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# 3rd Quarter Financial Results for FYE June, 2013

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May 10, 2013

(Securities code : 7747

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



# FYE 6/2013 Q3YTD Main Points

## ■ Net Sales 14,566 Mil. Yen (+32.8% 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 ( Δ619 Mil. Yen YoY)  |
|                           | – Decreased in Industrial Field sales revenue due to Thai flooding (Δ190 Mil. Yen YoY)  |

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

- Gross profit 9,888 Mil. Yen (+ 31.5% YoY)

– Largely increased in proportion to sales increase. Last FY, fixed cost due to Thai flooding accounted as Extraordinary loss.

- Operating income 3,379 Mil. Yen (+ 89.7% YoY)

– R&D costs (1,408 Mil. Yen) essentially flat from last period (+ 60 Mil. Yen YoY, Sales ratio 9.7 %)

– Increased sales costs related to switch to direct sales, etc.

- Ordinary income 3,804 Mil. Yen (+ 98.6% YoY)

– Currency exchange profit ( 453 Mil. Yen) allocated

( Same year-ago period allocated Exchange loss of 95 Mil. Yen)

- Net income 2,407 Mil. Yen (+ 474.7% YoY)

– Same year-ago period allocated Extraordinary gain of 1,091 Mil. Yen and Extraordinary loss of 2,328 Mil. Yen

| Exchange rate | (Unit : JPY) |        |       |       |
|---------------|--------------|--------|-------|-------|
|               | FYE 6/2012   | US \$  | 78.23 | BAHT  |
| Q3YTD         | EURO         | 107.42 | CNY   | 12.66 |
| FYE 6/2013    | US \$        | 84.49  | BAHT  | 2.78  |
| Q3YTD         | EURO         | 107.01 | CNY   | 13.51 |



# Highlight

|                       | FYE 6/2012<br>Q3 YTD |              | FYE 6/2013 Q3 YTD   |              |                      |                |
|-----------------------|----------------------|--------------|---------------------|--------------|----------------------|----------------|
|                       | Amount<br>(mil.yen)  | Ratio<br>(%) | Amount<br>(mil.yen) | Ratio<br>(%) | YoY                  |                |
|                       |                      |              |                     |              | Changes<br>(mil.yen) | Changes<br>(%) |
| Net sales             | 10,968               | 100.0        | 14,566              | 100.0        | +3,598               | +32.8          |
| Gross profit          | 7,518                | 68.5         | 9,888               | 67.9         | +2,370               | +31.5          |
| Operating income      | 1,781                | 16.2         | 3,379               | 23.2         | +1,598               | +89.7          |
| Ordinary income       | 1,915                | 17.5         | 3,804               | 26.1         | +1,888               | +98.6          |
| Net income<br>(Q3YTD) | 418                  | 3.8          | 2,407               | 16.5         | +1,988               | +474.7         |
| EPS                   | 26.47Y               | -            | 158.70Y             | -            | +132.23Y             | -              |



# Net Sales by Segment Division

|              | FYE 6/2012<br>Q3 YTD |              | FYE 6/2013<br>Q3 YTD |              |                      |                |
|--------------|----------------------|--------------|----------------------|--------------|----------------------|----------------|
|              | Amount<br>(mil.yen)  | Ratio<br>(%) | Amount<br>(mil.yen)  | Ratio<br>(%) | Changes<br>(mil.yen) | Changes<br>(%) |
| Medical      | 8,939                | 81.5         | 12,464               | 85.6         | +3,524               | +39.4          |
| Device       | 2,028                | 18.5         | 2,102                | 14.4         | +73                  | +3.6           |
| Total amount | 10,968               | 100.0        | 14,566               | 100.0        | +3,598               | +32.8          |

(Reference )

|                  |       |      |        |      |        |       |
|------------------|-------|------|--------|------|--------|-------|
| Medical Field    | 9,946 | 90.7 | 13,735 | 94.3 | +3,789 | +38.1 |
| Industrial Field | 1,021 | 9.3  | 831    | 5.7  | △190   | △18.7 |

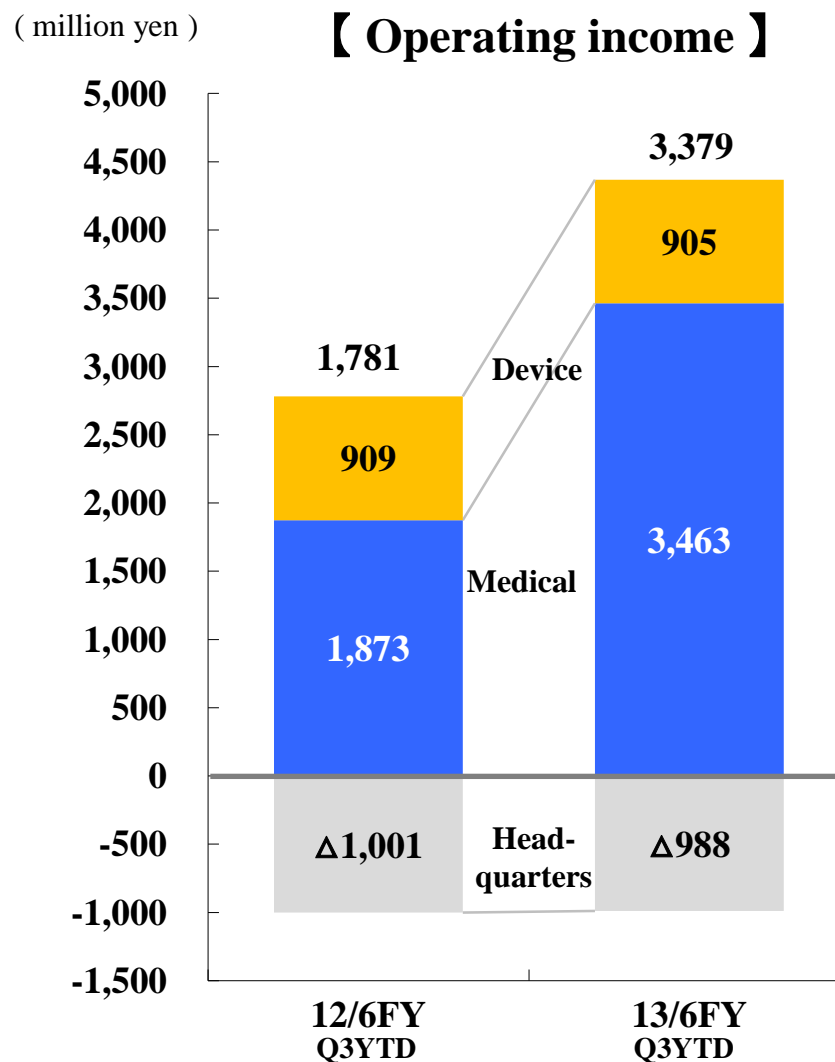
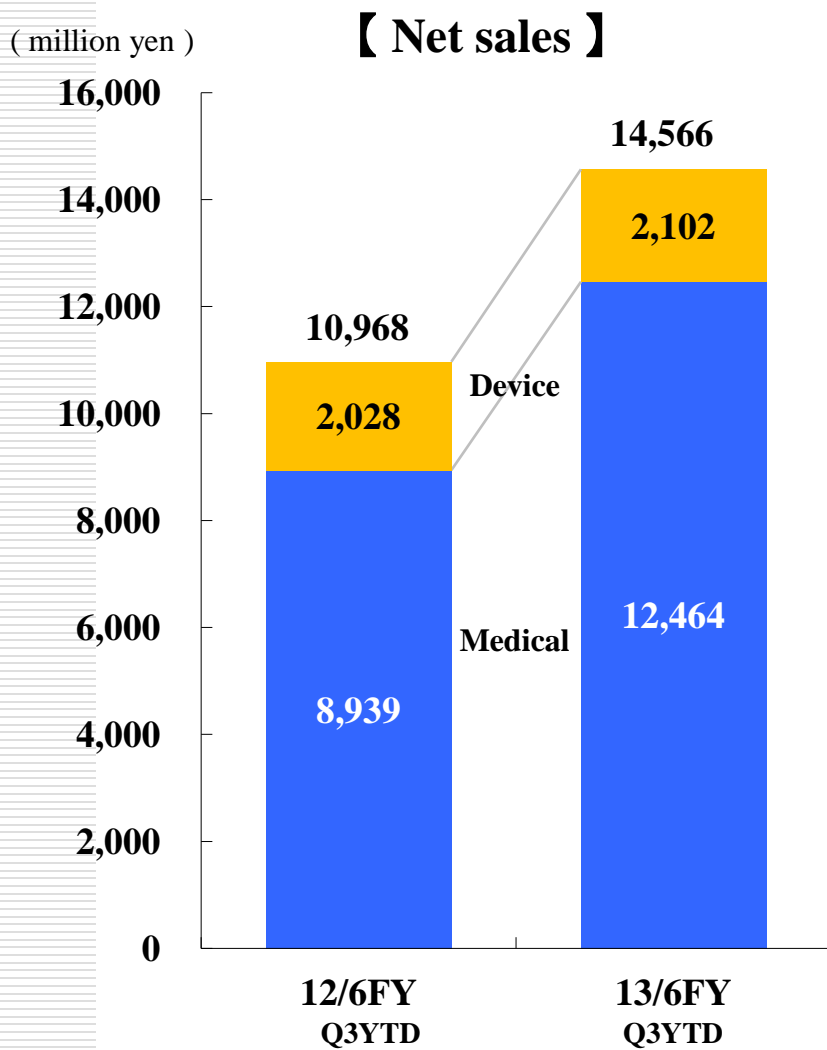


# Operating Income by Segment Division

|                            | FYE 6/2012<br>Q3 YTD |              | FYE 6/2013<br>Q3 YTD |              |                      |                |
|----------------------------|----------------------|--------------|----------------------|--------------|----------------------|----------------|
|                            | Amount<br>(mil.yen)  | Ratio<br>(%) | Amount<br>(mil.yen)  | Ratio<br>(%) | Changes<br>(mil.yen) | Changes<br>(%) |
| Medical                    | 1,873                | 67.3         | 3,463                | 79.3         | +1,589               | +84.8          |
| Device                     | 909                  | 32.7         | 905                  | 20.7         | Δ4                   | Δ0.5           |
| Subtotal                   | 2,783                | 100.0        | 4,368                | 100.0        | +1,585               | +57.0          |
| Erasing &<br>Head quarters | Δ1,001               | -            | Δ988                 | -            | +12                  | Δ1.3           |
| Total Amount               | 1,781                | -            | 3,379                | -            | +1,598               | +89.7          |



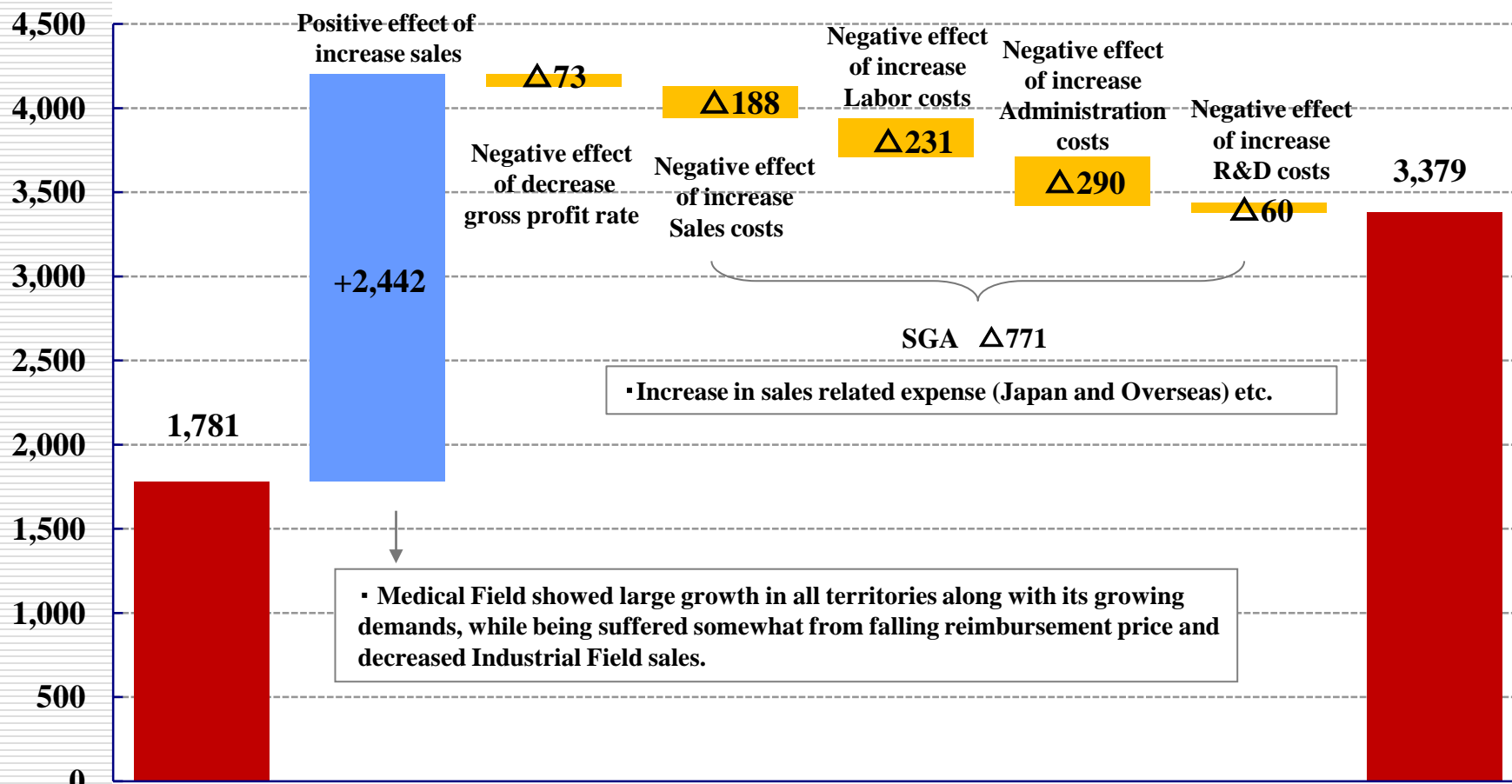
# Earnings Performance by Segment Division





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

(million yen)



▪ Increase in sales related expense (Japan and Overseas) etc.

▪ 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 sales.

12/6FY  
Q3YTD  
Operating income

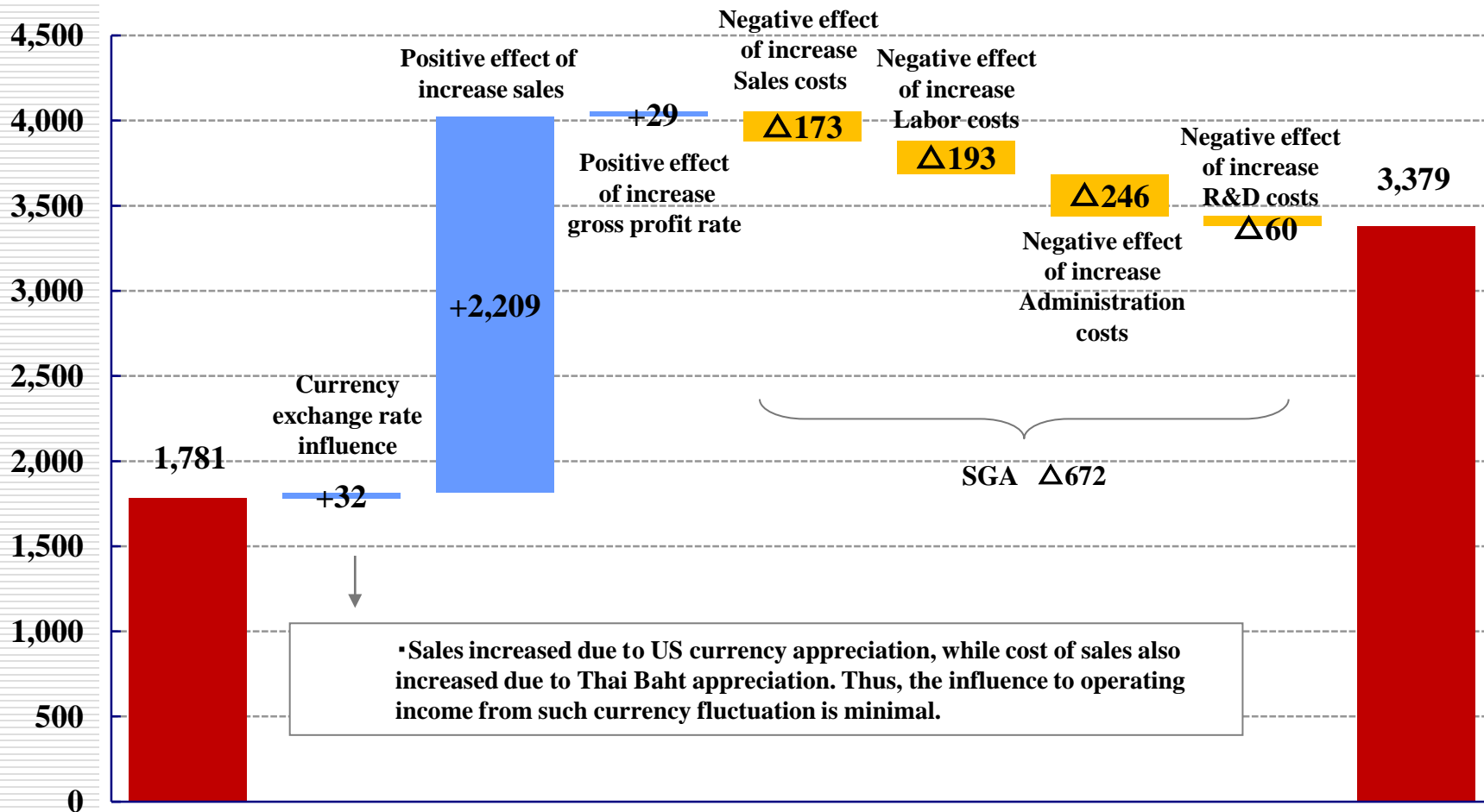
|                                |       |      |      |      |        |
|--------------------------------|-------|------|------|------|--------|
| 12/6 FY Q3YTD Exchange : US \$ | 78.23 | BAHT | 2.55 | EURO | 107.42 |
| 13/6 FY Q3YTD Exchange : US \$ | 84.49 | BAHT | 2.78 | EURO | 107.01 |

13/6FY  
Q3YTD  
Operating income



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

(million yen)



• Sales increased due to US currency appreciation, while cost of sales also increased due to Thai Baht appreciation. Thus, the influence to operating income from such currency fluctuation is minimal.

|                                |       |      |      |      |        |
|--------------------------------|-------|------|------|------|--------|
| 12/6 FY Q3YTD Exchange : US \$ | 78.23 | BAHT | 2.55 | EURO | 107.42 |
| 13/6 FY Q3YTD Exchange : US \$ | 84.49 | BAHT | 2.78 | EURO | 107.01 |

Operating income

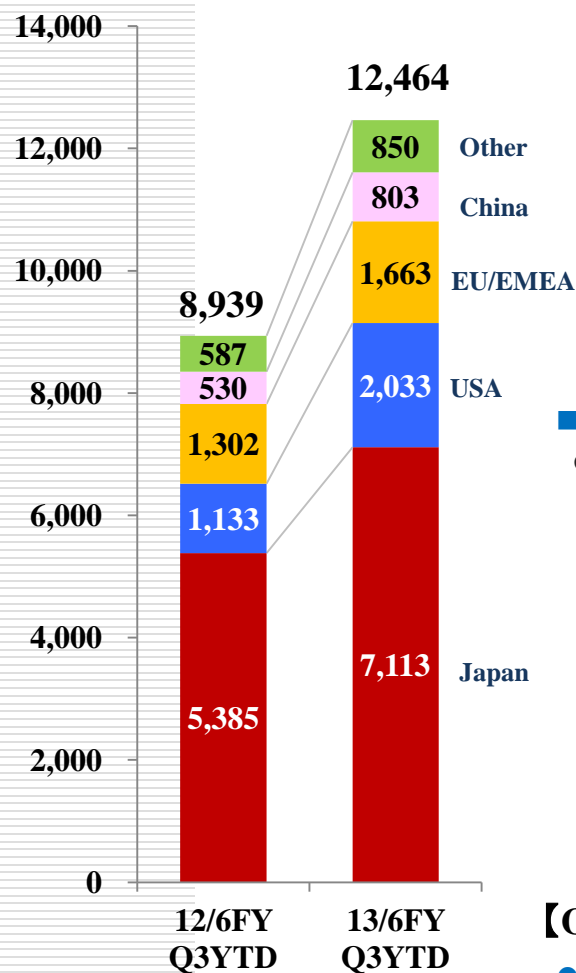
13/6FY Q3YTD Operating income





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

( million yen )



### 【Net Sales】

- **Japan** : Impact of increased end user demand but falling reimbursement prices (Δ619Mil.Yen)
  - **PTCA GW**: Switch to direct sales on plan; end use volume showing stable growth. (The last FY 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 products “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
  - **Direct Sales** starts in the area of Abdominal/Neurovascular products from next FY (2013/7/1)
- **Overseas** : EU/EMEA, USA, Asia including China showed positive growth trends mainly in cardiovascular area. Influence occurs from US currency appreciation.
  - **USA** : PTCA GW Supply commenced and continued according to contractual quantity after completion of Quality Audit. Weight of CTO device in size mix increased in this year. Corsair as micro catheter increased its in-coming ordering quantity after start of direct sales.
  - **EU/EMEA** : Sales progressed well due to change of distributors of PTCA GW.  
At Q3, temporal stock adjustment at distributor occurred in Middle East area, but it does not affect total growth of this territory.
  - **China** : Recovery of loss from Thai flooding progressing as expected.  
At Q3, temporal stock adjustment occurred, but it does not affect total growth.
  - **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)

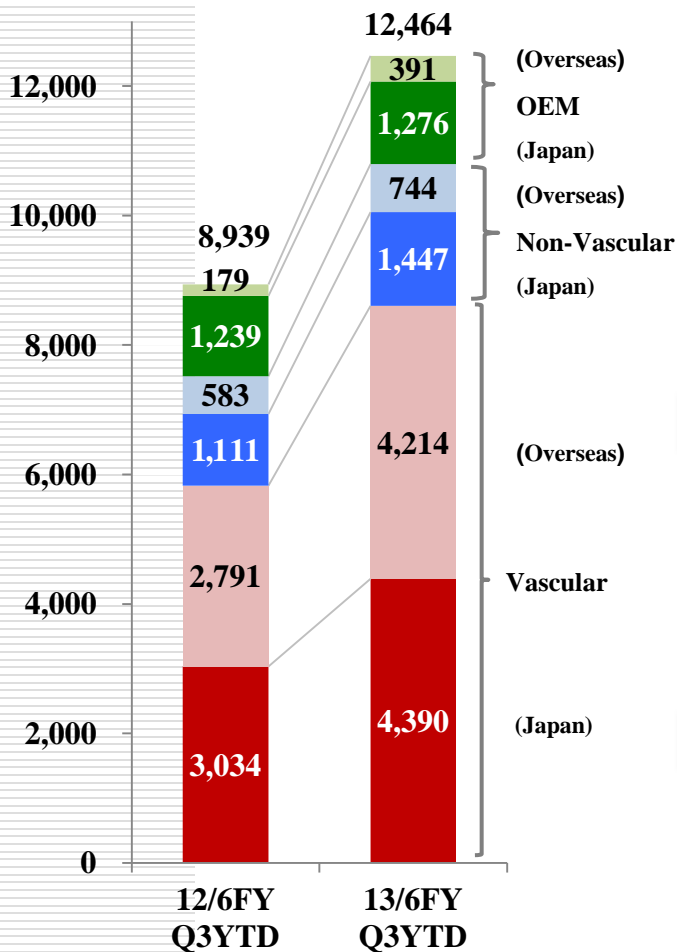
(million yen)

|                              | 2012/6FY<br>Q3 YTD | 2013/6FY<br>Q3 YTD | YoY                  |                |
|------------------------------|--------------------|--------------------|----------------------|----------------|
|                              |                    |                    | Changes<br>(mil.yen) | Changes<br>(%) |
| <b>(Exchange rate : USD)</b> | <b>78.23</b>       | <b>84.49</b>       | <b>+6.26</b>         | <b>+8.0</b>    |
| <b>Net sales</b>             | <b>8,939</b>       | <b>12,464</b>      | <b>+3,524</b>        | <b>+39.4</b>   |
| <b>Japan</b>                 | <b>5,385</b>       | <b>7,113</b>       | <b>+1,728</b>        | <b>+32.1</b>   |
| <b>Overseas</b>              | <b>3,554</b>       | <b>5,350</b>       | <b>+1,796</b>        | <b>+50.5</b>   |
| <b>USA</b>                   | <b>1,133</b>       | <b>2,033</b>       | <b>+899</b>          | <b>+79.4</b>   |
| <b>EU/EMEA</b>               | <b>1,302</b>       | <b>1,663</b>       | <b>+360</b>          | <b>+27.7</b>   |
| <b>China</b>                 | <b>530</b>         | <b>803</b>         | <b>+272</b>          | <b>+51.5</b>   |
| <b>Other</b>                 | <b>587</b>         | <b>850</b>         | <b>+262</b>          | <b>+44.7</b>   |
| <b>Operating income</b>      | <b>1,873</b>       | <b>3,463</b>       | <b>+1,589</b>        | <b>+84.8</b>   |



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

( million yen )



## Vascular

- **Japan:** Positive trend shown, being affected by transition to direct business of PTCA GW, offsetting falling reimbursement price.
- **Over seas:**
  - EU, EMEA, USA and Asia including China showed positive growth trends in PTCA GW.
  - In US, micro catheter “Corsair” increased due to direct sales.

## Non-Vascular

- **Peripheral /Neurovascular** products increased mainly in Japanese market.
- **Decided to enter into direct sales from next FY for Peripheral/ Neurovascular** products in Japanese market.

## OEM

- **Japan:** Initial supply of Peripheral products occurred at last 1st half. There occurred some decrease after transition to regular business. But growth of endoscope related device and cardiovascular diagnostic mini-guide wires offset such decrease, eventually minimal growth observed.
- **Overseas:** Cardiovascular diagnostic mini-guide wires increased in US and EU.



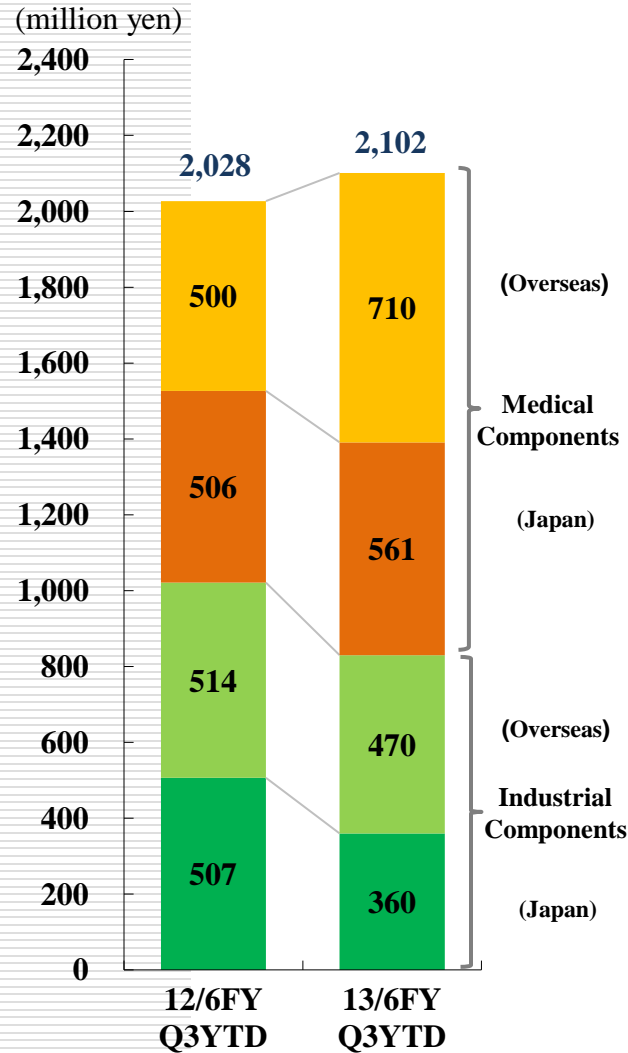
## Per Segment by Medical Division (by Treatment-2)

(million yen)

|                      | FYE 6/2012<br>Q3YTD | FYE 6/2013<br>Q3 YTD | YoY                  |                |
|----------------------|---------------------|----------------------|----------------------|----------------|
|                      |                     |                      | Changes<br>(mil.yen) | Changes<br>(%) |
| (Exchange rate: USD) | 78.23               | 84.49                | +6.26                | +8.0           |
| Net sales            | 8,939               | 12,464               | +3,524               | +39.4          |
| Japan                | 5,385               | 7,113                | +1,728               | +32.1          |
| Overseas             | 3,554               | 5,350                | +1,796               | +50.5          |
| Vascular             | 5,825               | 8,604                | +2,779               | +47.7          |
| Japan                | 3,034               | 4,390                | +1,356               | +44.7          |
| Overseas             | 2,791               | 4,214                | +1,423               | +51.0          |
| Non-Vascular         | 1,694               | 2,191                | +497                 | +29.4          |
| Japan                | 1,111               | 1,447                | +336                 | +30.3          |
| Overseas             | 583                 | 744                  | +161                 | +27.6          |
| OEM                  | 1,419               | 1,667                | +248                 | +17.5          |
| Japan                | 1,239               | 1,276                | +36                  | +2.9           |
| Overseas             | 179                 | 391                  | +211                 | +117.7         |



# Per Segment by Device Division -1



## 【Net Sales】

### Medical Components

- Growth tendency based on overseas markets
  - USA Market: Devices for ear/nose/throat treatment and cardiovascular diagnosis driving growth in Medical Components sales.

### Industrial Components

- Growth seen in component supply business in the area of leisure market both for Japan and overseas.
- Being affected by Thailand Flooding, business decreased in Japanese market in Automobile and Home Electronics segment as well as decreased overseas market in OA apparatus segment.

## 【Operating income】

- Flattening out in Operating income due to decreasing inter segment sales.



## Per Segment by Device Division -2

(million yen)

|                       | FYE 6/2012<br>Q3 YTD | FYE 6/2013<br>Q3 YTD | YoY                  |                |
|-----------------------|----------------------|----------------------|----------------------|----------------|
|                       |                      |                      | Changes<br>(mil.yen) | Changes<br>(%) |
| (Exchange rate : USD) | <b>78.23</b>         | <b>84.49</b>         | <b>+6.26</b>         | <b>+8.0</b>    |
| Net sales             | <b>2,028</b>         | <b>2,102</b>         | <b>+73</b>           | <b>+3.6</b>    |
| Japan                 | <b>1,013</b>         | <b>921</b>           | <b>△92</b>           | <b>△9.1</b>    |
| Overseas              | <b>1,014</b>         | <b>1,180</b>         | <b>+165</b>          | <b>+16.3</b>   |
| Medical Components    | <b>1,006</b>         | <b>1,271</b>         | <b>+264</b>          | <b>+26.2</b>   |
| Japan                 | <b>506</b>           | <b>561</b>           | <b>+54</b>           | <b>+10.8</b>   |
| Overseas              | <b>500</b>           | <b>710</b>           | <b>+209</b>          | <b>+41.9</b>   |
| Industrial Components | <b>1,021</b>         | <b>831</b>           | <b>△190</b>          | <b>△18.7</b>   |
| Japan                 | <b>507</b>           | <b>360</b>           | <b>△146</b>          | <b>△28.9</b>   |
| Overseas              | <b>514</b>           | <b>470</b>           | <b>△44</b>           | <b>△8.6</b>    |
| Operating income      | <b>909</b>           | <b>905</b>           | <b>△4</b>            | <b>△0.5</b>    |



## Reference : P/L

|                       | FYE 6/2012 Q3YTD    |              | FYE 6/2013 Q3YTD    |              |                      |  |
|-----------------------|---------------------|--------------|---------------------|--------------|----------------------|--|
|                       | Amount<br>(mil.yen) | Ratio<br>(%) | Amount<br>(mil.yen) | Ratio<br>(%) | Changes<br>(mil.yen) | The main comparison factors  |
| Net sales             | 10,968              | 100.0        | 14,566              | 100.0        | +3,598               | Positive trends observed in Medical Field in all territories.          |
| Cost of Sales         | 3,450               | 31.5         | 4,678               | 32.1         | +1,228               |  |
| Gross profit          | 7,518               | 68.5         | 9,888               | 67.9         | +2,370               | Increasing along with brisk sales trend                                |
| SGA                   | 5,736               | 52.3         | 6,508               | 44.7         | +771                 | Business related expense   |
| Operating income      | 1,781               | 16.2         | 3,379               | 23.2         | +1,598               |  |
| Non-operating income  | 183                 | 1.7          | 496                 | 3.4          | +313                 | Currency exchange profit increased from depreciated Yen currency. +357 |
| Non-operating expense | 48                  | 0.4          | 71                  | 0.5          | +23                  |  |
| Ordinary income       | 1,915               | 17.5         | 3,804               | 26.1         | +1,888               |  |
| Extraordinary gain    | 1,091               | 9.9          | 0                   | 0.0          | △1,090               | Disaster insurance proceeds received<br>△1,071                         |
| Extraordinary loss    | 2,328               | 21.2         | 3                   | 0.0          | △2,324               | Loss due to disaster<br>△2,207   |
| Net income            | 418                 | 3.8          | 2,407               | 16.5         | +1,988               |  |
| Comprehensive income  | 529                 | 4.8          | 4,503               | 30.9         | +3,973               | Foreign currency translation adjustment<br>+1,700                      |



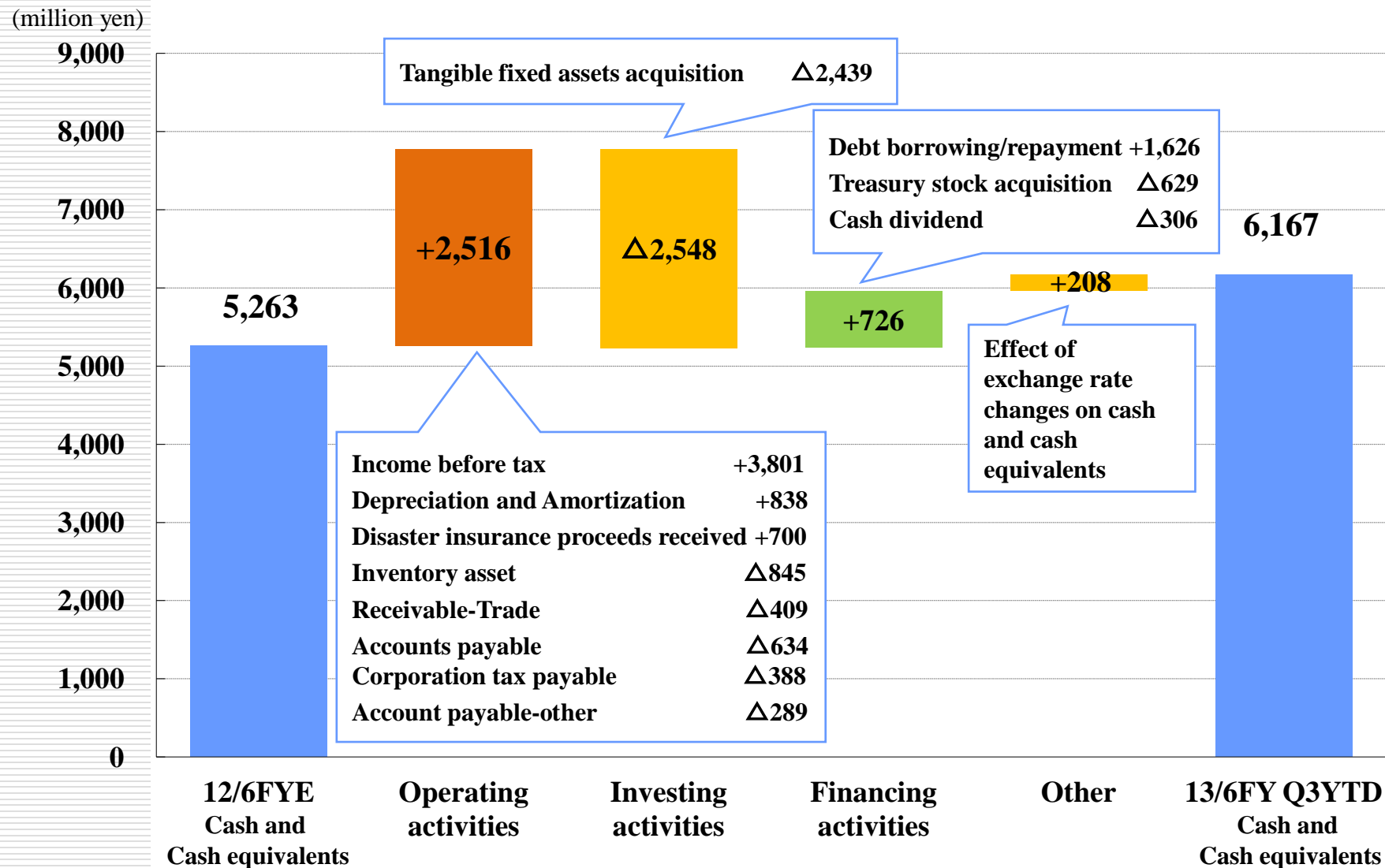
## Reference : B/S

|                                |                     | FYE 6/2012          |              | FYE 6/2013 Q3YTD    |              |                      |   |
|--------------------------------|---------------------|---------------------|--------------|---------------------|--------------|----------------------|---|
|                                |                     | Amount<br>(mil.yen) | Ratio<br>(%) | Amount<br>(mil.yen) | Ratio<br>(%) | Changes<br>(mil.yen) | The main comparison factors   |
| Assets                         | Current assets      | 15,608              | 58.5         | 18,428              | 57.2         | +2,819               | Cash and deposit +903<br>Inventory assets +1,625                        |
|                                | Fixed assets        | 11,058              | 41.5         | 13,809              | 42.8         | +2,751               | Tangible fixed assets +2,401<br>Investments securities (Valuation) +304 |
| Total assets                   |                     | 26,666              | 100.0        | 32,238              | 100.0        | +5,571               |   |
| Liabilities                    | Current liabilities | 6,758               | 25.3         | 7,261               | 22.5         | +502                 | Account payable-other Δ657<br>Accrued corporation tax +846              |
|                                | Fixed liabilities   | 5,841               | 21.9         | 7,324               | 22.7         | +1,482               | Long term debt (syndicate lone etc.) +1,299                             |
| Total liabilities              |                     | 12,600              | 47.3         | 14,585              | 45.2         | +1,985               |   |
| Total net assets               |                     | 14,066              | 52.7         | 17,652              | 54.8         | +3,586               | Retained earnings +2,099<br>Treasury stock Δ629                         |
| Total liabilities & Net assets |                     | 26,666              | 100.0        | 32,238              | 100.0        | +5,571               |   |





# Reference : C/F





## Caution Regarding Information Presented

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**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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