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Financial Results for FYE June, 2012

August 10, 2012

(Securities code : 7747

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



1. Summary of Financial Results of FYE 6/2012

2. Earnings estimate of FYE 6/2013



FYE 6/2012 Main Points (Consolidated)

■ Net sales 14,852 million yen (Δ 7.2 % year-on-year)

- Decreased being influenced by Thailand Flooding, High Yen Appreciation, Stock Purchase for Direct Business etc., while in-market demands remain firm.

Increase of income factor {

- Sales in Medical Business increased, especially at EU market. Brisk Transition from change of distributors.

Decrease in income factor {

- Impact of Thailand flooding from Q2
- Adjustment of cutback of supply for domestic direct sales due to distributor inventory reduction (approx. Δ 300mil yen), in-hospital stock purchase (return goods) (approx. Δ 600mil yen).
- Unfavorable exchange rates (high yen, low dollar and Euro), led to drop in sales (Δ 280mil yen)

■ Operating and Ordinary Incomes exceed the revised plan, despite influences by Thailand Flooding, High Yen Appreciation, Stock Purchase for Direct Business, etc.

● Gross profit 9,923 million yen (Δ 7.0 % YoY)

- Fixed costs incurred by halt of operations in Thailand factory due to flooding accounted as Extraordinary losses.

● Operating income 2,038 million yen (Δ 37.2 % YoY)

- R&D cost (1,848 mil yen) remains at same level (Δ 24 mil yen YoY, 12.4 % sales ratio)
- Increase of sales related expense, along with conversion to direct Business.

● Ordinary income 1,931 million yen (Δ 39.0 % YoY)

- 140 mil yen accounted as exchange loss being caused from high yen appreciation (+14 mil yen YoY)

● Net income 967 million yen (Δ 55.2% YoY)

- Insurance payments due to natural disaster accounted as Extraordinary gains (1,706 mil yen)
- Losses incurred by natural disaster accounted as Extraordinary losses (2,197 mil yen)



Highlight

	FYE 6/2011		FYE 6/2012						
	Amount (mil.yen)	Ratio (%)	Plan	Amount (mil.yen)	Ratio (%)	YoY		Compared to plan	
						Changes (mil.yen)	Changes (%)	Changes (mil.yen)	Changes (%)
Net sales	16,007	100.0	14,401	14,852	100.0	Δ1,155	Δ7.2	+450	+3.1
Gross profit	10,675	66.7	9,444	9,923	66.8	Δ751	Δ7.0	+478	+5.1
Operating income	3,247	20.3	1,803	2,038	13.7	Δ1,209	Δ37.2	+235	+13.1
Ordinary income	3,164	19.8	1,781	1,931	13.0	Δ1,233	Δ39.0	+149	+8.4
Net income	2,161	13.5	673	967	6.5	Δ1,193	Δ55.2	+294	+43.8
EPS (JPY)	136.36Y	-	42.45Y	61.49Y	-	Δ74.87Y	-	+19.04Y	-



Net Sales by Segment Division

	FYE 6/2011		FYE 6/2012			
	Amount (mil.yen)	Ratio (%)	Amount (mil.yen)	Ratio (%)	Changes (mil.yen)	Changes (%)
Medical	12,824	80.1	12,133	81.7	△690	△5.4
Device	3,182	19.9	2,718	18.3	△464	△14.6
Total amount	16,007	100.0	14,852	100.0	△1,155	△7.2

(Reference)

Medical Field	14,248	89.0	13,488	90.8	△760	△5.3
Industrial Field	1,758	11.0	1,363	9.2	△395	△22.5

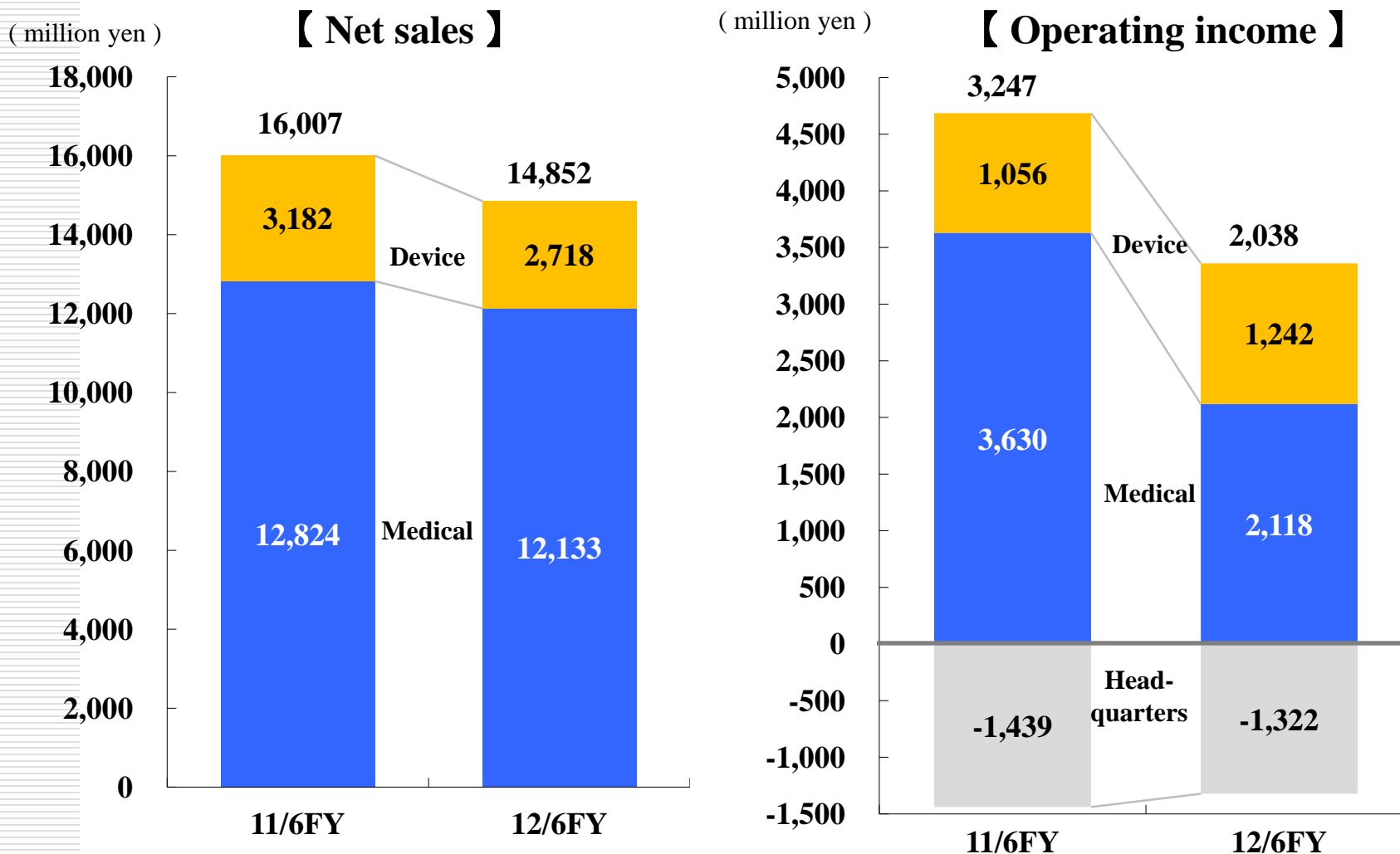


Operating Income by Segment Division

	FYE 6/2011		FYE 6/2012			
	Amount (mil.yen)	Ratio (%)	Amount (mil.yen)	Ratio (%)	Changes (mil.yen)	Changes (%)
Medical	3,630	77.5	2,118	63.0	Δ1,512	Δ41.7
Device	1,056	22.5	1,242	37.0	+186	+17.6
Subtotal	4,687	100.0	3,361	100.0	Δ1,326	Δ28.2
Erasing & Head quarters	Δ1,439	-	Δ1,322	-	+117	Δ8.1
Total Amount	3,247	-	2,038	-	Δ1,209	Δ37.2

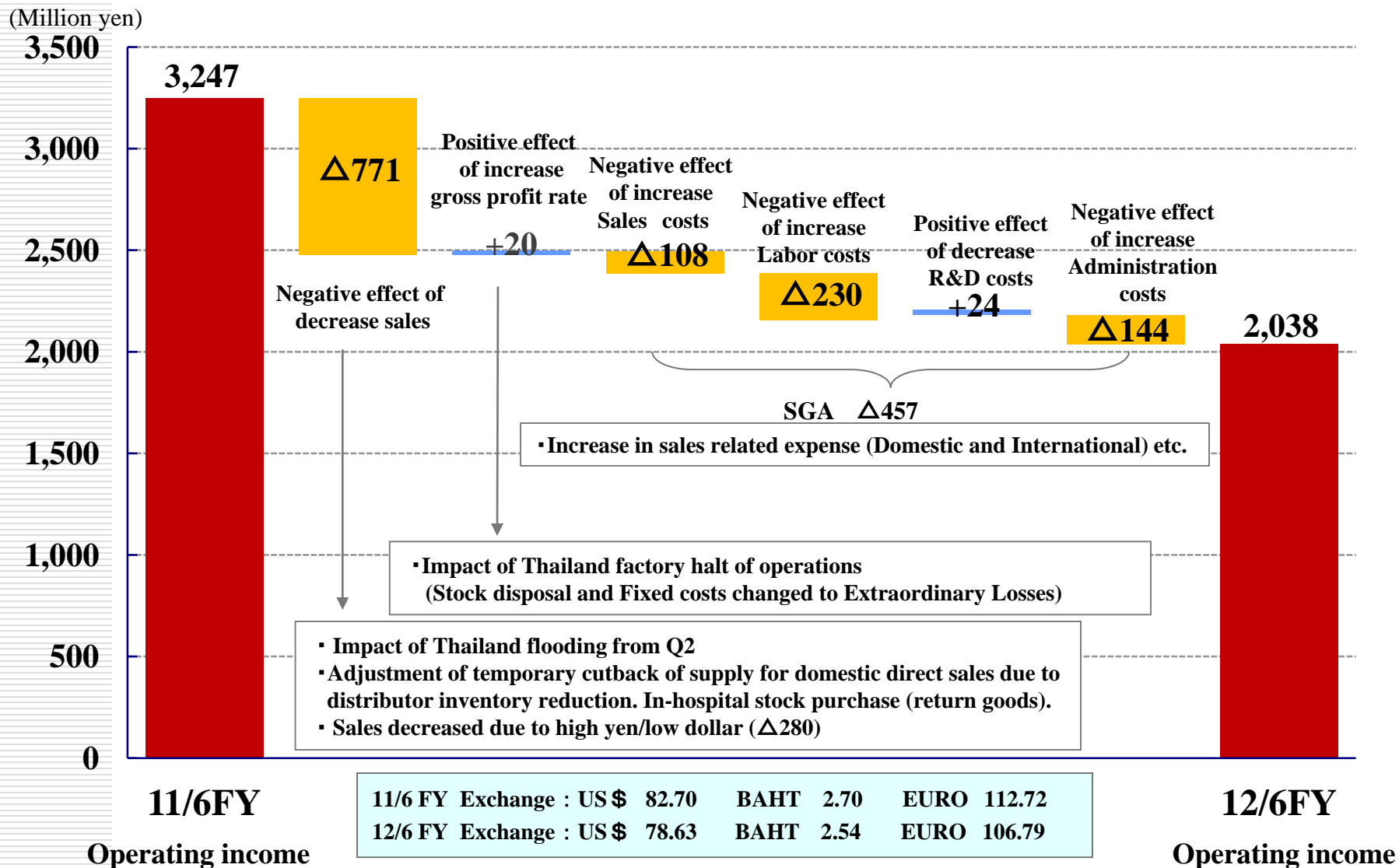


Earnings Performance by Segment Division



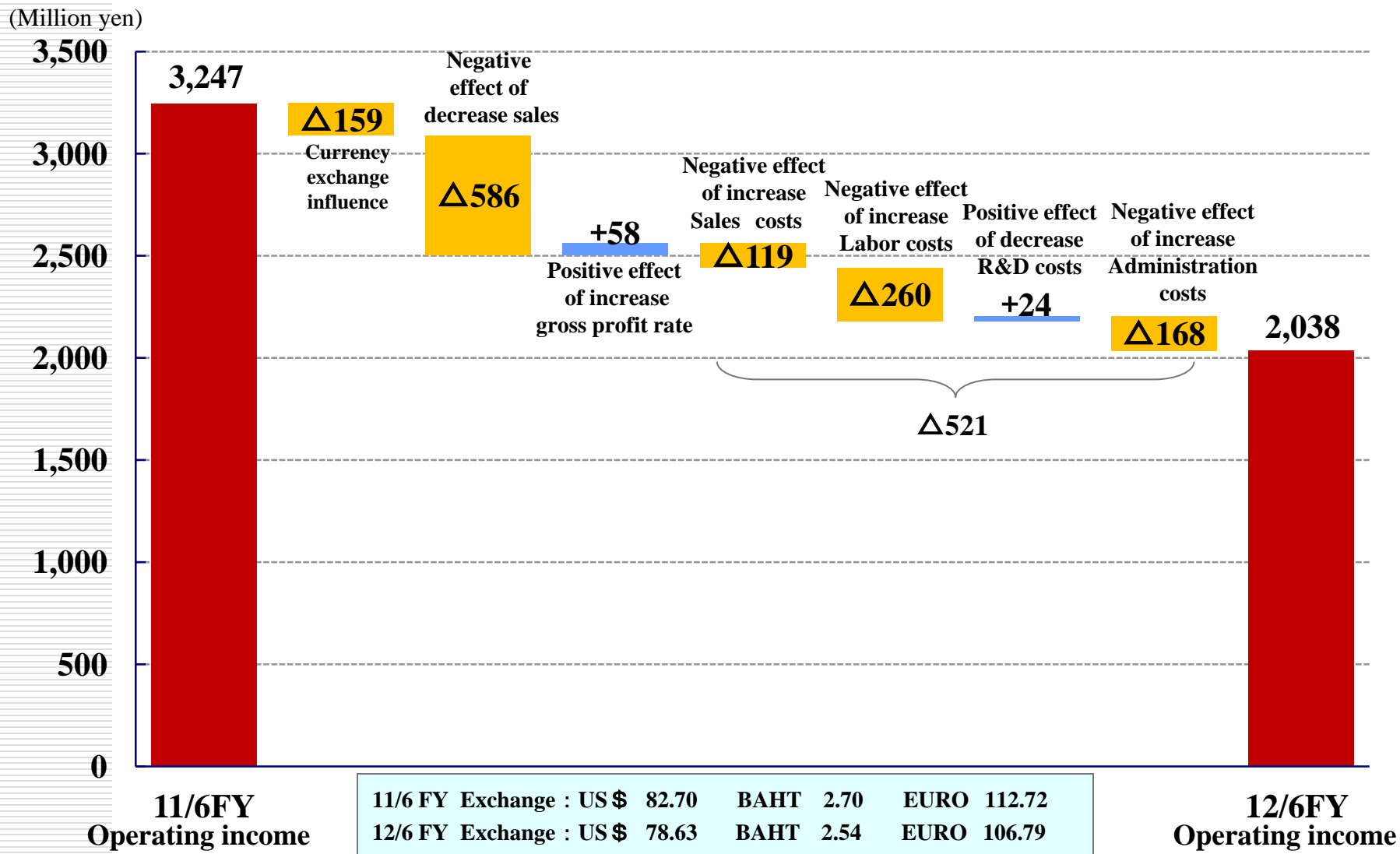


Attribution analysis of Operating Income – 1 (Exchange rate fluctuations included)





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



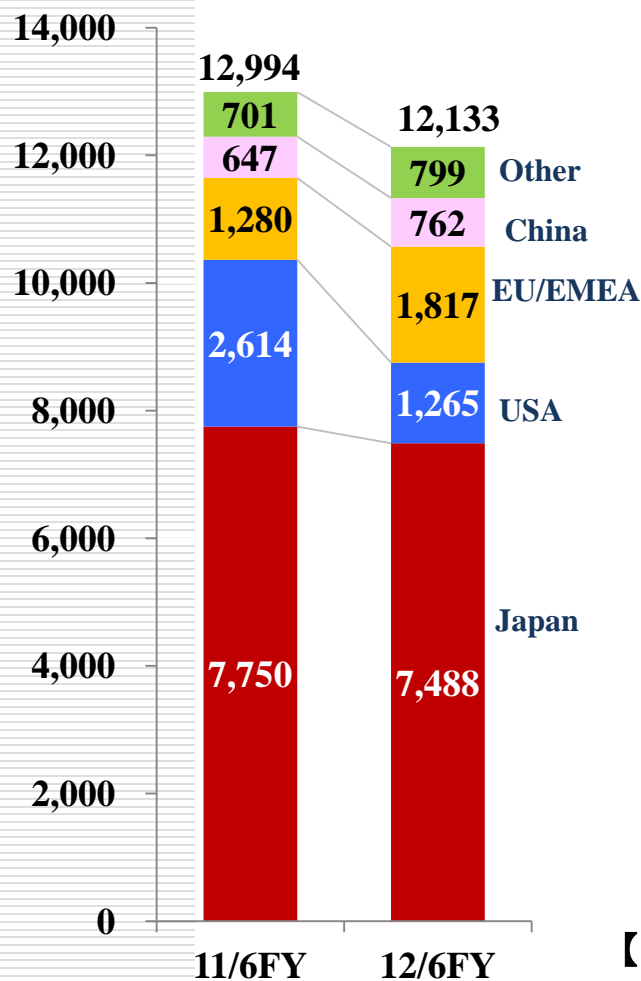


Situation Per Segment Division



Per Segment by Medical Division (by Geography-1)

(million yen)



(Post Adjustment)

【Net Sales (YoY)】

- **Japan** : Temporal decrease of sales due to direct business of PTCA GW
 - PTCA GW: Transition to direct business moves well. Numbers of market usage shows stable & continuous growth. For transition to domestic direct business, hospital consignment stock under the ownership of former distributor were purchased (as means of returned goods), (approx. $\Delta 600$ mil yen) and the supply adjustment was made to former distributor to reduce distributor's stock (approx. $\Delta 300$ mil yen). From those, sales decreased temporarily. But, business at the end-user level moves well mainly from "SION Series".
 - Increases in sales of the Corsair Penetration Catheter
 - Peripheral Guide Wire (Peripheral segment) progresses well.
 - OEM Business (Endoscope related products) decreased due to Thailand Flooding.
- **Foreign** : Business progressed well especially in EU, despite being affected by high yen appreciation.
 - Temporary adjustment to US shipments caused by Thailand flooding
 - Unfavorable exchange rates (high yen, low dollar and Euro) ($\Delta 218$ mil yen)
 - U S A : Weak dollar depreciation and impact of Thailand factory flooding led to adjustment of supply of PTCA GW to Abbott.
 - E U : Sales progressed well due to change of distributors of PTCA GW, despite being influenced from EURO currency depreciation.
 - China: Abdominal vessel devices progresses well, while influenced from US Dollar depreciation and Thai Flooding
 - Other territories: While influenced from US Dollar depreciation and Thai Flooding, business progresses well mainly from PTCA Guide Wire.

【 Operating income 】

- Profit reduced from revenue decrease and investment for direct business related expense.



Per Segment by Medical Division (by Geography-2)

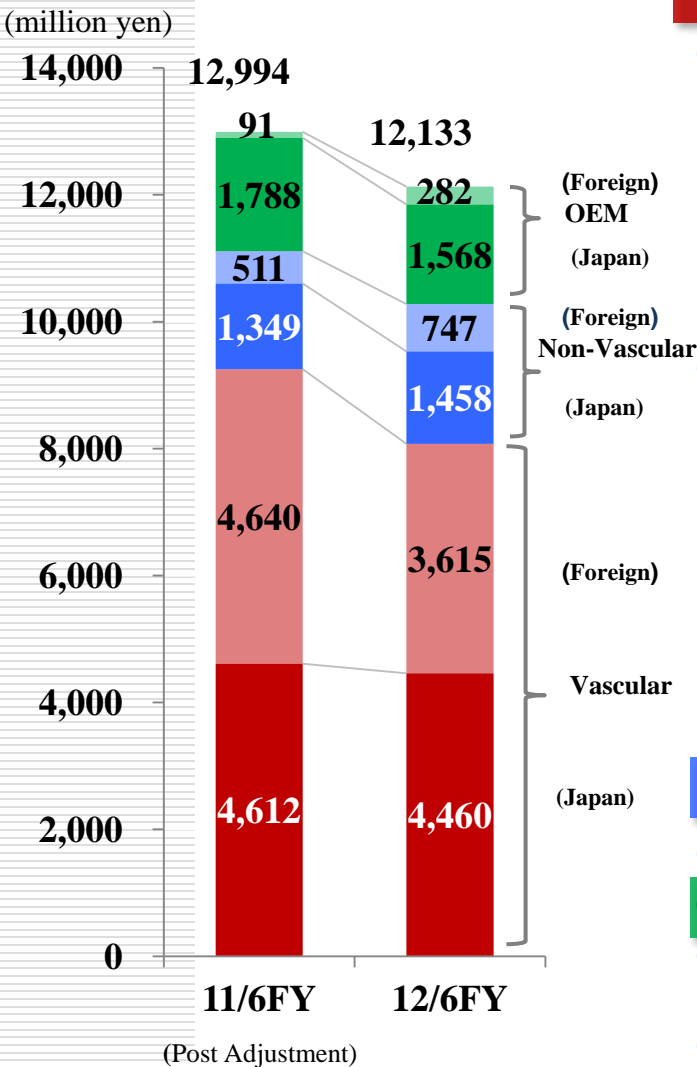
(million yen)

	FYE 6/2011		FYE 6/2012	(Post Adjustment) YoY	
	Pre Adjustment	Post Adjustment *		Changes (mil.yen)	Changes (%)
(Exchange rate: USD)	82.70		78.63	△4.07	△4.9
Net sales	12,824	12,994	12,133	△861	△6.6
Japan	7,674	7,750	7,488	△262	△3.4
Foreign	5,149	5,244	4,645	△599	△11.4
USA	2,520	2,614	1,265	△1,349	△51.6
EU/EMEA	1,280	1,280	1,817	+537	+42.0
China	647	647	762	+115	+17.8
Other	701	701	799	+97	+13.9
Operating income	3,630	—	2,118	△1,512	△41.7

* : (Post Adjustment) Adjustment due to segment reclassification of Asahi Intecc GMA CO.,LTD.



Per Segment by Medical Division (by Treatment-1)



Vascular 【Net Sales (YoY)】

- **Japan** : Temporal decrease of sales due to direct business of PTCA GW
 - Sales temporarily decreased from the purchase of market stock under ownership of former distributor (as means of returned goods),(approx. Δ 600 Mil Yen) and also from further supply adjustment to them to reduce their in-house stock (approx. Δ 300 Mil Yen), for the purpose of smooth transition to direct business of PTCA Guide Wire in domestic market.
 - Market demands are firm in the business of PTCA Guide Wires. “SION series” and Penetration Catheter “ Corsair ”.
- **Foreign** : Business progressed well especially in EU, despite being affected by high yen appreciation.
 - Temporary adjustment to US shipments caused by Thailand flooding
 - U S A : Weak dollar depreciation and impact of Thailand factory flooding led to adjustment of supply of PTCA GW to Abbott.
 - E U : Sales progressed well due to change of distributors of PTCA GW , despite being influenced from EURO currency depreciation.
 - China: Business progresses well, while influenced from US dollar depreciation and Thai Flooding.

Non-Vascular

- **Main increases in peripheral and abdominal vessel devices**
- **OEM**
- **Japan** : Decreased of Endoscope related products due to Thailand Flooding.
- **U S A** : OEM business increases in diagnostic Mini Guide Wire of Cardiovascular segment.



Per Segment by Medical Division (by Treatment-2)

(million yen)

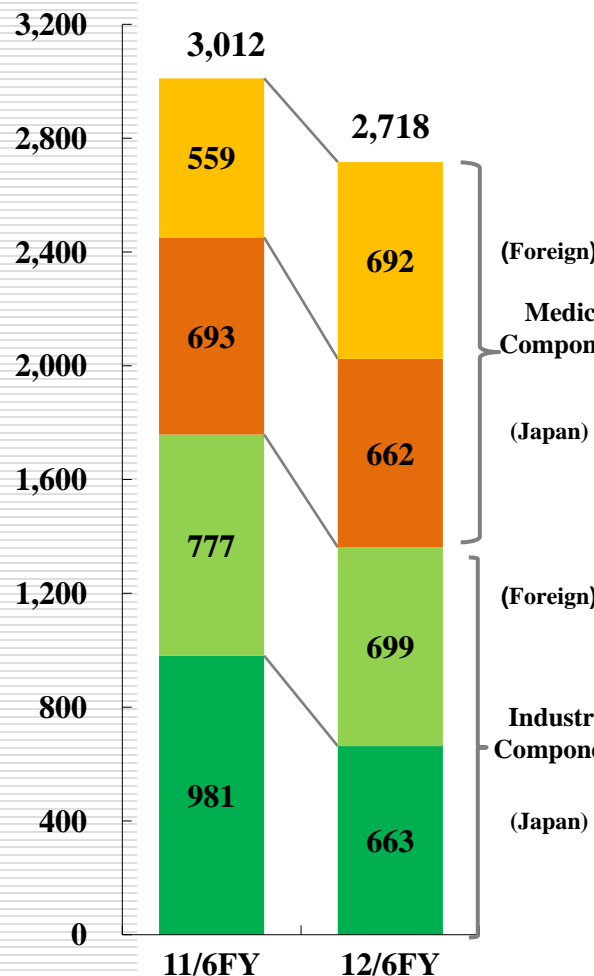
	FYE 6/2011		FYE 6/2012	(Post Adjustment) YoY	
	Pre Adjustment	Post Adjustment *		Changes (mil.yen)	Changes (%)
(Exchange rate: USD)	82.70		78.63	△4.07	△4.9
Net sales	12,824	12,994	12,133	△861	△6.6
Japan	7,674	7,750	7,488	△262	△3.4
Foreign	5,149	5,244	4,645	△599	△11.4
Vascular	9,253	9,253	8,076	△1,177	△12.7
Japan	4,612	4,612	4,460	△152	△3.3
Foreign	4,640	4,640	3,615	△1,025	△22.1
Non-Vascular	1,690	1,860	2,205	+345	+18.5
Japan	1,272	1,349	1,458	+109	+8.1
Foreign	417	511	747	+236	+46.2
OEM	1,880	1,880	1,851	△29	△1.5
Japan	1,788	1,788	1,568	△220	△12.3
Foreign	91	91	282	+191	+209.9

* : (Post Adjustment) Adjustment due to segment reclassification of Asahi Intecc GMA CO.,LTD.



Per Segment by Device Division -1

(million yen)



【Net Sales (YoY)】

- High yen appreciation ($\Delta 62$ mil yen) and stoppage of supply due to Thailand factory flooding led to loss.

Medical Components

(Foreign)

- Increase in components to US for vascular diagnostic devices.

Medical Components

Industrial Components

(Japan)

- Parts supply for Overseas OA apparatus market increased.

(Foreign)

- Due to halt of operations at the Thailand factory due to flooding, some orders were subcontracted to other manufacturers and others were put on back order, leading to overall loss in sales

Industrial Components

(Japan)

【Operating income】

- Increase in inter-segment transactions and decrease of sales and fixed costs led to overall gain

(Post Adjustment)



Per Segment by Device Division -2

(million yen)

	FYE 6/2011		FYE 6/2012	(Post Adjustment) YoY	
	Pre Adjustment	Post Adjustment *		Changes (mil.yen)	Changes (%)
(Exchange rate : USD)	82.70		78.63	△4.07	△4.9
Net sales	3,182	3,012	2,718	△294	△9.8
Japan	1,751	1,675	1,326	△349	△20.8
Foreign	1,431	1,337	1,392	+55	+4.1
Medical Components	1,423	1,253	1,355	+102	+8.1
Japan	769	693	662	△31	△4.5
Foreign	653	559	692	+133	+23.8
Industrial Components	1,758	1,758	1,363	△395	△22.5
Japan	981	981	663	△318	△32.4
Foreign	777	777	699	△78	△10.0
Operating income	1,056	-	1,242	+186	+17.6

* : (Post Adjustment) Adjustment due to segment reclassification of Asahi Intecc GMA CO.,LTD.



Reference : P/L

	FYE 6/2011		FYE 6/2012			
	Amount (mil.yen)	Ratio (%)	Amount (mil.yen)	Ratio (%)	Changes (mil.yen)	The main comparison factors
Net sales	16,007	100.0	14,852	100.0	△1,155	Reduced along with influence of Thai Flooding and stock purchase for direct business
Cost of Sales	5,332	33.3	4,928	33.2	△403	Transferred as extraordinary loss for fixed expenses accrued during shut-down of operation at Thai Factory affected from Thai Flooding.
Gross profit	10,675	66.7	9,923	66.8	△751	
SGA	7,427	46.4	7,884	53.1	+457	Increase in sales costs etc.
Operating income	3,247	20.3	2,038	13.7	△1,209	
Non-operating income	110	0.7	103	0.7	△7	
Non-operating expense	193	1.2	209	1.4	+16	
Ordinary income	3,164	19.8	1,931	13.0	△1,233	
Extraordinary gain	25	0.2	1,731	11.7	+1,706	Disaster insurance income for Thailand Flooding 1,706million yen
Extraordinary loss	322	2.0	2,342	15.8	+2,020	Loss due to disaster by Thailand flooding 2,197million yen
Net income	2,161	13.5	967	6.5	△1,193	
Comprehensive income	1,973	12.3	672	4.5	△1,300	



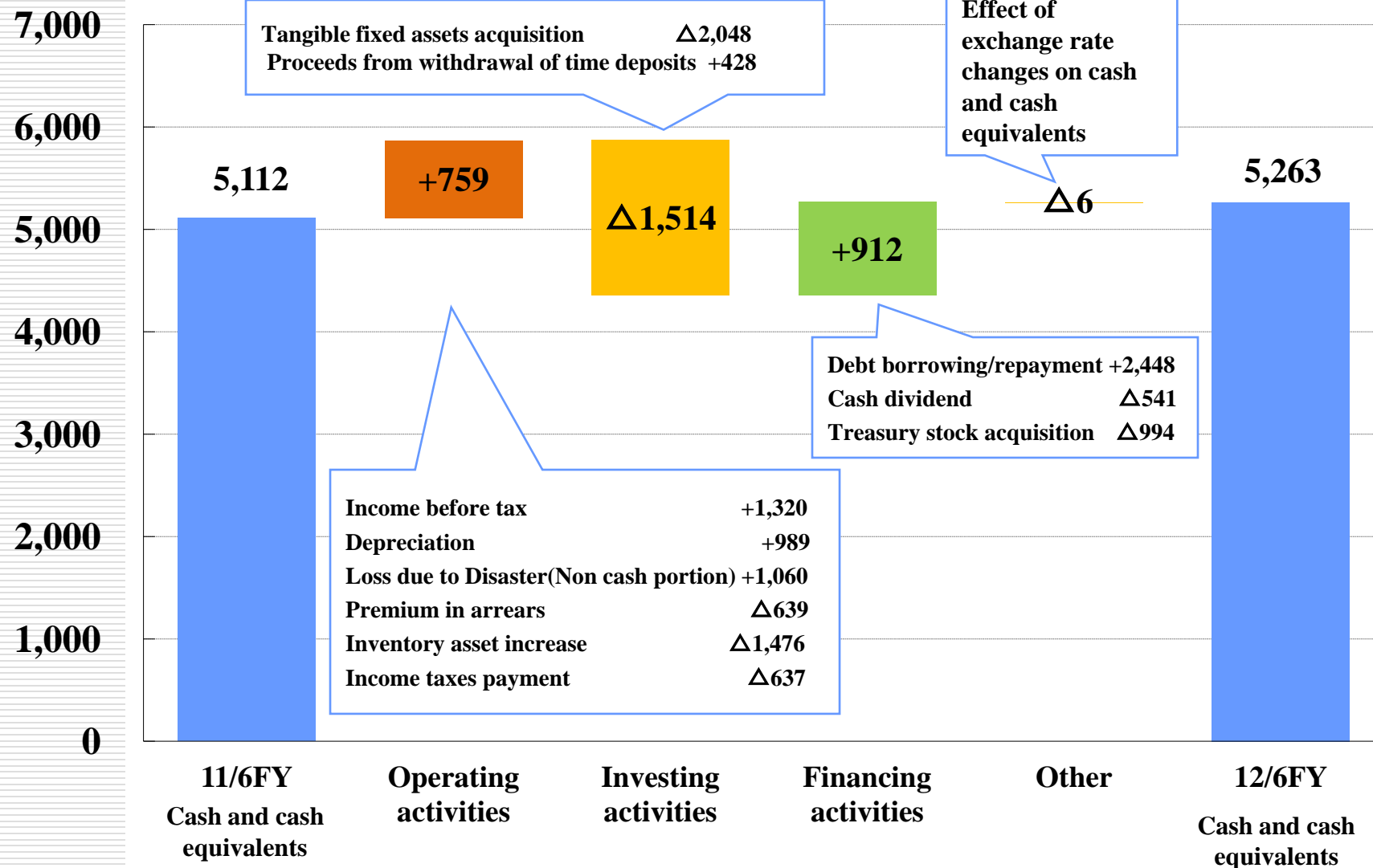
Reference : B/S

		FYE 6/2011		FYE 6/2012			
		Amount (mil.yen)	Ratio (%)	Amount (mil.yen)	Ratio (%)	Changes (mil.yen)	The main comparison factors
Assets	Current assets	13,687	56.4	15,608	58.5	+1,921	Other Current assets +942 (mainly outstanding collection of Disaster Insurance) Inventory assets +872
	Fixed assets	10,592	43.6	11,058	41.5	+465	Tangible fixed assets +683 Investment securities Δ143
Total assets		24,280	100.0	26,666	100.0	+2,386	
Liabilities	Current liabilities	5,103	21.0	6,758	25.3	+1,655	Short-term debt +966 Accounts payable-other +500
	Fixed liabilities	4,278	17.6	5,841	21.9	+1,563	Long-term debt +1,469
Total liabilities		9,381	38.6	12,600	47.3	+3,219	
Total net assets		14,898	61.4	14,066	52.7	Δ832	Treasury stock Δ994
Total liabilities & net assets		24,280	100.0	26,666	100.0	+2,386	



Reference : C/F

(million yen)





1. Summary of Financial Results of FYE 6/2012

2. Earnings estimate of FYE 6/2013



Vision for FYE 6/2013

Re-Start: Influence from Thai Flooding is temporal and Growth continues mainly in Medical Device Market

- **Net Sales forecast is 18,691 Mil yen (+25.9 % YoY)**
 - < Increase of income factors >
 - Improved Profitability along with domestic direct sales of PTCA GW
 - Further expansion of market share at EU and China market.
 - Normalization of supply adjustment coming from restoration of Thai Flooding and sales commencement etc.
 - < Decrease of income factors >
 - Reimbursement prices falling (Δ594 mil yen)
 - Reduction of Industrial devices business, owing to Thai Flooding.
- **Profit increases being associated with recovery of sales, while sales cost related expense increased.**
 - Operating income 3,554 Mil yen(+74.4 % YoY)
 - Labor cost and related overhead cost increase due to enforcement of sales function.
 - Ordinary income 3,526 Mil yen(+82.5 YoY)
 - Net income 2,491 Mil yen(+157.4 % YoY)

Assumed Exchange rate	(Unit:JPY)			
	12/6FY (actual)	US \$	78.63	BAHT
	EURO	106.79	CHY	12.69
13/6 FY (plan)	US \$	77.00	BAHT	2.50
	EURO	98.00	CHY	12.50

Effect of exchange rate on operating income (estimate)
 US \$ (+ 1 yen influence) : approx. 47 mil yen increase
 BAHT(+0.1 yen influence) : approx. 114 mil yen decrease
 EURO (+ 1 yen influence) : approx. 15 mil yen increase



Earnings Estimate of FYE 6/2013

	FYE 6/2012 (actual)		FYE 6/2013 (plan)			
	Amount (mil.yen)	Ratio (%)	Amount (mil.yen)	Ratio (%)	YoY	
					Changes (mil.yen)	Changes (%)
Net sales	14,852	100.0	18,691	100.0	+3,839	+25.9
Gross profit	9,923	66.8	12,370	66.2	+2,446	+24.7
Operating income	2,038	13.7	3,554	19.0	+1,515	+74.4
Ordinary income	1,931	13.0	3,526	18.9	+1,594	+82.5
Net income	967	6.5	2,491	13.3	+1,523	+157.4
EPS (JPY)	61.49Y	-	162.09Y	-	+100.60Y	-



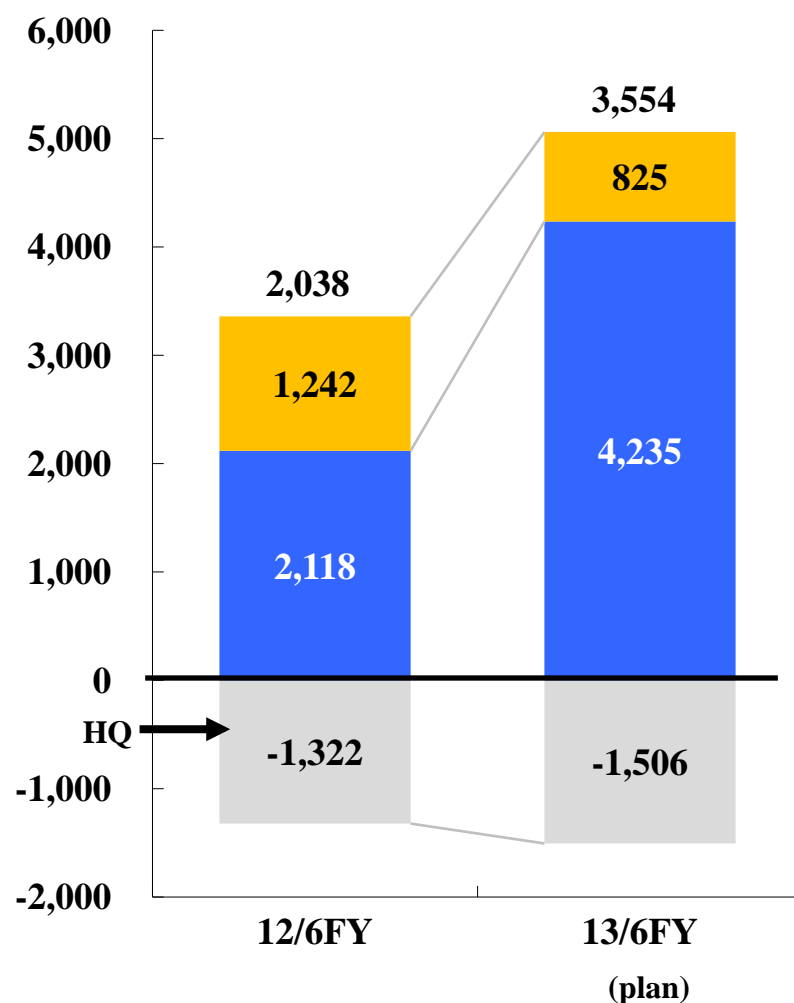
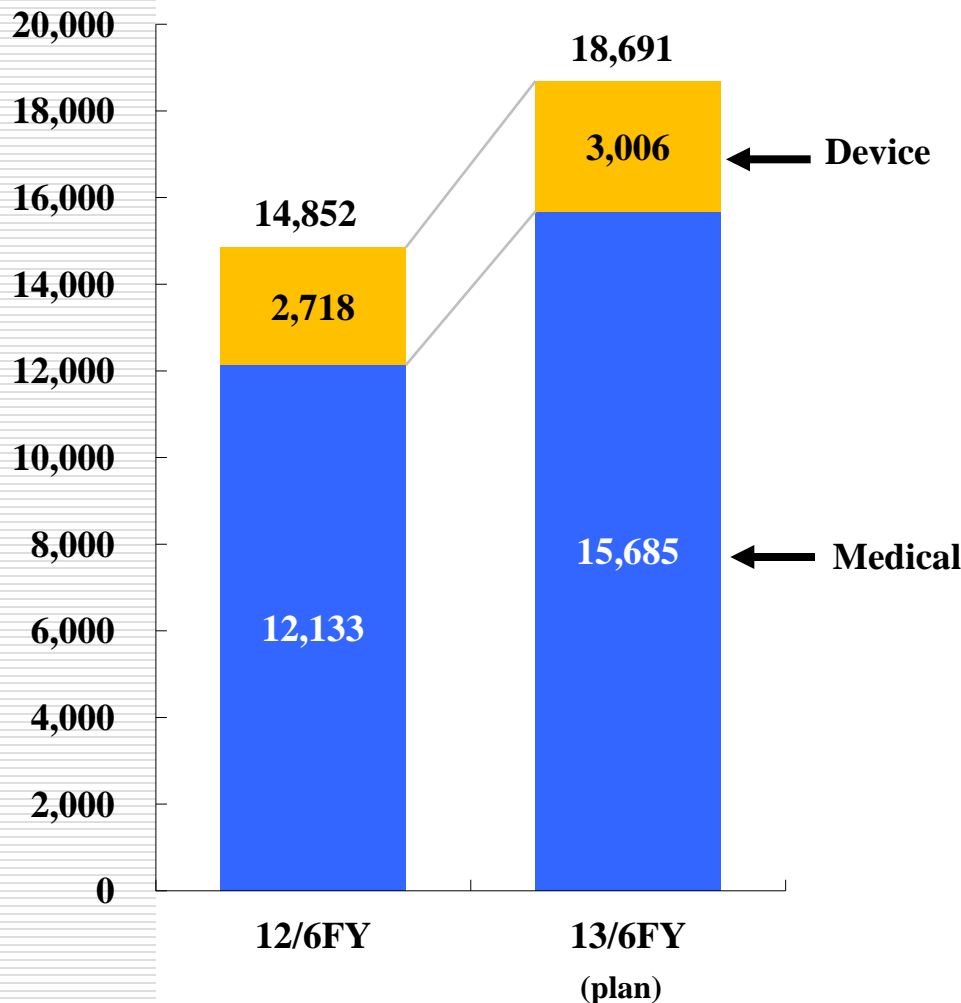
Earnings Estimate by Segment Division

(million yen)

【 Net sales 】

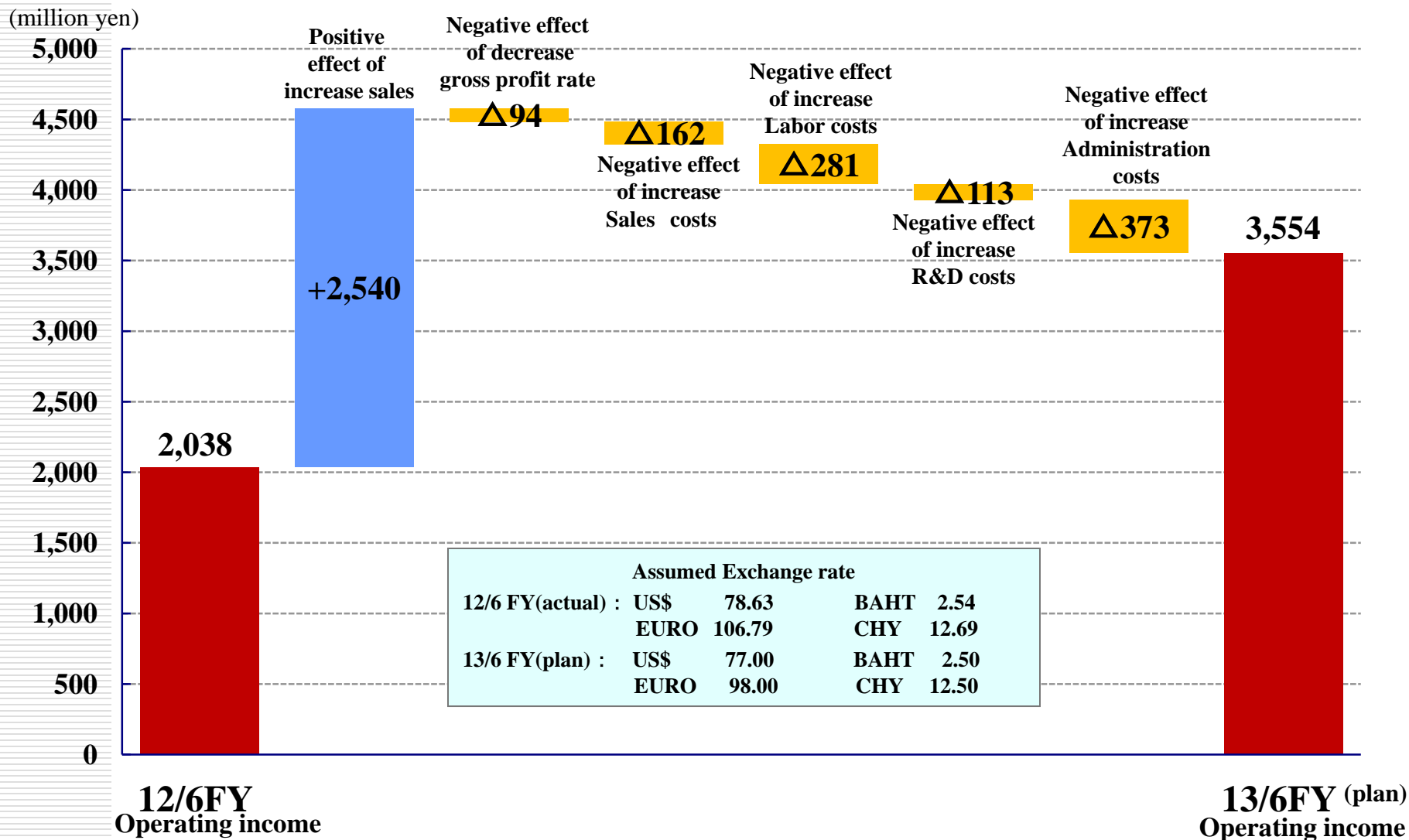
(million yen)

【 Operating income 】



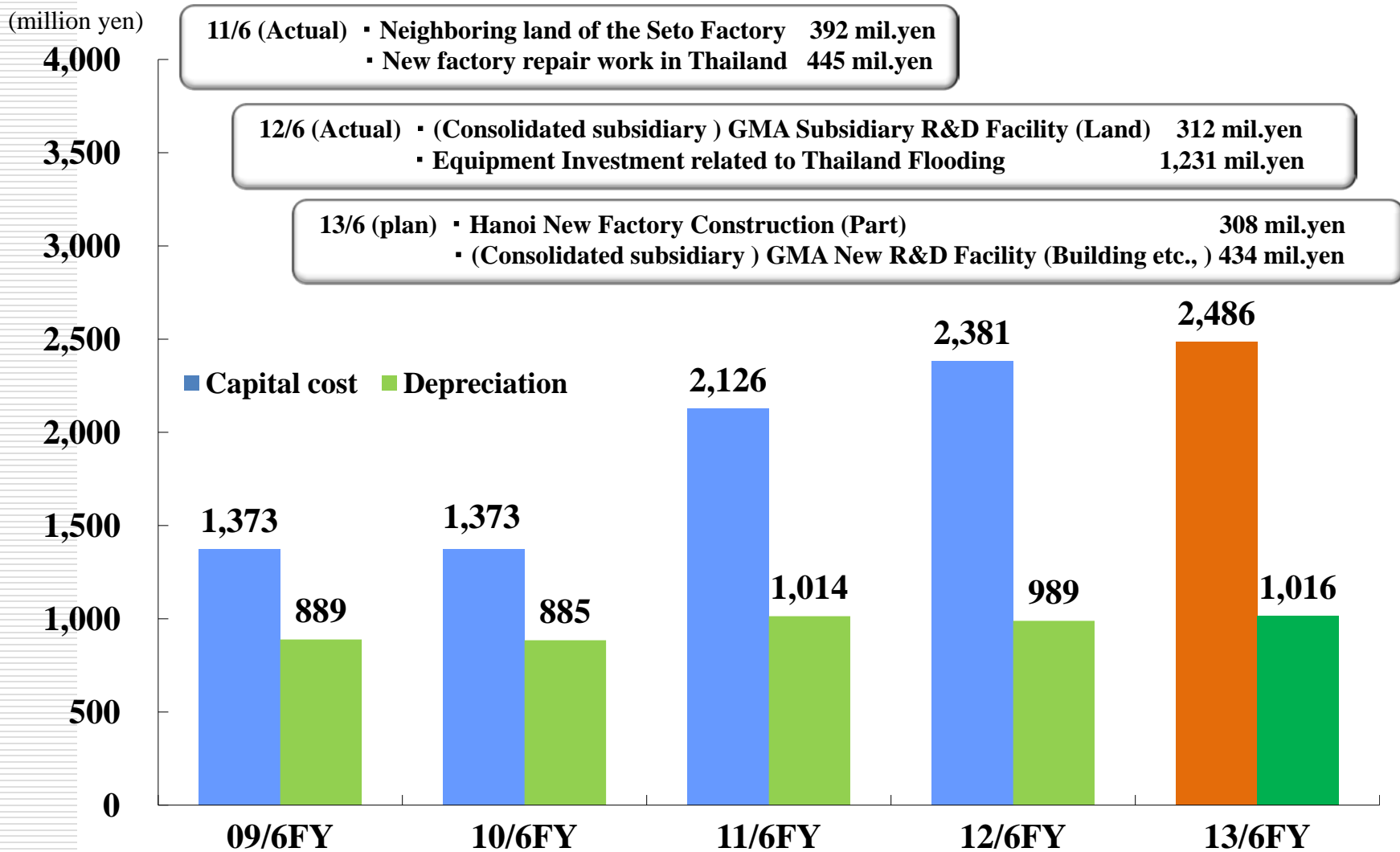


Attribution analysis of Operating Income for Earnings estimate of FYE 6/2013





Equipment Installation Actual and Plan



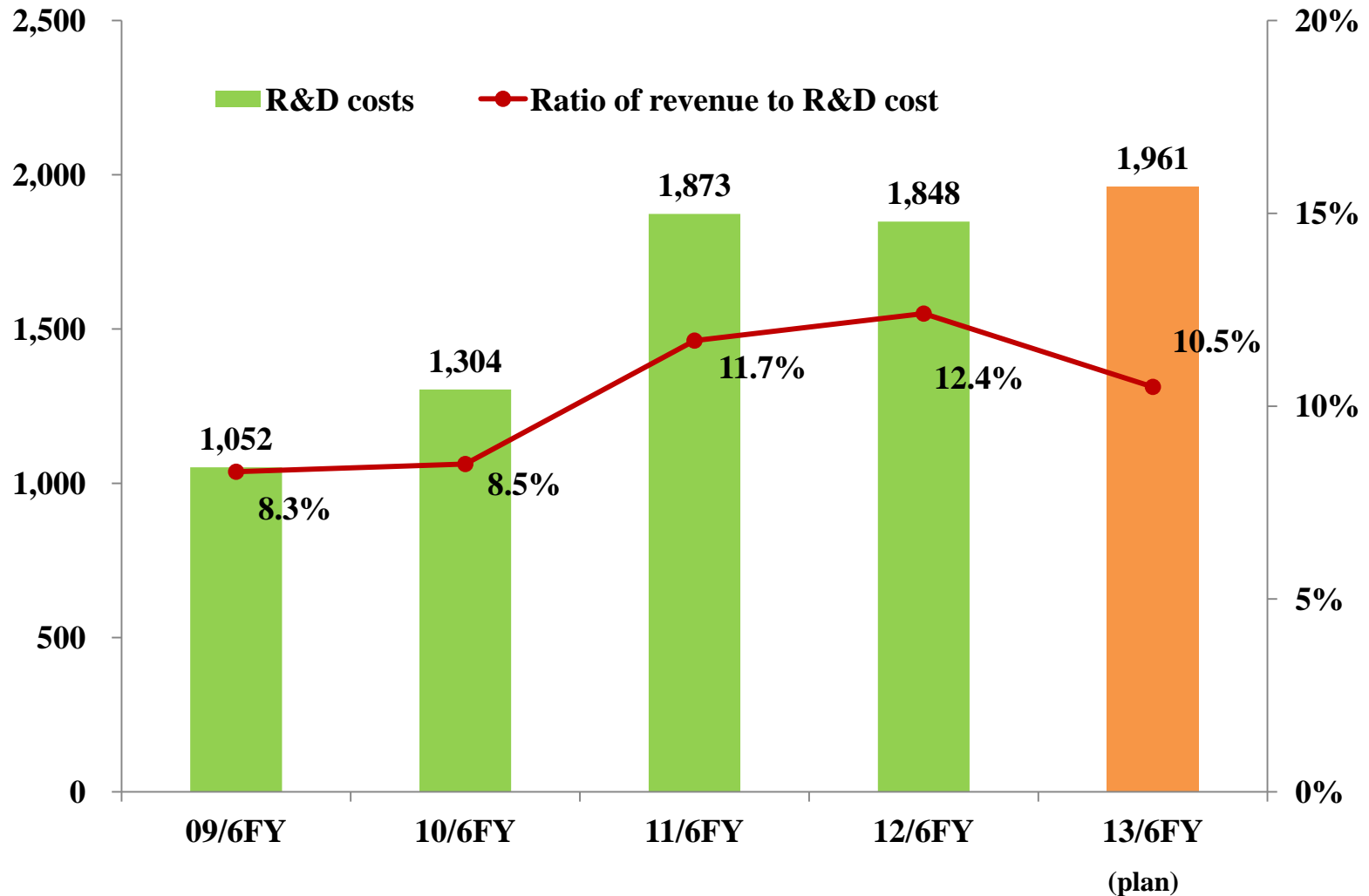
* : From FYE June, 2013, Our depreciation method except building to change from the fixed rate to the straight line method in our company and domestic consolidated subsidiary.



R&D costs

Sales / R&D costs
(million yen)

Ratio of revenue to R&D cost
(%)





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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