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1st Quarter Financial Results for FYE June,2011

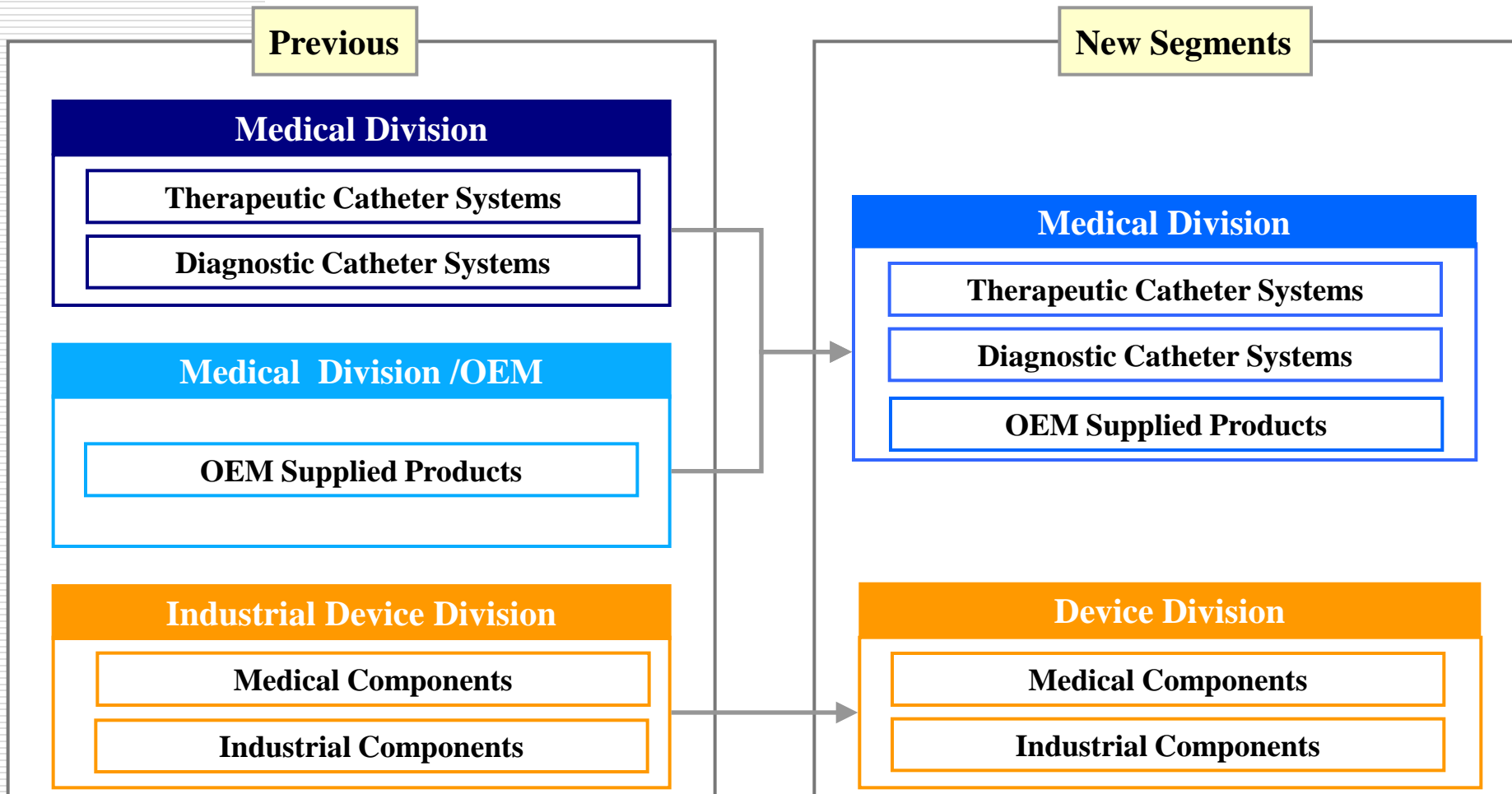
November 11 , 2010

(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

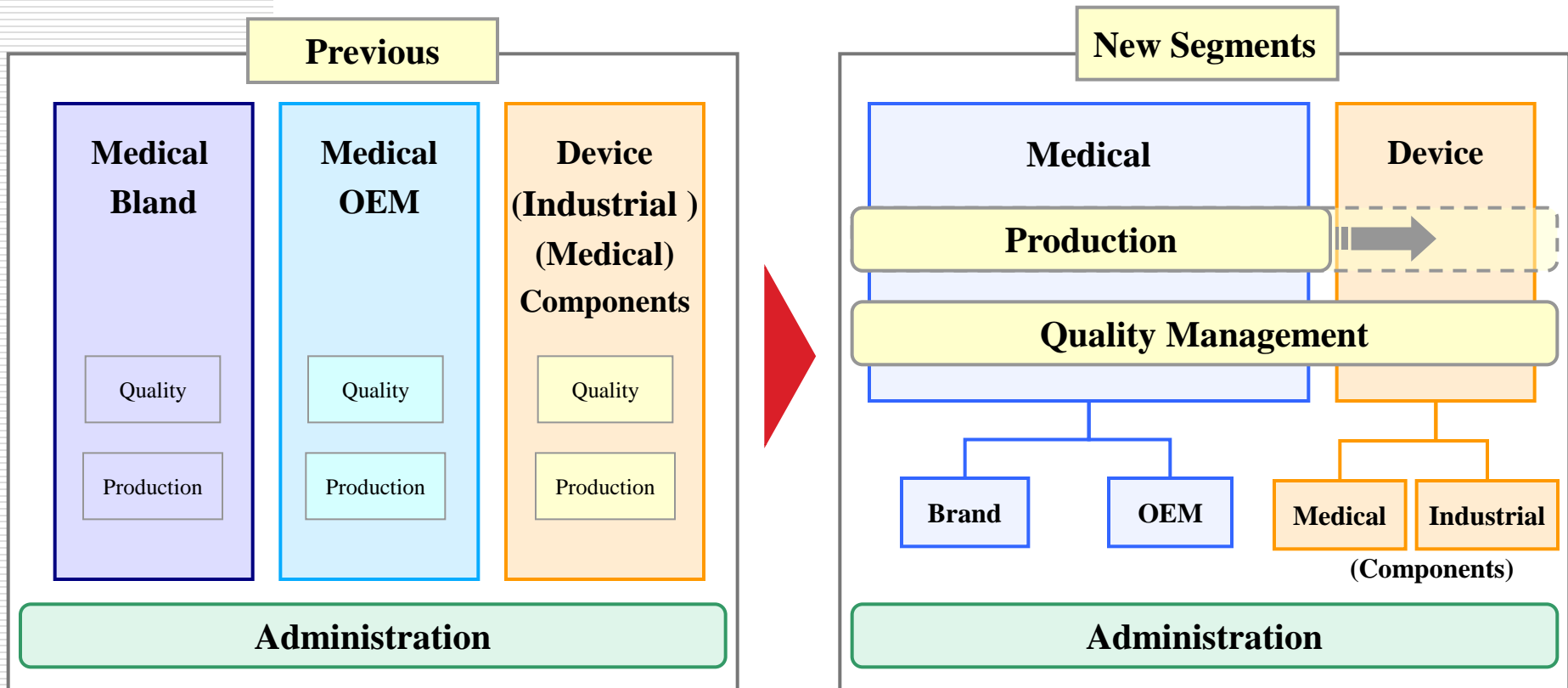


- Comparison to previous fiscal years or quarters are made after figures are converted to account for reorganization.



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 Q1 Main Points (Consolidated)

- **Strong Net Sales of 4,078 Million yen (6.7% over last year same period)**
 - **Increasing revenue segment : Medical Devices**
 - Decreasing revenue segment : Industrial Devices**
 - ▶ Medical Device increasing due to strong performance of Asahi Brand both domestically and overseas
 - ▶ Increases in sales volume offset high yen exchange rate (Δ 137 Million yen) and losses due to falling reimbursement prices in the domestic market (Δ 153 Million yen)
- **Operating income increased despite negative impacts of exchange rate and falling reimbursement prices**
 - **Operating income 1,014 Million yen (6.8% over last year same period)**
 - ▶ Increase of raw materials cost due to rising prices for SUS, Platinum, etc.
 - ▶ R&D costs up 403 Million yen (increase of 128 M. yen over last year same period, 9.9% sales increase)
 - ▶ Increased sales and administration costs due to subsidiary Asahi Intecc GMA (from Jan. 2010) (increase of 49 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 (Δ 121 Million yen compared to last year same period)
 - ▶ Note: Administration costs from sales costs due to reorganization total approximately 150 M. yen
 - **Ordinary income 962 Million yen (10.9% over last year same period)**
 - ▶ Non-operating expenses down to 74 M. yen due to exchange rate (Δ 16 Million yen last year same period)
 - **Net income (Q1) 650 Million yen (20.3% over last year same period)**
 - ▶ Extraordinary loss: Asset disposal liability based accounting 30 Million yen
 - ▶ Loss from prior period adjustments earmarked for 76 million yen (inventory related)



Highlight (Consolidated)

	FYE 6/2010 Q1		FYE 6/2010		FYE 6/2011 Q1			
	Amount (mil.yen)	Ratio (%)	Amount (mil.yen)	Ratio (%)	Amount (mil.yen)	Ratio (%)	Changes (mil.yen)	Changes (%)
Net sales	3,822	100.0	15,339	100.0	4,078	100.0	+256	+6.7
Gross profit	2,194	57.4	8,676	56.6	2,684	65.8	+490	+22.4
Operating income	950	24.9	2,929	19.1	1,014	24.9	+64	+6.8
Ordinary income	868	22.7	2,785	18.2	962	23.6	+94	+10.9
Net income	540	14.1	1,497	9.8	650	15.9	+109	+20.3
E P S (JPY)	-	-	94.49	-	-	-	-	-

* From this period, due to reorganization sales costs will be accounted for as administration costs. Costs accounted to Q1 from the last period total approximately 150 Million yen. Approximately 800 Million yen was expected at first; however, expectation was adjusted to 700 million yen due to auditing issues.



Net Sales by Segment Division

	FYE 6/2010 Q1		FYE 6/2010		FYE 6/2011 Q1			
	Amount (mil.yen)	Ratio (%)	Amount (mil.yen)	Ratio (%)	Amount (mil.yen)	Ratio (%)	Changes (mil.yen)	Changes (%)
Medical	3,124	81.7	12,303	80.2	3,229	79.2	+105	+3.4
Device	698	18.3	3,035	19.8	849	20.8	+151	+21.6
Total Amount	3,822	100.0	15,339	100.0	4,078	100.0	+256	+6.7

(Reference)

Medical Field	3,349	87.6	13,442	87.6	3,643	89.3	+294	+8.8
Industrial Field	472	12.4	1,896	12.4	434	10.7	△37	△8.0



Operating income by Segment Division

	FYE 6/2010 Q1		FYE 6/2010		FYE 6/2011 Q1			
	Amount (mil.yen)	Ratio (%)	Amount (mil.yen)	Ratio (%)	Amount (mil.yen)	Ratio (%)	Changes (mil.yen)	Changes (%)
Medical	1,113	87.9	3,792	85.2	989	74.8	△124	△11.2
Device	153	12.1	659	14.8	333	25.2	+179	+116.9
Subtotal	1,267	100.0	4,451	100.0	1,322	100.0	+55	+4.3
Erasing & HQ	△316	-	△1,522	-	△307	-	+9	+2.9
Total Amount	950	-	2,929	-	1,014	-	+64	+6.8



Operating income by Segment Division(Post Adjustment)

	FYE 6/2010 Q1		FYE 6/2010		FYE 6/2011 Q1			
	Amount (mil.yen)	Ratio (%)	Amount (mil.yen)	Ratio (%)	Amount (mil.yen)	Ratio (%)	Changes (mil.yen)	Changes (%)
Medical	1,088	87.8	3,692	85.1	989	74.8	△98	△9.1
Device	150	12.2	647	14.9	333	25.2	+182	+121.0
Subtotal	1,239	100.0	4,339	100.0	1,322	100.0	+83	+6.7
Erasing & HQ	△288	-	△1,410	-	△307	-	△19	△6.7
Total Amount	950	-	2,929	-	1,014	-	+64	+6.8

* The costs for the Basic Technology Group, which undertakes R&D for the entire company, was allotted across the entire company through June 2010. However, for FY ending June 2011, each segment will account separately. Last year Q1 and last year totals will be adjusted to account for the difference in organization.

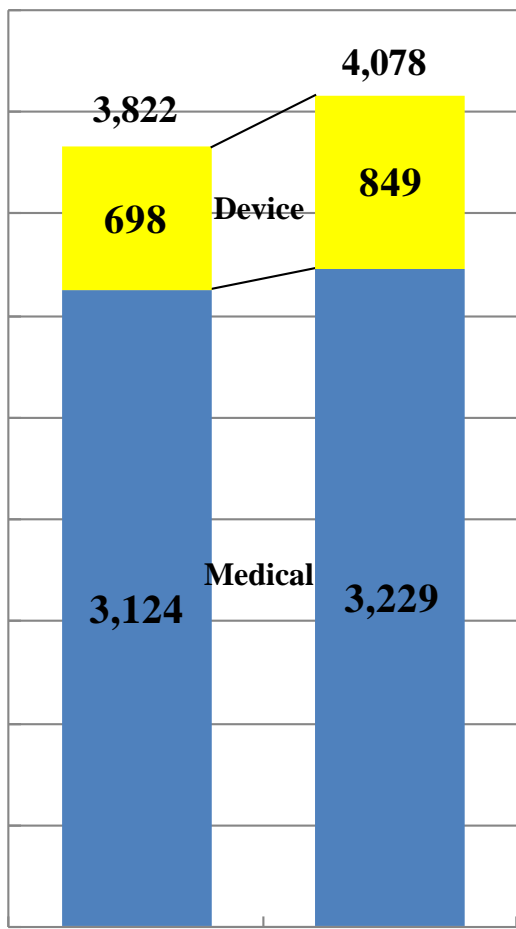


Earnings performance by Segment Division (Post Adjustment)

(Million yen)

4,500
4,000
3,500
3,000
2,500
2,000
1,500
1,000
500
0

【 Net sales 】

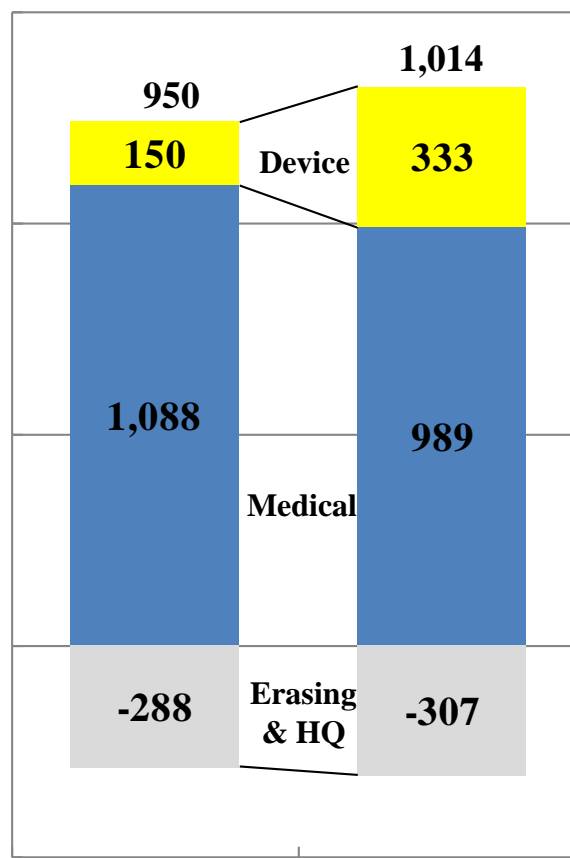


10/6 FY Q1

11/6 FY Q1

【 Operating income 】

1,500
1,000
500
0
-500



10/6 FY Q1

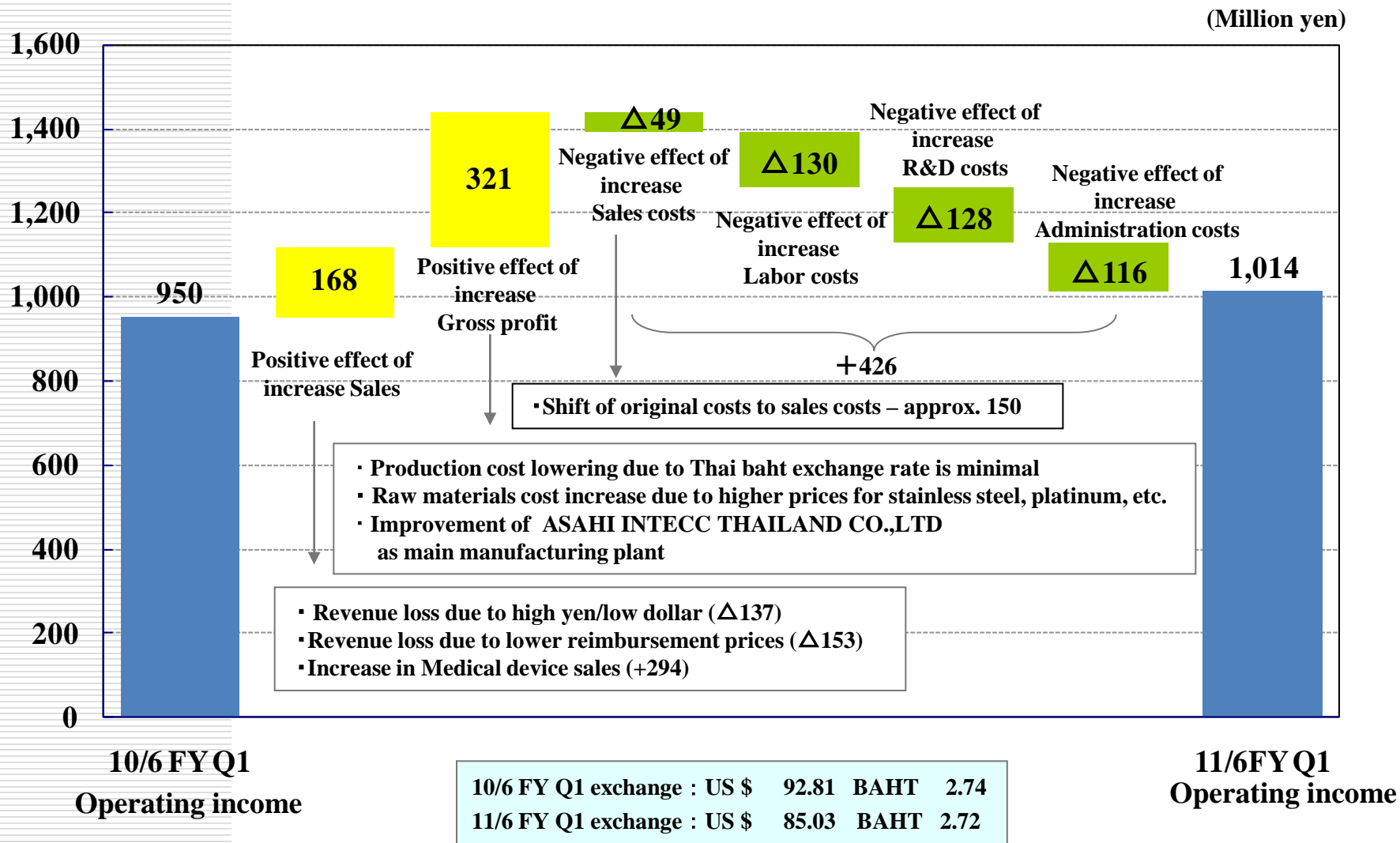
11/6 FY Q1

* Post Adjustment

* 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. Last year Q1 and last year totals will be adjusted to account for the difference in organization.

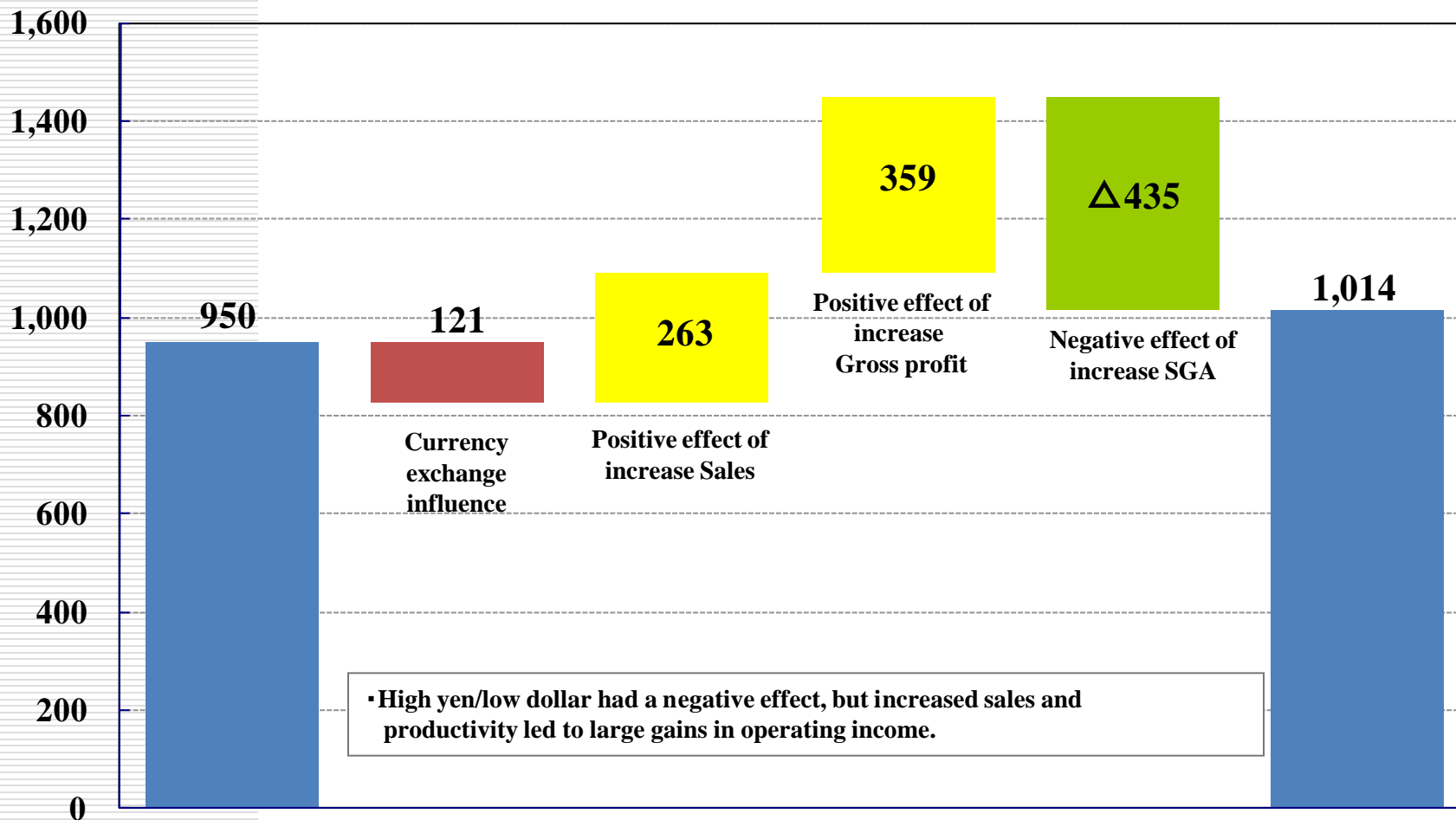


Attribution analysis of operating income – 1 (Exchange rate fluctuations included)





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



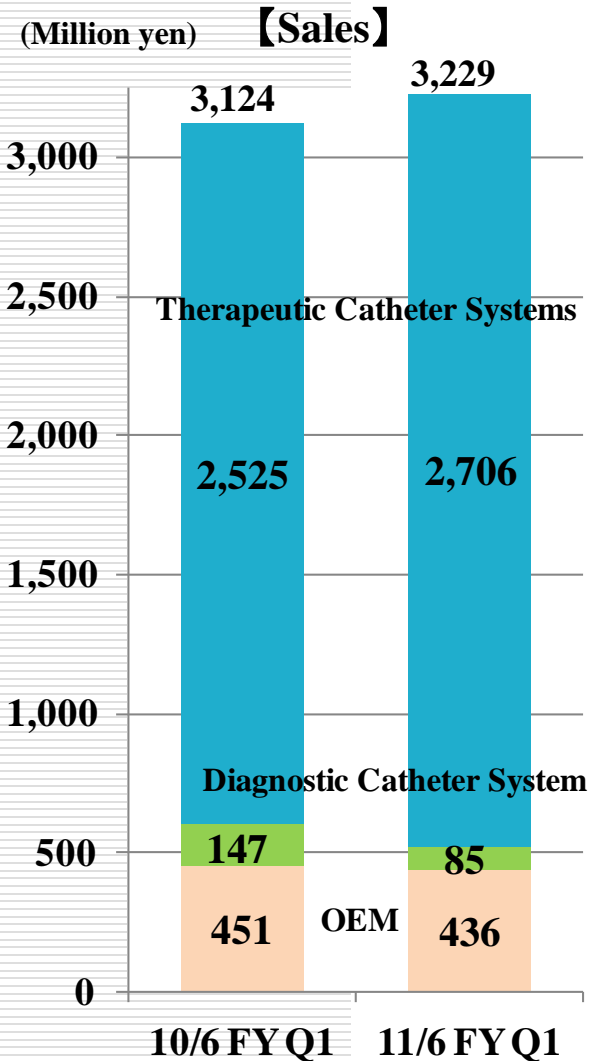
(Million yen) **10/6 FY Q1**
Operating income

10/6 FY Q1 exchange : US \$ 92.81 BAHT 2.74
11/6 FY Q1 exchange : US \$ 85.03 BAHT 2.72

11/6 FY Q1
Operating income



Per Segment by Medical Division



Foreign and Domestic growth

- Sales of 3,229 Mil. Yen (+105 Mil. Yen over last year same period, +3.4%)
- Operating income 989 Mil. Yen (Δ 98 Mil. Yen over last year same period, Δ 9.1%)
- Effect of lower reimbursement (Δ 153 Mil. yen) and high yen to dollar exchange rate

Therapeutic Catheter Systems

- 2,706 Mil. Yen (+181 Mil. Yen over last year same period, +7.2%)
- PTCA Guide Wire increases in Domestic market, decreases in Foreign markets
- Domestic; Positive response to products for a variety of vascular disease areas
 - ▶ Sales positive despite falling reimbursement prices
 - ▶ Corsair Microcatheter sales improving over last half product launch
 - ▶ Positive response to products for new disease areas; abdominal, peripheral, neuro, etc.,
- Foreign: High yen vs. dollar exchange led to minor negative impact
 - ▶ China sales positive despite negative exchange rates

Diagnostic Catheter Systems

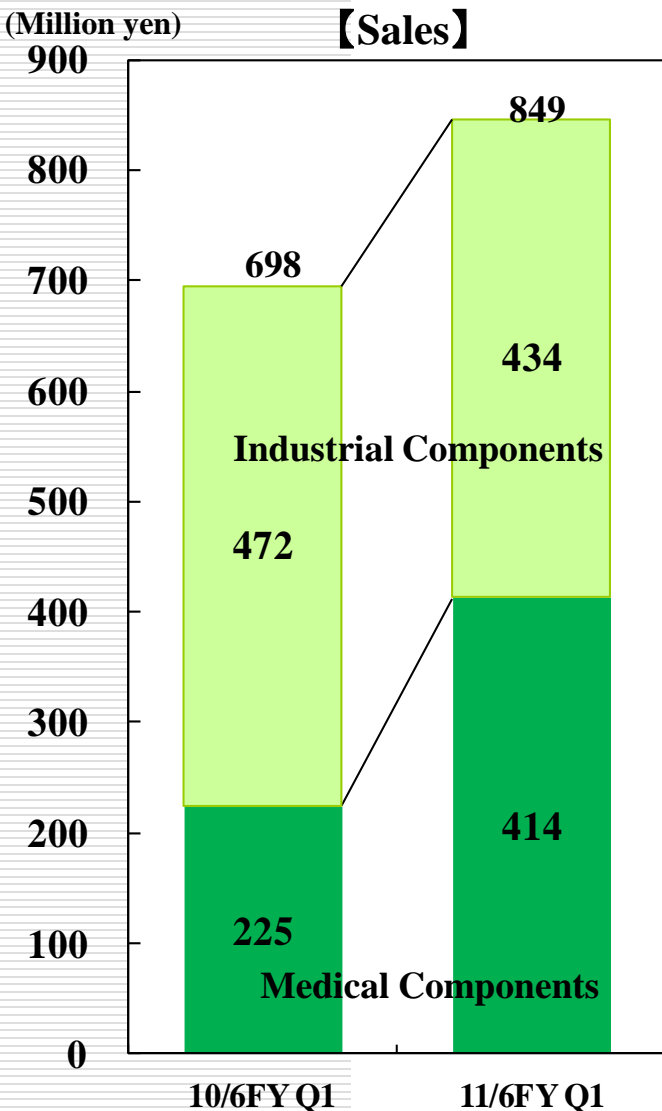
- 85 Mil. Yen (Δ 61 from same period last year, Δ 41.8%)
- Shrinkage due to diagnostic catheter strategy in foreign markets

OEM Products

- 436 Mil. Yen (Δ 14 Mil. Yen from same period last year, Δ 3.2%)
- Domestic: Endoscopic products increasing, while neurovascular products decreased



Per Segment by Device Division



■ Increases in Medical Devices

■ Review of Shift in Industrial Devices to High Priced Products

- Total Sales 849 Mil. Yen
(+151 Mil. Yen over same period last year, +21.6%)
- Operating income 333 Mil. Yen (+182Mil. +121.0% after adjustment)

■ Industrial Components

- Total Sales 434 Mil. Yen
(Δ 37 Mil. Yen from same period last year, Δ 8.0%)
- Last minute push for orders due to order reviews
- Increase in foreign transactions: automotive, air conditioning, etc.
- Decrease in domestic sales: leisure products (fishing line, etc.)

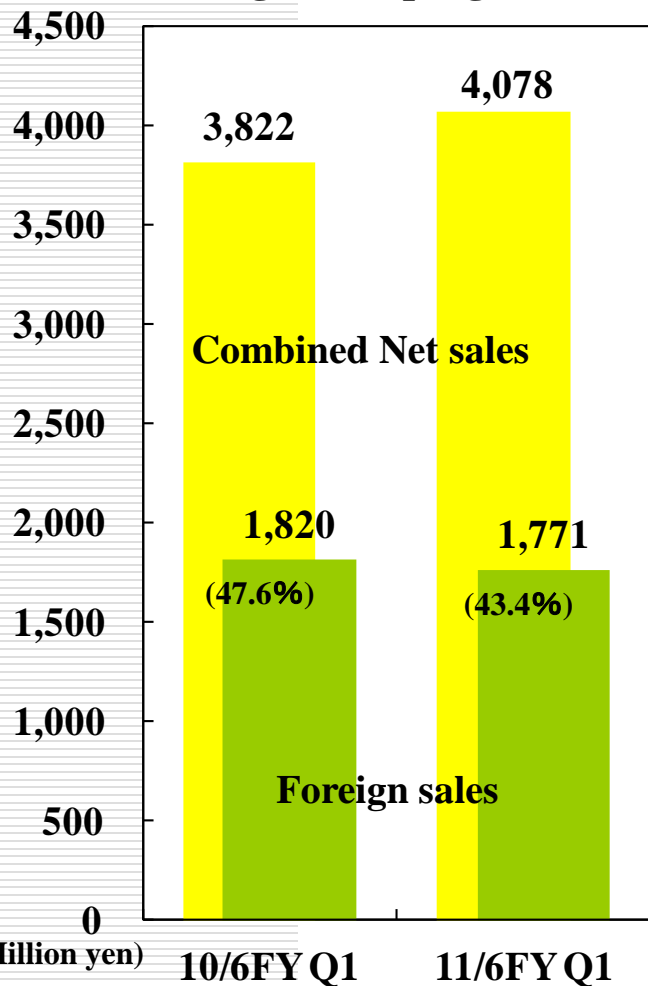
■ Medical Components

- 414 Mil. Yen (+188Mil. Yen over same period last year, +83.8%)
- Increase due to GMA subsidiary (2010 Jan.) +174 Mil. Yen
- Ear/nose/throat products to US progressing as planned
- Revenue decrease due to accommodating requests to lower prices



Foreign Sales Division

【 Foreign sales progression 】

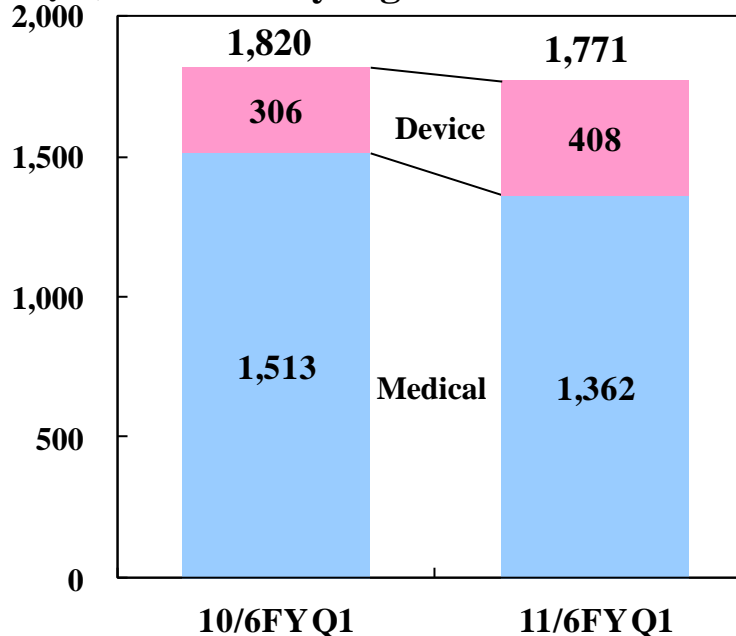


Foreign Sales decreased $\Delta 49$ Mil. Yen

($\Delta 2.7\%$ from same period last year)

- ▶ Impact from high yen exchange rate $\Delta 137$ Mil. Yen
- ▶ Sales on target if exchange rate is disregarded
- ▶ Medical Segment sales positive, especially in Asian markets

(Million yen) 【 Sales by segment division 】





P/L (Consolidated)

	FY E 6/2010 Q1		FYE 6/2011 Q1			
	Amount (mil.yen)	Ratio (%)	Amount (mil.yen)	Ratio (%)	Changes (mil.yen)	The main comparison factor
Net Sales	3,822	100.0	4,078	100.0	+256	Increase of Medical field
Cost of Sales	1,628	42.6	1,394	34.2	△234	Transfer of Sales costs (one area); approx. △150
Gross profit	2,194	57.4	2,684	65.8	+490	Increased production efficiency
SGA	1,243	32.5	1,669	40.9	+426	Increased R&D costs +128 Transfer from sales costs approx. +150
Operating income	950	24.9	1,014	24.9	+64	
Non-operating income	31	0.8	39	1.0	+8	
Non-operating expense	113	3.0	91	2.3	△21	Negative impact of exchange rates △16
Ordinary income	868	22.7	962	23.6	+94	
Extraordinary gain	30	0.8	0	0.0	△30	Reversal of bad debt reserve △30
Extraordinary loss	91	2.4	36	0.9	△55	Loss on revaluation of securities investments △15 Loss from prior period adjustments △76 Assett /debt elimination accounting +30
Net income	540	14.1	650	15.9	+109	

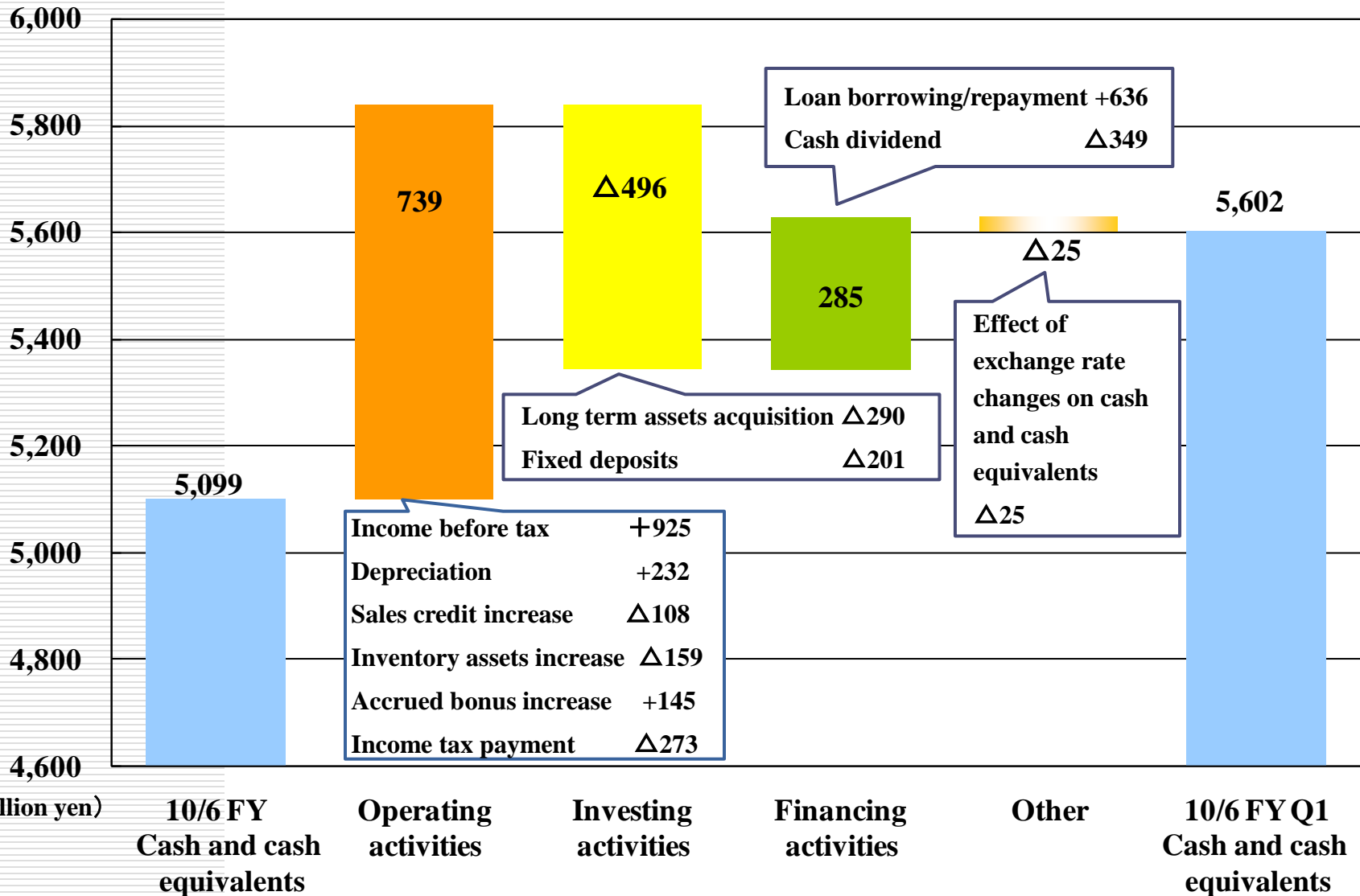


B/S (Consolidated)

	FYE 6/2010 Q1		FYE 6/2011 Q1			
	Amount (mil.yen)	Ratio (%)	Amount (mil.yen)	Ratio (%)	Changes (mil.yen)	The main comparison factors
Current assets	12,253	55.7	13,260	57.8	+1,007	Cash equivalent +708 Sales credit increase +79 Inventory assets increase +166
Fixed assets	9,757	44.3	9,684	42.2	△73	Plant asset decrease △24 Investment security decrease △26
Total assets	22,011	100.0	22,945	100.0	+933	
Current liabilities	5,245	23.8	5,471	23.8	+225	Debt liability increase +93 Short-term loans increase +235
Fixed liabilities	3,511	16.0	3,964	17.3	+452	Long-term loans increase +350
Total liabilities	8,757	39.8	9,436	41.1	+678	
Total net assets	13,253	60.2	13,509	58.9	+255	Retained earnings increase +253
Total liabilities & net assets	22,011	100.0	22,945	100.0	+933	



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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