



**ASAHI
INTECC**

Your dreams. Woven together.

Financial Results for FYE June, 2010

August 18 , 2010

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



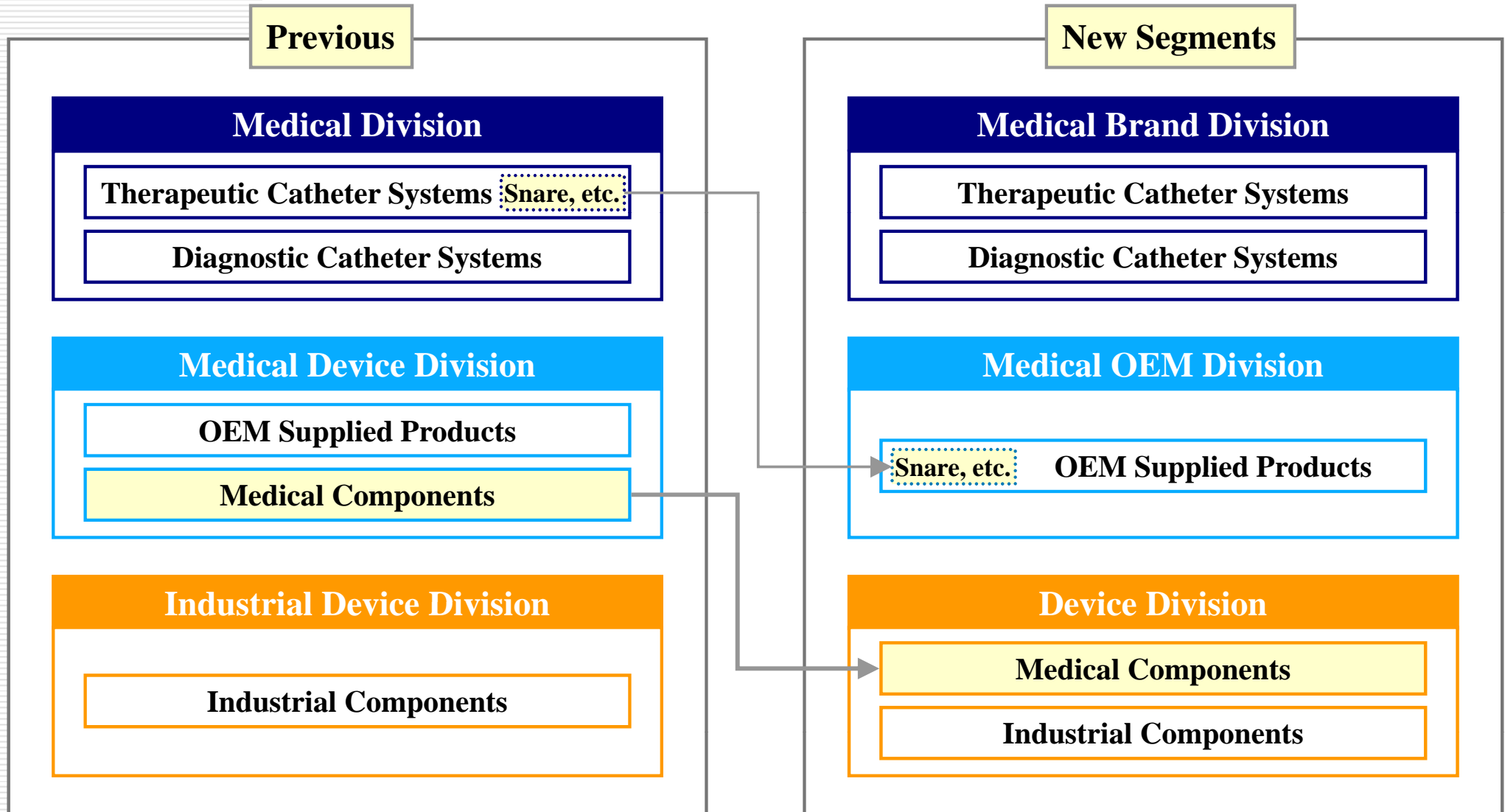
1. Summary of Financial Results of FYE 6/2010

2. Earnings estimate of FYE 6/2011



Change of Segment Division - 1

- We are changing segment division as follows in FYE 6/2010



※Snare: High-Frequency Polyp removal endovascular device



Change of Segment Division - 2

■ Rationale for Change

- ❑ In the past, the Industrial Device division developed components not only for industrial use but also for the medical field.
- ❑ Medical components currently earmarked for the Medical Device division will be nearly completely taken up by the Industrial Device division, and transferred to the Medical Device division as intra-company sales.
- ❑ Medical component sales are expected to continue growing; therefore, the Industrial Device division is expected to perform more development and manufacture for medical components than for industrial components.
- ❑ Given these conditions, the change in segment division was made to be more certain to grasp profits from the components business.

■ Special notes to the documentation below

- ❑ Comparisons to the same period previous year are made after division adjustments to the previous year's combined accounting.



FYE 6/2010 Main Points (Consolidated)

~ Record sales and profit ~

■ Net sales made a firm improvement to 15,339 Million Yen (20.6% increase over last year)

□ Increased Revenue : Medical areas Decreased Revenue : Industrial Devices

- ▶ Asahi brand medical products showed great results due in part to new product releases.
- ▶ Industrial devices results dropped due to continuing economic downturn and changing profit structure

■ Medical Device operating income significantly increased due to reduced production costs and increased efficiency.

□ Operating income were 2,929 Million yen (64.4% increase over last year)

(Operating income margin up 5.1 points over last year)

- | | | |
|-----------|---|--|
| Positives | } | ▶ Thai baht and other low exchange rates helped lower production costs |
| | | ▶ Large PTCA-GW order after Abbott negotiations allowed for continuation of planned operation at production facilities |
| | | ▶ Efforts to reduce fixed costs and sales related costs |
| Negatives | } | ▶ R&D costs, overseas sales and marketing staff additions, and anticipatory investments |
| | | ▶ Costs related to establishment of ASAHI INTECC HANOI CO.,LTD |
| | | ▶ Reduction in stock valuation related to reassessment |

□ Ordinary income is 2,785 Million Yen (93.7% over last year)

- ▶ Non-operating expenses down 147 Million Yen due to high yen exchange rate (357 Million earmarked, same as last year)

□ Net income is 1,497 Million Yen (235.9% over last year)

- ▶ Accumulated Impairment Loss of 284 M. Yen based on extraordinary loss related to underutilization of Osaka Distribution Center
- ▶ Extraordinary loss due to loss from prior period adjustments earmarked for 76 million yen,
Extraordinary loss due to securities reevaluation earmarked for 72 million yen (last year earmarked 460 million yen)



Highlight (Consolidated)

	FYE 6/2009		EYE 6/2010					
	Amount (mil.yen)	Ratio (%)	Revision Plan 2010/02/03	Amount (mil.yen)	Ratio (%)	Year on year		Compared to revision Plan
						Changes (mil.yen)	Changes (%)	Changes (%)
Net sales	12,718	100.0	14,981	15,339	100.0	+2,621	+20.6	+2.4
Gross profit	6,888	54.2	8,289	8,676	56.6	+1,788	+26.0	+4.7
Operating income	1,782	14.0	2,821	2,929	19.1	+1,147	+64.4	+3.8
Ordinary income	1,438	11.3	2,709	2,785	18.2	+1,347	+93.7	+2.8
Net income	445	3.5	1,804	1,497	9.8	+1,051	+235.9	△17.0
E P S (JPY)	28.13	-	113.80	94.48	-	-	-	-



Net Sales by Segment Division

	FYE 6/2009		FYE 6/2010			
	Amount (mil.yen)	Ratio (%)	Amount (mil.yen)	Ratio (%)	Changes (mil.yen)	Changes (%)
Medical Brand Division	8,079	63.5	10,581	69.0	+2,501	+31.0
Medical OEM Division	1,752	13.8	1,721	11.2	△30	△1.7
Device Division	2,886	22.7	3,035	19.8	+149	+5.2
Total amount	12,718	100.0	15,339	100.0	+2,621	+20.6

(Reference)

Medical Field	10,736	84.4	13,442	87.6	+2,706	+25.2
Industrial Field	1,981	15.6	1,896	12.4	△84	△4.3



Operating income by Segment Division

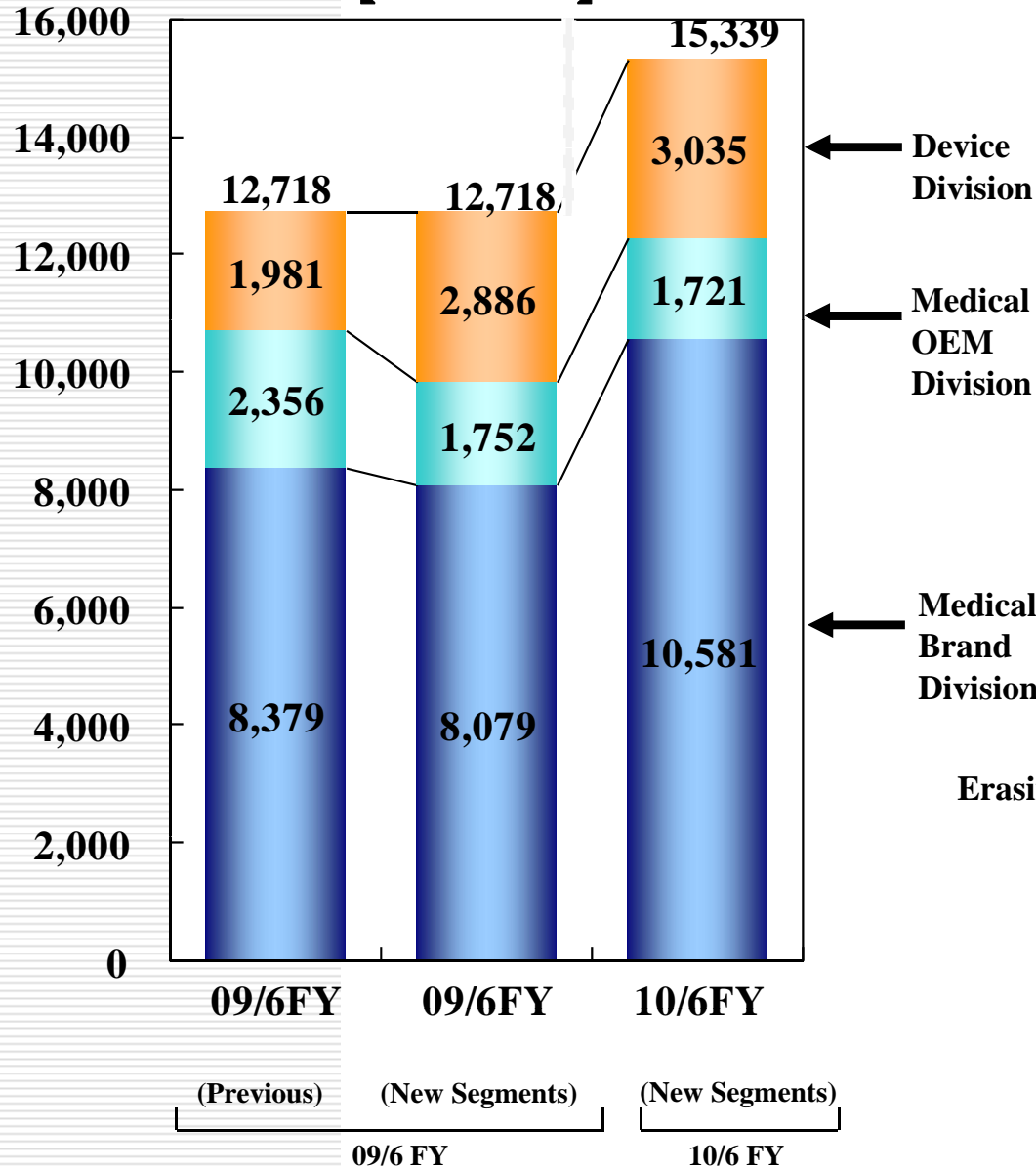
	FYE 6/2009		FYE 6/2010			
	Amount (mil.yen)	Ratio (%)	Amount (mil.yen)	Ratio (%)	Changes (mil.yen)	Changes (%)
Medical Brand Division	2,431	76.5	3,576	80.3	+1,145	+47.1
Medical OEM Division	333	10.5	215	4.9	△117	△35.3
Device Division	414	13.0	659	14.8	+244	+59.0
Subtotal	3,179	100.0	4,451	100.0	+1,272	+40.0
Erasing & HQ	△1,397	-	△1,522	-	△125	-
Total Amount	1,782	-	2,929	-	+1,147	+64.4



Earnings performance by Segment Division

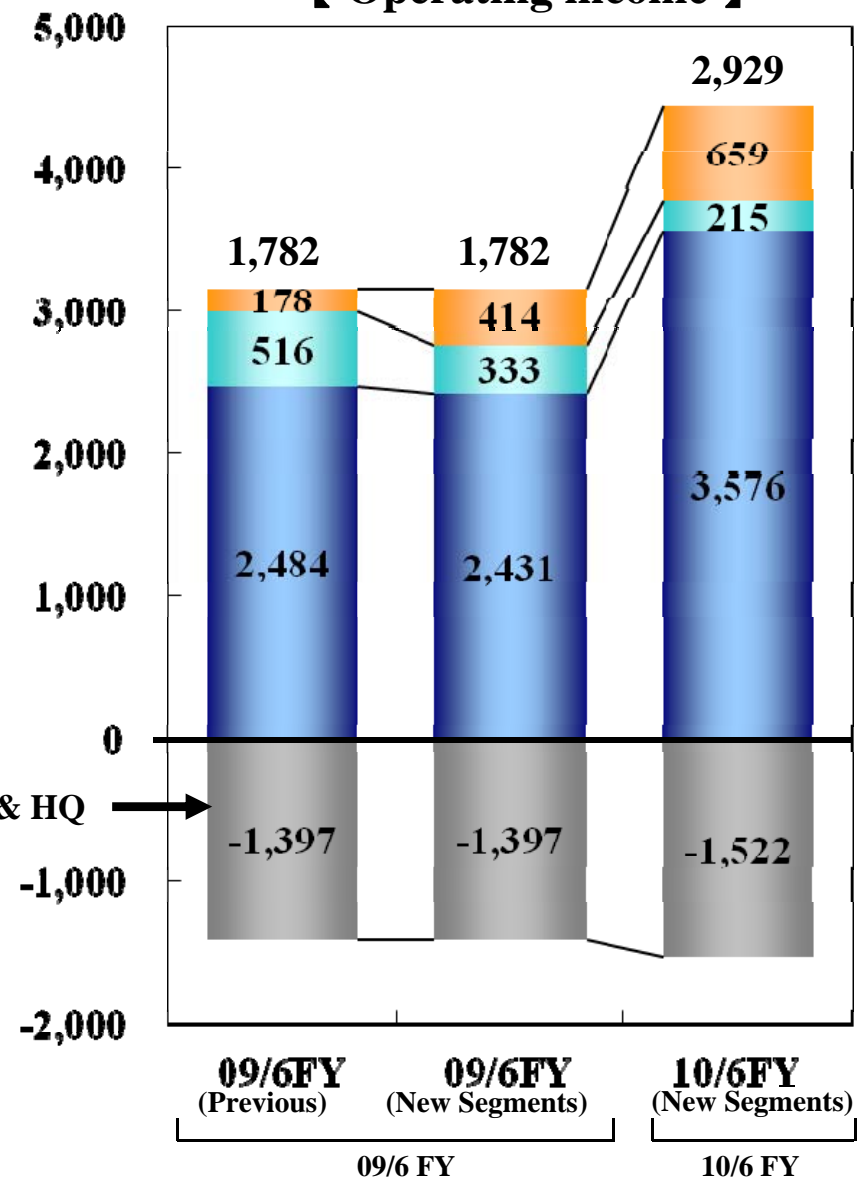
(Million yen)

【 Net sales 】



(Million yen)

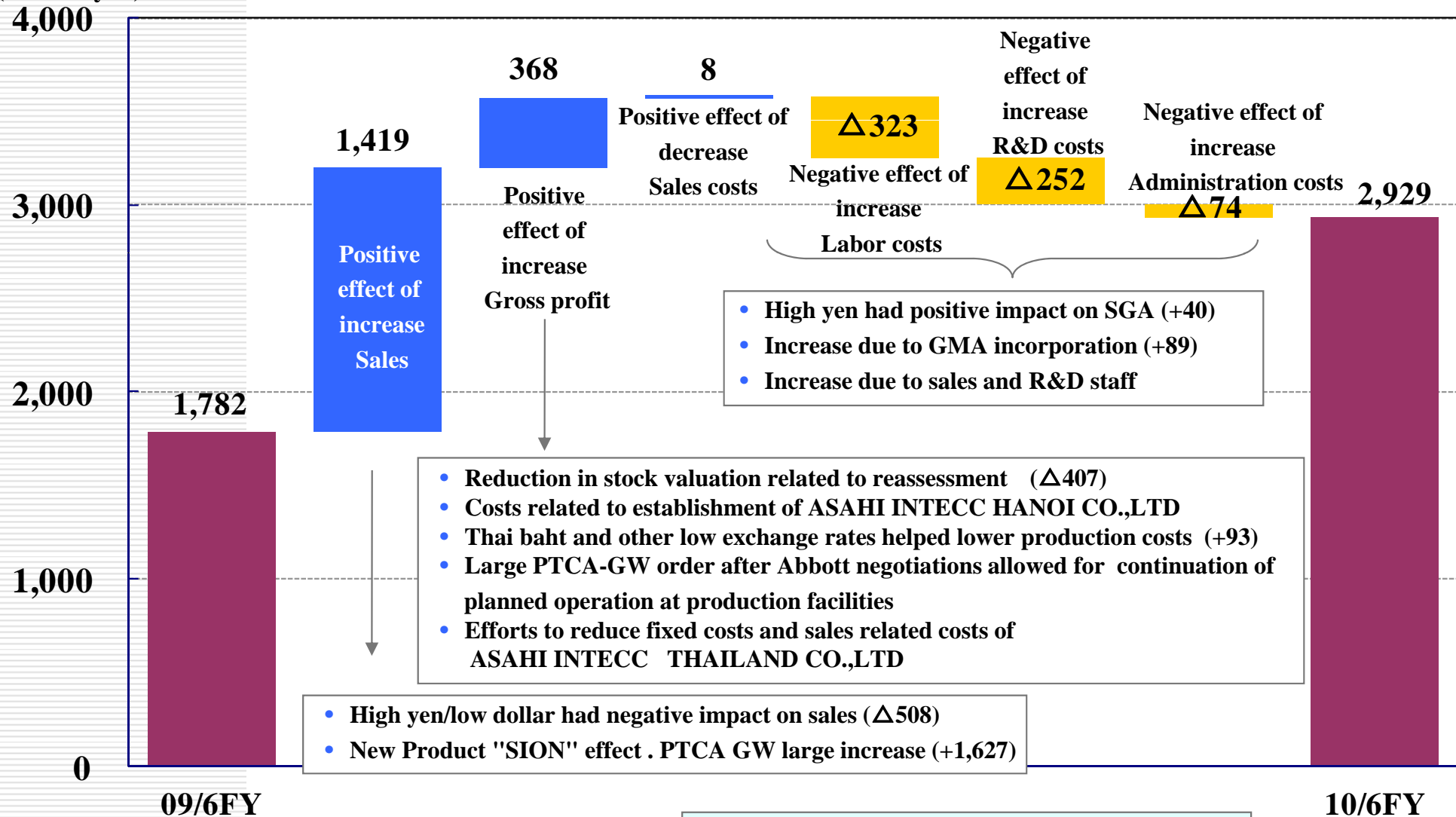
【 Operating income 】





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

(Million yen)



Operating income

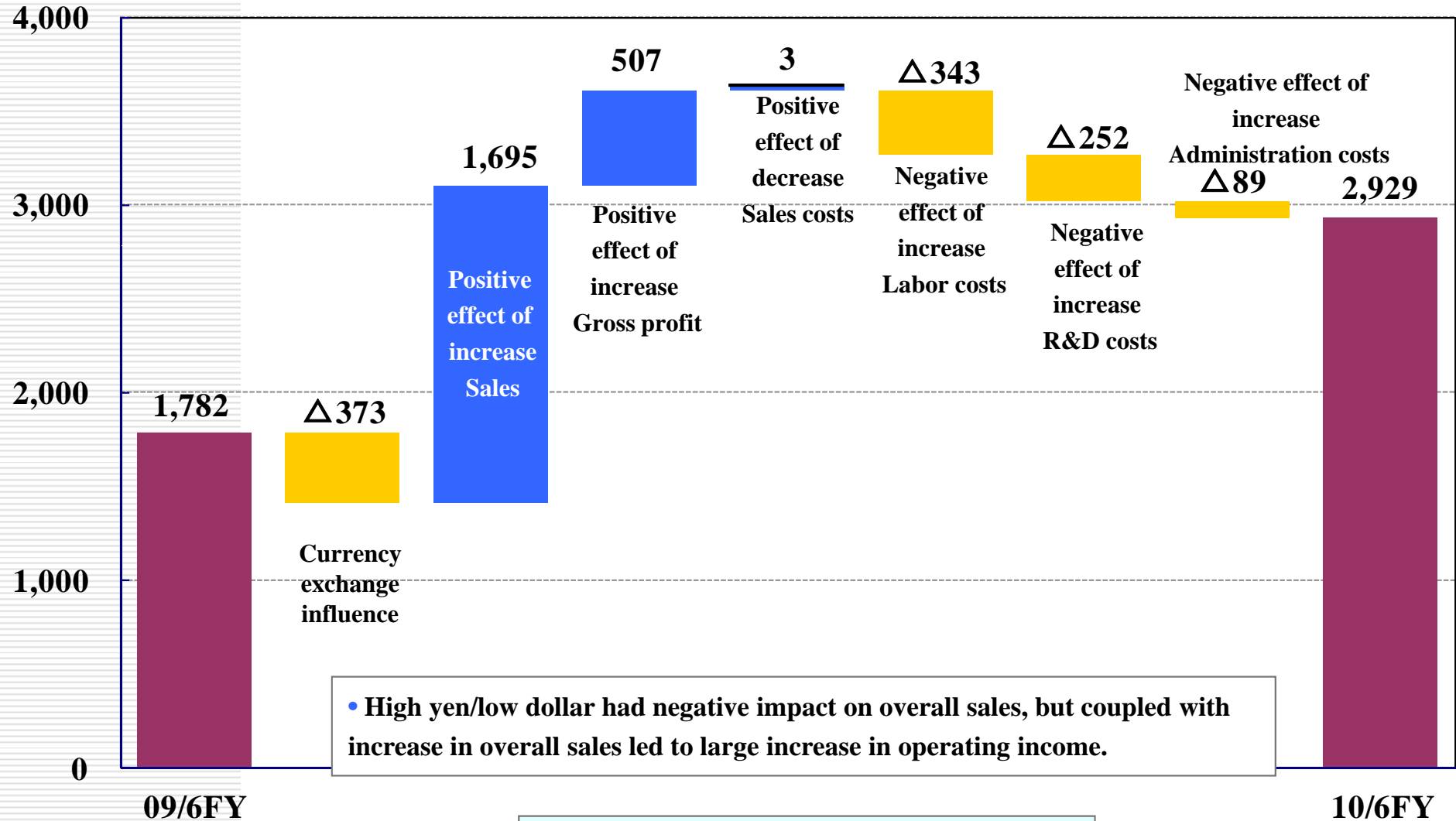
09/6 FY exchange rate : US \$ 98.49 THB 2.83
10/6FY exchange rate : US \$ 91.24 THB 2.75

Operating income



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

(Million yen)



• High yen/low dollar had negative impact on overall sales, but coupled with increase in overall sales led to large increase in operating income.

09/6 FY exchange rate : US \$ 98.49 THB 2.83
 10/6FY exchange rate : US \$ 91.24 THB 2.75

Operating income

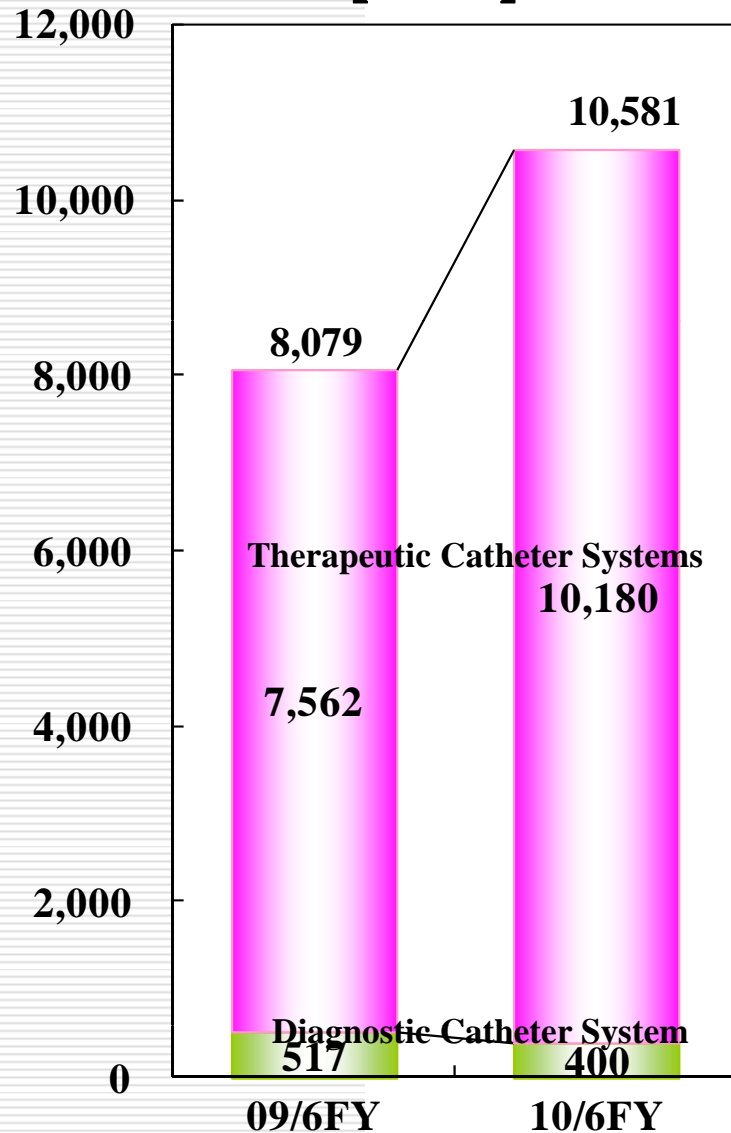
Operating income



Per Segment by Medical Brand Division

(Million yen)

【 Sales 】



■ Foreign and Domestic Progressing as Planned

- Sales 10,581 Million Yen (31.0% increase over last year)
- Operating income 3,576 Million yen (47.1% increase)

■ Therapeutic Catheter Systems

- 10,180 Million yen (Increase of 2,618 Million yen , 34.6%)
- Domestic : Success in a wide range of medical areas, focused on vascular
 - Effect of new device "SION". PTCA GW large increase
 - PTCA Balloon catheter , Guiding catheter , Micro catheter etc sales increases
 - CTO penetration catheter “ Corsair “ launch leading to increased sales
 - Peripheral (Dialysis) PTA Balloon catheter sales increases
 - Newly developed neurovascular devices progressing well
- Foreign : Growth in Abbott and non-Abbott sales
 - US, EU, Asia, all world sales show increase in PTCAGW sales; China with more than expected
 - CTO penetration catheter “ Corsair ” launch leading to increased sales in US and EU
 - New sales due to Peripheral GW contract and launch with US company

■ Diagnostic Catheter System

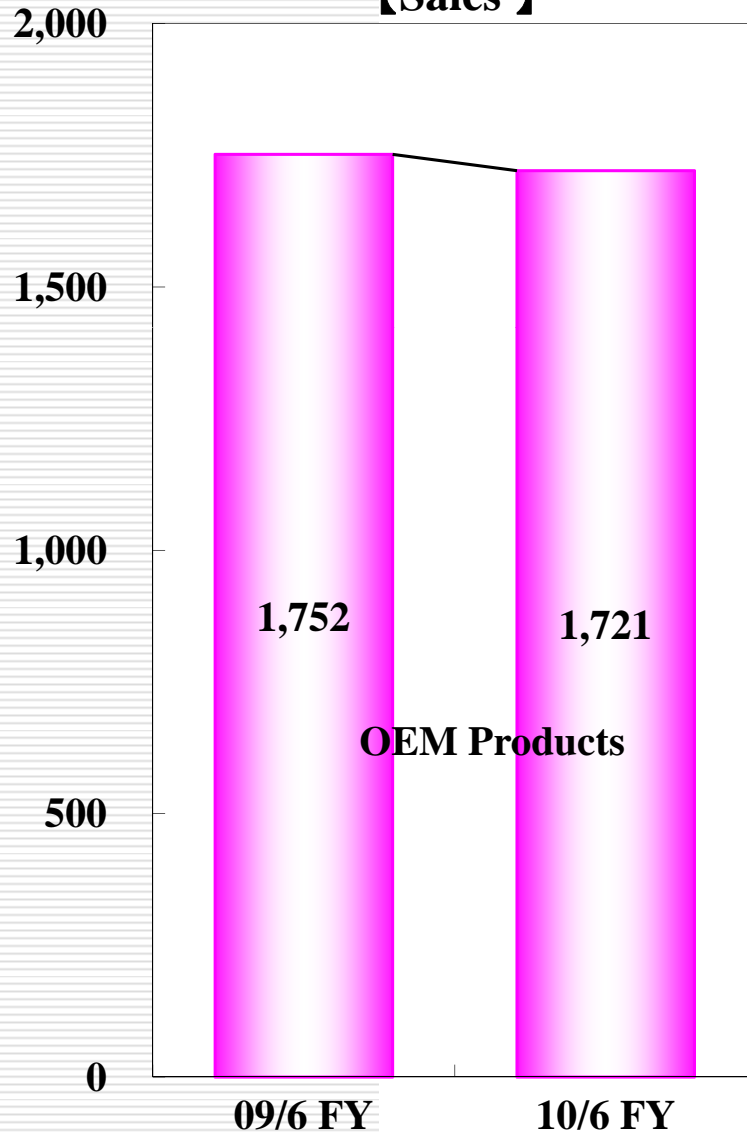
- 400 Million yen (Down 116 Million yen , 22.6% from last year)
 - Severe price competition, plan to shrink in foreign markets



Per Segment by Medical OEM Division

(Million yen)

【Sales】



- **Concentrate on launching products in new medical segments**
 - Sales 1,721 Million yen (Down 1.7% from over last year)
 - Operating income 215 Million yen (Down 35.3% from last year)

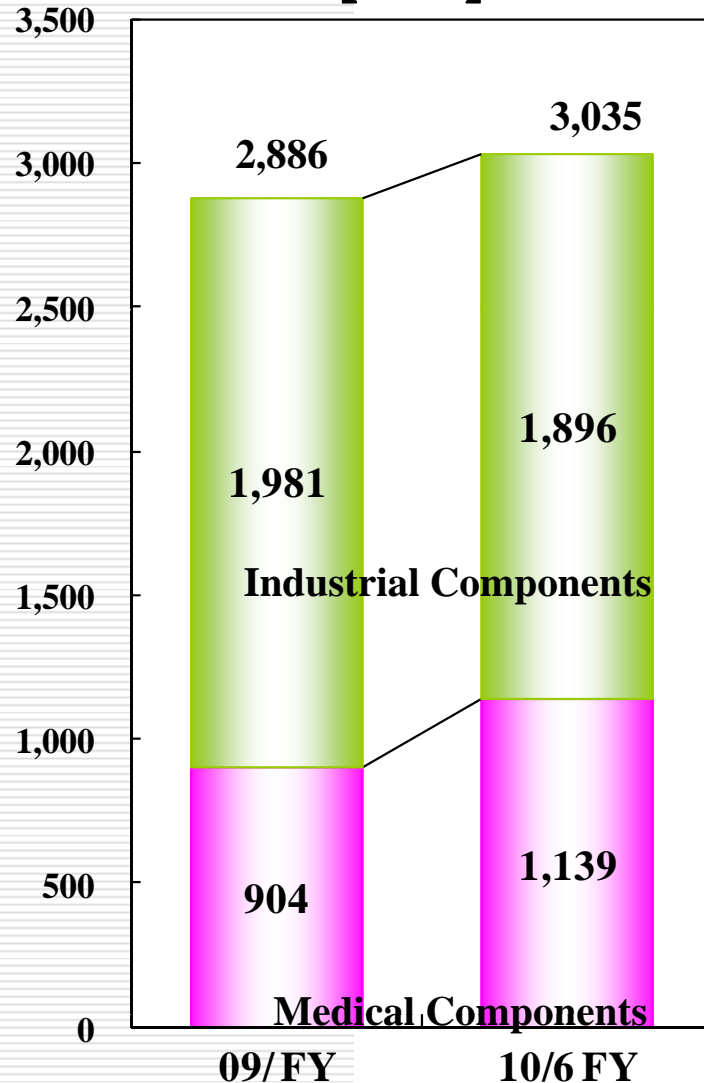
- **OEM Products**
 - **OEM Products to domestic manufacturers decreasing**
 - Peripheral devices sales increases
 - Endoscope and other abdominal products decreasing due to vendor stock adjustment and sluggish sales
 - **Foreign neuro vascular products increase, foreign peripheral vascular products decrease**
 - Increasing focus on neurovascular products for US
 - Peripheral vascular products for US decreased due to delayed launch by dealer and stock adjustments



Per Segment by Device Division

(Million yen)

【Sales】



- **Medical components boosted by GMA collaboration**
Industrial components loss due to economic downturn expected to begin comeback in the 2nd half
- Sales 3,035 Million yen (5.2% increase over last year)
- Operating income 659 Million yen (59% increase over last year)

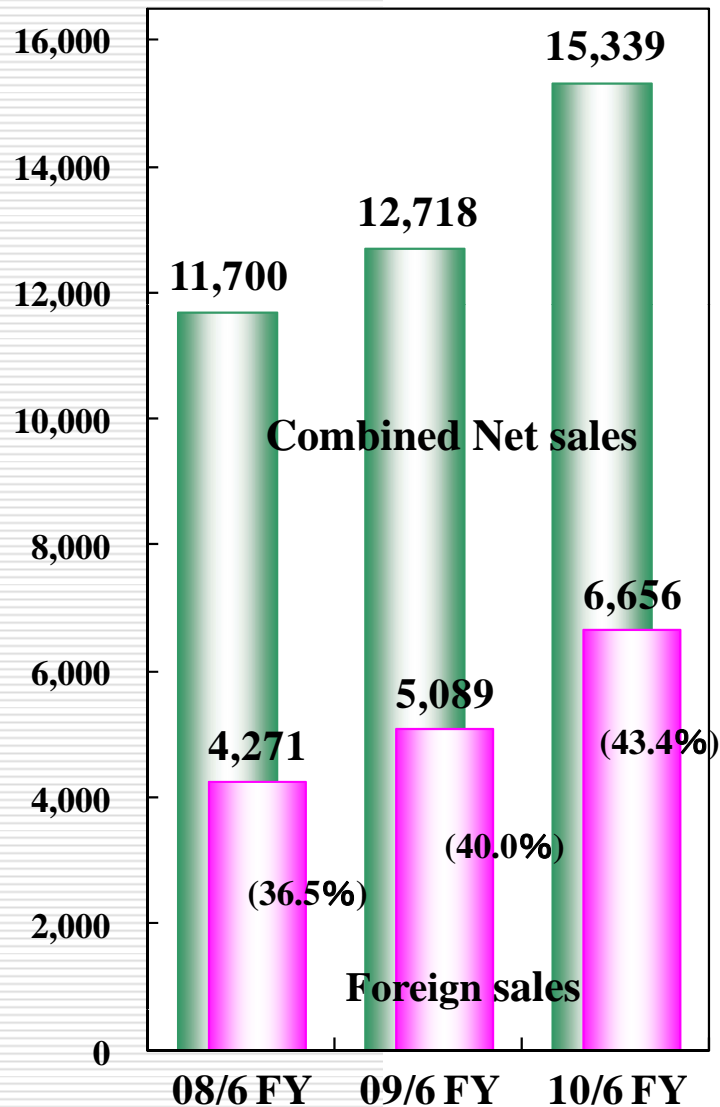
- **Industrial Components**
- 1,896 Million yen (down 84 Million yen, 4.3% from last year)
- Focus on shift to high value-added products, review pricing policies
 - Leisure, Construction, and OA related products consolidation
- Expected economic recovery offset by large loss in H1 leads to overall decrease in FY
 - Auto parts expecting recovery in foreign and domestic market
 - H1 main products OA, leisure, construction decreasing
- Increased operating income and margins due to profit restructuring

- **Medical Components**
- 1,139 Million yen (increase 234 million yen, 25.9%)
- Foreign : Medical component performing well
 - Ear/nose/throat, intravascular imaging segments
- Domestic : Increase
 - Domestic endovascular related product orders decreased
 - Subsidiary company GMA sales increased.



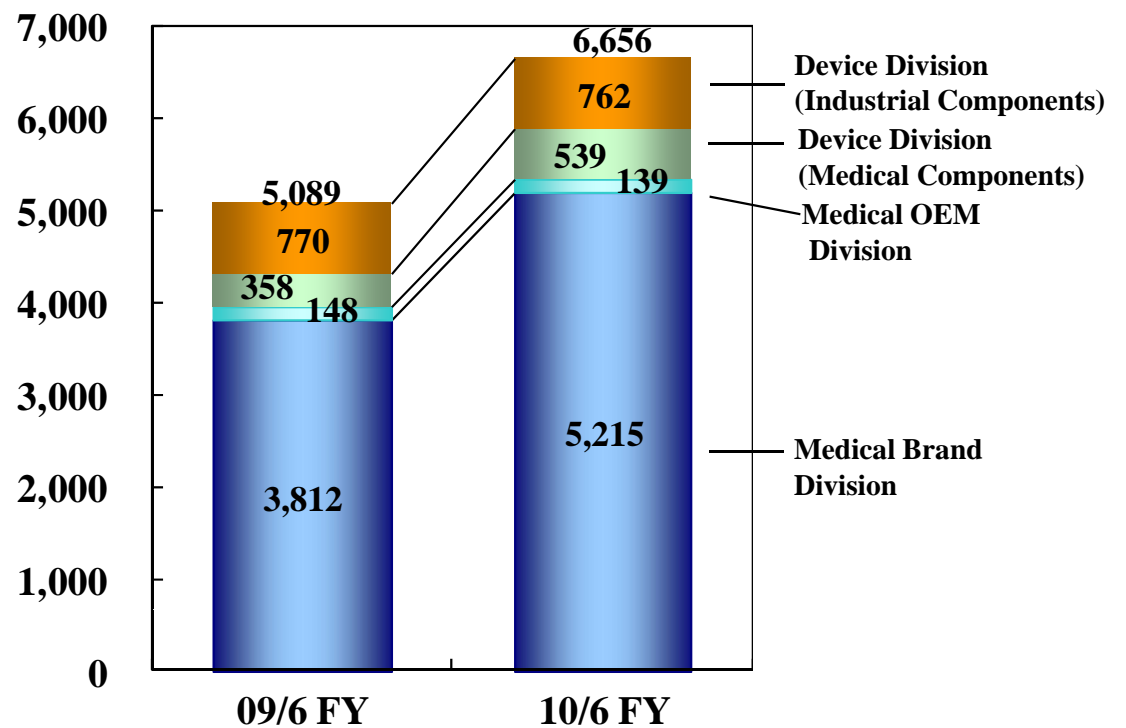
Foreign Sales Division

(Million yen) 【 Foreign sales progression 】



- Foreign sales up to 1,567 Million yen (30.8% increase from last year)
- Weak dollar and decreases in industrial device orders offset by gains in Medical component and Branded Medical Device businesses
- Medical Brand performing well in World markets, especially in Asian markets

(Million yen) 【 Sales by segment division 】





P/L (Consolidated)

	FYE 6/2009		FYE 6/2010			
	Amount (mil.yen)	Ratio (%)	Amount (mil.yen)	Ratio (%)	Changes (mil.yen)	The main comparison factors
Net Sales	12,718	100.0	15,339	100.0	+2,621	Increase of Medical field
Cost of Sales	5,829	45.8	6,662	43.4	+833	
Gross profit	6,888	54.2	8,676	56.6	+1,788	Increase efficiency
SGA	5,106	40.1	5,747	37.5	+641	Increase of labor costs and R&D costs
Operating income	1,782	14.0	2,929	19.1	+1,147	
Non-operating income	112	0.9	98	0.6	△13	Decrease of insurance return △43
Non-operating expense	456	3.6	243	1.6	△212	Foreign exchange loss △210
Ordinary income	1,438	11.3	2,785	18.2	+1,347	
Extraordinary gain	2	0.0	31	0.2	+29	Reversal of allowance for doubtful accounts + 26
Extraordinary loss	542	4.3	571	3.7	+29	Impairment loss +284 Loss from prior period adjustments +76 Loss on disposal of fixed assets +67 Loss on devaluation of investments securities △388
Net income	445	3.5	1,497	9.8	+1,051	



Reference : P/L of FYE 6/2010 Q4

	FYE 6/2010 Q1 ~ Q3			FYE 6/2010 Q4		
	1Q	2Q	3Q	4Q	Changes 3Q	The main comparison factors
Net Sales	3,822	3,586	4,064	3,866	△197	Decrease in reimbursement prices
Cost of Sales	1,628	1,601	1,708	1,724	+16	Loss on valuation and abandonment of inventories +87
Gross profit	2,194	1,984	2,355	2,141	△213	
SGA	1,243	1,287	1,395	1,820	+424	Increase of bonus +184 Increase in other temporary fees
Operating income	950	697	960	321	△638	
Non-operating income / expense	△82	△3	14	△72	△86	Foreign exchange loss △77
Ordinary income	868	693	974	249	△725	
Extraordinary gain / loss	△61	△51	△40	△387	△346	Impairment loss △284
Net income	540	465	674	△183	△857	



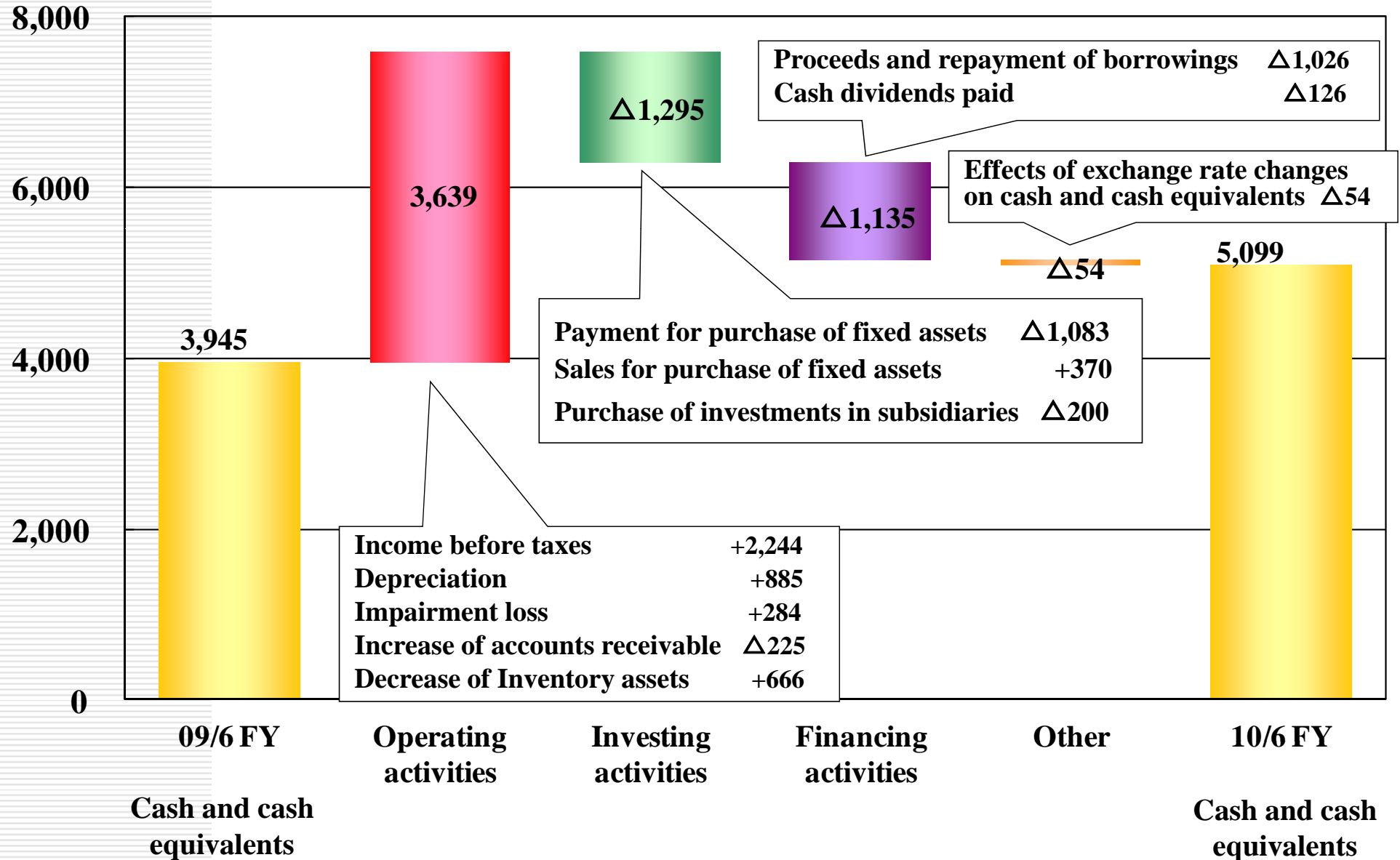
B/S (Consolidated)

	FYE 6/2009		FYE 6/2010			
	Amount (mil.yen)	Ratio (%)	Amount (mil.yen)	Ratio (%)	Changes (mil.yen)	The main comparison factors
Current assets	11,117	53.8	12,253	55.7	+1,136	Cash equivalent +1,473 Accounts receivable +232 Investment securities Δ608
Fixed assets	9,537	46.2	9,757	44.3	+219	Fixed assets +124 Goodwill +226
Total assets	20,655	100.0	22,011	100.0	+1,355	
Current liabilities	4,624	22.4	5,425	23.8	+621	Short-term loans +254 Accounts payable +222
Fixed liabilities	3,872	18.7	3,511	16.0	Δ360	Long-term loan Δ434
Total liabilities	8,497	41.1	8,757	39.8	+260	
Total net assets	12,158	58.9	13,253	60.2	+1,095	Retained earnings +1,370 Translation adjustment Δ245
Total liabilities & net assets	20,655	100.0	22,011	100.0	+1,355	



C/F (Consolidated)

(Million yen)





1. Summary of Financial Results of FYE 6/2010

2. Earnings estimate of FYE 6/2011



Vision for FYE 6/2011 (Consolidated)

- **Net Sales forecast is 15,743 Million Yen (2.6% increase over last FY)**
 - **Increasing revenue segment : Medical Devices**
 - **Decreasing revenue segment : Industrial Devices**
 - **Domestic Medical Market; falling reimbursement prices are offset by increased sales volumes of the Corsair penetration catheter and other products**
 - **Foreign Medical Markets; Forecast increases in EU and Asia (especially China) lead to overall forecast increase**
 - **Industrial Devices Segment; Reevaluate and restructure for most effective allocation of resources, shift to most profitable areas, discontinue unprofitable products, will lead to a forecasted temporary sales setback.**
- **Advance Investment, etc., Leads to Operating income Equivalence**
 - **Operating income of 3,001 Million yen (2.5% increase over last year)**
 - **Multiple investments for continued growth and faster operations (R&D, strengthening sales and marketing, adding staff, etc.)**
 - **Ordinary income of 2,964 Million yen (6.4% increase over last year)**
 - **Net income of 2,052 Million yen (37% increase over last year)**

Assumed exchange rate

10/6 FY (Actual) : US \$ 91.24 yen THB 2.75 yen
 11/6 FY (Plan) : US \$ 90.00 yen THB 2.80 yen

Effect of exchange rate on operating income (estimate)

US \$ (+1 yen influence) : approx. 59 million yen increase
 THB (+0.1 yen influence) : approx. 60 million yen decrease



Earnings estimate of FYE 6/2011

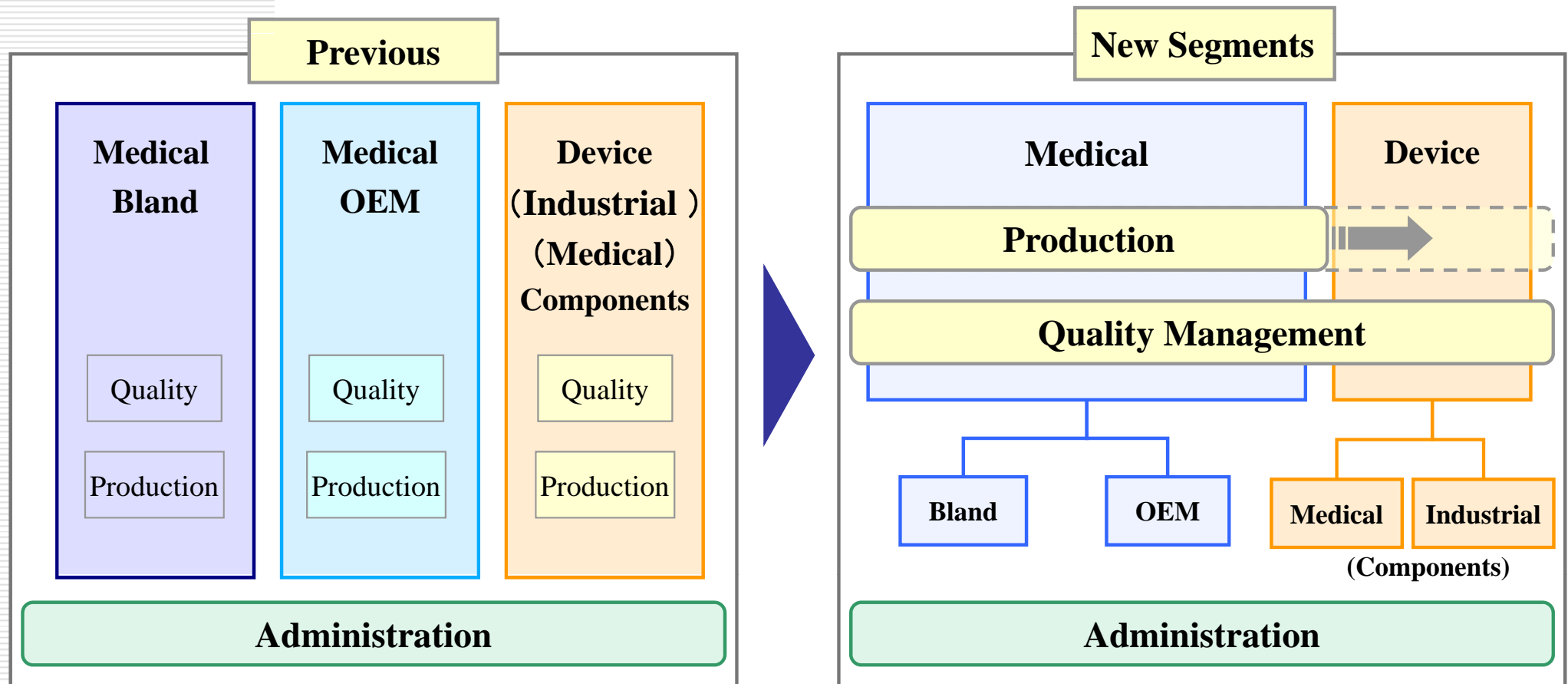
	FYE 6/2010		FYE 6/2011 (plan)			
	Amount (mil.yen)	Ratio (%)	Amount (mil.yen)	Ratio (%)	Year on year	
					Changes (mil.yen)	Changes (%)
Net sales	15,339	100.0	15,743	100.0	+403	+2.6
Gross profit	8,676	56.6	10,198	64.8	+1,522*	+17.5
Operating income	2,929	19.1	3,001	19.1	+72	+2.5
Ordinary income	2,785	18.2	2,964	18.8	+179	+6.4
Net income	1,497	9.8	2,052	13.0	+554	+37.0
EPS (JPY)	94.48	-	129.47	-	-	-

* FYE 6/2011 (plan) Gross profit forecasts increase due to changing classification of sales costs to SGA to reflect organization restructuring



Change to Matrix Organization

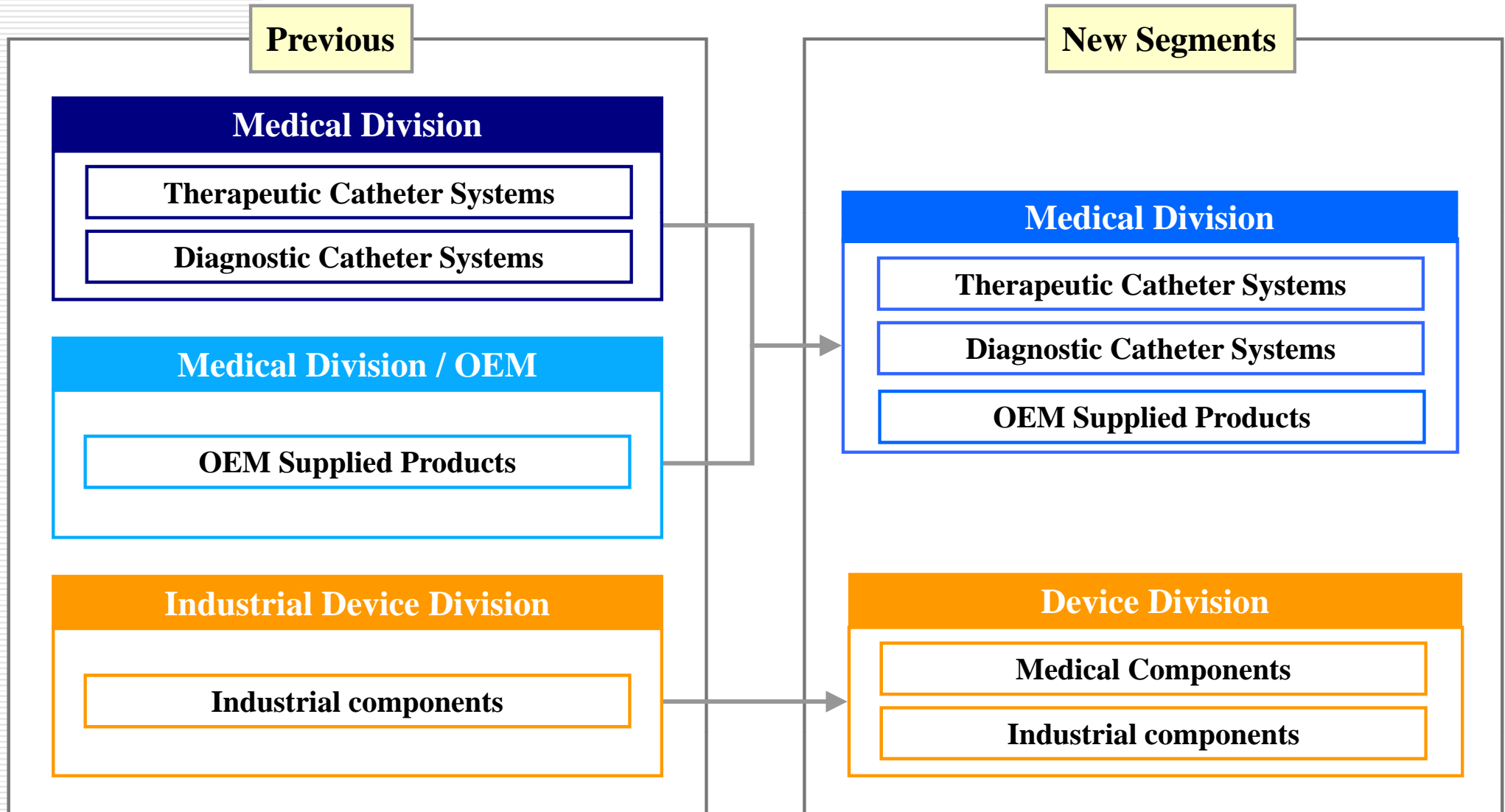
- **Restructuring contents and purpose**
 - **Production and Quality Management will move horizontally across all sections**
 - **Moving to a matrix organization will clarify roles for R&D, production, quality, and sales, as well as increase development speed and production efficiency.**





Change of Segment Division

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

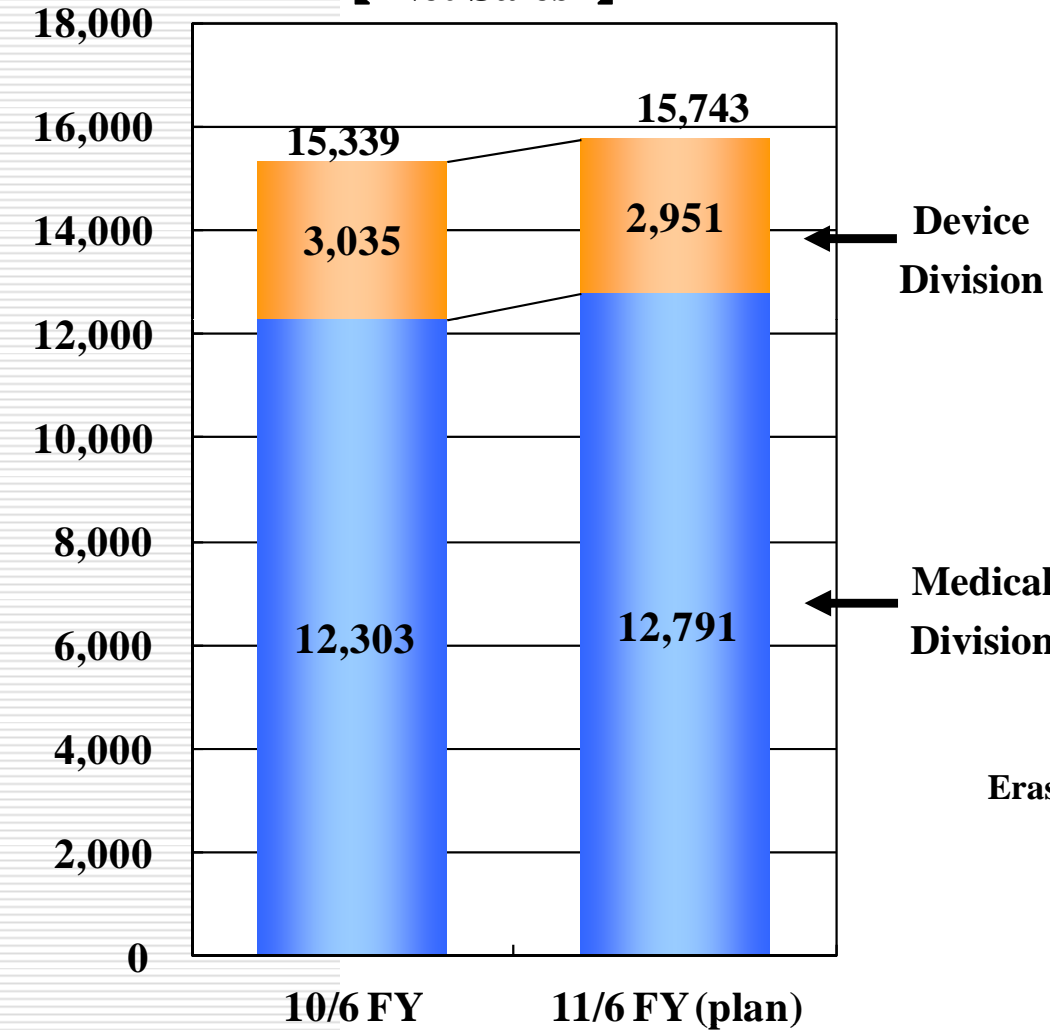




Earnings estimate by New Segment Division

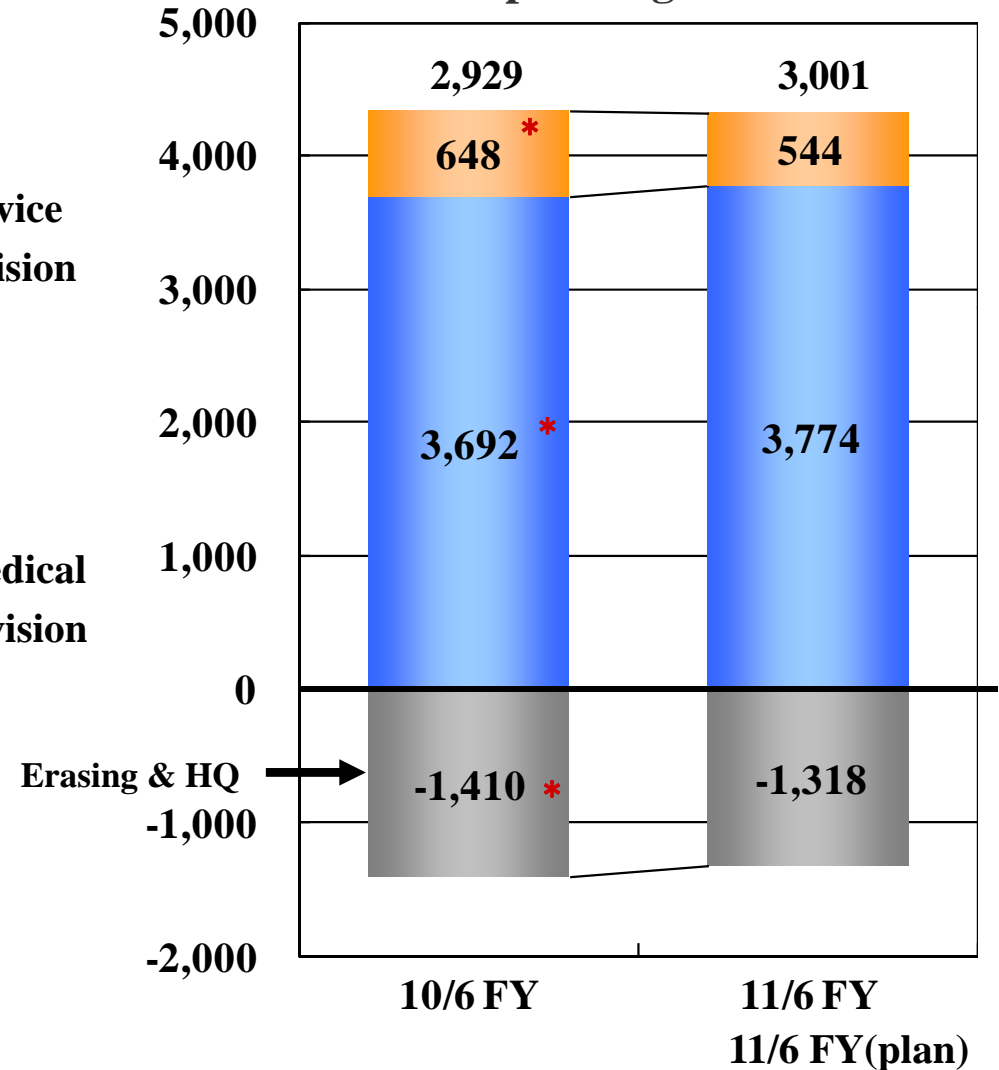
(Million yen)

【 Net Sales 】



(Million yen)

【 Operating income 】

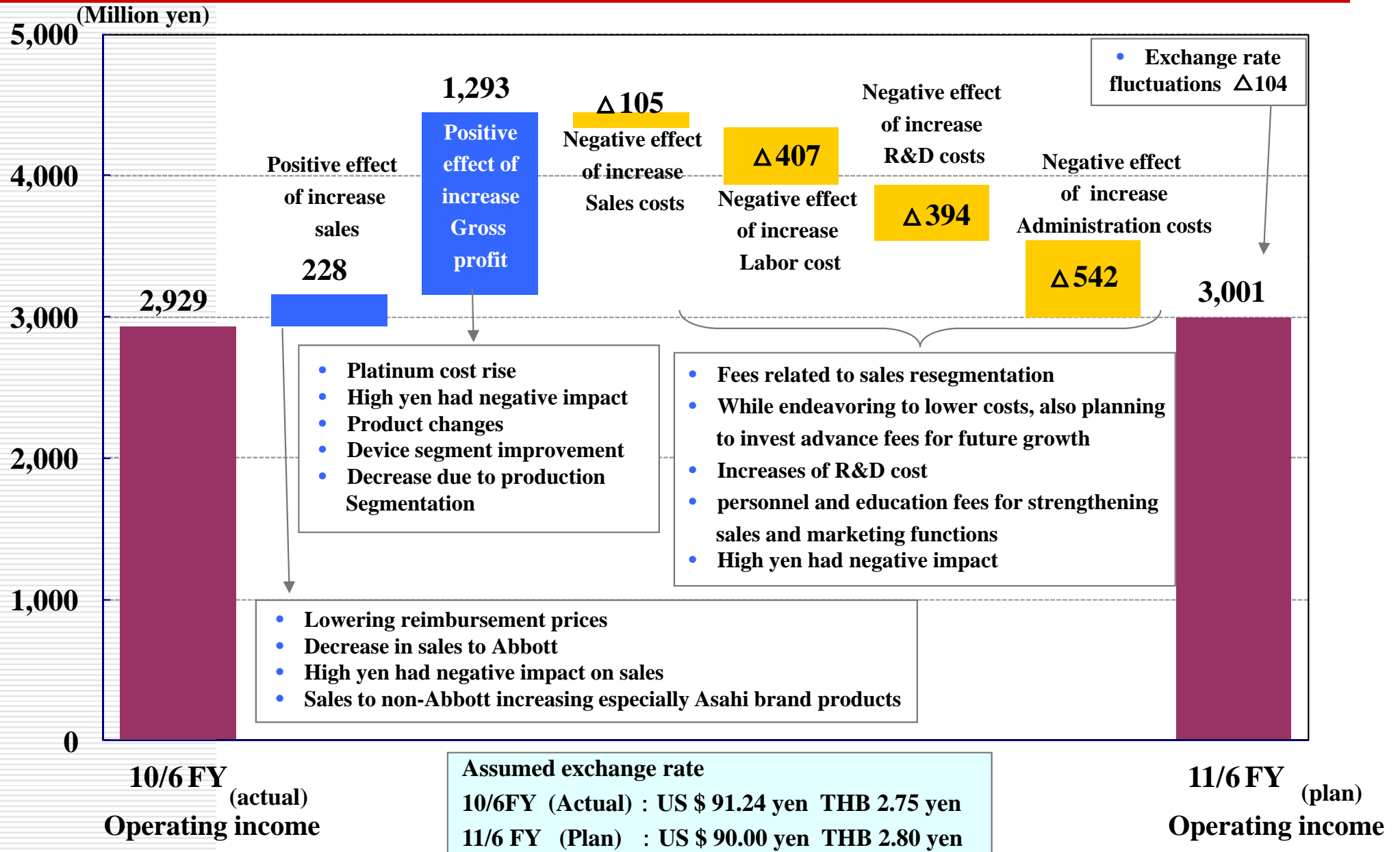


* Regarding Base Technology group fees; to FYE 6/2010, fees were accounted across the entire company.

As of FYE 6/2011, fees will be divided among segments. Criteria based on FYE 6/2010 will be adjusted for FYE 6/2011.



Attribution analysis of operating income for Earning estimate of FYE 6/2011

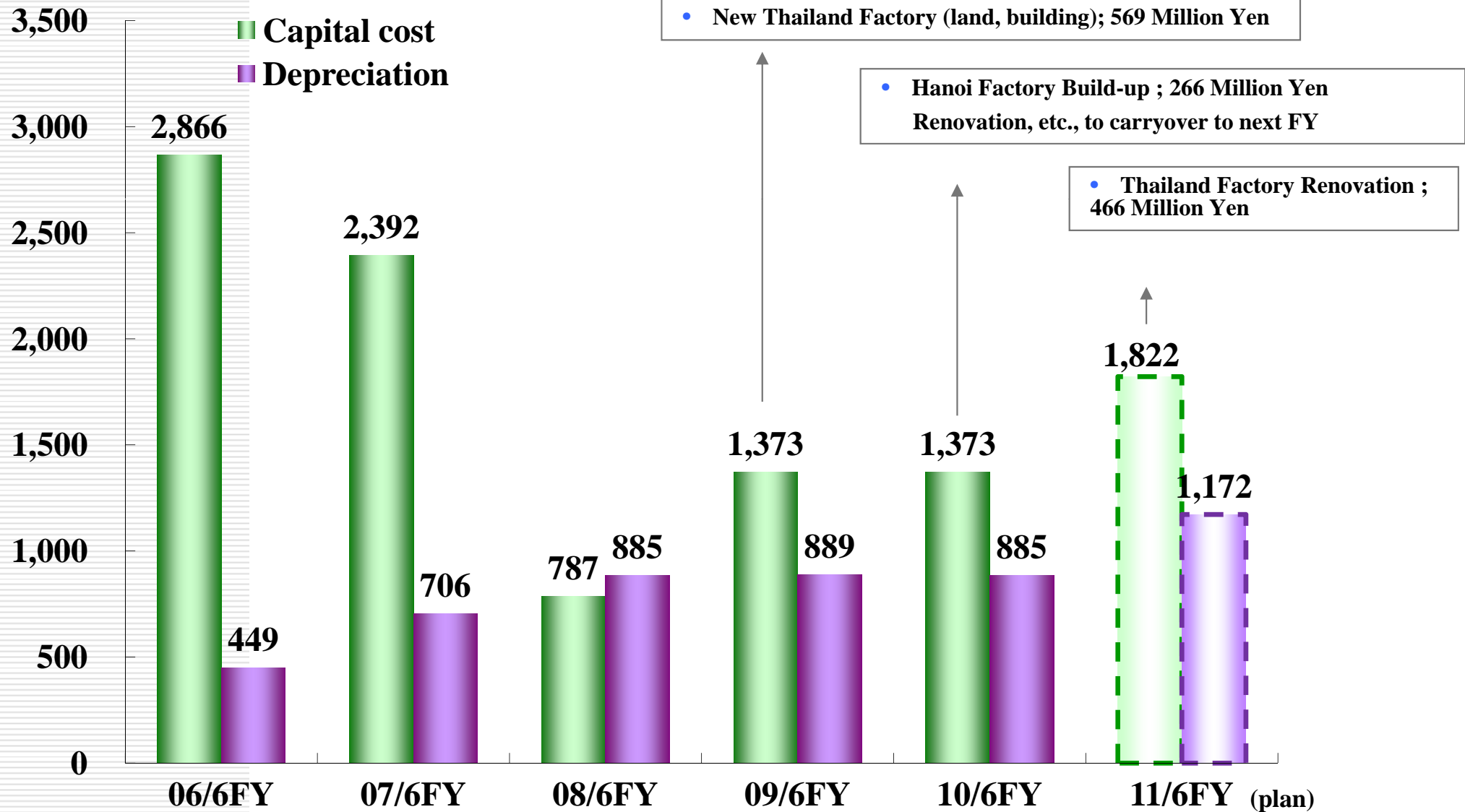




Equipment Installation Actual and Plan

FYE 6/2010 Planned Thai Factory, Renovation, etc., Execute in FYE 6/2011

(Million yen)





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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