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2nd Quarter Financial Results for FYE June, 2010

February 17 , 2010

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



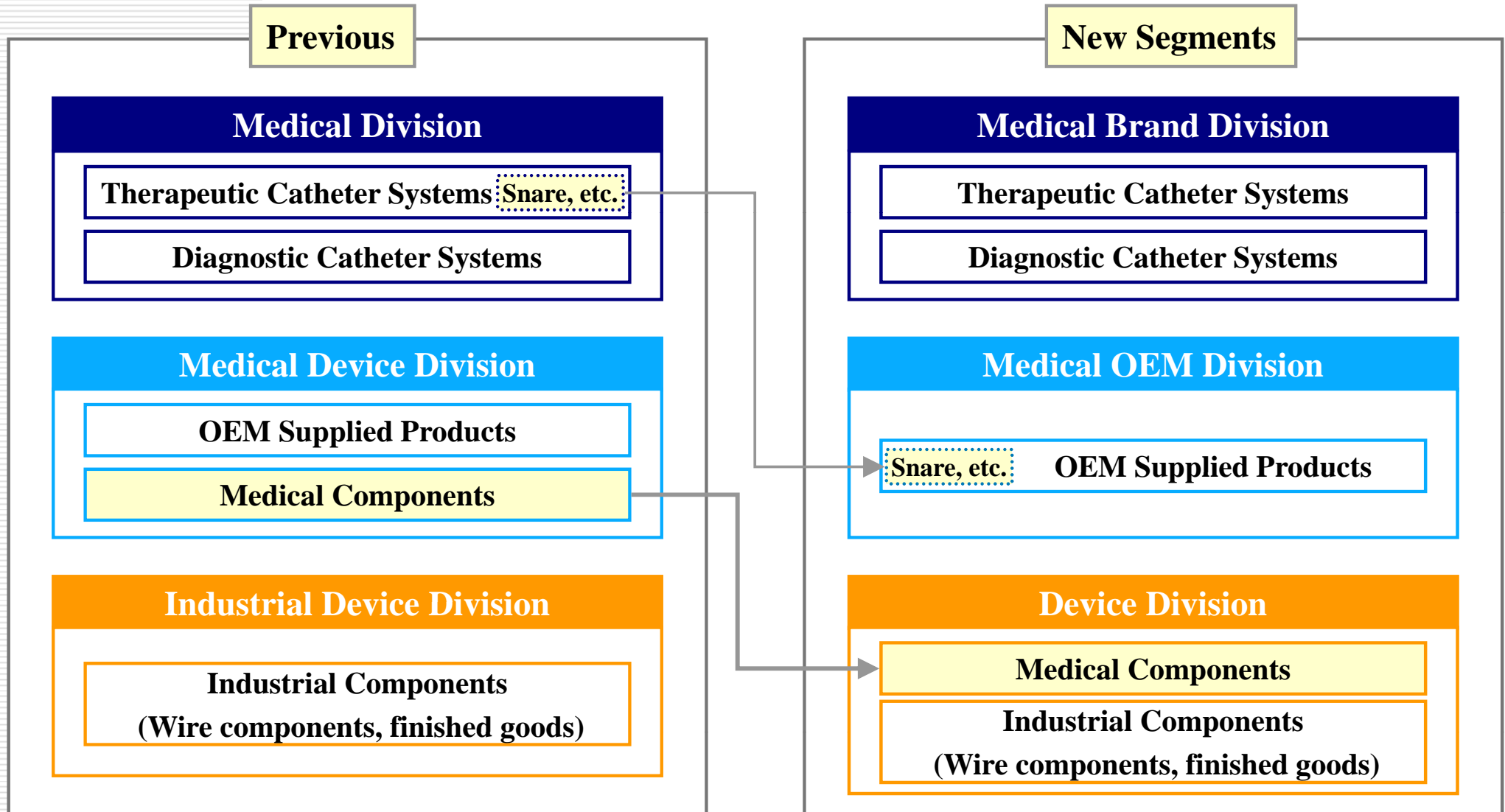
1. Summary of Financial Results of FYE 6/2010 Q2

2. Earnings estimate of FYE 6/2010



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 Q2 YTD Main Points (Consolidated)

- **Net sales made a firm improvement to 7,409 Million Yen (21.2% increase over last year)**
 - **Increased Revenue : Medical areas Decreased Revenue : Industrial Devices**
 - ▶ General economic instability had a negative impact on industrial device sales, while medical devices, especially Asahi brand devices, showed large growth and positive developments.
- **Medical Device operating income significantly increased due to reduced production costs and increased efficiency.**
 - **Operating income were 1,647 Million yen (103% increase over last year)**
(Operating income Margin up 8.9 points over last year)
 - ▶ Thai baht and other low exchange rates helped lower production costs
 - ▶ Prices of often used stainless steel and platinum led to lower raw materials costs
 - Positives {
 - ▶ 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 {
 - ▶ Costs related to establishment of ASAHI INTECC HANOI CO.,LTD
 - ▶ Reduction in stock valuation related to reassessment
 - **Ordinary income is 1,561 Million Yen (300.5% over last year)**
 - ▶ Non-operating expenses down 85 Million Yen due to high yen exchange rate (458 Million earmarked, same as last year)
 - **Net income (Q2 YTD) is 1,006 Million Yen (Last year showed net loss of 286 million yen)**
 - ▶ Extraordinary loss due to securities reevaluation earmarked for 44 million yen (last year earmarked 458 million yen)
 - ▶ Extraordinary loss due to loss from prior period adjustments earmarked for 76 million yen



Highlight (Consolidated)

	FYE 6/2009 Q2 YTD		FYE 6/2010 Q2 YTD						
	Amount (mil.yen)	Ratio (%)	Initial Plan 2009/08/11	Revision Plan 2010/02/03	Amount (mil.yen)	Ratio (%)	Year on year		Compared to initial plan
							Changes (mil.yen)	Changes (%)	Change (%)
Net sales	6,111	100.0	7,215	7,408	7,409	100.0	+1,297	+21.2	+2.7
Gross profit	3,269	53.5	3,928	-	4,178	56.4	+909	+27.8	+6.4
Operating income	811	13.3	1,054	1,646	1,647	22.2	+835	+103.0	+56.2
Ordinary income	389	6.4	1,016	1,567	1,561	21.1	+1,171	+300.5	+53.6
Net income (Q2 YTD)	△286	-	626	1,013	1,006	13.6	+1,292	-	+60.7
EPS (JPY)	△18.05	-	39.50	63.95	63.48	-	-	-	-



Net Sales by Segment Division

	FYE 6/2009 Q2 YTD		FYE 6/2010 Q2 YTD			
	Amount (mil.yen)	Ratio (%)	Amount (mil.yen)	Ratio (%)	Changes (mil.yen)	Changes (%)
Medical Brand Division	3,603	59.0	5,123	69.1	+1,519	+42.2
Medical OEM Division	882	14.4	899	12.1	+16	+1.9
Device Division	1,625	26.6	1,386	18.7	△238	△14.7
Total amount	6,111	100.0	7,409	100.0	+1,297	+21.2

(Reference)

Medical Field	4,958	81.1	6,458	87.2	+1,499	+30.2
Industrial Field	1,153	18.9	950	12.8	△202	△17.6



Operating income by Segment Division

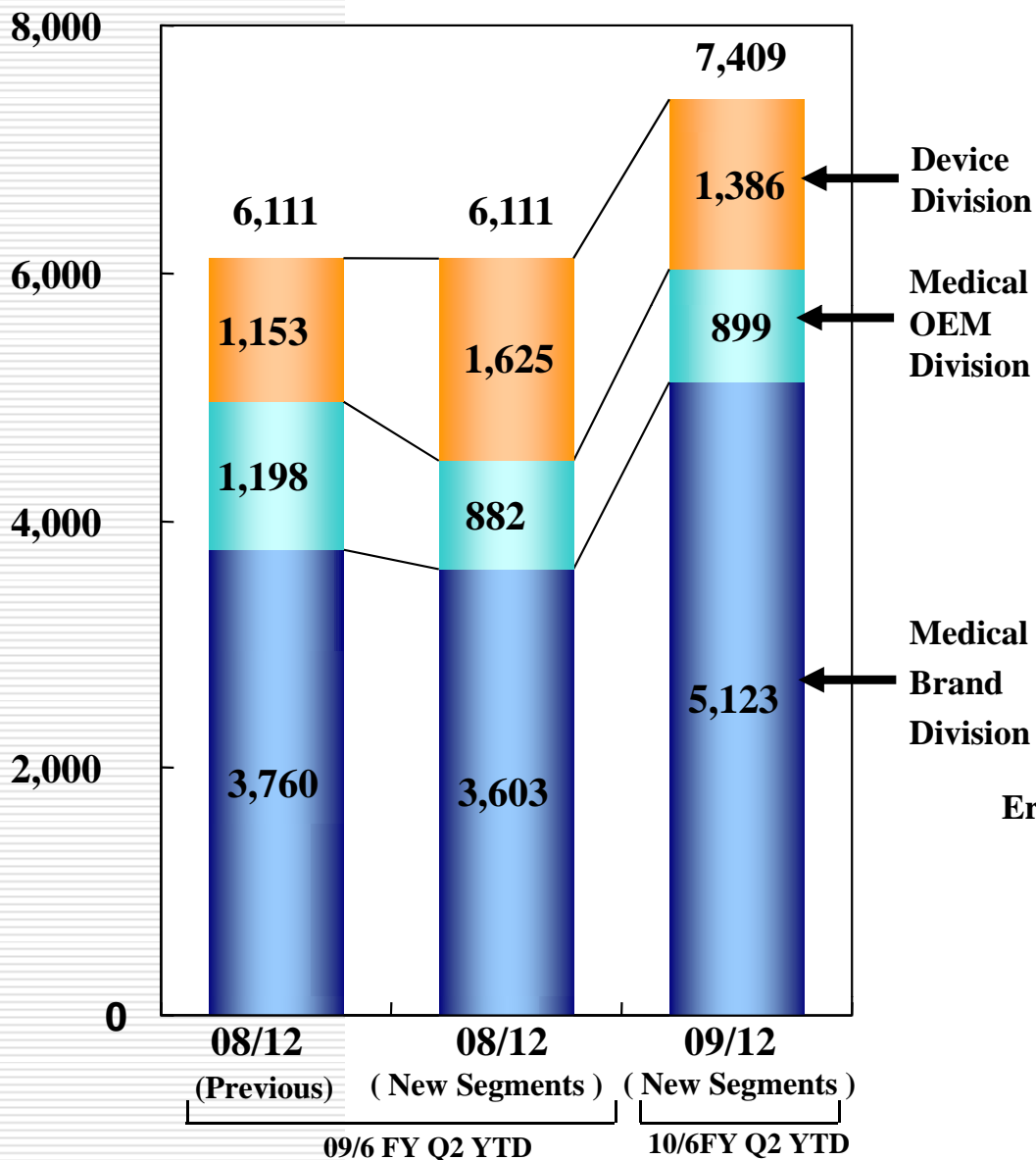
	FYE 6/2009 Q2 YTD		FYE 6/2010 Q2 YTD			
	Amount (mil.yen)	Ratio (%)	Amount (mil.yen)	Ratio (%)	Changes (mil.yen)	Changes (%)
Medical Brand Division	971	65.7	1,828	78.9	+857	+88.2
Medical OEM Division	174	11.8	208	9.0	+33	+19.4
Device Division	332	22.5	279	12.0	△53	△16.0
Subtotal	1,478	100.0	2,316	100.0	+838	+56.7
Erasing & HQ	△667	-	△669	-	-	-
Total amount	811	-	1,647	-	+835	+103.0



Earnings performance by Segment Division

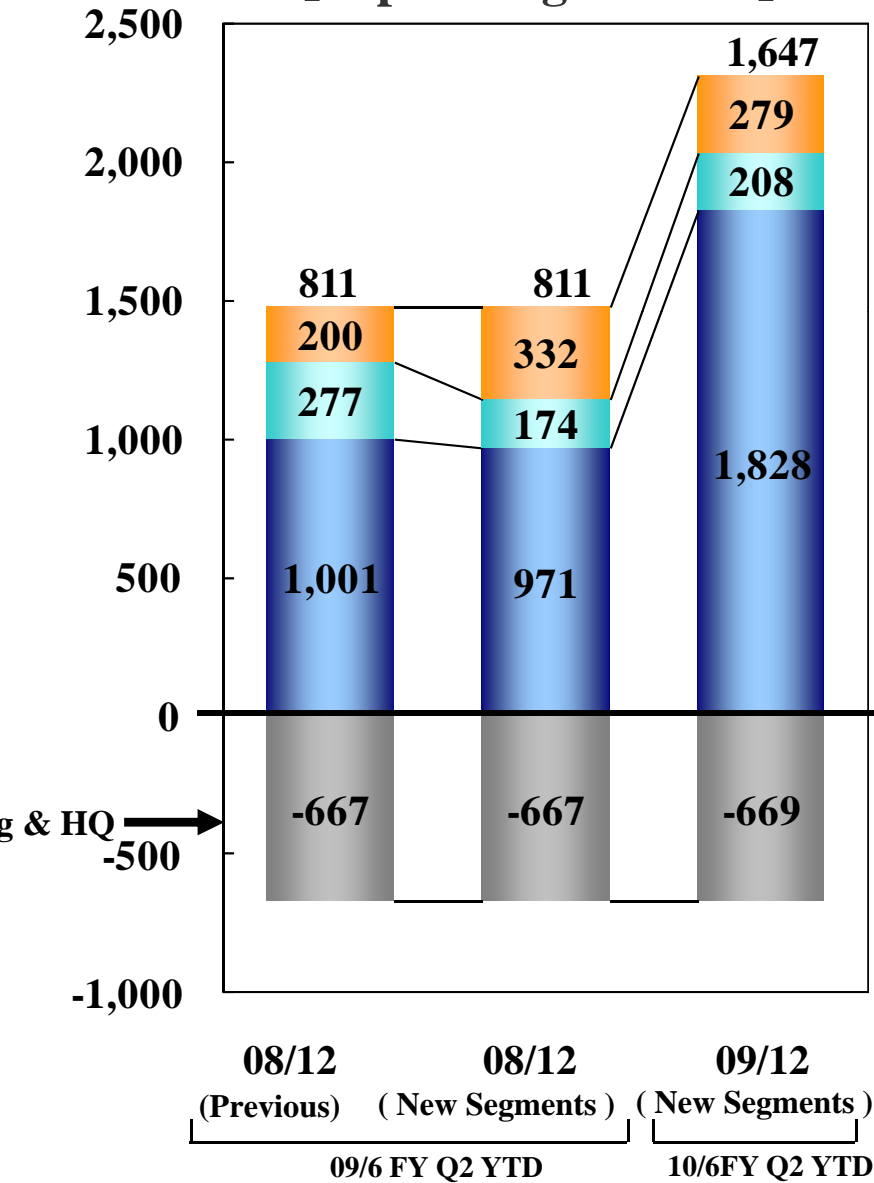
(Million yen)

【 Net Sales 】



(Million yen)

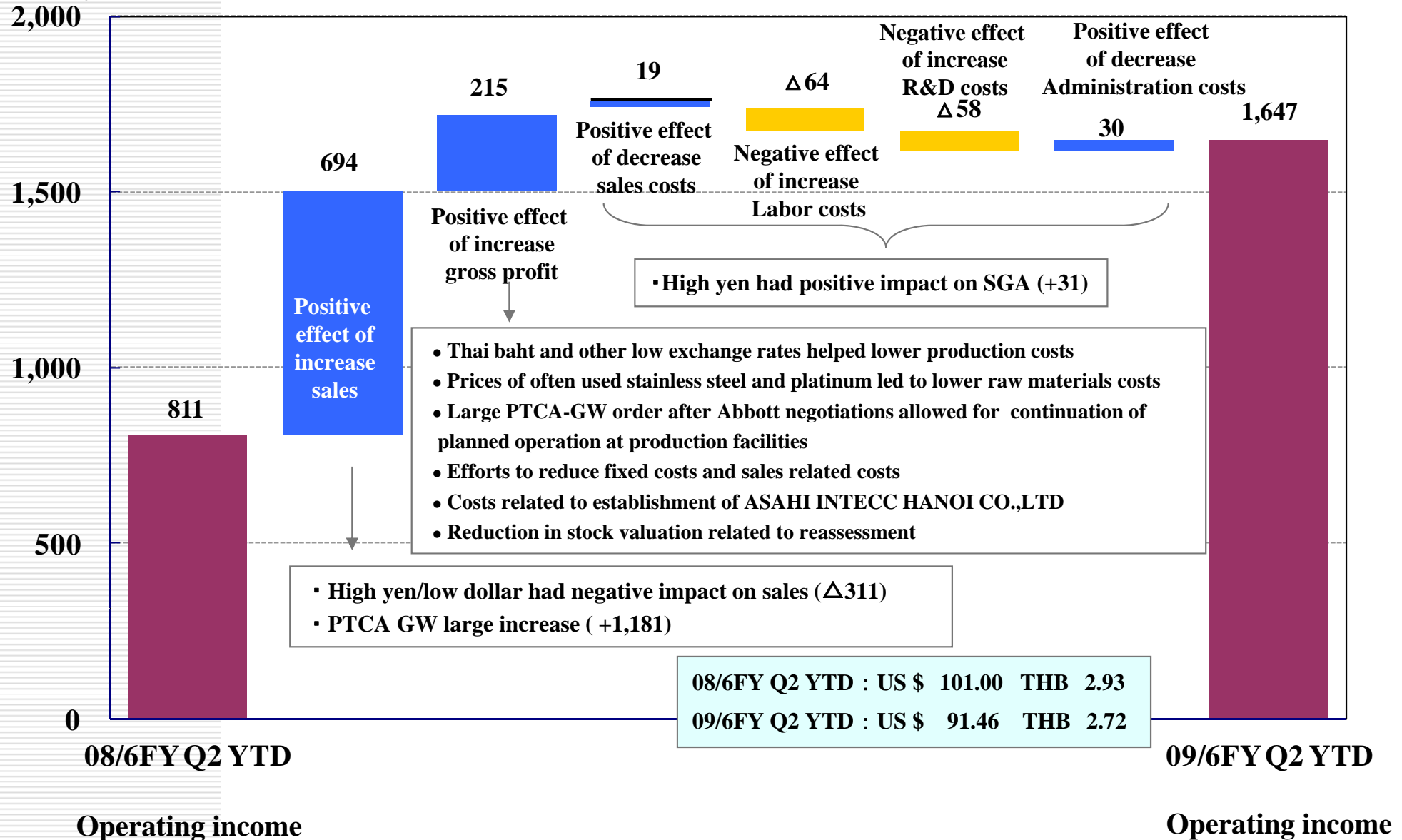
【 Operating income 】





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

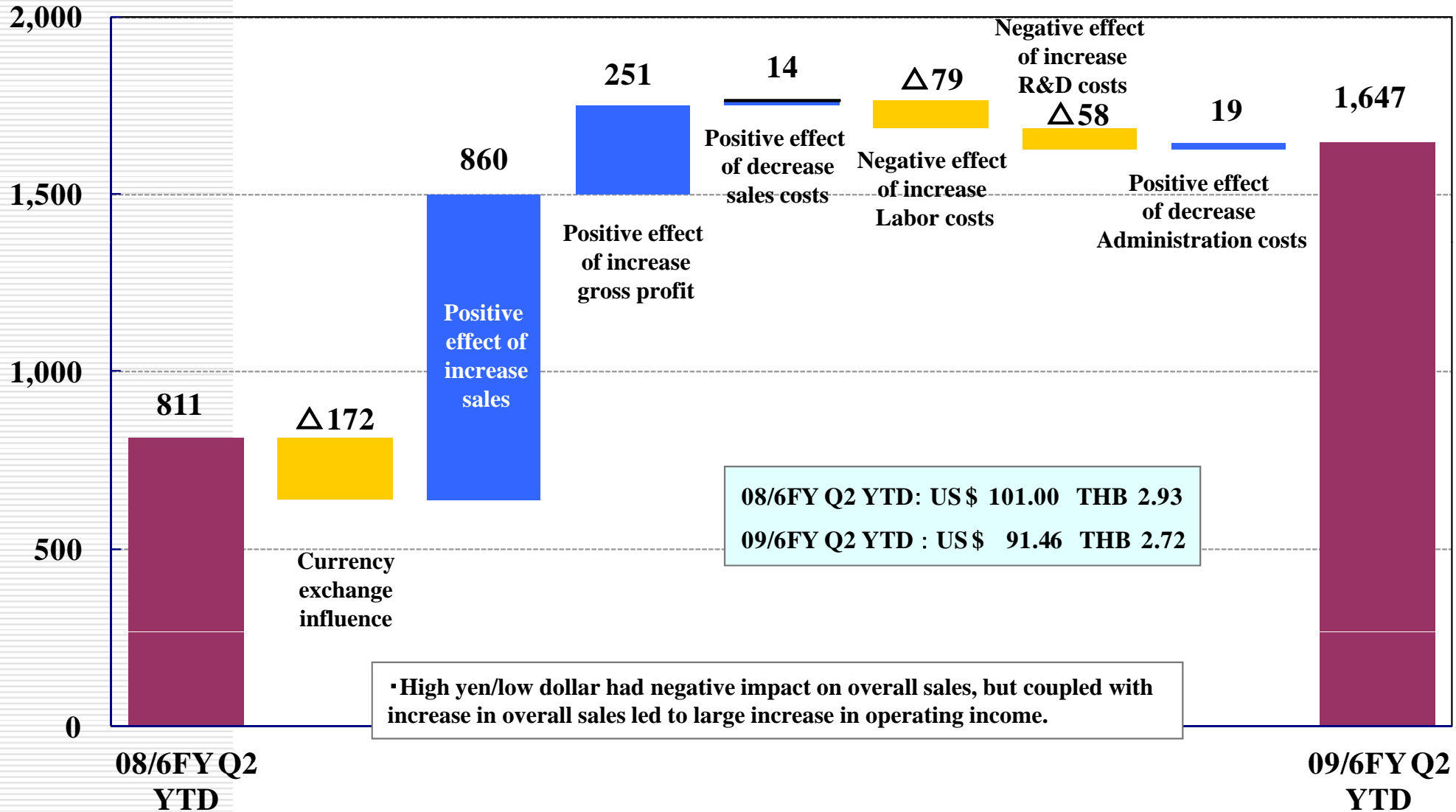
(Million yen)





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

(Million yen)



08/6FY Q2 YTD: US\$ 101.00 THB 2.93
09/6FY Q2 YTD : US\$ 91.46 THB 2.72

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

Operating income

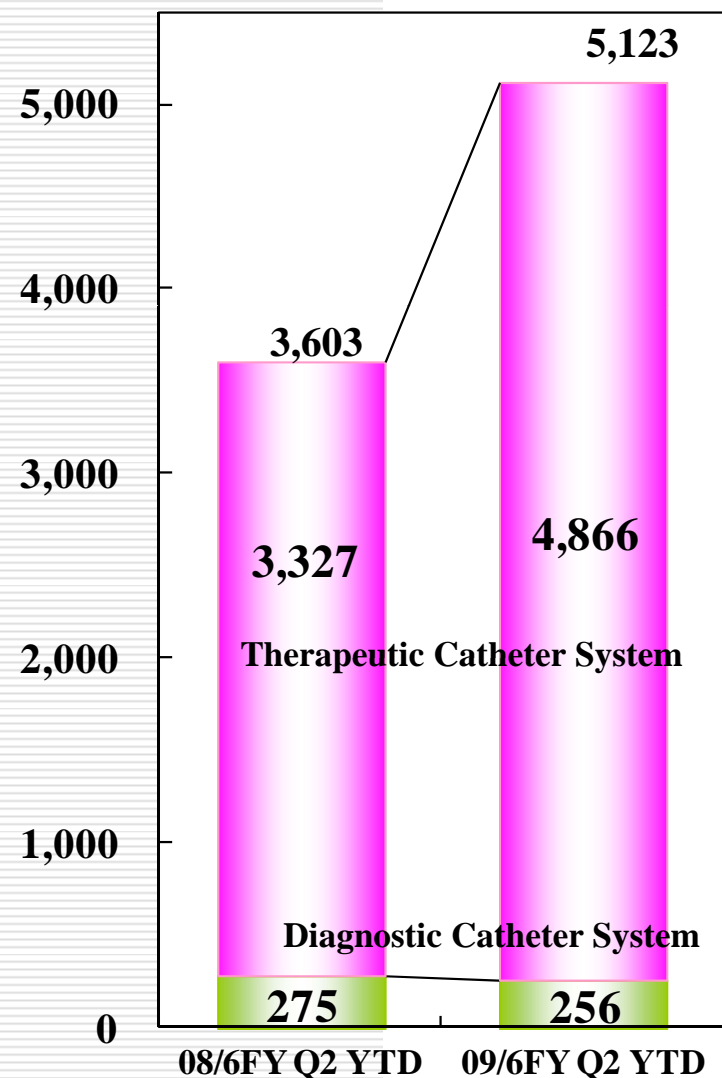
Operating income



Per Segment by Medical Brand Division

(Million yen)

【Sales】



Foreign and Domestic Progressing as Planned

- Sales 5,123 Million Yen (42.2% increase over last year)
- Operating income 1,828 Million yen (88.2% increase)

Therapeutic Catheter Systems

- 4,866 Million yen (increase of 1,538 Million yen, 46.2%)
- Domestic : Success in a wide range of medical areas, focused on vascular
 - ▶ PTCA GW large increase (p.13)
 - ▶ PTCA balloon catheter introduction driving sales
 - ▶ Peripheral (Dialysis) PTA Balloon catheter sales increases
 - ▶ Newly developed neurovascular devices progressing well
- Foreign : Growth in Abbott and non-Abbott sales
 - ▶ USA, EU, Asia, all world sales show increase in PTCAGW sales; China with more than expected (p. 12, 15)
 - ▶ CTO penetration catheter 「Corsair」 launch leading to increased sales in USA and EU
 - ▶ New sales due to Peripheral GW contract and launch with USA company

Diagnostic Catheter System

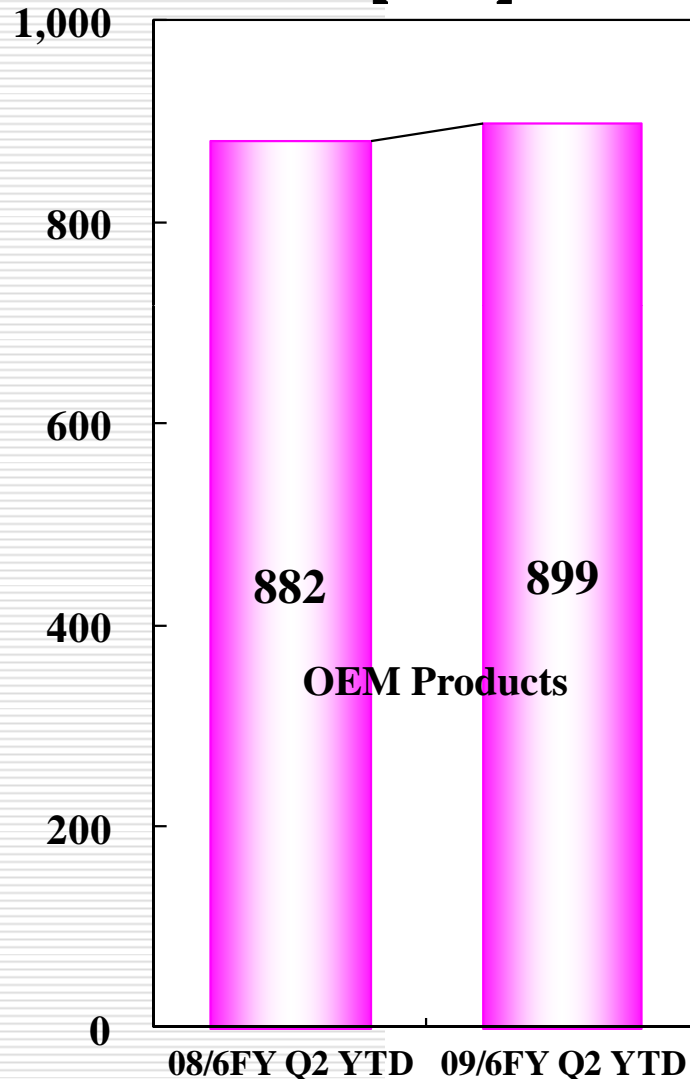
- 256million yen (down 19 million yen from last year, 6.9%)
 - ▶ Severe price competition, plan to shrink in foreign markets



Per Segment by Medical OEM Division

(Million yen)

【Sales】



- **Concentrate on launching products in new medical segments**

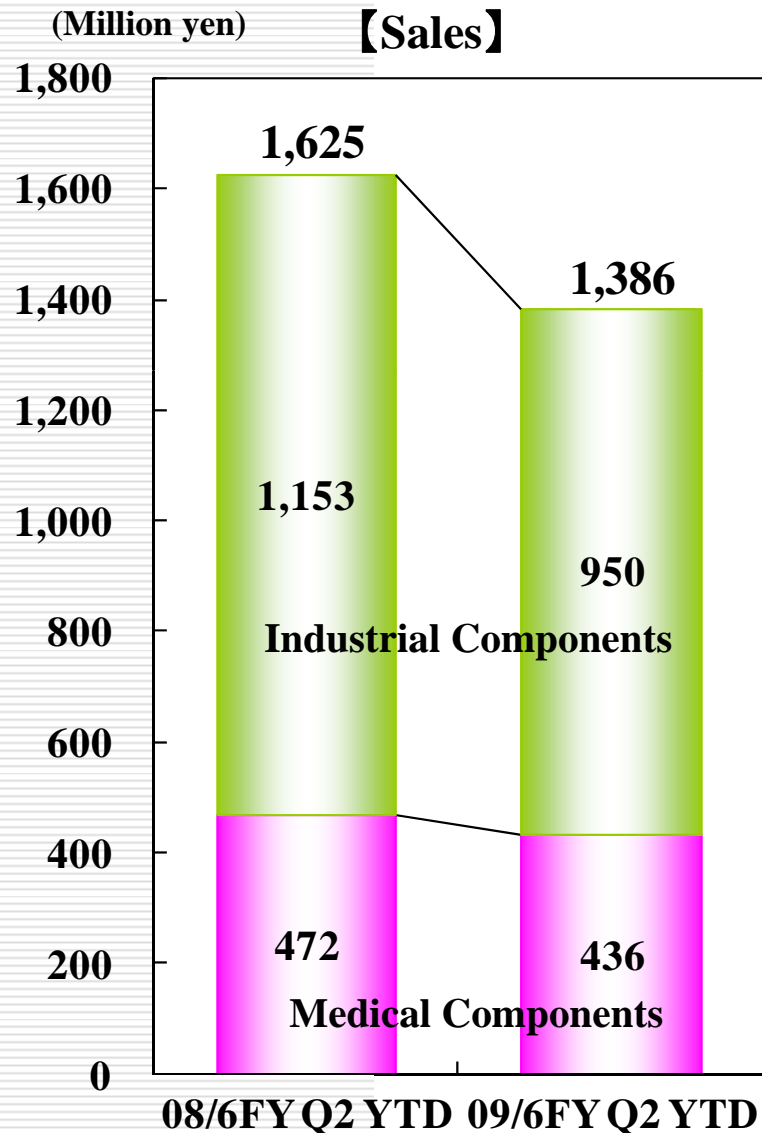
- Sales 889 Million yen (1.9% increase over last year)
- Operating income 208 Million yen (19.4% increase over last year)

- **OEM Products**

- 889 Million yen (16 million yen, 1.9% increase)
- OEM Products to domestic manufacturers leveling out
 - ▶ Peripheral and IVR guide wires progressing
 - ▶ Endovascular related devices decreasing
- Foreign markets (centering on US) progressing well
 - ▶ Peripheral, Neurovascular GW sales up



Per Segment by Device Division



■ Medical and Industrial Component R&D, Production, and Sales

Poor economic conditions continue to have negative effect on the component business

- Sales 1,386 Million yen (Down 14.7% from last year)
- Operating income 279 Million yen (Down 16% from last year)

■ Industrial Components

- 950 Million yen (Down 202 Million yen, 17.6% from last year)
- Poor economic conditions led to severely decreased orders on all but one product
 - ▶ Foreign markets automotive rope, squid fishing rope increased
 - ▶ Foreign and domestic markets both saw decrease in office equipment components
- Focus on shift to high value-added products, review pricing policies

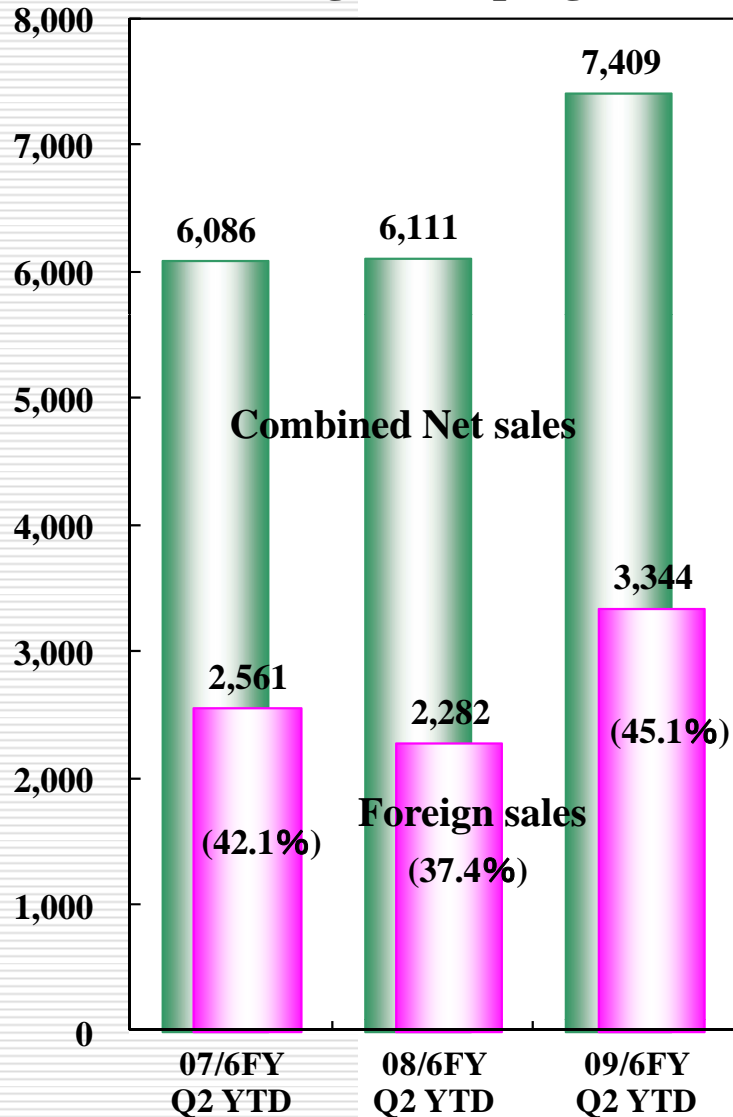
■ Medical Components

- 436 Million yen (Down 36 Million yen, 7.7% from last year)
- Foreign medical component business flat
- Domestic endovascular related product orders decreased



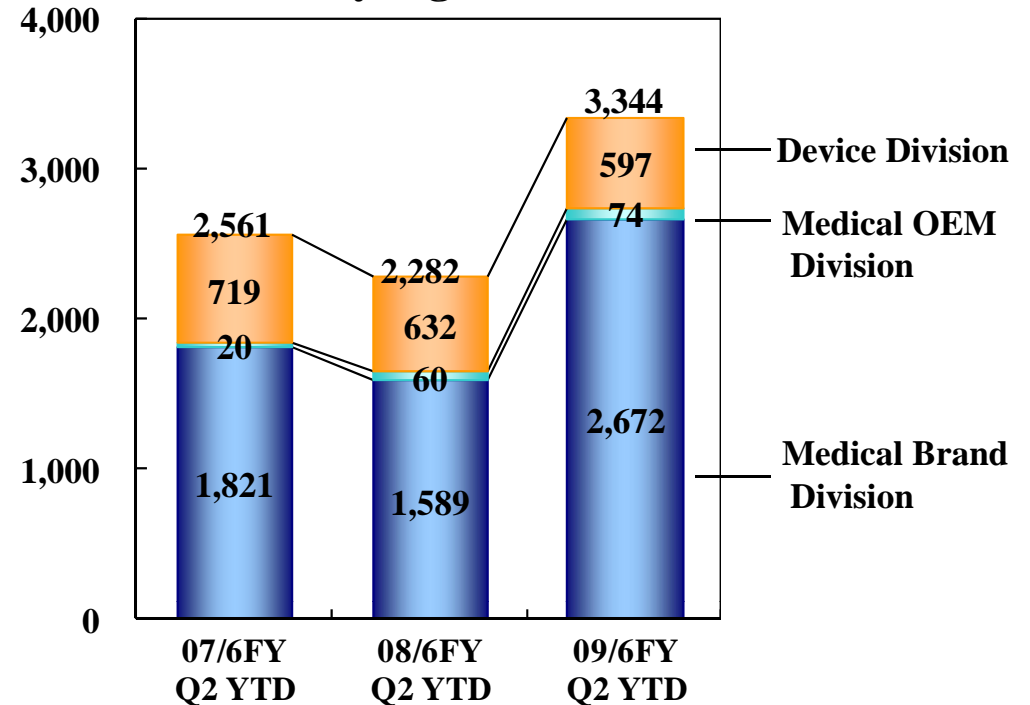
Foreign Sales Division

(Million yen) 【 Foreign sales progression 】



- Foreign sales up to 1,061 Million yen (46.5% increase from last year)
 - ▶ Weak dollar and decreases in industrial device orders offset by gains in medical component and branded medical device businesses
 - ▶ Abbott 2008 agreed volumes reaffirmed in negotiations end of Oct. led to large increases in orders from Nov.
 - ▶ Medical Brand performing well, especially in Asian markets

(Million yen) 【 Sales by segment division 】





P/L (Consolidated)

	FYE 6/2009 Q2 YTD		FYE 6/2010 Q2 YTD			
	Amount (mil.yen)	Ratio (%)	Amount (mil.yen)	Ratio (%)	Changes (mil.yen)	The main comparison factors
Net Sales	6,111	100.0	7,409	100.0	+1,297	Increase of Medical field
Cost of Sales	2,841	46.5	3,230	43.6	+388	Decrease of production costs and raw materials costs
Gross profit	3,269	53.5	4,178	56.4	+909	Increase efficiency
SGA	2,457	40.2	2,531	34.2	+73	Increase of labor costs and R&D costs
Operating income	811	13.3	1,647	22.2	+835	
Non-operating income	88	1.4	42	0.6	△46	Decrease of insurance return △40
Non-operating expense	510	8.3	128	1.7	△381	Foreign exchange loss △372
Ordinary income	389	6.4	1,561	21.1	+1,171	
Extraordinary gain	0	0.0	8	0.1	+8	Reversal of allowance for doubtful accounts +8
Extraordinary loss	538	8.8	120	1.6	△417	Loss on devaluation of investments securities △414 Loss from prior period adjustments +76 Decline in value of Inventory assets △66
Net income	△286	-	1,006	13.6	+1,292	



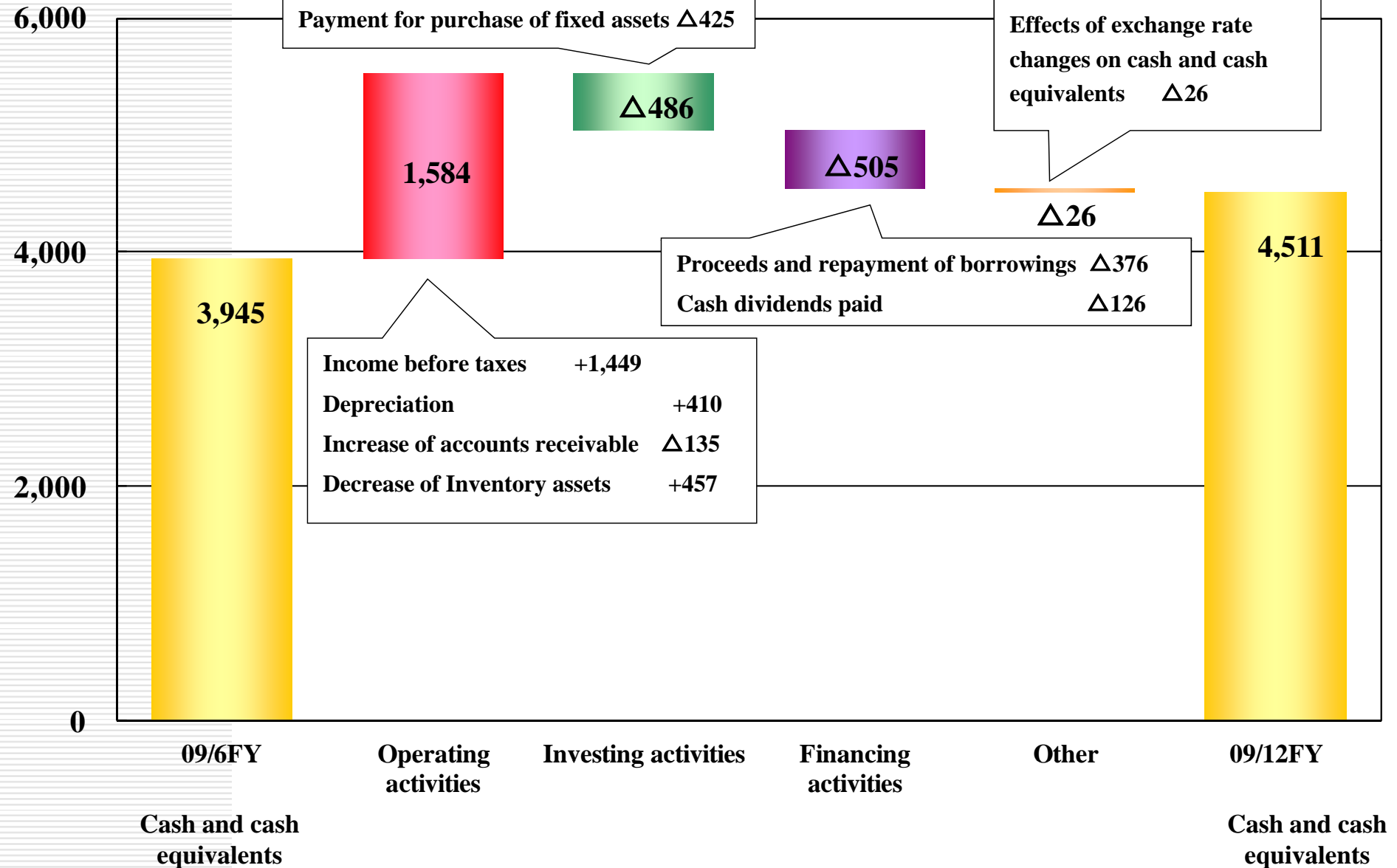
B/S (Consolidated)

	FYE 6/2009		FYE 6/2010 Q2 YTD			
	Amount (mil.yen)	Ratio (%)	Amount (mil.yen)	Ratio (%)	Changes (mil.yen)	The main comparison factors
Current assets	11,117	53.8	11,376	54.4	+258	Cash equivalent +565 Accounts receivable +80 Inventory assets Δ496
Fixed assets	9,537	46.2	9,539	45.6	+1	Fixed assets +20 Investments securities Δ30
Total assets	20,655	100.0	20,915	100.0	+260	
Current liabilities	4,624	22.4	4,646	22.2	+21	Short-term loans +195 Income taxes payable Δ69
Fixed liabilities	3,872	18.7	3,331	15.9	Δ541	Long-term loans Δ613
Total liabilities	8,497	41.1	7,977	38.1	Δ519	
Total net assets	12,158	58.9	12,938	61.9	+780	Retained earnings +879 Translation adjustment Δ119
Total liabilities & net assets	20,655	100.0	20,915	100.0	+260	



C/F (Consolidated)

(Million yen)





1. Summary of Financial Results of FYE 6/2010 Q2

2. Earnings estimate of FYE 6/2010



Vision for FYE 6/2010 (Consolidated) - 1

- **Because H1 Net Sales were better than expected, the forecast for the fiscal year was revised upwards.**
(Net sales: revised upward 1.3%, Operating income : 26.5%, Ordinary income: 25.5%, Net income: 27.4%)
- **Net Sales expected to progress strongly with 14,981 Million yen (up 17.8% from last year)**
 - **Increasing revenue segment : Medical Devices , Decreasing revenue segment : Industrial Devices**
 - ▶ Industrial devices likely to continue in difficult circumstances due to the instability of the current economic climate; however, Medical devices advancing strongly, especially Asahi brand products both in foreign and domestic markets.
 - ▶ Sales to Abbott and non-Abbott both increasing
- **Large income increase expected due to accrual of advance fees, effects from increased production of medical devices**
 - **Operation income of 2,821 Million yen (58.3% increase over last year)**
(Expected increase of operating income margin of 4.8 points)
 - ▶ While endeavoring to lower costs, also planning to invest advance fees for future growth
(R&D costs , personnel and education costs for strengthening sales and marketing functions)
 - **Ordinary income of 2,709 Million yen (88.4% increase over last year)**
 - **Net income this term of 1,804 Million yen (304.6% increase over last year)**

Assumed exchange rate

10/6 FY H2 : US \$ 95.00 yen THB 3.00 yen

10/6 FY : US \$ 93.23 yen THB 2.86 yen

Effect of exchange rate on operating income (estimate)

US \$ (+1 yen influence) : approx. 59 million yen increase

THB (+0.1 yen influence) : approx. 78 million yen decrease



Vision for FYE 6/2010 (Consolidated) - 2

■ Forecast assumption : H2 Proceeds as expected

Sales

- Medical Brand Division continues progressing as in H1, will beat original forecast
- Due to continuing poor economic worldwide conditions and the shift to higher value-added products, sales for industrial components may come in under forecast.
- Foreign medical components and domestic OEM sales may also come in under forecast.
- Planned revision in April 2010 for insurance reimbursement lowering may result in as much as 10% decrease to plan

Income

- Continuing efforts to lower costs are forecast to result in slight lowering of fixed costs and SGA
- Large new OEM production preparation and new bringing new facility online may mean temporary production slowdowns

From next FY new large products will be produced from ASAHI INTECC HANOI CO., LTD.

Moving new production to ASAHI INTECC THAILAND CO., LTD.

- Inventory assets reduction (Direct shipping, stock reevaluation for appropriate stocking levels)

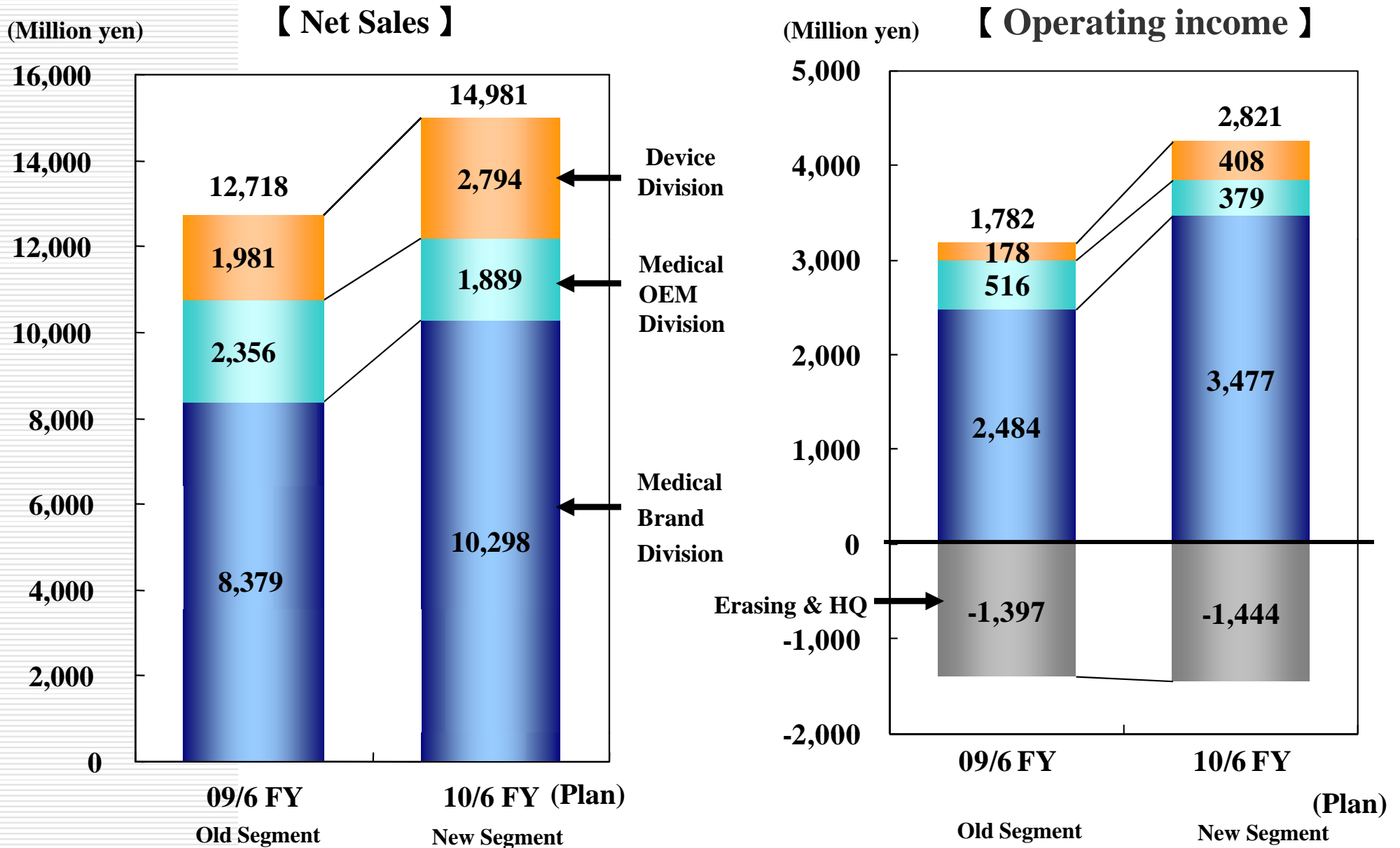


Earnings estimate of FYE 6/2010

	FYE 6/2009		FYE 6/2010 (plan)					
	Amount (mil.yen)	Ratio (%)	Initial Plan 2009/08/11	Amount (mil.yen)	Ratio (%)	Year on year		Compared to initial plan
						Changes (mil.yen)	Changes (%)	Changes (%)
Net sales	12,718	100.0	14,789	14,981	100.0	+2,263	+17.8	+1.3
Gross profit	6,888	54.2	8,084	8,289	55.3	+1,400	+20.3	+2.5
Operating income	1,782	14.0	2,229	2,821	18.8	+1,038	+58.3	+26.5
Ordinary income	1,438	11.3	2,158	2,709	18.1	+1,271	+88.4	+25.5
Net income	445	3.5	1,416	1,804	12.0	+1,358	+304.6	+27.4
EPS (JPY)	28.13	-	89.35	113.80	-			-



Earnings estimate by Segment Division

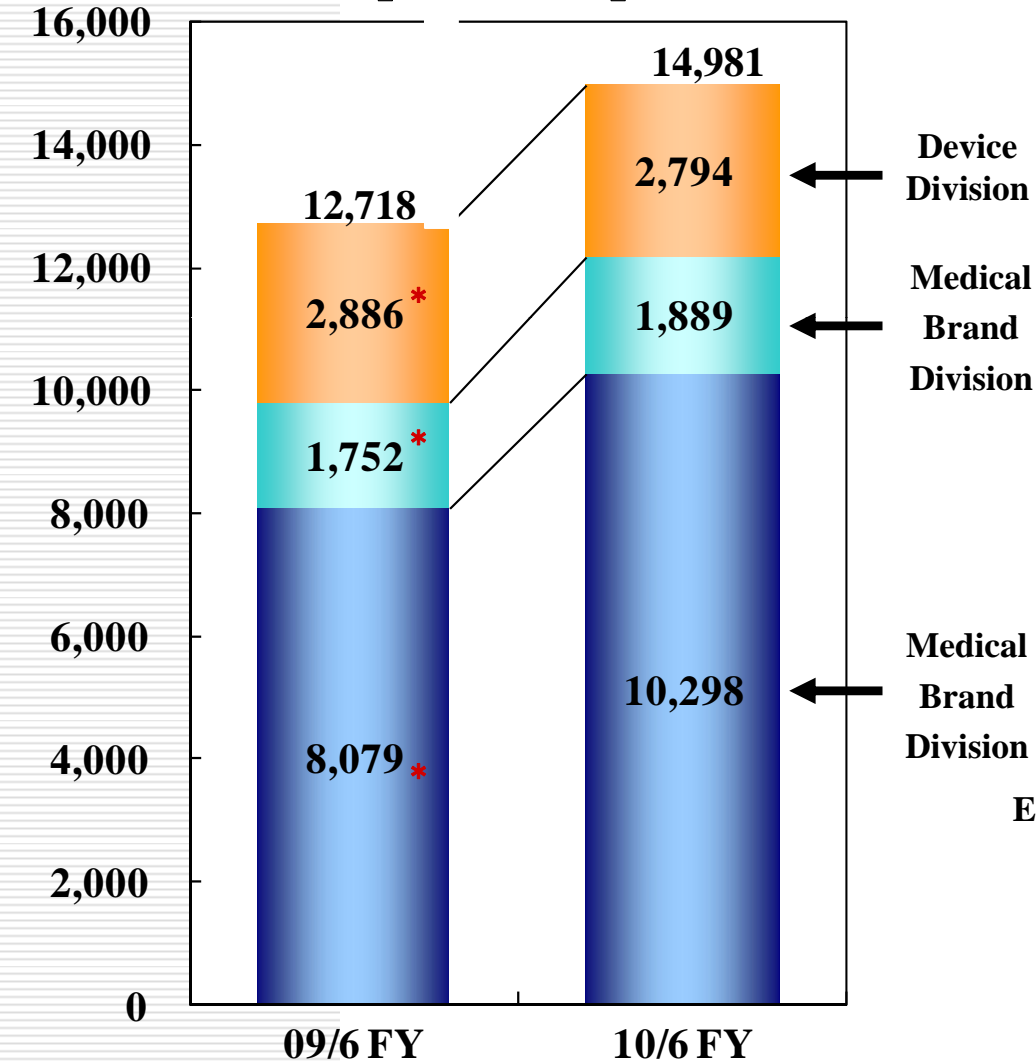




Earnings estimate by New Segment Division

(Million yen)

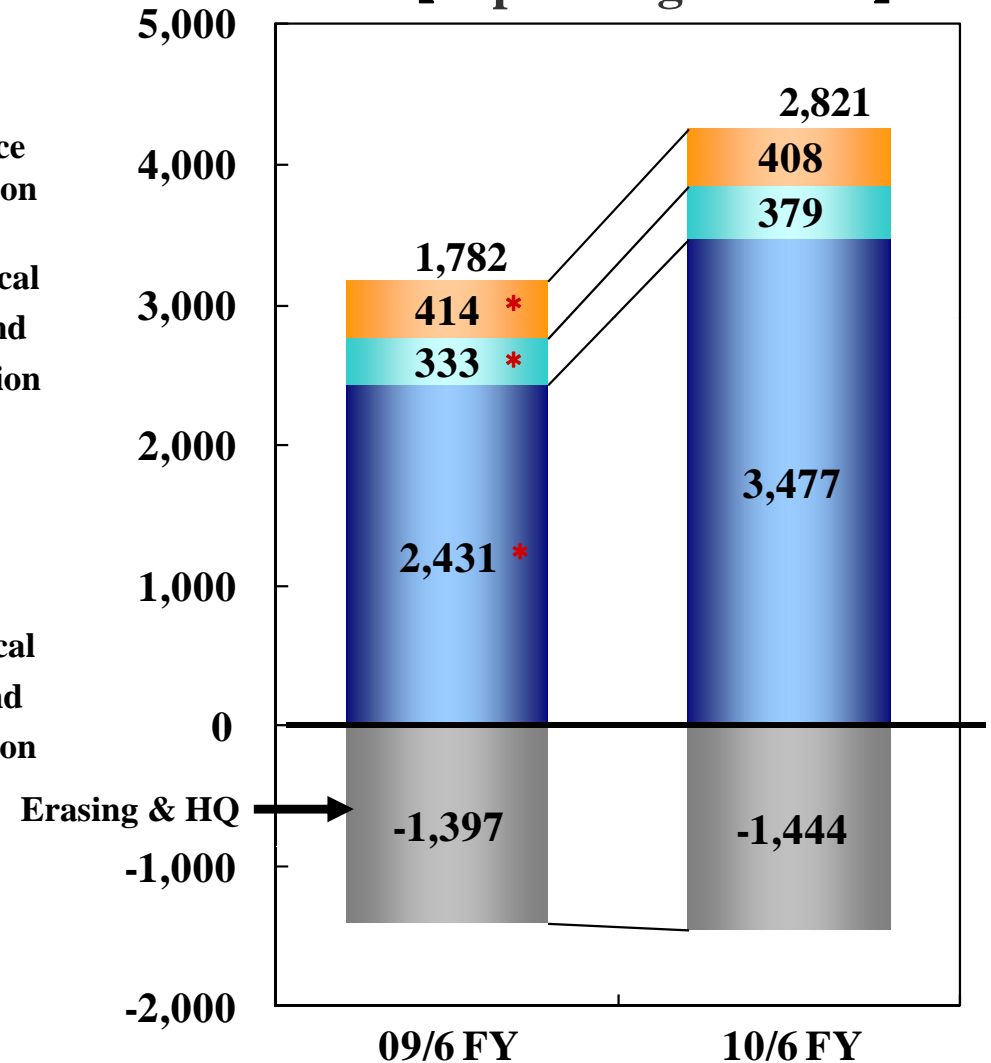
【 Net Sales 】



* New Segments

(Million yen)

【 Operating income 】



* New Segments

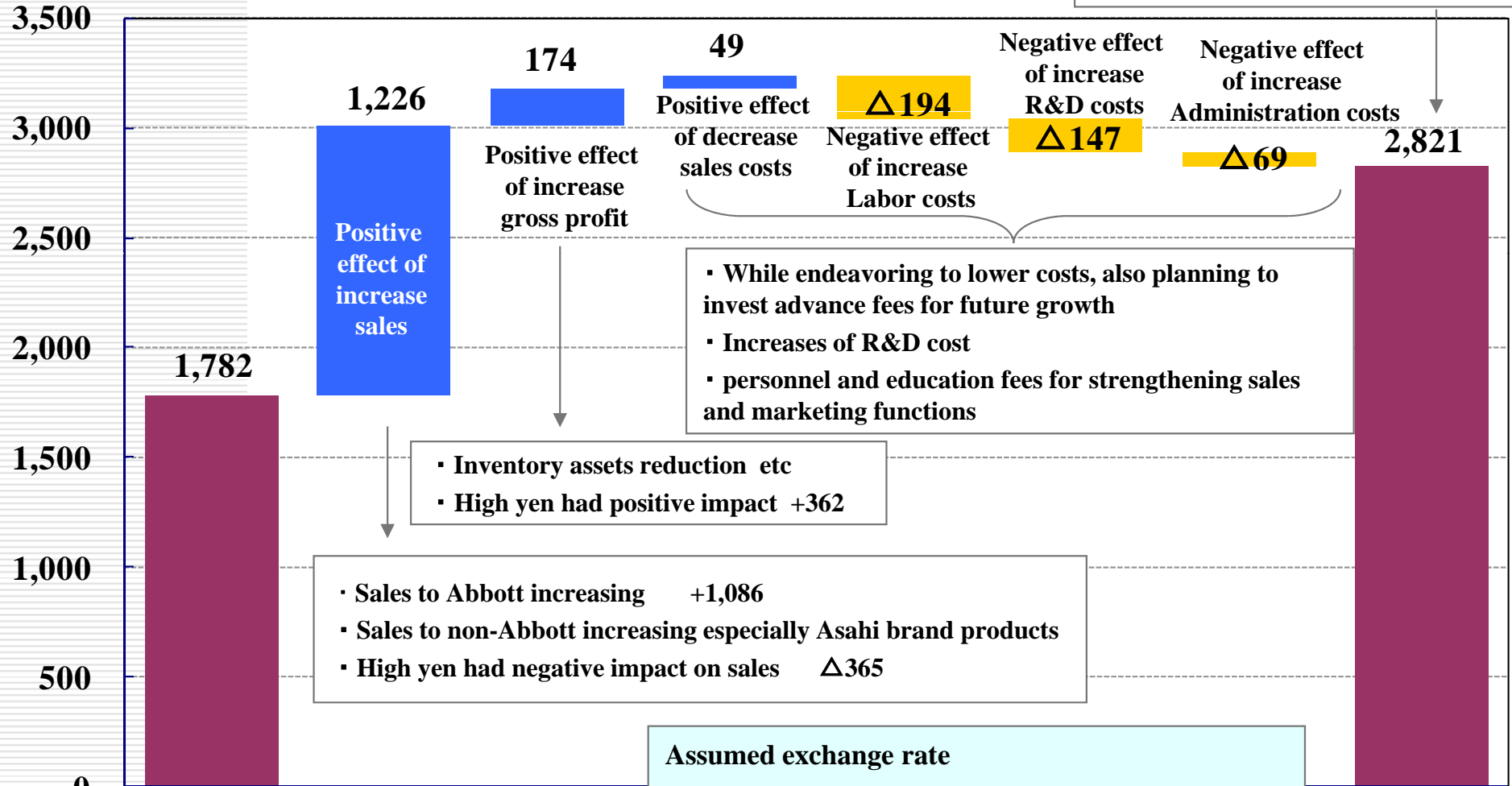
(Plan)



Attribution analysis of operating income for Earnings estimate of FYE 6/2010

(Million yen)

· Exchange rate fluctuations (Δ343)



- While endeavoring to lower costs, also planning to invest advance fees for future growth
- Increases of R&D cost
- personnel and education fees for strengthening sales and marketing functions

- Inventory assets reduction etc
- High yen had positive impact +362

- Sales to Abbott increasing +1,086
- Sales to non-Abbott increasing especially Asahi brand products
- High yen had negative impact on sales Δ365

Assumed exchange rate
 09/6 FY (Actual) : US \$ 98.49 yen THB 2.83 yen
 10/6 FY (Plan) : US \$ 93.23 yen THB 2.86 yen

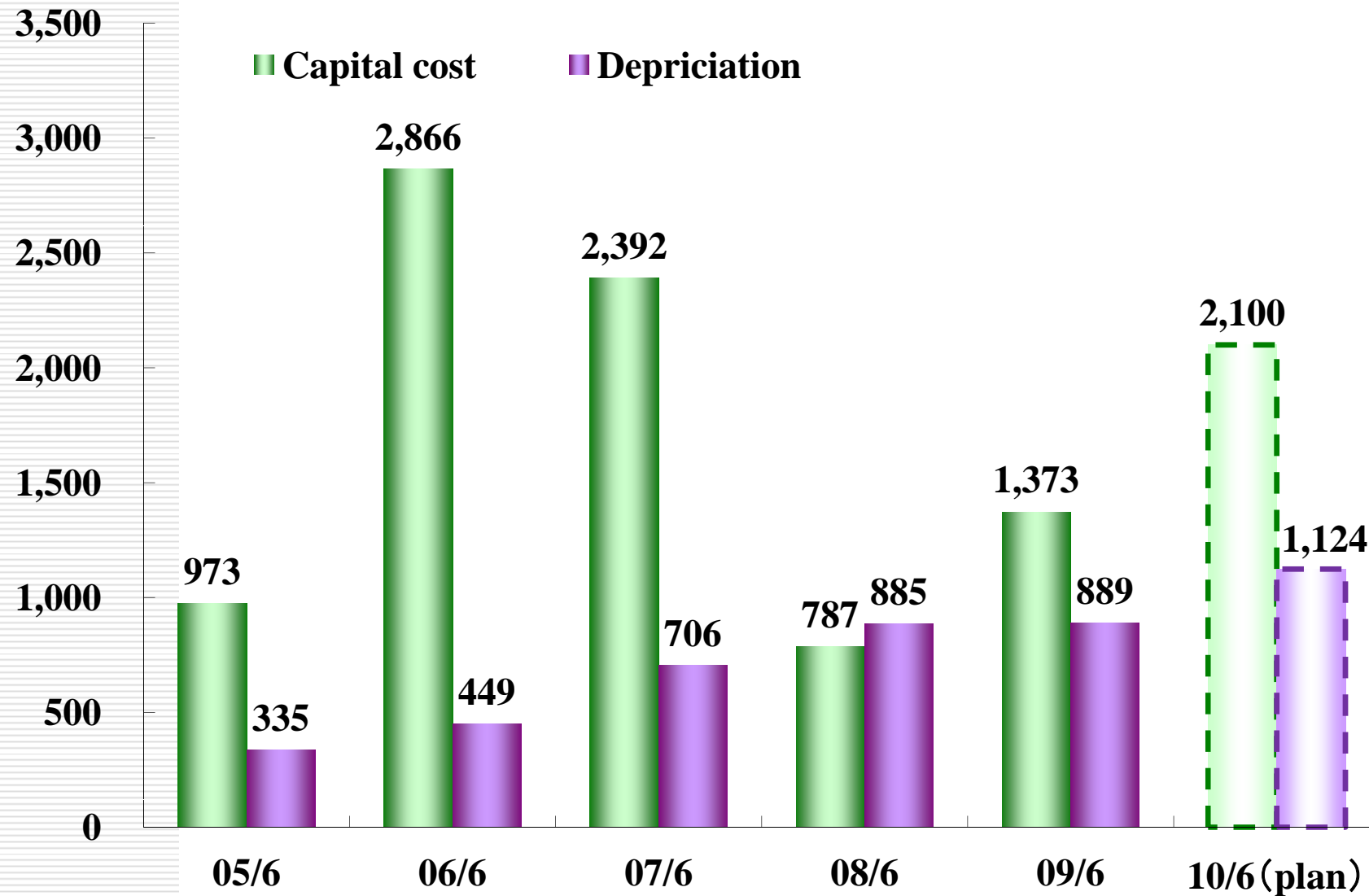
(Actual)
Operating income

(Plan)
Operating income



Equipment Installation Actual and Plan

(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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