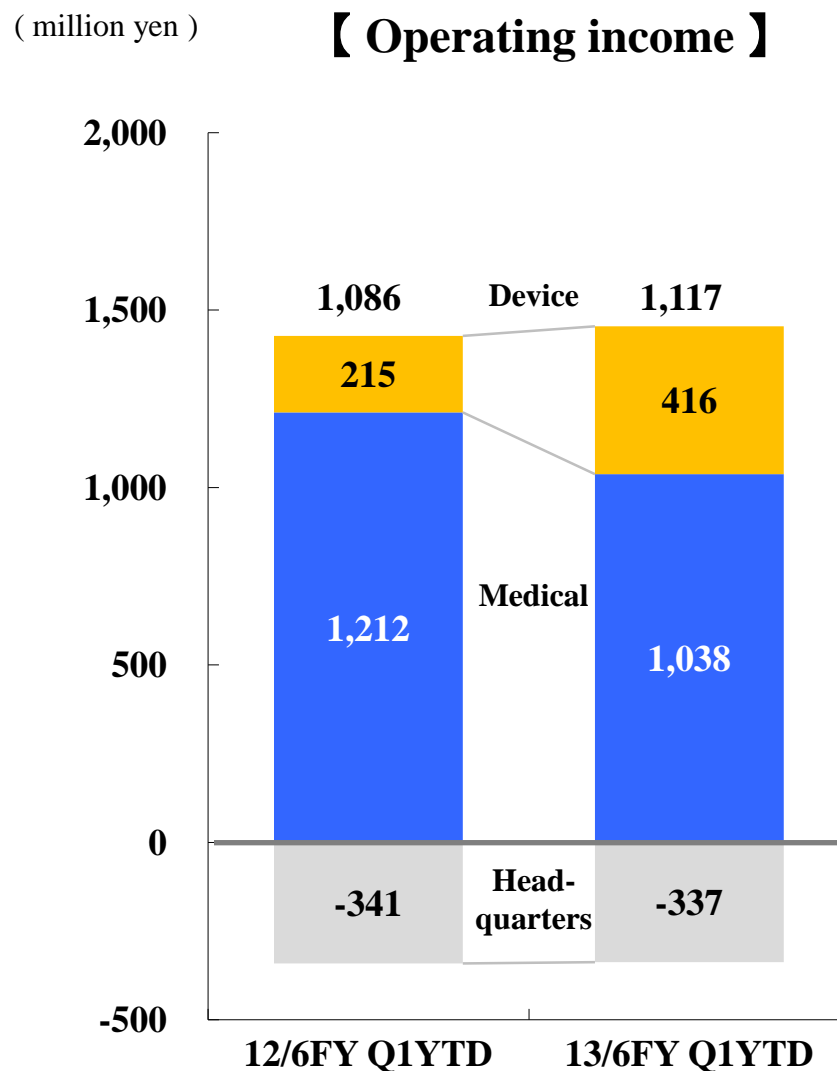
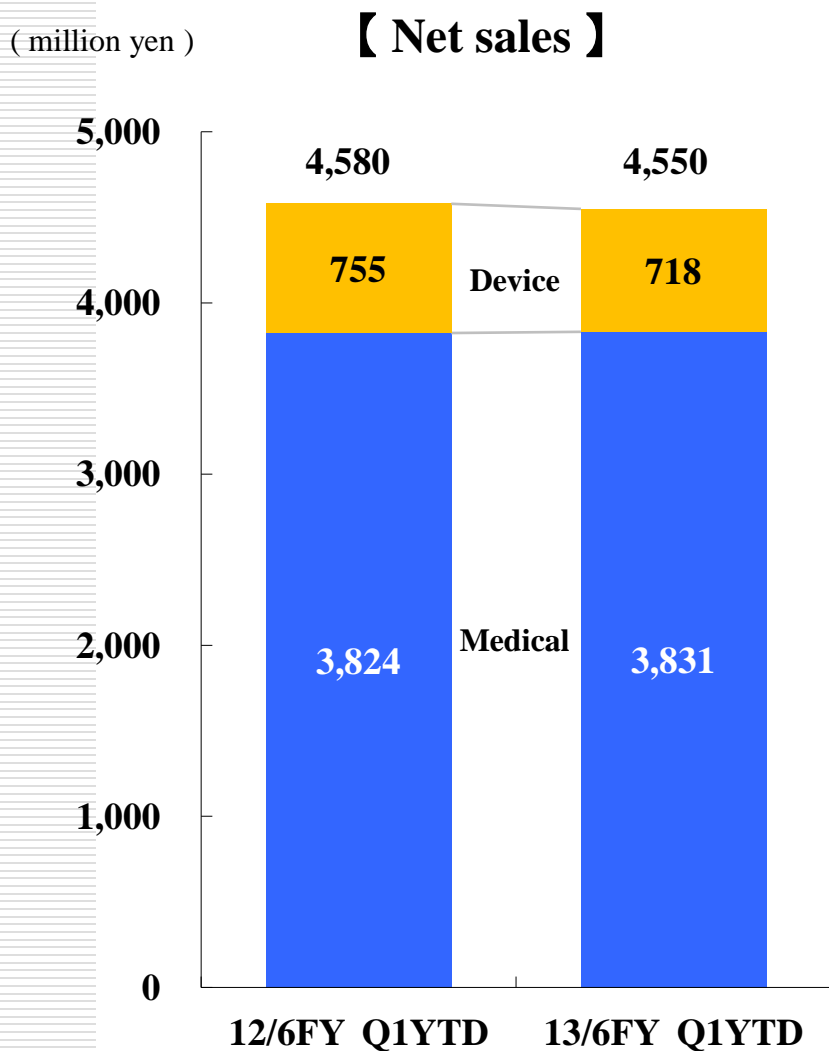
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* : Increase from inter segment business transaction:

Device Division inter segment business revenue FYE 6/2012 137Mil.yen
 FYE 6/2013 339Mil.yen +202Mil.yen (+147.0%)



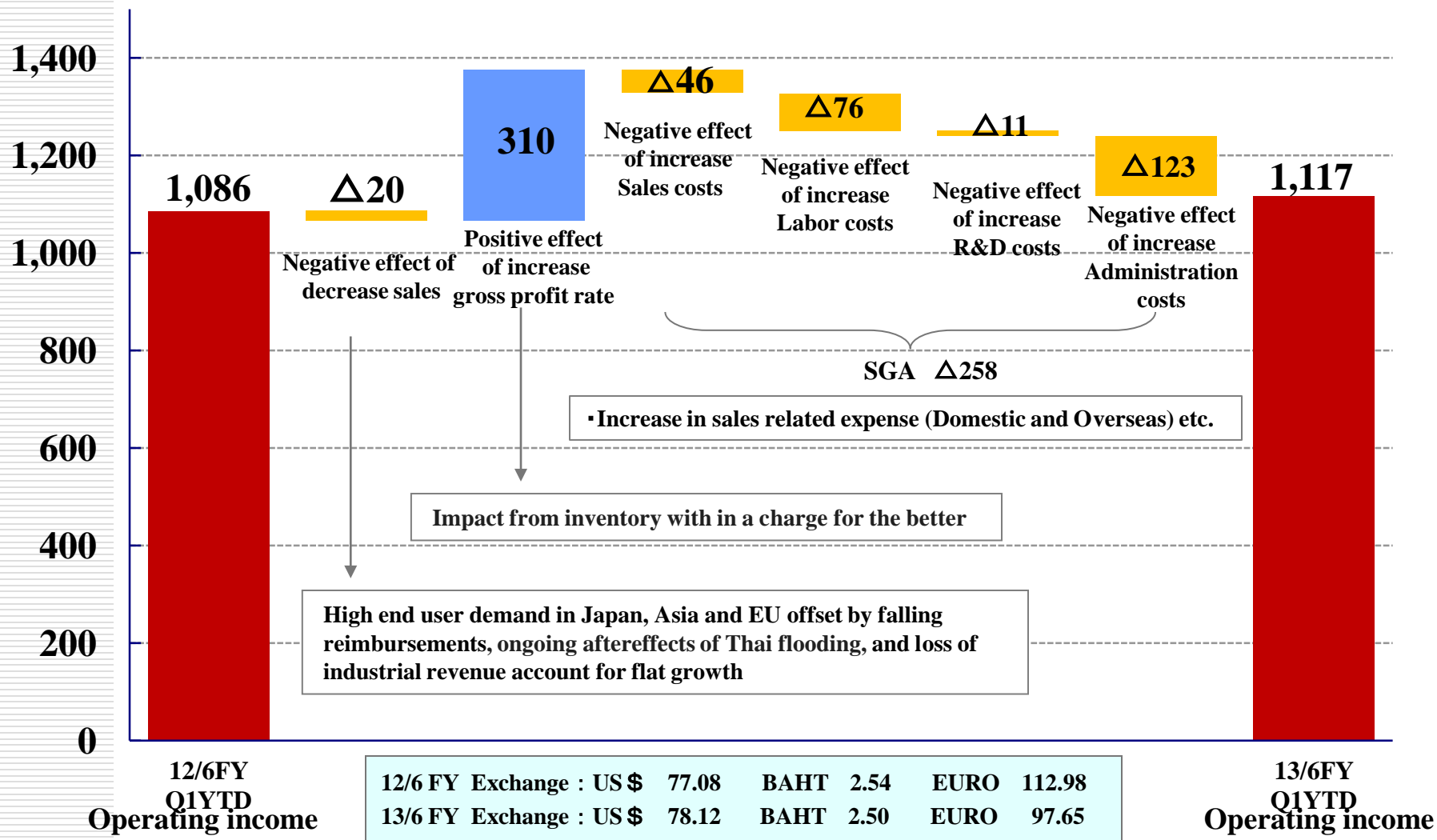
Earnings Performance by Segment Division





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

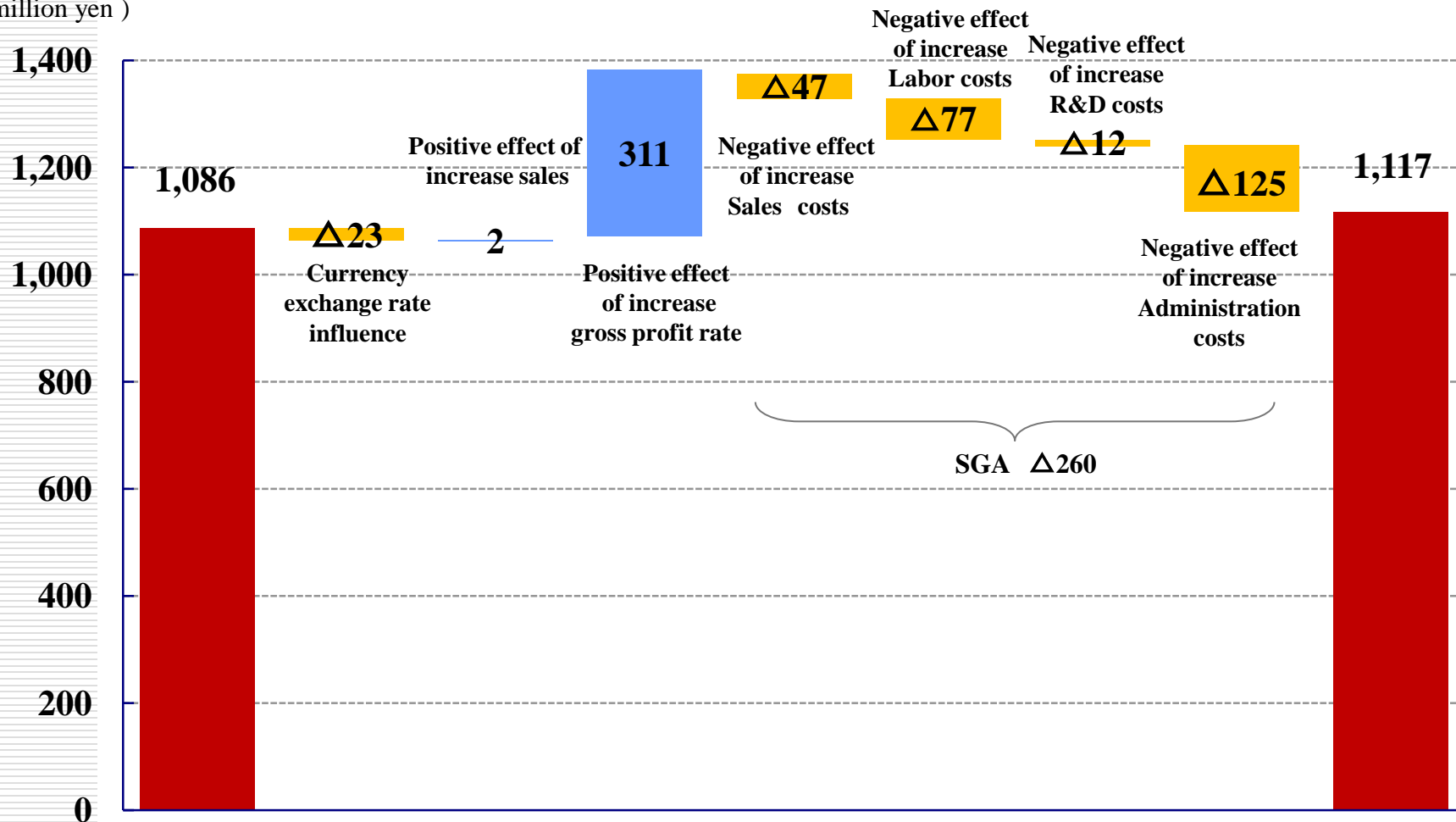
(million yen)





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

(million yen)



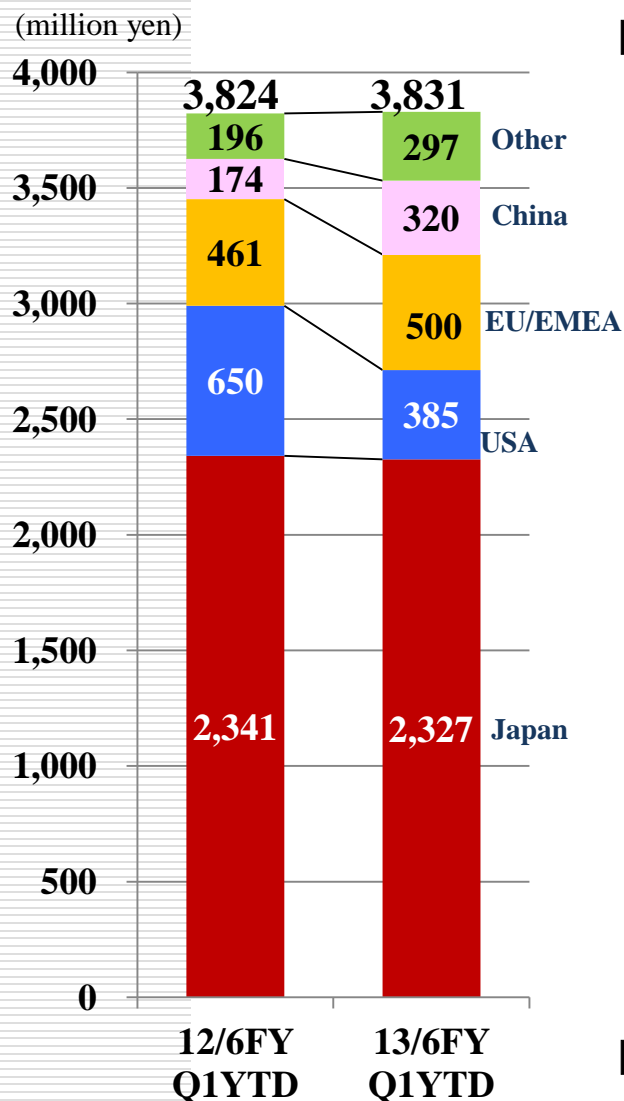
12/6FY
Q1YTD
Operating income

12/6 FY Exchange : US \$	77.08	BAHT	2.54	EURO	112.98
13/6 FY Exchange : US \$	78.12	BAHT	2.50	EURO	97.65

13/6FY
Q1YTD
Operating income



Per Segment by Medical Division (by Geography-1)



【Net Sales (YoY)】

- **Japan** : Impact of increased end user demand but falling reimbursement prices (Δ 195 Mil. Yen)
 - **PTCA GW**: Switch to direct sales on plan; end use volume showing stable growth. Impact of last Q1 inventory buildup was increase in sudden orders greater than end user market. “SION” Series and new product “Gaia” usage growing as expected with other items.
 - **Peripheral GW**: Strong penetration of end user market
 - **Neurovascular products**: Neurovascular Guide Catheter launch driving growth
 - **OEM**: Peripheral products in last Q1 showed impact of initial orders; switch to ordinary/repurchase orders led to slight loss
- **Overseas** : Growth on schedule despite weak Euro exchange rate
 - **China and other markets** growing as expected
 - **US** underwent temporary supply adjustment due to Thailand flooding
 - **U S A** : Supply of PTCAGW to Abbott adjusted due to Thailand flooding. Quality audits finished in August, shipping resumed from mid-September. No adjustment to 6 mo. contractual minimums.
 - **E U** :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 Guide Wire.

【 Operating income 】

- Profit reduced from business related expense for direct sales.



Per Segment by Medical Division (by Geography-2)

(million yen)

	2012/6FY Q1 YTD	2013/6FY Q1 YTD	YoY	
			Changes (mil.yen)	Changes (%)
(Exchange rate: USD)	77.08	78.12	+1.04	+1.3
Net sales	3,824	3,831	+7	+0.2
Japan	2,341	2,327	△14	△0.6
Overseas	1,482	1,504	+21	+1.4
USA	650	385	△264	△40.7
EU/EMEA	461	500	+39	+8.5
China	174	320	+145	+83.3
Other	196	297	+101	+51.5
Operating income	1,212	1,038	△173	△14.3



Per Segment by Medical Division (by Treatment-1)

Vascular 【Net Sales (YoY)】

● **Japan** : Impact of falling reimbursement prices ($\Delta 195$ Mil. Yen) led to flat growth.

- PTCA GW : See P.9
- Microcatheter “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. China and other markets growing as expected US underwent temporary supply adjustment due to Thailand flooding (shipping resumed mid September).

- US, EU, China, Other: See P.9

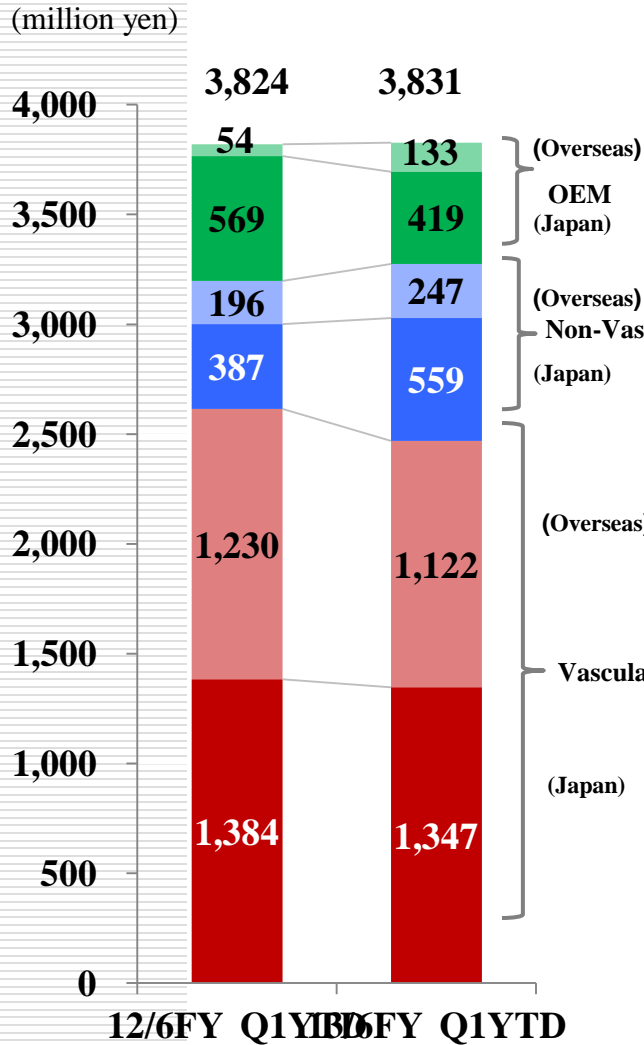
Non-Vascular

● **Main increases in peripheral and abdominal vessel devices** (See P.9)

OEM

● **Japan**: Peripheral products in last Q1 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.





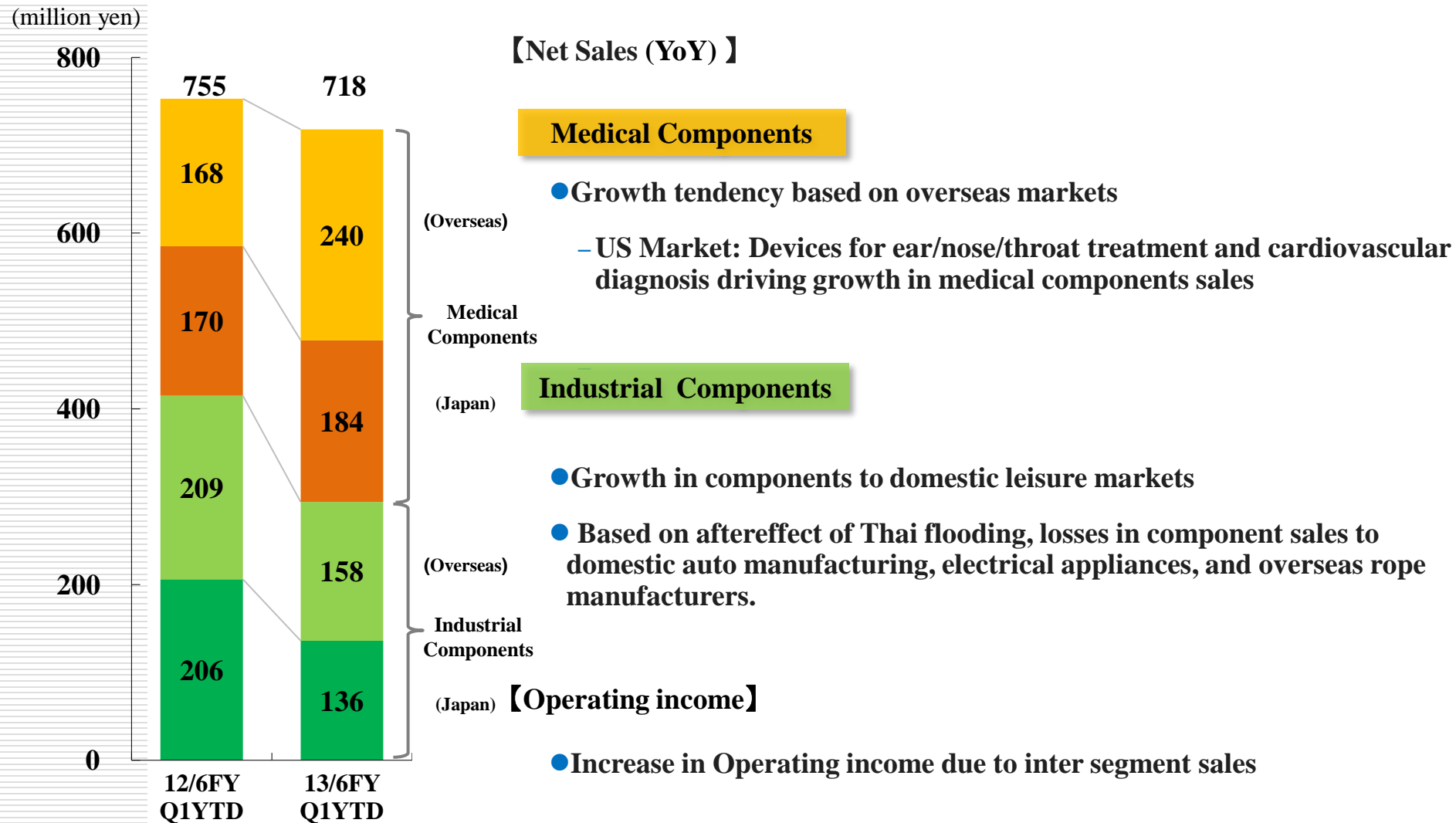
Per Segment by Medical Division (by Treatment-2)

(million yen)

	FYE 6/2012 Q1 YTD	FYE 6/2013 Q1 YTD	YoY	
			Changes (mil.yen)	Changes (%)
(Exchange rate: USD)	77.08	78.12	+1.04	+1.3
Net sales	3,824	3,831	+7	+0.2
Japan	2,341	2,237	△14	△0.6
Overseas	1,482	1,504	+21	+1.4
Vascular	2,615	2,470	△145	△5.6
Japan	1,384	1,347	△36	△2.6
Overseas	1,230	1,122	△108	△8.8
Non-Vascular	584	807	+223	+38.2
Japan	387	559	+172	+44.5
Overseas	196	247	+50	+25.7
OEM	624	553	△70	△11.3
Japan	569	419	△149	△26.3
Overseas	54	133	+79	+144.1



Per Segment by Device Division -1





Per Segment by Device Division -2

(million yen)

	FYE 6/2012 Q1 YTD	FYE 6/2013 Q1 YTD	YoY	
			Changes (mil.yen)	Changes (%)
(Exchange rate : USD)	77.08	78.12	+1.04	+1.3
Net sales	755	718	△36	△4.9
Japan	377	320	△56	△15.1
Overseas	378	398	+19	+5.3
Medical Components	339	424	+84	+24.9
Japan	170	184	+13	+7.7
Overseas	168	240	+71	+42.2
Industrial Components	415	294	△121	△29.2
Japan	206	136	△69	△33.9
Overseas	209	158	△51	△24.5
Operating income	215	416	+200	+93.0



Reference : P/L

	FYE 6/2012 Q1YTD		FYE 6/2013 Q1YTD			
	Amount (mil.yen)	Ratio (%)	Amount (mil.yen)	Ratio (%)	Changes (mil.yen)	The main comparison factors
Net sales	4,580	100.0	4,550	100.0	△29	
Cost of Sales	1,652	36.1	1,333	29.3	△318	Impact from inventory building, etc.,
Gross profit	2,928	63.9	3,217	70.7	+289	
SGA	1,841	40.2	2,100	46.2	+258	Business related expense Aftereffects of Thai flooding
Operating income	1,086	23.7	1,117	24.5	+30	
Non-operating income	40	0.9	19	0.4	△20	
Non-operating expense	101	2.2	52	1.2	△48	Loss due to exchange rates △55
Ordinary income	1,024	22.4	1,084	23.8	+59	
Extraordinary gain	0	0.0	0	0.0		
Extraordinary loss	2	0.1	3	0.1		
Net income	818	17.9	850	18.7	+31	
Comprehensive income	378	8.2	988	21.7	+610	Foreign currency translation adjustment +490

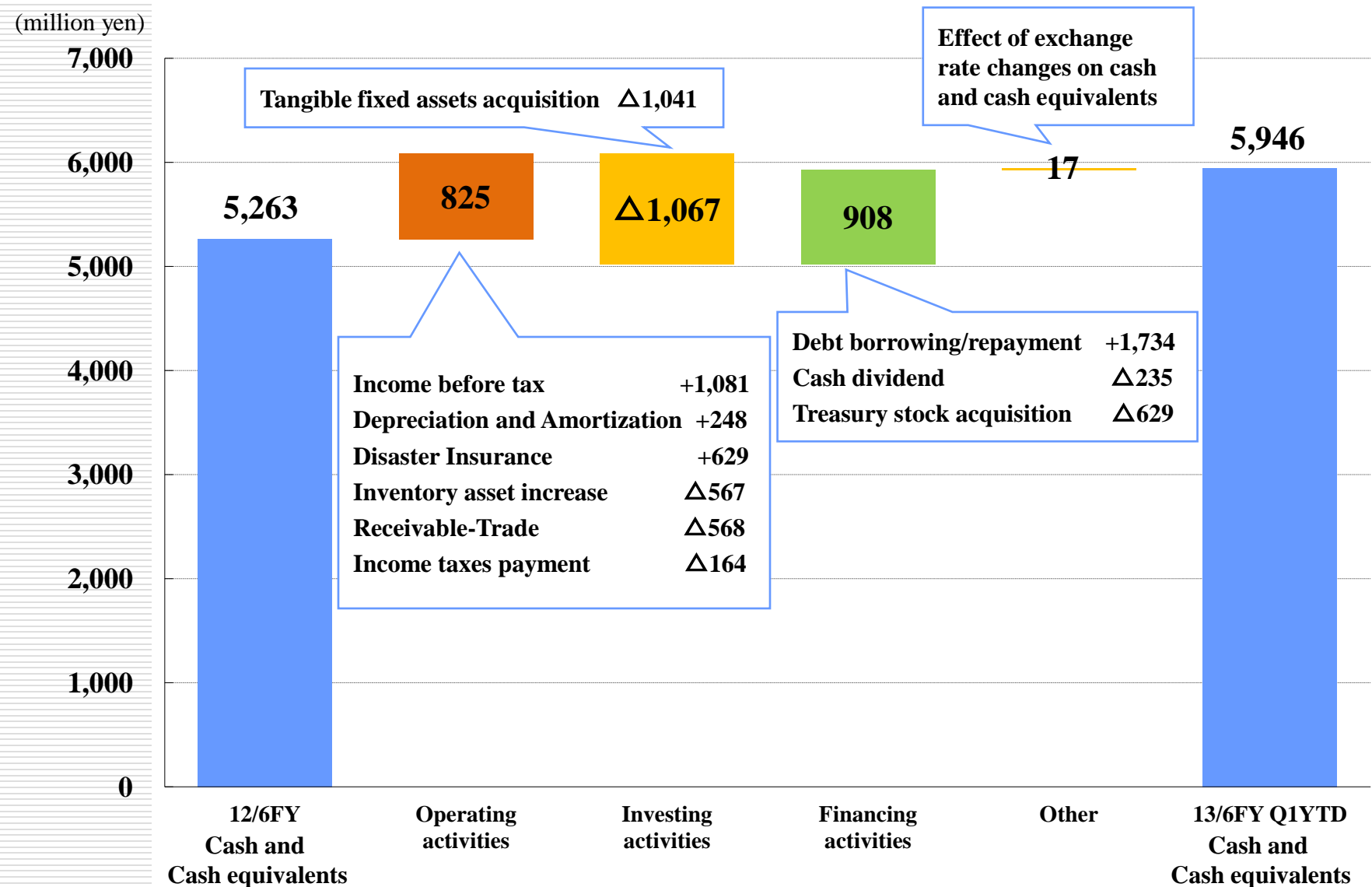


Reference : B/S

		FYE 6/2012		FYE 6/2013			
		Amount (mil.yen)	Ratio (%)	Amount (mil.yen)	Ratio (%)	Changes (mil.yen)	The main comparison factors
Assets	Current assets	15,608	58.5	16,611	58.8	+1,002	Cash and deposit +683 Inventory assets +574
	Fixed assets	11,058	41.5	11,639	41.2	+581	Tangible fixed assets +405 Investment securities +59
Total assets		26,666	100.0	28,250	100.0	+1,583	
Liabilities	Current liabilities	6,758	25.3	6,695	23.7	△62	Short term debt +176 Provision for bonuses +177 Account payable-other △369
	Fixed liabilities	5,841	21.9	7,395	26.2	+1,554	Long term debt (syndicate lone etc.) +1,547
Total liabilities		12,600	47.3	14,091	49.9	+1,491	
Total net assets		14,066	52.7	14,159	50.1	+92	Retained earnings +543 Treasury stock △629 Foreign currency translation adjustment +68
Total liabilities & Net assets		26,666	100.0	28,250	100.0	+1,583	



Reference : C/F





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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