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3rd Quarter Financial Results for FYE June, 2011

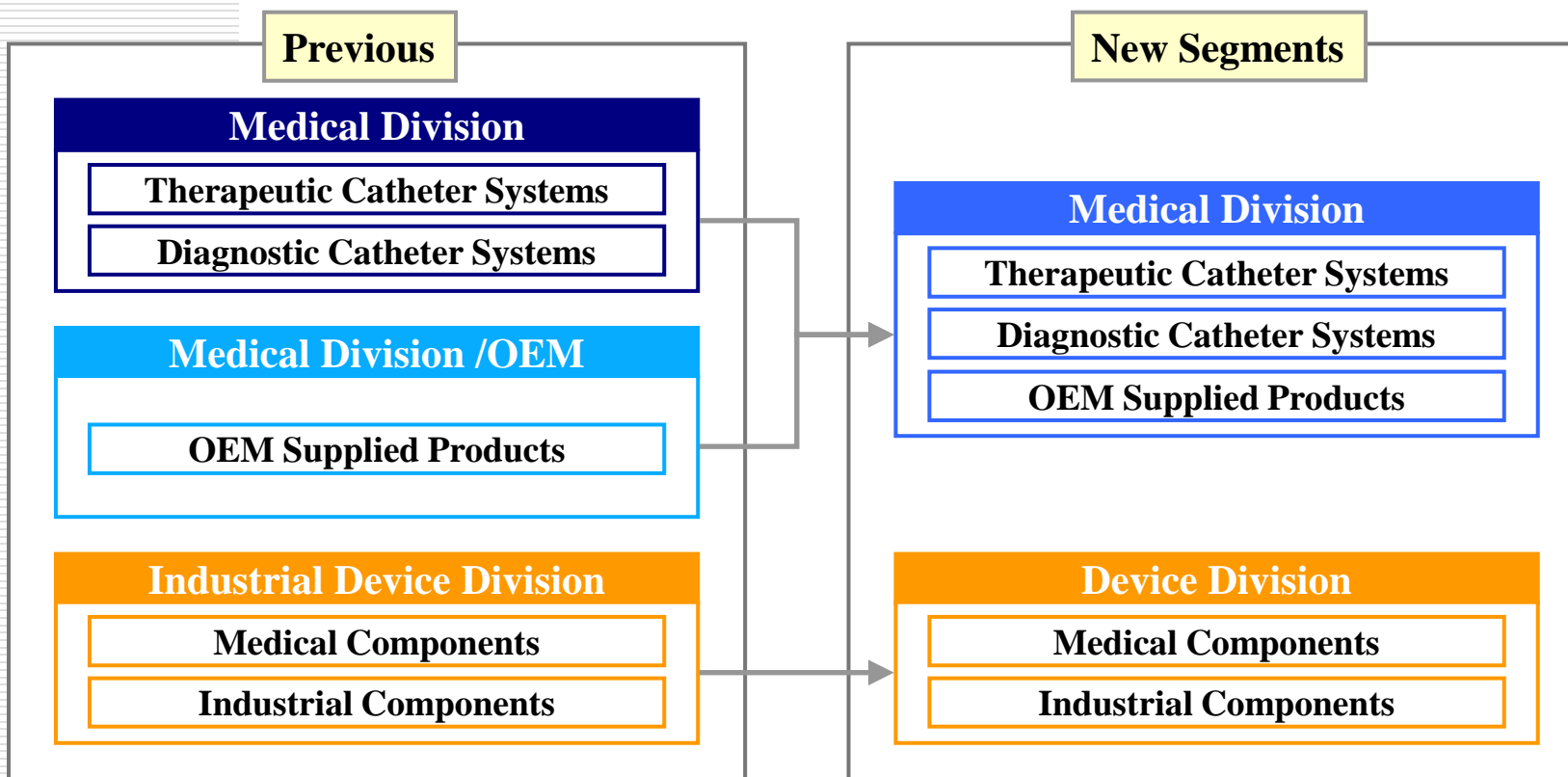
May 13 , 2011

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



Change of Segment Division - 1

- We are changing segment division as follows in FYE 6/2011

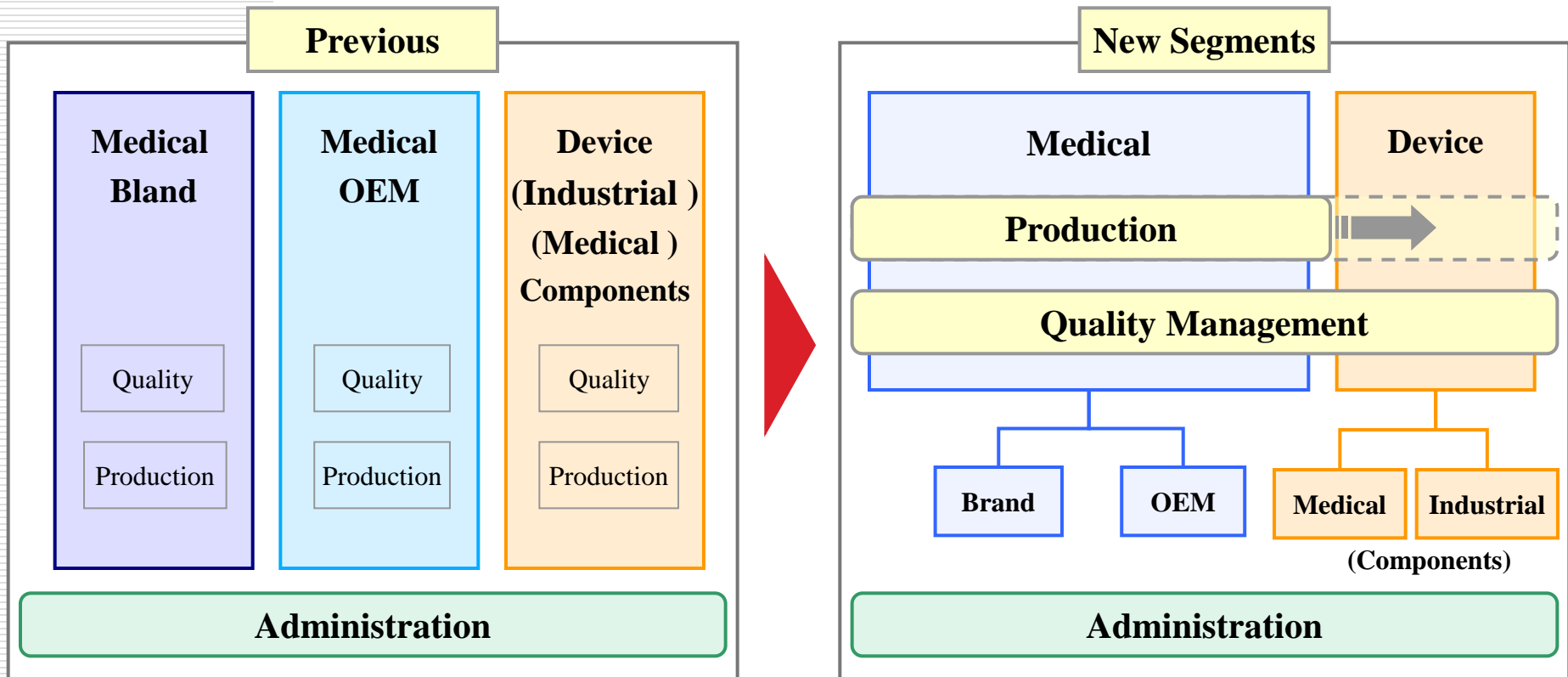


- Comparison to previous fiscal years or quarters are made after figures are converted to account for reorganization.



Change of Segment Division - 2 (Change to Matrix Organization)

- **Restructuring contents and purpose**
 - **Production and Quality Management will move horizontally across all sections**
 - **Moving to a matrix organization will clarify roles for R&D, production, quality, and sales, as well as increase development speed and production efficiency.**





FYE 6/2011 Q3 YTD Main Points (Consolidated)

- **Strong Net Sales of 12,039 Million yen (4.9% over last year same period)**
 - **Increasing revenue segment : Medical Devices**
 - Decreasing revenue segment : Industrial Devices**
 - ▶ The medical segment is supported by increased sales of Asahi brand products in the domestic market, and lowered impact of exchange rates in foreign markets.
 - ▶ Increases in sales volume offset high yen exchange rate (Δ410 Million yen) and losses due to falling reimbursement prices in the domestic market (Δ506 Million yen)
- **Operating income increased despite negative impacts of exchange rate and falling reimbursement prices**
 - **Operating income 2,859 Million yen (9.6% over last year same period)**
 - ▶ R&D costs up 1,286 Million yen (increase of 405 M. yen over last year same period, 10.7% sales increase)
 - ▶ Increased sales and administration costs due to subsidiary Asahi Intecc GMA (from Jan. 2010) (increase of 111 M. yen over same period last year) (increase except the R&D costs 59 M. yen over same period last year)
 - ▶ Stronger effects of exchange rate USD vs. yen compared to Thai baht vs. yen has a strong negative effect on income (Δ348 M. yen compared to last year same period)
 - ▶ Note: Administration fees from sales costs due to reorganization total approximately 525 M. yen
 - **Ordinary income 2,828 Million yen (11.5% over last year same period)**
 - ▶ Non-operating expenses down to 62 M. yen due to exchange rate (Δ6 M. yen from last year same period)
 - **Net profit (Q3 YTD) 1,883 Million yen (12.0% over last year same period)**
 - ▶ Extraordinary loss : Asset disposal liability based accounting 30 Million yen,
Loss on revaluation of securities investments 260 Million yen.
Loss from prior period adjustments earmarked for 76 Million yen (inventory related)



Highlight (Consolidated)

	FYE 6/2010 Q3 YTD		FYE 6/2011 Q3 YTD			
	Amount (mil.yen)	Ratio (%)	Amount (mil.yen)	Ratio (%)	Year on year	
					Changes (mil.yen)	Changes (%)
Net sales	11,473	100.0	12,039	100.0	+565	+4.9
Gross profit	6,534	57.0	* 8,109	67.4	* +1,574	+24.1
Operating income	2,607	22.7	2,859	23.8	+251	+9.6
Ordinary income	2,535	22.1	2,828	23.5	+292	+11.5
Net income	1,680	14.7	1,883	15.6	+202	+12.0
E P S (JPY)	106.03Y	-	118.78 Y	-	-	-

* From this period, due to reorganization sales costs will be accounted for as administration costs. Costs accounted to Q3 from the this period total approximately 525 Million yen. Approximately 800 Million yen was expected at first; however, expectation was adjusted to 700 million yen due to auditing issues.

* Gross profit before reorganization	6,534	57.0	7,583	63.0	+1,048	+16.0
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Net Sales by Segment Divison

	FYE 6/2010 Q3 YTD		FYE 6/2011 Q3 YTD			
	Amount (mil.yen)	Ratio (%)	Amount (mil.yen)	Ratio (%)	Changes (mil.yen)	Changes (%)
Medical	9,303	81.1	9,633	80.0	+329	+3.5
Device	2,169	18.9	2,405	20.0	+236	+10.9
Total amount	11,473	100.0	12,039	100.0	+565	+4.9

(Reference)

Medical Field	10,080	87.9	10,727	89.1	+647	+6.4
Industrial Field	1,392	12.1	1,311	10.9	△81	△5.9



Operating income by Segment Division

	FYE 6/2010 Q3 YTD		FYE 6/2011 Q3 YTD			
	Amount (mil.yen)	Ratio (%)	Amount (mil.yen)	Ratio (%)	Amount (mil.yen)	Ratio (%)
Medical	3,157	87.3	3,024	78.0	Δ133	*1 Δ4.2
Device	458	12.7	852	22.0	+394	+86.0
Subtotal	3,616	100.0	3,877	100.0	+260	+7.2
Erasing & HQ	Δ1,008	-	Δ1,017	-	Δ9	+0.9
Total Amount	2,607	-	2,859	-	+251	+9.6

***1:** One portion of the Medical Segment products (medical components) are covered by the Device Segment; therefore the income from that portion of the Medical Segment outside sales is accounted for in the Device Segment. Medical Segment operating income shows a decrease from last year, but when considered with the increase in Device income a total increase is shown (about 200 million yen over last year same period). Therefore, operating income are considered to have risen.



Operating income by Segment Division (Post Adjustment)

	FYE 6/2010 Q3 YTD *1		FYE 6/2011 Q3 YTD			
	Amount (mil.yen)	Ratio (%)	Amount (mil.yen)	Ratio (%)	Changes (mil.yen)	Changes (%)
Medical	3,085	87.3	3,024	78.0	△60	*2 △2.0
Device	450	12.7	852	22.0	+402	+89.4
Subtotal	3,535	100.0	3,877	100.0	+341	+9.7
Erasing & HQ	△927	-	△1,017	-	△90	+9.8
Total Amount	2,607	-	2,859	-	+251	+9.6

***1:** The costs for the Basic Technology Group, which undertakes R&D for the entire company, was allotted across the entire company through FYE 6/2010. However, for FYE 6/2011, each segment will account separately.

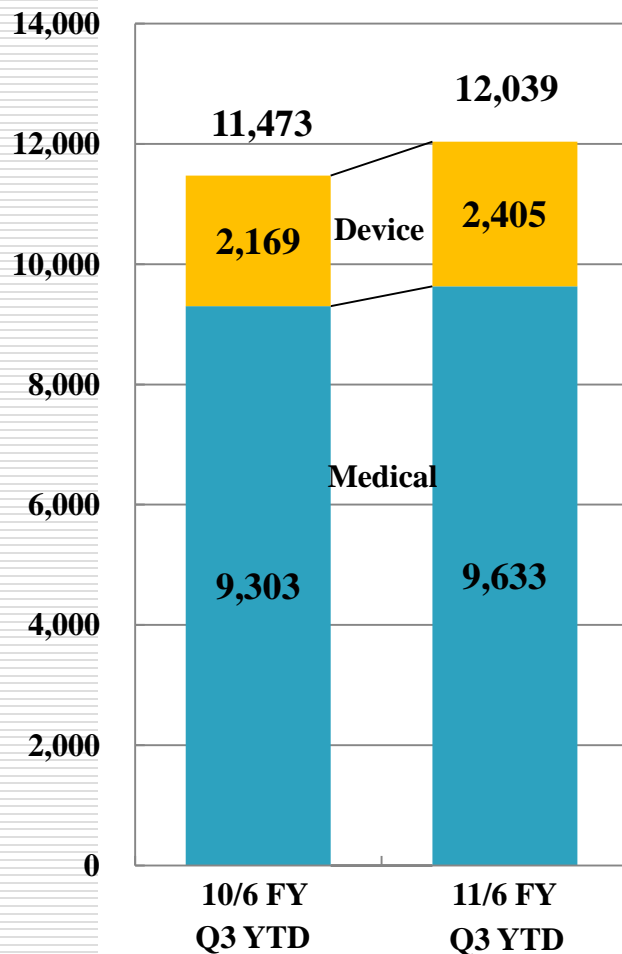
***2:** One portion of the Medical Segment products (medical components) are covered by the Device Segment; therefore the income from that portion of the Medical Segment outside sales is accounted for in the Device Segment. Medical Segment operating income shows a decrease from last year, but when considered with the increase in Device income a total increase is shown (about 200 million yen over last year same period). Therefore, operating income are considered to have risen.



Earnings performance by Segment Division (Post Adjustment)

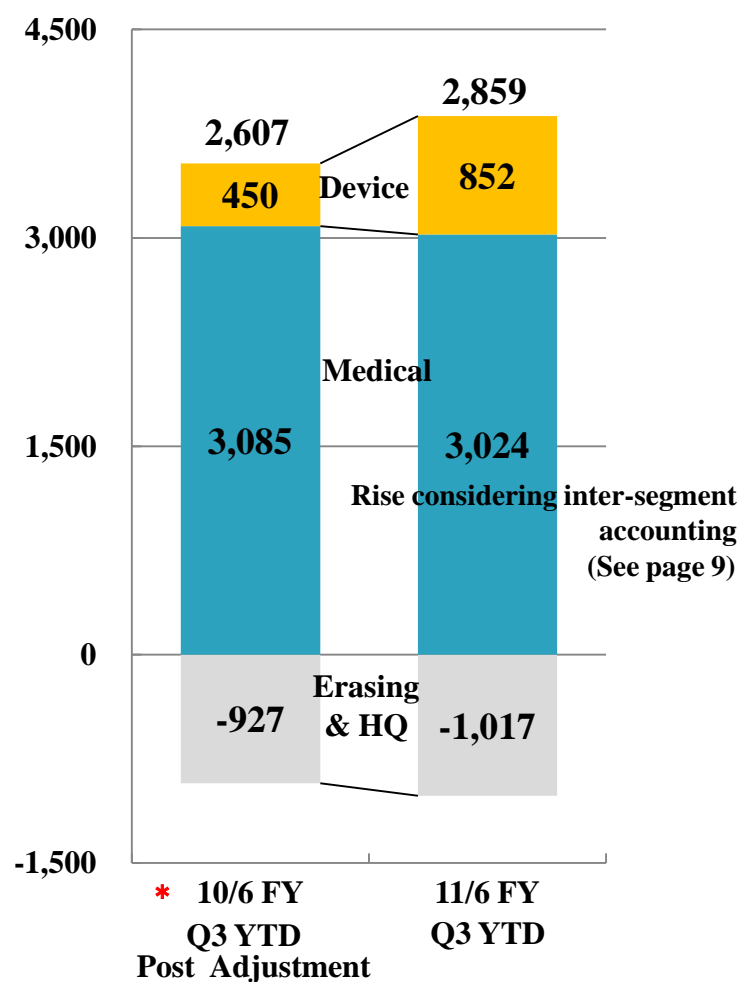
(Million yen)

【 Net sales 】



(Million yen)

【 Operating income 】

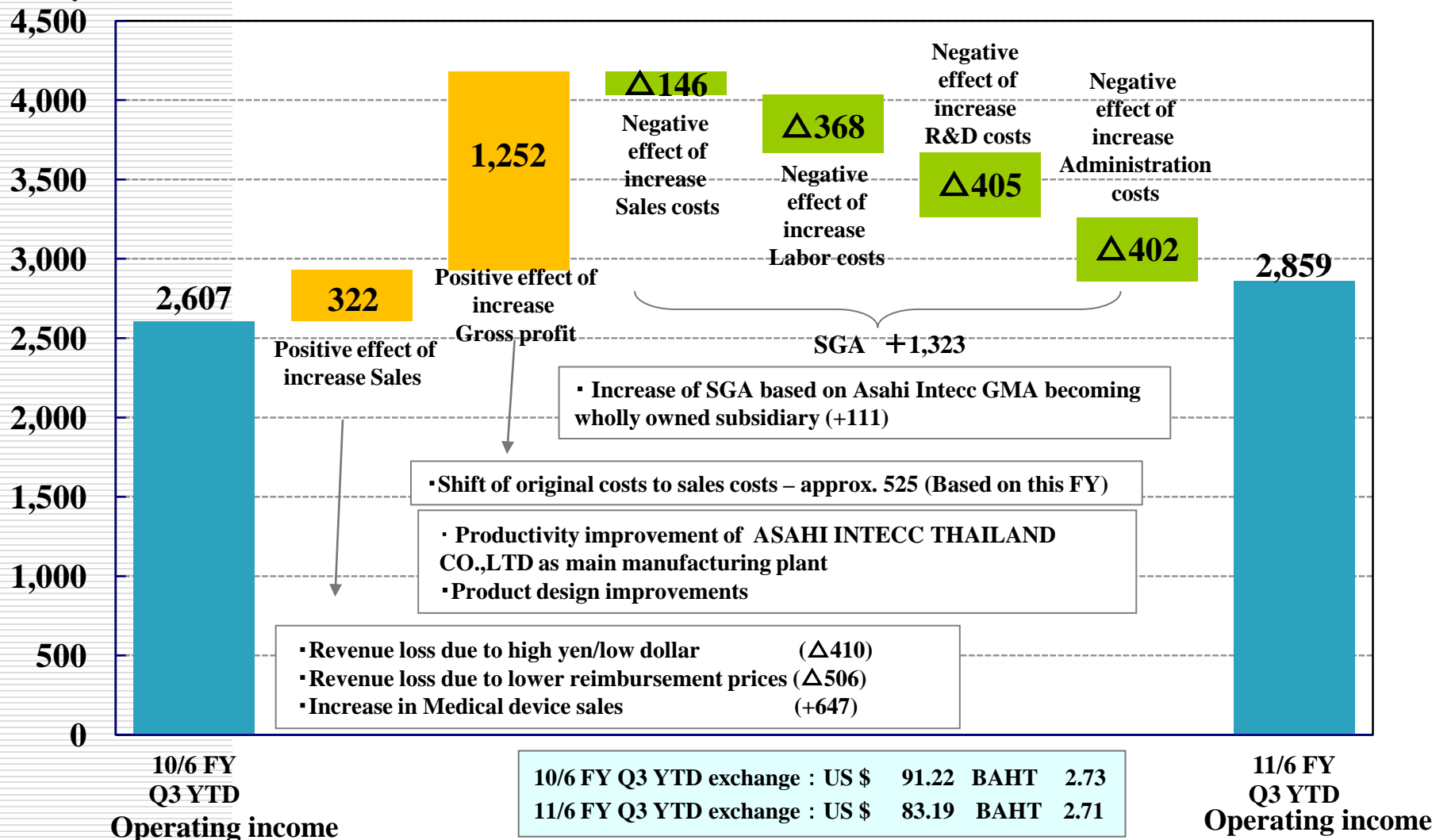


* : The costs for the Basic Technology Group, which undertakes R&D for the entire company, was allotted across the entire company through FYE 6/2010. However, for FYE 6/2011, each segment will account separately.



Attribution analysis of operating income – 1 (Exchange rate fluctuations included)

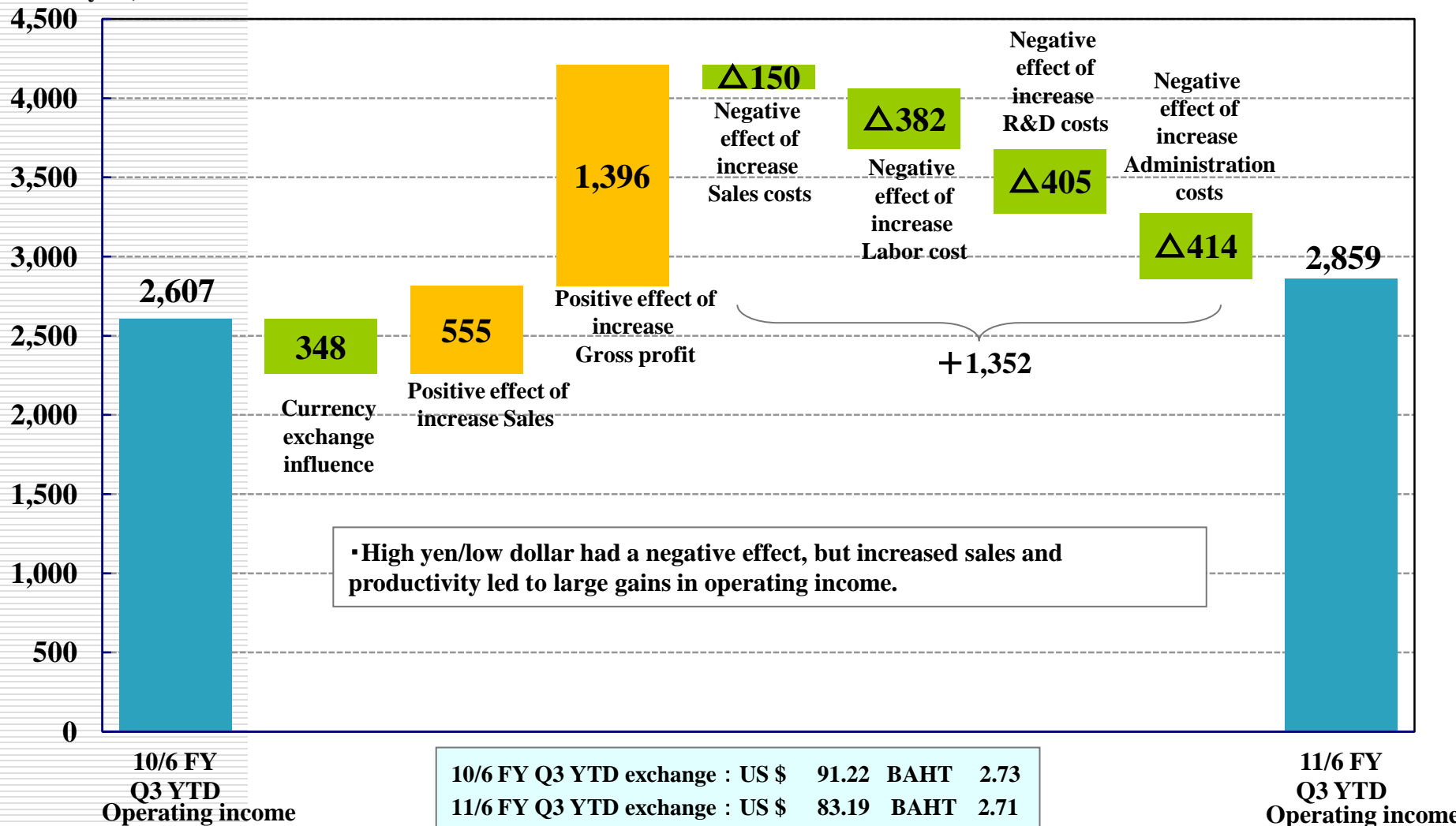
(Million yen)





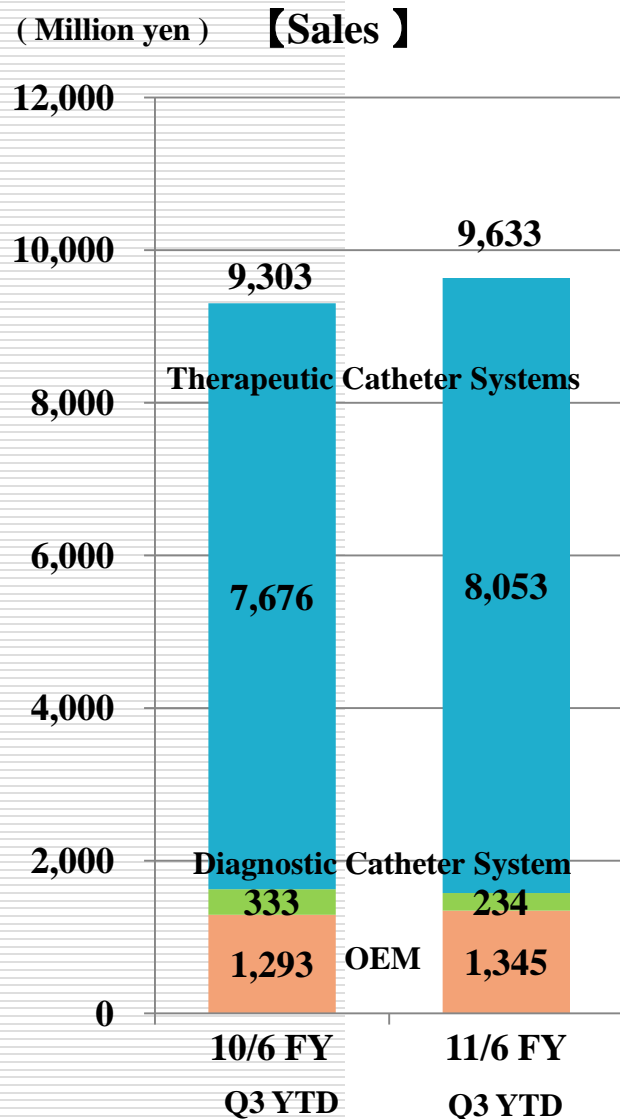
Attribution analysis of operating income – 2 (Exchange rate fluctuations excluded)

(Million yen)





Per Segment by Medical Division



■ Strong Domestic Sales, Foreign Markets Impacted by Negative Exchange Rates

- Sales of 9,633 Mil. Yen (+329 Mil. Yen over last year same period, +3.5%)
- Operating income 3,024 Mil. Yen (△60 Mil. Yen from same period last year, △2.0%)
- High yen to dollar exchange rate(△325 Mil. yen) and effect of lower reimbursement (△506 Mil. Yen)

■ Therapeutic Catheter Systems

- 8,053 Mil. yen(+377 Mil. Yen over last year same period, +4.9%)
- PTCA GW sales increased in Japan, lower in foreign markets due to negative exchange rates
- Domestic; Positive response to products for a variety of vascular disease areas
 - ▶ Sales positive despite falling reimbursement prices
 - ▶ Corsair penetration catheter sales improving over last half product launch
 - ▶ Positive response to products for new disease areas; peripheral, neuro, etc.,
- Foreign markets: High yen / low dollar offset by sales volumes
 - ▶ China sales positive despite negative exchange rates
 - ▶ Corsair Micro catheter supporting overall sales in US market

■ Diagnostic Catheter Systems

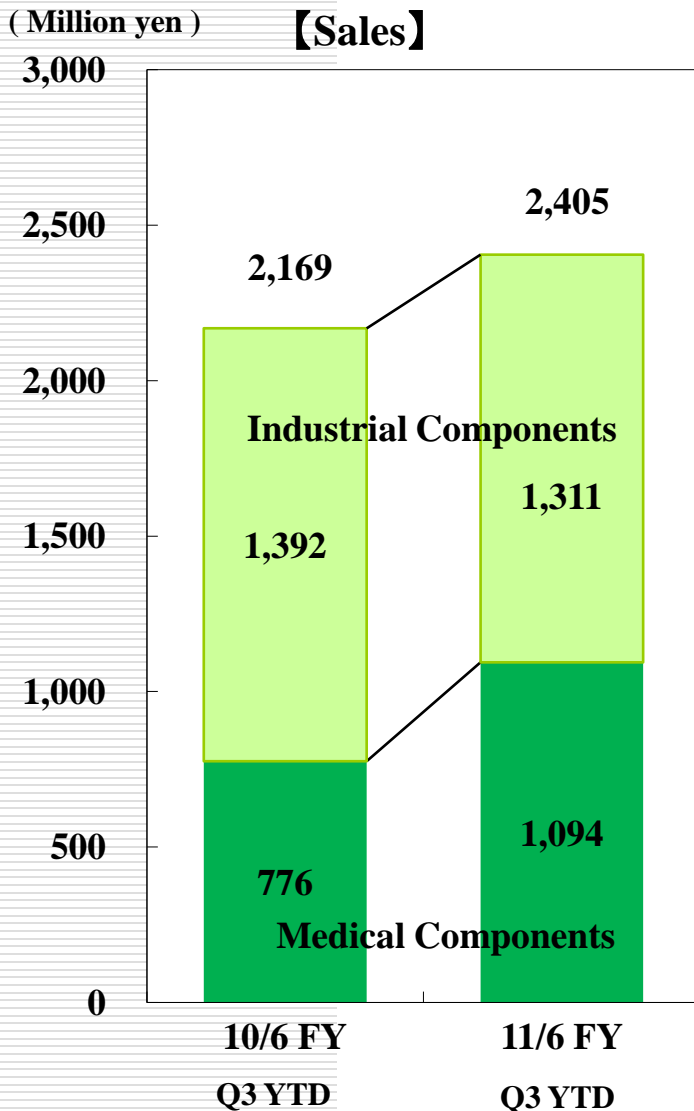
- 234Mil. Yen (△99 Mil. yen from same period last year, △29.8%)
- Shrinkage due to diagnostic catheter strategy in foreign markets

■ OEM Products

- 1,345 Mil. yen(+51 Mil. Yen from same period last year, +4.0%)
- Domestic product increase, decrease in peripheral devices for foreign markets
- Positive start of sales of mini guide wire for Terumo



Per Segment by Device Division



■ Increases in Medical Devices

■ Review of Shift in Industrial Devices to High Priced Products

- Total Sales 2,405 Mil. Yen
(+236 Mil. Yen over last year same period, +10.9%)
- Operating income 852 Mil. Yen
(+402Mil. +89.4% after adjustment over last year same period)
- Sales doing well even with High yen/ low dollar impact (Δ84 M. yen)

■ Industrial Components

- Total Sales 1,311 Mil. Yen
(Δ81 Mil. Yen from same period last year, Δ5.9%)
- Rope for baby stroller parts, air conditioner parts in foreign market
Increase in components for "eco" automobiles in Domestic market
- Decrease in foreign OA components and domestic fishing line

■ Medical Components

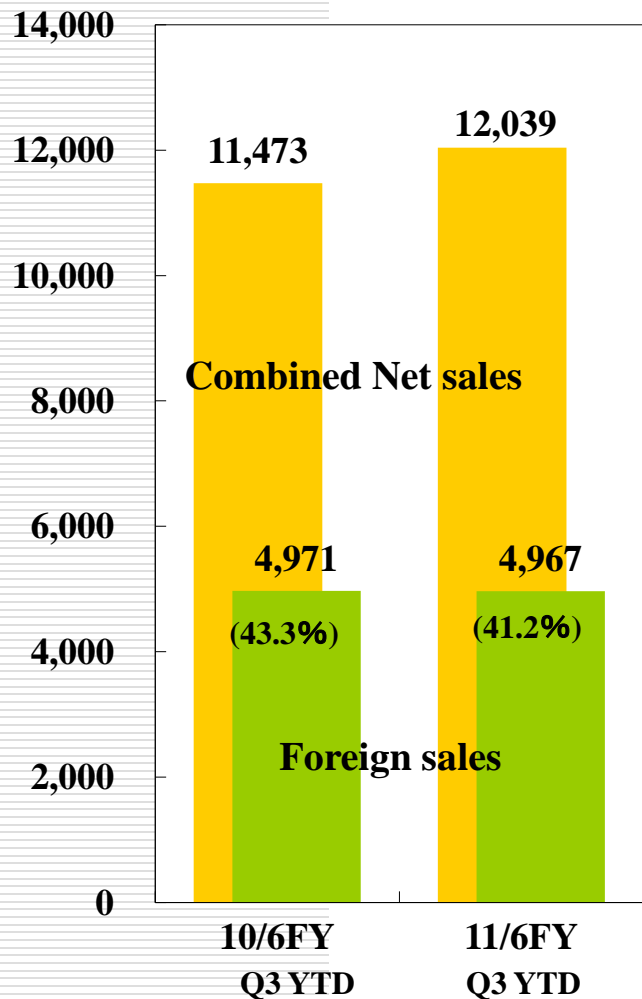
- 1,094 Mil. Yen (+317Mil. Yen over last year same period, +40.9%)
- Increase due to GMA subsidiary (2010 Jan.) +255 Mil. Yen
- Components for ear/nose/throat and IVR components to US rising



Foreign Sales Division

【 Foreign sales progression 】

(Million yen)



Foreign Sales decreased $\Delta 3$ Mil. Yen

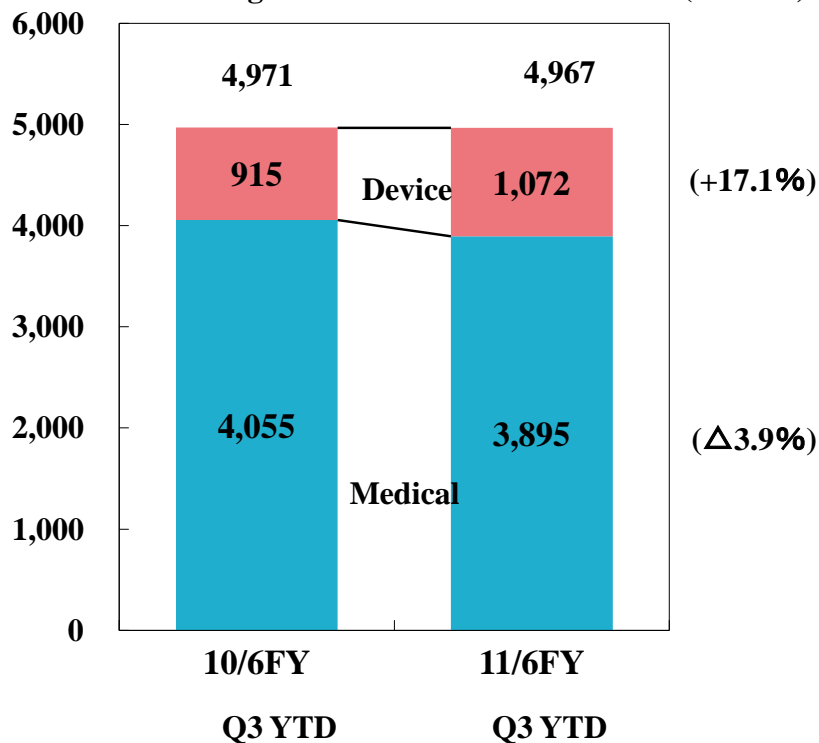
($\Delta 0.1\%$ from same period last year)

- ▶ Impact from high yen exchange rate $\Delta 410$ Mil. Yen
- ▶ Sales on target if exchange rate is disregarded
- ▶ Medical Segment sales positive, especially in Asian markets

【 Sales by segment division 】

(Million yen)

Exchange rate USD 91.22 \Rightarrow 83.19 ($\Delta 8.8\%$)





P/L (Consolidated)

	FYE 6/2010 Q3 YTD		FYE 6/2011 Q3 YTD			
	Amount (mil.yen)	Ratio (%)	Amount (mil.yen)	Ratio (%)	Changes (mil.yen)	The main comparison factors
Net Sales	11,473	100.0	12,039	100.0	+565	Increase of Medical field
Cost of Sales	4,938	43.0	3,929	32.6	△1,008	Transfer of Sales costs (one area); approx. △525
Gross profit	6,534	57.0	8,109	67.4	+1,574	Productivity improvement of main manufacturing plant and improvement of product design
SGA	3,926	34.2	5,249	43.6	△1,323	Increased R&D costs +405 Transfer from sales costs approx. +525
Operating income	2,607	22.7	2,859	23.8	+251	
Non-operating income	66	0.6	83	0.7	+16	Gain on sales of scraps +15
Non-operating expense	138	1.2	114	0.9	△24	Interest expense △14 Exchange loss △6
Ordinary income	2,535	22.1	2,828	23.5	292	
Extraordinary gain	-	-	2	-	2	Reversal of bad debt reserve +2
Extraordinary loss	152	1.3	299	2.5	+146	Loss on revaluation of securities investments +244 Loss from prior period adjustments △76 Assett/debt elimination accounting +30
Net income	1,680	14.7	1,883	15.6	+202	

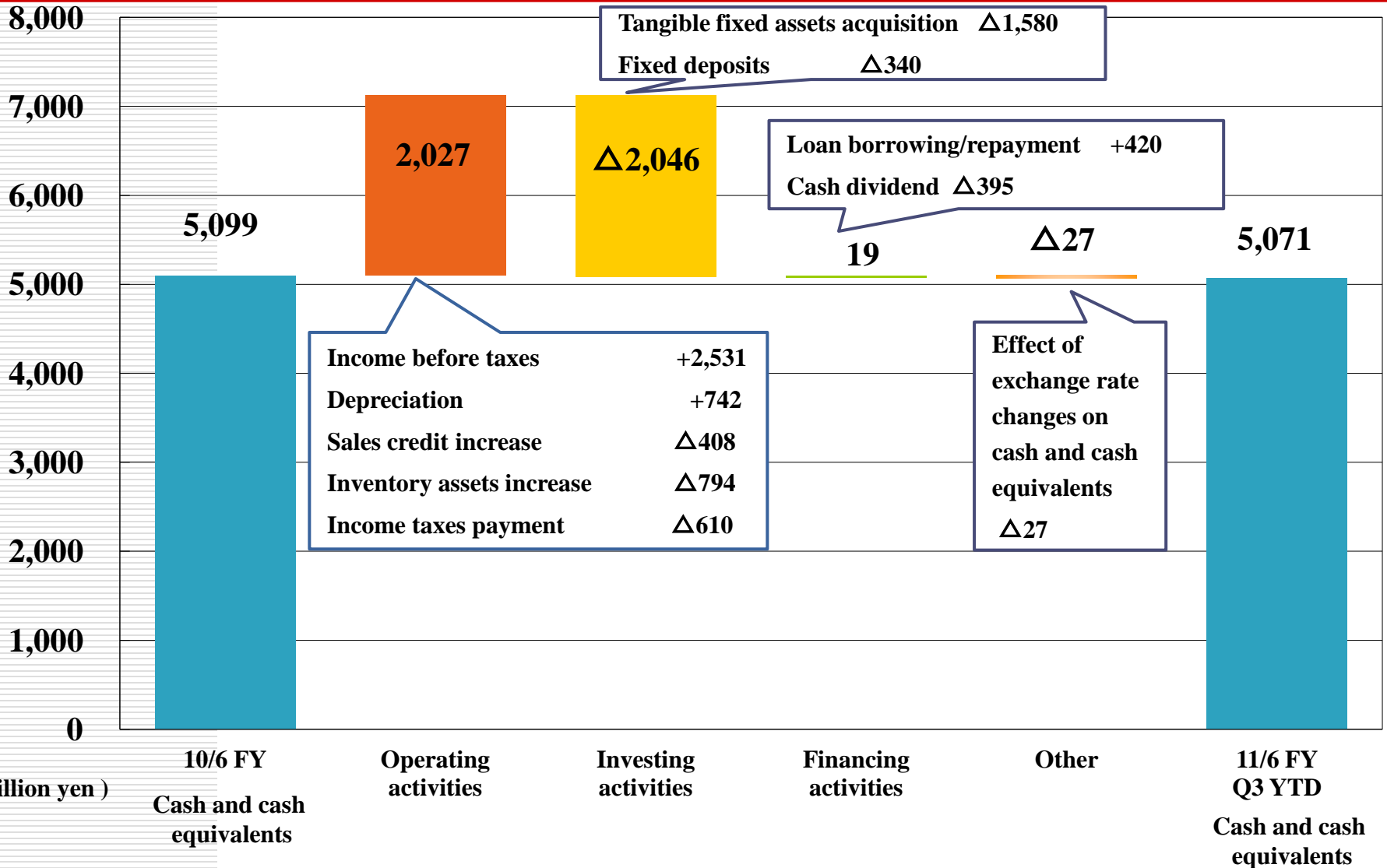


B/S (Consolidated)

	FYE 6/2010 Q3 YTD		FYE 6/2011 Q3 YTD			
	Amount (mil.yen)	Ratio (%)	Amount (mil.yen)	Ratio (%)	Changes (mil.yen)	The main comparison factors
Current assets	12,253	55.7	13,939	57.2	+1,685	Sales credit increase +369 Negotiable certificate of deposit increase +850 Inventory assets increase +801
Fixed assets	9,757	44.3	10,434	42.8	+676	Seto new Factory and land +392 Thailand Factory Renovation +314
Total assets	22,011	100.0	24,374	100.0	+2,362	
Current liabilities	5,245	23.8	5,125	21.0	△120	Short-term loans increase △225 Accrued bonus increase +154
Fixed liabilities	3,511	16.0	4,358	17.9	+846	Long-term loans increase +587
Total liabilities	8,757	39.8	9,484	38.9	+726	
Total net assets	13,253	60.2	14,889	61.1	+1,635	Retained earnings increase +1,486 Valuation difference on available-for sale securities +119
Total liabilities & net assets	22,011	100.0	24,374	100.0	+2,362	



C/F (Consolidated)





Notice about these data

The plan, forecast and strategy about our future business performance are estimated by the data available and they might include risk and uncertainty.

Please be aware that the actual performance might differ vastly due to critical factor of every kind as a result.

【Where to contact about these data and IR】

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