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To All Concerned Parties,

Company: Asahi Intecc Co., Ltd.  
Representative: Masahiko Miyata, President & CEO  
(Securities code: 7747, First section of Tokyo Stock Exchange and Nagoya Stock Exchange)  
Contact:  
Mizuho Ito, Member of Board & CFO, General Manager of Administration  
(TEL. +81-561-48-5551)

## Notice Regarding Revision of Earnings Forecast and Cash Dividends Forecast for FYE June 2020

Asahi Intecc Co., Ltd (Asahi Intecc) announces that it revised the consolidated financial forecast and cash dividends forecast for FYE June 2020 announced in the “Summary of Financial Results for FYE June 2019 [Japanese Standards] (Consolidated)” on August 9, 2019 based on the company’s business performance trends.

### 1. Revision of earnings forecast

#### (1) Revised consolidated financial forecast for FYE June 2020 (July 1, 2019 to June 30, 2020)

	Revenue	Operating income	Ordinary income	Net income attributable to parent company shareholders	EPS (Yen) *1
Previously announced forecast (A) (Announced on August 9, 2019)	63,864	15,369	15,373	11,310	43.46
Revised forecast this time (B)	56,207	11,940	11,965	8,977	34.48
Increase/decrease (B-A)	-7,656	-3,429	-3,408	-2,332	-8.98
Increase/decrease (%)	-12.0%	-22.3%	-22.2%	-20.6%	-20.7%
(Reference) Preceding period results (FYE June 2019)	57,216	15,168	14,833	11,237	43.29

(Mil.Yen)

**\*1: As of July 1<sup>st</sup>, 2019, 2-for-1 stock was implemented. As such, for EPS, figures after the share splits are shown in assuming splits of shares at the beginning of previous fiscal year.**

#### (2) Reason for revision

Although revenue, operating income, ordinary income, and net income attributable to parent company shareholders for the consolidated Q2 year-to-date had progressed favorably compared to the initial forecast due to the increase in revenue and delays in the use of selling, general and administrative (SGA) expenses, from Q3 of the fiscal year, the number of endovascular catheter treatments is decreasing on a global scale due to the impact of COVID-19 and revenue is decreasing.

The reason for the decrease in the number of cases is that, of the endovascular catheter treatment, only urgent cases are treated and waiting cases are postponed, so the number of cases is temporarily decreasing. Therefore,

after the impact of COVID-19 settled, most of these postponed waiting cases are expected to be treated, and it is assumed that there will be no significant impact on the medium and long-term growth potential of Asahi Intecc. Operating income is expected to decrease due to the decrease in gross profit with the decrease in revenue although it decreases mainly in operating costs because SGA expenses have not been fully used up to the consolidated Q2 year-to-date, the medical societies have been suspended due to the impact of COVID-19, and sales activities to the hospitals have been banned.

Ordinary income is expected to decrease due to the decrease in operating income although foreign exchange loss decreases.

Net income is expected to decrease due to the decrease in ordinary income and the occurrence of operating compensation although subsidy income increases.

As a result of above, as revenue and operating income and other income in the consolidated financial forecast for the FYE June 2020 are expected to fall below the previously announced forecasts, the consolidated financial forecast is revised as described above.

## 2. Revision of cash dividends forecast

### (1) Details of revision

	Annual cash dividends		
	End of second quarter	Year-end	Total
Previous forecast (Announced in August 9, 2019)	/	10.87 yen	10.87 yen
Revised forecast this time	/	8.62 yen	8.62 yen
Current period results	0.00yen	/	/
Preceding period results *2 (FYE June 2019)	0.00yen	10.81 yen	10.81 yen

**\*2: As of July 1<sup>st</sup>, 2019, 2-for-1 stock was implemented. As such, for Annual cash dividends, figures after the share splits are shown in assuming splits of shares at the beginning of previous fiscal year.**

### (2) Reason for revision

Asahi Intecc recognizes that profit returning to the shareholders is the important management challenge, and the basic policy is to carry out stable and continuous distribution. The cash dividends amount is calculated with long-term perspective with consolidated dividends payout ratio of 25% and comprehensively taking into account such as consolidated results for the current period, future business forecasts and levels of retained earnings.

However, since it is very difficult to forecast when the spread of the COVID-19 on a global scale to be resolved in addition to the above-mentioned downward revision, securing cash on hand at the moment to stabilize management will lead to common value for shareholders.

Please allow us to change the year-end dividends forecast for FYE June 2020 to 8.62 yen (dividends payout ratio of 25%), a reduction of 2.25 yen from 10.87 yen of the latest dividends forecast.

The final dividends decision will be made after the settlement of the full-year results.

\* Notes on business performance forecast

The above prediction values are premised based on the information available to Asahi Intecc as of the date of publication of this material and predictions based on reasonable assumptions. Please note that actual results may differ greatly from forecast presented here due to various factors.