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# **Financial Results of the 3rd Quarter for Fiscal Year ending June 2016**

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**May 13, 2016**

**(Securities code: 7747**

**2nd section of the Tokyo Stock Exchange,  
2nd section of the Nagoya Stock Exchange)**



# FYE June 2016 Q3 YTD Main Points-1

**Net Sales 30,345 Mil. Yen <Year-on-year +16.4%>**  
**~Medical Division and Device Division, both progress favorably~**

- **Medical Division ~Large increase in both Japan and overseas markets due to firm demands**
  - ◆ Positive results in both Japan and overseas markets and in both cardiovascular and non-cardiovascular segments.
    - Good progress and increased share of PTCA GW especially due to SION Series
    - Increase of Penetration Catheter due to all-purpose “Caravel”
    - Continuous increase of PTCA Guiding Catheter “Hyperion”
    - Increase of Peripheral vascular, Abdominal vascular, and Neurovascular products in non-cardiovascular segments.
- Japan
    - Tendency of growth shown for PTCA GW in all areas
    - Strong growth for the Penetration Catheter “Corsair” especially in US, EU/Middle East, and Asia
  - Overseas
    - Increase in non-cardiovascular segments based on peripheral vascular products switched to direct sales in July 2015 in US
    - Redesigning of sales strategy impacted a temporary sales decrease due to the agent’s inventory adjustment in the Chinese market
- **Device Division ~Medical and Industrial components, both progress favorably especially in overseas market~**
  - ◆ In the Medical Components business, orders increased for inspection catheter components and abdominal vascular catheter components targeting North America market
  - ◆ Industrial Components business became brisk especially in products targeting overseas leisure market



## FYE June 2016 Q3 YTD Main Points-2

**While R&D expenses and sales expenses increased, positive sales growth contributed to large operating income performance**

- **Gross profit 19,994 Mil. Yen < YoY +21.5% >**
  - Gross Profit increased in proportion to sales increase. Gross profit ratio increased.
- **Operating income 8,883 Mil. Yen < YoY +36.2% >**
  - Increased R&D expenses (2,690 Mil. Yen) (YoY +396 Mil. Yen, Sales ratio 8.9%)
  - Increased expenses to strengthen sales and marketing activities in overseas markets
- **Ordinary income 8,732 Mil. Yen < YoY +26.2% >**
  - Increased currency exchange loss (YoY +313 Mil. Yen)
  - Arising of Gain on sales of fixed assets including selling the land of the former headquarters of a subsidiary in Japan (YoY +122 Mil. Yen)
- **Net income 6,298 Mil. Yen < YoY +33.9% >**

Exchange rate (Unit: JPY)	US\$	BAHT	EURO	CNY
FYE June 2015 Q3 YTD	113.54	3.50	138.46	18.33
FYE June 2016 Q3 YTD	119.41	3.34	132.00	18.54



# Highlights

	FYE June 2015 Q3YTD		FYE June 2016 Q3YTD			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	YoY	
					Changes (Mil. Yen)	Changes (%)
Net sales	26,064	100.0	30,345	100.0	+4,280	+16.4
Gross profit	16,451	63.1	19,994	65.9	+3,543	+21.5
Operating income	6,521	25.0	8,883	29.3	+2,362	+36.2
Ordinary income	6,917	26.5	8,732	28.8	+1,815	+26.2
Net income	4,703	18.0	* 1 6,298	20.8	+1,594	+33.9
EPS * 2	73.36 yen		99.61 yen	-	+26.24 yen	+35.8

\* 1: Net income in Q3 YTD for FYE June 2016 is net income attributable to parent company shareholders.

\* 2: As of August 1, 2015, one ordinary share was split into two shares. As such, as to EPS, figures after share splits are shown in assumption of splits of share at the beginning of previous fiscal year.



# Net Sales by Segment Division

	FYE June 2015 Q3 YTD		FYE June 2016 Q3 YTD			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Changes (%)
Medical	20,394	78.2	23,896	78.7	+3,502	+17.2
Device	5,670	21.8	6,448	21.3	+777	+13.7
<b>Total amount</b>	<b>26,064</b>	<b>100.0</b>	<b>30,345</b>	<b>100.0</b>	<b>+4,280</b>	<b>+16.4</b>

(Reference)

Medical field	22,175	85.1	26,274	86.6	+4,098	+18.5
Industrial field	3,889	14.9	4,071	13.4	+182	+4.7

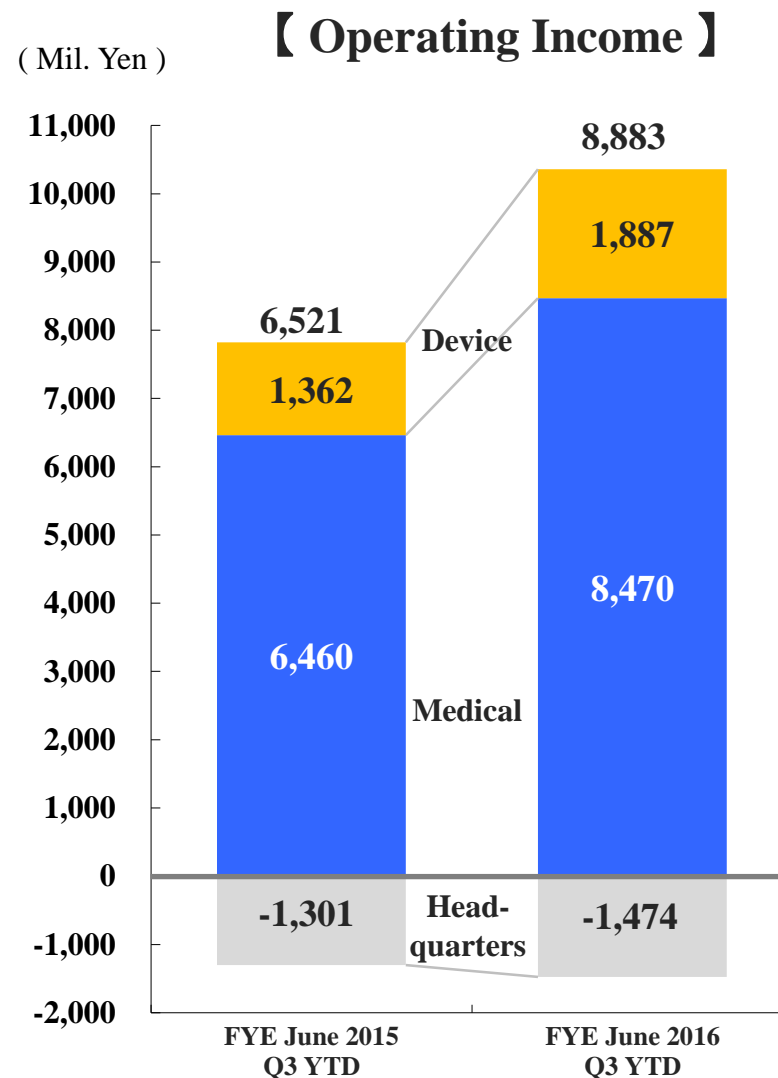
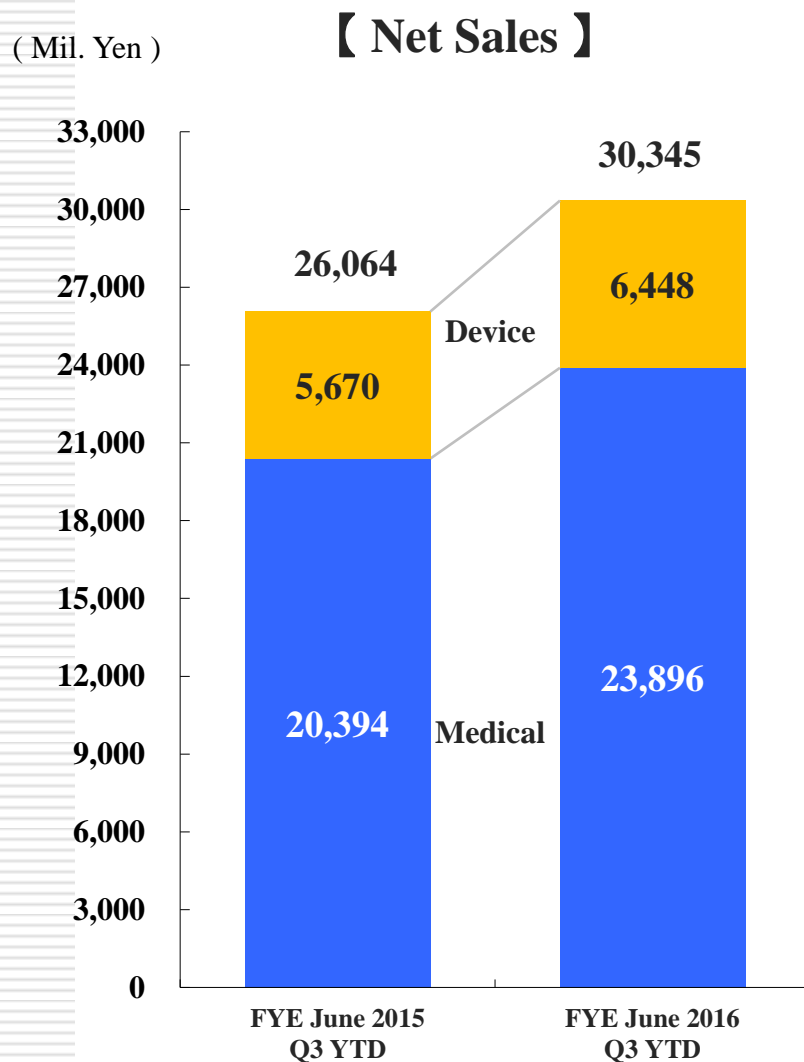


# Operating Income by Segment Division

	FYE June 2015 Q3 YTD		FYE June 2016 Q3 YTD			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Changes (%)
<b>Medical</b>	<b>6,460</b>	<b>82.6</b>	<b>8,470</b>	<b>81.8</b>	<b>+2,009</b>	<b>+31.1</b>
<b>Device</b>	<b>1,362</b>	<b>17.4</b>	<b>1,887</b>	<b>18.2</b>	<b>+524</b>	<b>+38.5</b>
<b>Subtotal</b>	<b>7,822</b>	<b>100.0</b>	<b>10,357</b>	<b>100.0</b>	<b>+2,534</b>	<b>+32.4</b>
<b>Erasing &amp; Head Quarters</b>	<b>-1,301</b>	<b>-</b>	<b>-1,474</b>	<b>-</b>	<b>-172</b>	<b>+13.3</b>
<b>Total amount</b>	<b>6,521</b>	<b>-</b>	<b>8,883</b>	<b>-</b>	<b>+2,362</b>	<b>+36.2</b>

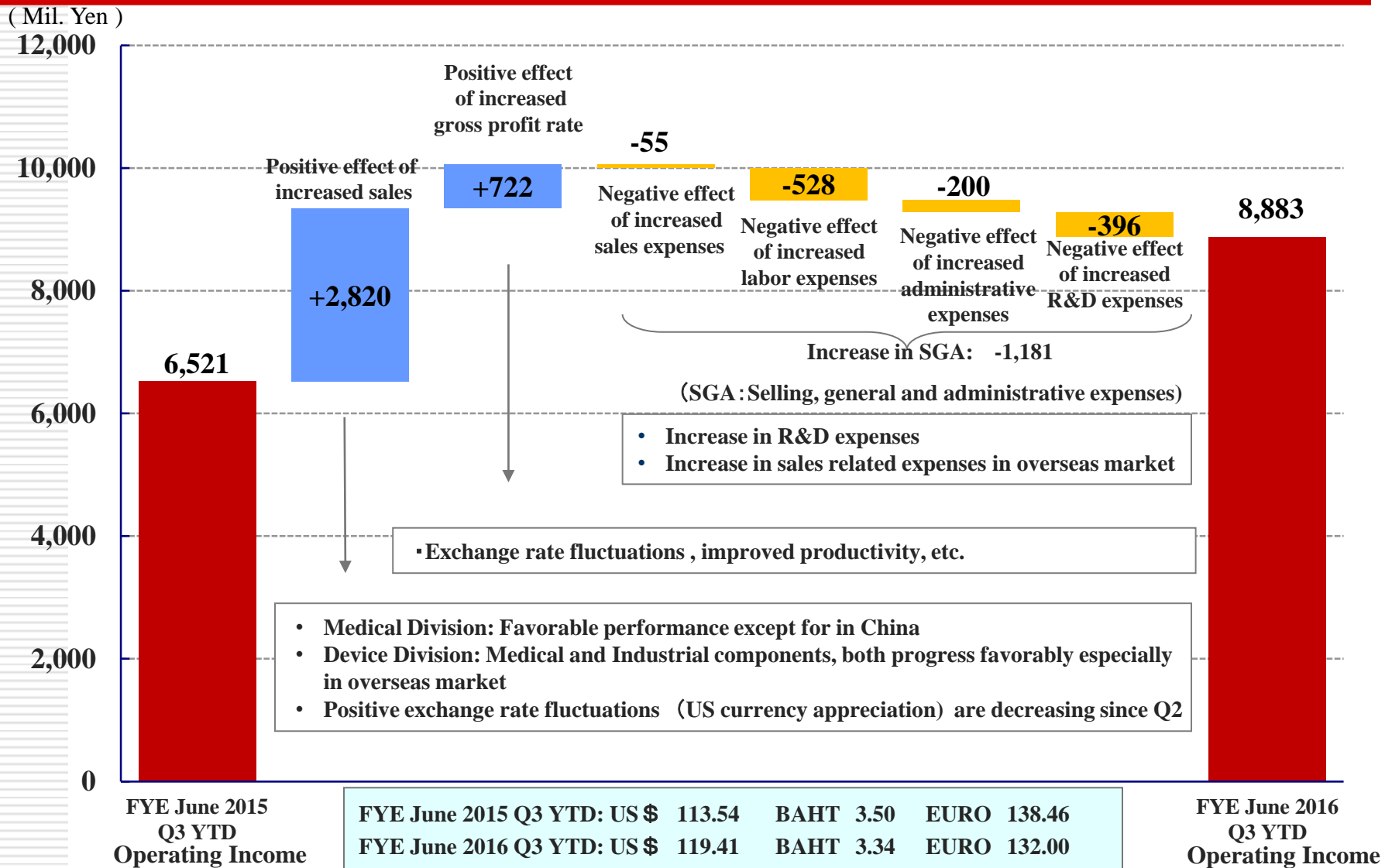


# Earnings Performance by Segment Division





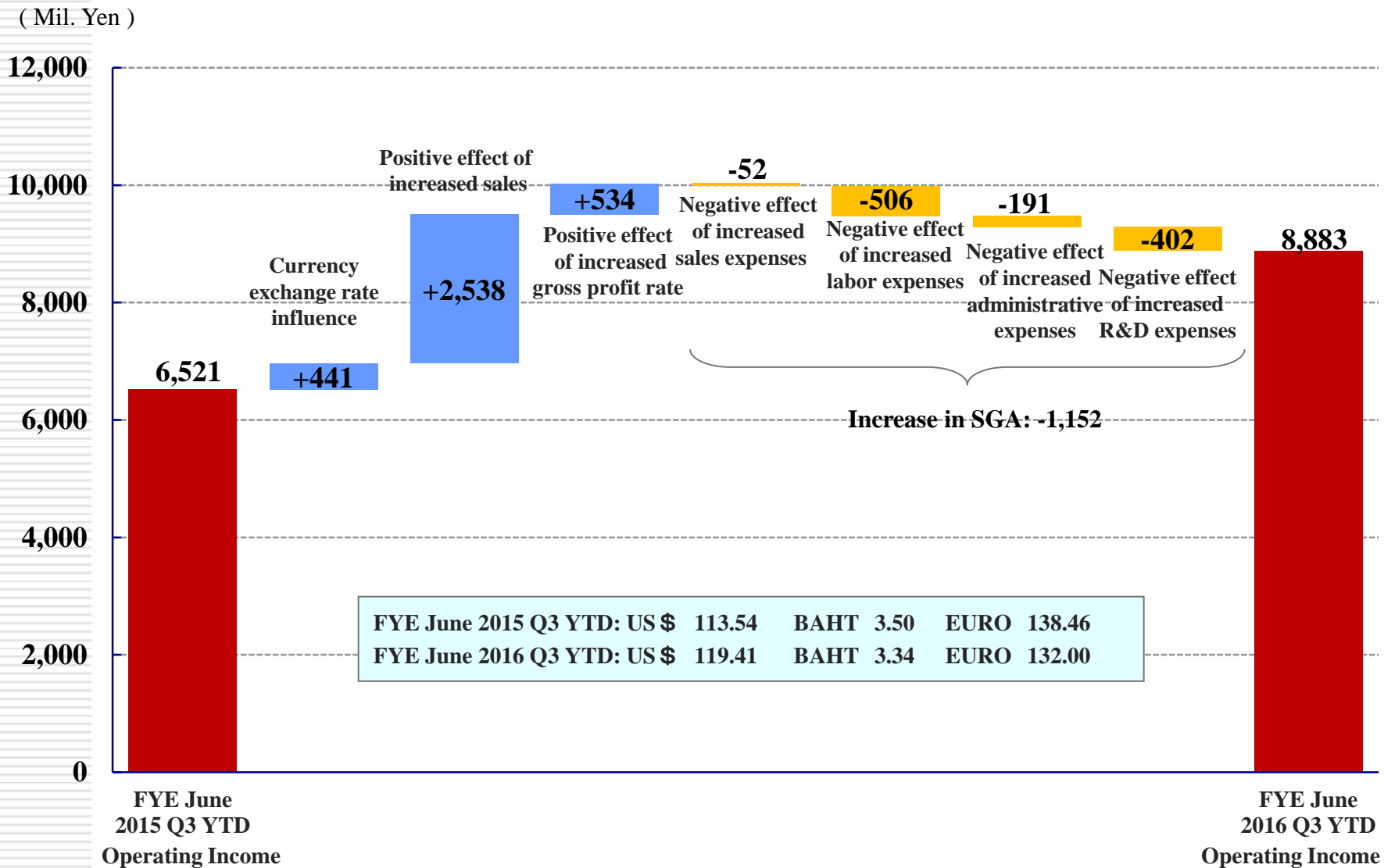
# Attribution Analysis of Operating Income – 1 (Exchange Rate Fluctuations Included)







## Attribution Analysis of Operating Income – 2 (Exchange Rate Fluctuations Excluded)

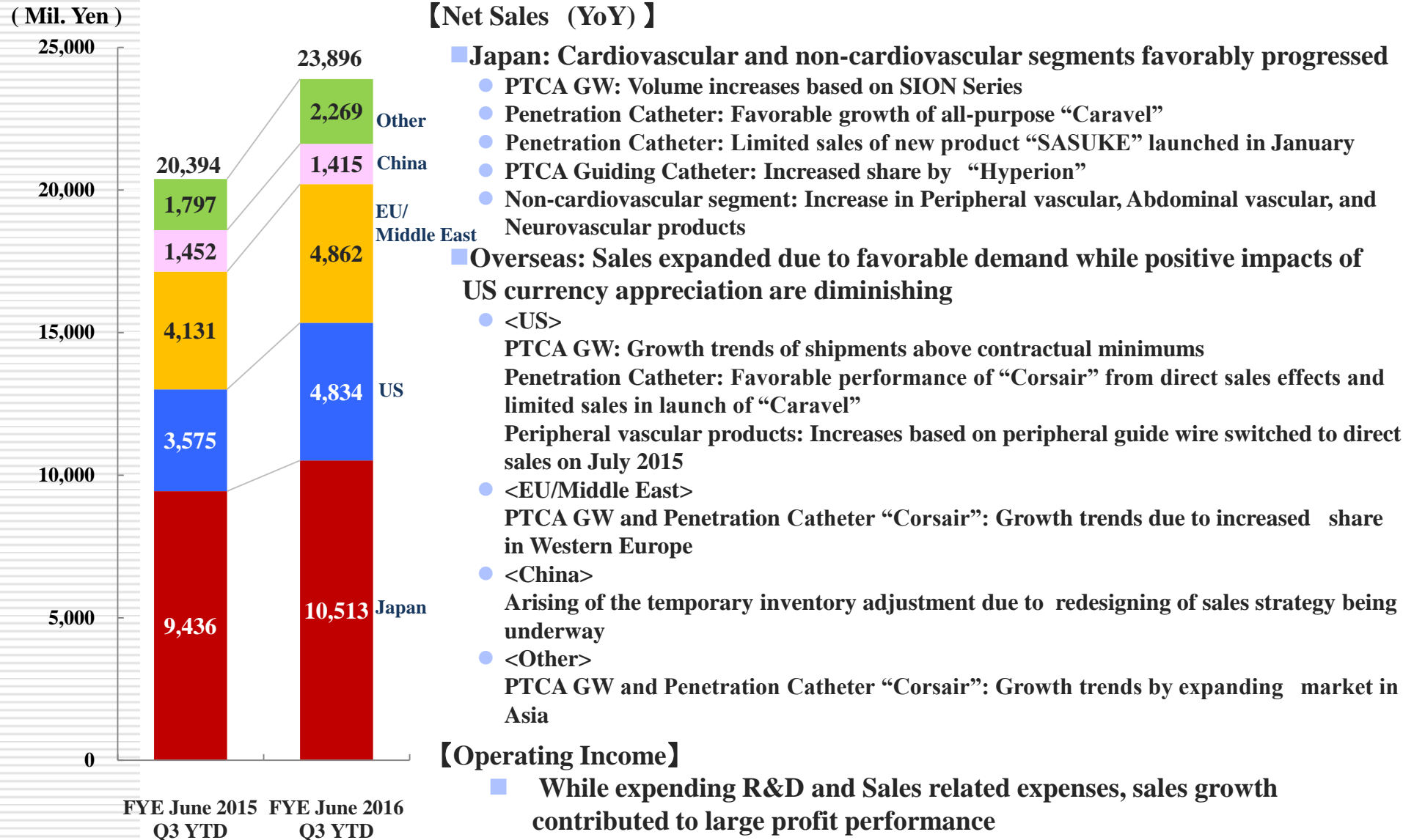




# Situation Per Segment Division



## Per Segment by Medical Division (by Geography - 1)





## Per Segment by Medical Division (by Geography - 2)

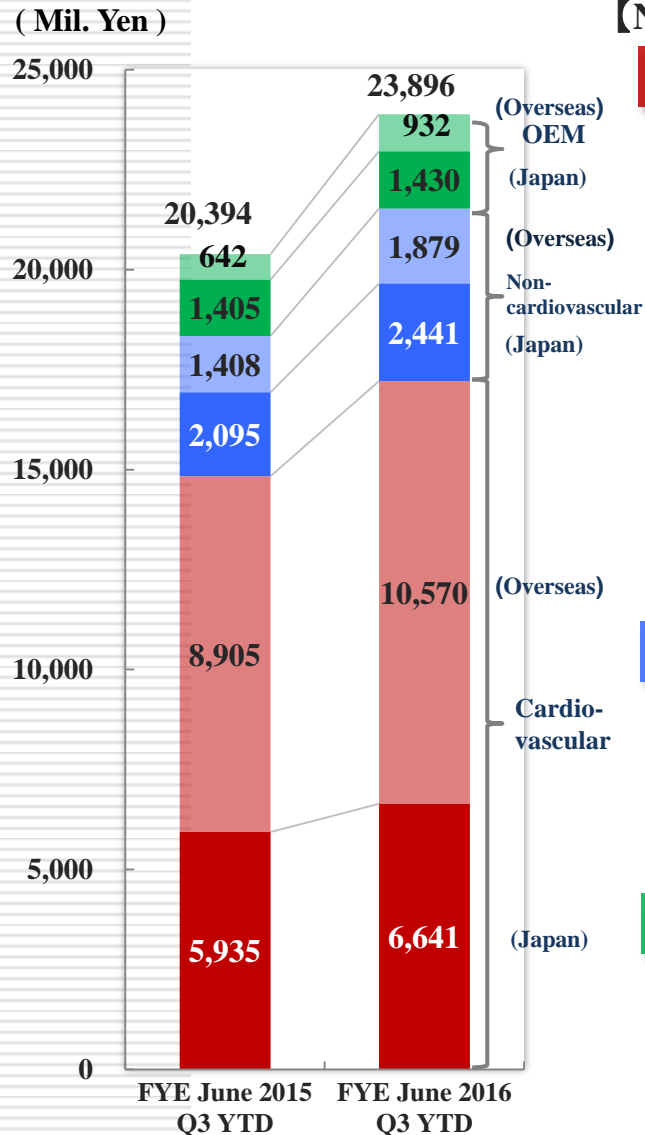
(Mil. Yen)

	FYE June 2015 Q3 YTD	FYE June 2016 Q3 YTD	YoY	
			Changes	Changes (%)
<b>(Exchange rate: USD→Yen)</b>	<b>113.54</b>	<b>119.41</b>	<b>+5.87</b>	<b>+5.2</b>
<b>Net sales</b>	<b>20,394</b>	<b>23,896</b>	<b>+3,502</b>	<b>+17.2</b>
<b>Japan</b>	<b>9,436</b>	<b>10,513</b>	<b>+1,076</b>	<b>+11.4</b>
<b>Overseas</b>	<b>10,957</b>	<b>13,383</b>	<b>+2,425</b>	<b>+22.1</b>
<b>US</b>	<b>3,575</b>	<b>4,834</b>	<b>+1,258</b>	<b>+35.2</b>
<b>EU/Middle East</b>	<b>4,131</b>	<b>4,862</b>	<b>+731</b>	<b>+17.7</b>
<b>China</b>	<b>1,452</b>	<b>1,415</b>	<b>-36</b>	<b>-2.5</b>
<b>Other</b>	<b>1,797</b>	<b>2,269</b>	<b>+472</b>	<b>+26.3</b>
<b>Operating income</b>	<b>6,460</b>	<b>8,470</b>	<b>+2,009</b>	<b>+31.1</b>



# Per Segment by Medical Division (by Treatment - 1)

【Net Sales (YoY)】



## Cardiovascular

- **Japan: PTCA GW and Penetration Catheter mainly show good results**
  - PTCA GW: SION Series mainly shows good results
  - Penetration Catheter: Favorable growth of all-purpose “Caravel”
  - Penetration Catheter: Limited sales in launch of new product “SASUKE”
  - PTCA Guiding Catheter: Increased share by “Hyperion”
- **Overseas: PTCA GW and Penetration Catheter mainly show good results**
  - PTCA GW: Tendency of growth in all areas
  - Penetration Catheter “Corsair”: Increased sales especially in US ,EU/Middle East and Asia
  - Penetration Catheter “Caravel”: Limited sales in launch in US

## Non-cardiovascular

- **Japan:**  
Increase in Peripheral vascular, Abdominal vascular, and Neurovascular products
- **Overseas:**  
Increases based on peripheral guide wire switched to direct sales in July 2015 in US

## OEM

- **Japan: Flattening out**
- **Overseas: Increase of Mini-Guide Wire in cardiovascular diagnosis**

FFR Guide Wire: Increased supply in preparation for sales launch in the US and EU markets



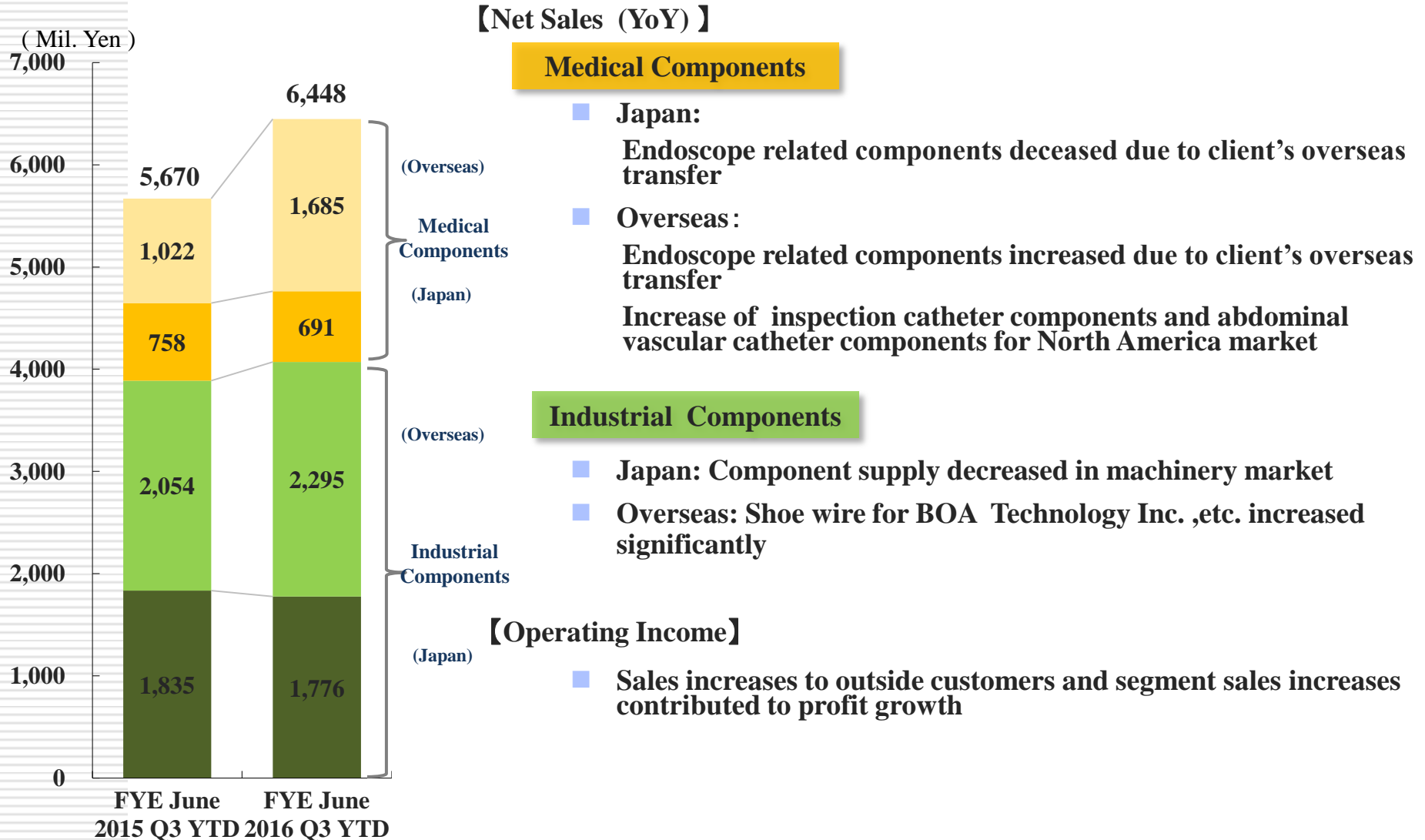
## Per Segment by Medical Division (by Treatment - 2)

(Mil. Yen)

	FYE June 2015 Q3YTD	FYE June 2016 Q3 YTD	YoY	
			Changes	Changes (%)
(Exchange rate: USD→Yen)	113.54	119.41	+5.87	+5.2
Net sales	20,394	23,896	+3,502	+17.2
Japan	9,436	10,513	+1,076	+11.4
Overseas	10,957	13,383	+2,425	+22.1
Cardiovascular	14,841	17,211	+2,370	+16.0
Japan	5,935	6,641	+705	+11.9
Overseas	8,905	10,570	+1,664	+18.7
Non-cardiovascular	3,504	4,321	+817	+23.3
Japan	2,095	2,441	+346	+16.5
Overseas	1,408	1,879	+470	+33.4
OEM	2,048	2,363	+315	+15.4
Japan	1,405	1,430	+24	+1.8
Overseas	642	932	+290	+45.3



# Per Segment by Device Division - 1





## Per Segment by Device Division - 2

	FYE June 2015 Q3 YTD	FYE June 2016 Q3 YTD	YoY	
			Changes	Changes (%)
(Exchange rate: USD→YEN)	113.54	119.41	+5.87	+5.2
Net sales	5,670	6,448	+777	+13.7
Japan	2,593	2,468	-125	-4.8
Overseas	3,077	3,980	+903	+29.4
Medical components	1,781	2,377	+595	+33.4
Japan	758	691	-66	-8.8
Overseas	1,022	1,685	+662	+64.8
Industrial components	3,889	4,071	+182	+4.7
Japan	1,835	1,776	-58	-3.2
Overseas	2,054	2,295	+240	+11.7
Operating income	1,362	1,887	+524	+38.5
(Reference) Segment Sales	1,330	1,526	+195	+14.6

(Mil. Yen)





## Reference: P/L

	FYE June 2015 Q3 YTD		FYE June 2016 Q3 YTD			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Main comparison factors
Net sales	26,064	100.0	30,345	100.0	+4,280	• Both divisions progress favorably
Cost of sales	9,613	36.9	10,351	34.1	+737	
Gross profit	16,451	63.1	19,994	65.9	+3,543	• Along with brisk sales growth
SGA	9,929	38.1	11,111	36.6	+1,181	• R&D and Sales related expenses increased
Operating income	6,521	25.0	8,883	29.3	+2,362	
Non-operating income	449	1.7	203	0.7	-245	• Currency exchange gain decreased • Gain on sales of fixed assets increased
Non-operating expense	53	0.2	354	1.2	+300	• Currency exchange loss increased
Ordinary income	6,917	26.5	8,732	28.8	+1,815	
Extraordinary gain	-	0.0	0	0.0	+0	
Extraordinary loss	0	0.0	7	0.0	+7	
Net income	4,703	18.0	6,298	20.8	+1,594	
Comprehensive income	6,937	26.6	4,695	15.5	-2,241	• Foreign currency translation adjustment decreased -3,586 Mil. Yen



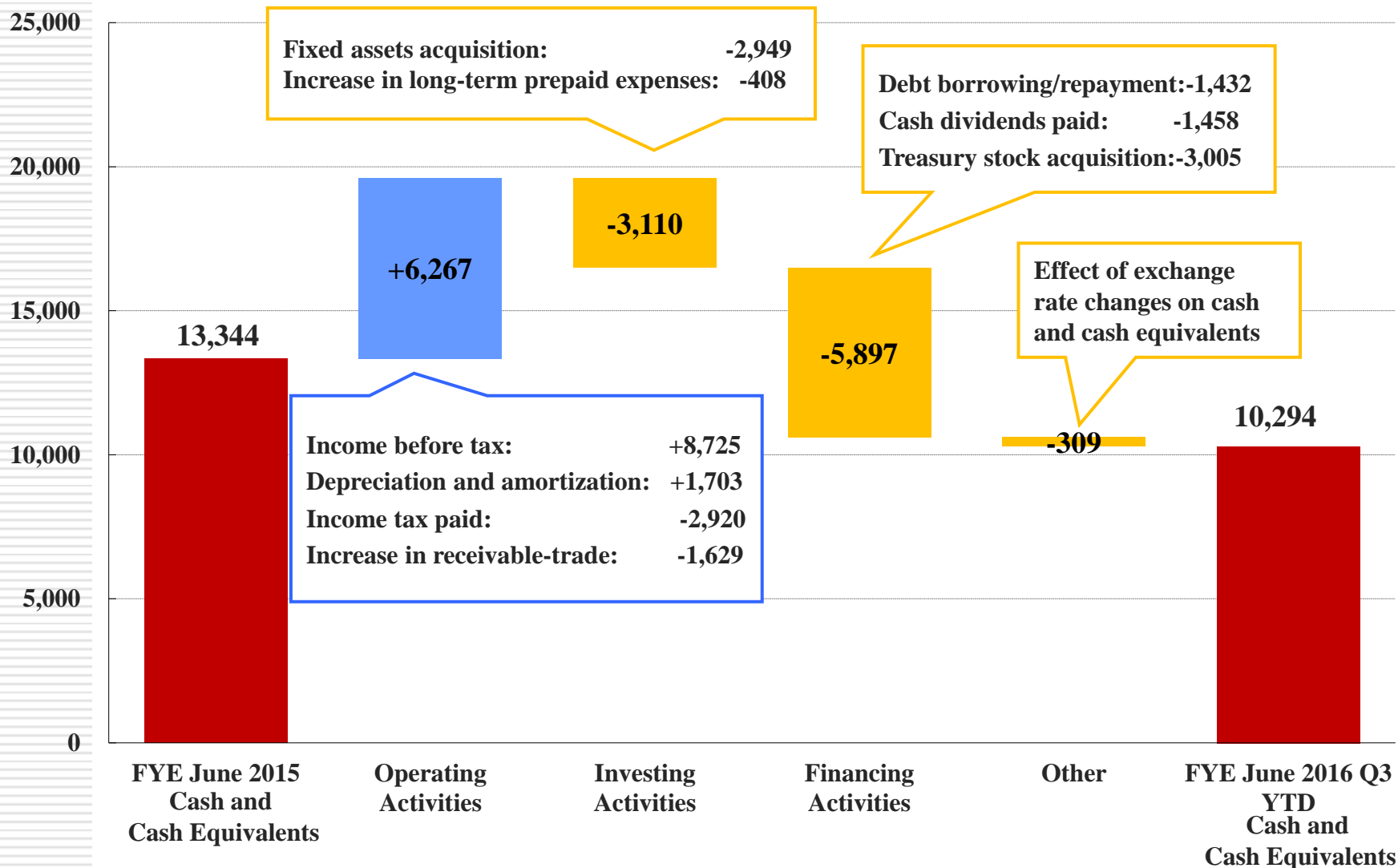
## Reference: B/S

		FYE June 2015		FYE June 2016 Q3 YTD			
		Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Main comparison factors
Assets	Current assets	31,423	61.6	29,066	59.5	-2,356	Cash and deposit: -3,049 Receivable-trade: +1,235 Inventory assets: -323
	Fixed assets	19,625	38.4	19,822	40.5	+197	Investments and other assets: +201
Total assets		51,049	100.0	48,889	100.0	-2,159	
Liabilities	Current liabilities	10,595	20.8	8,699	17.8	-1,896	Short-term debt: -993 Accrued corporation tax: -556 Other current liability: -439
	Fixed liabilities	7,861	15.4	7,358	15.0	-502	Long-term debt: -504
Total liabilities		18,457	36.2	16,058	32.8	-2,398	
Total net assets		32,592	63.8	32,831	67.2	+238	Retained earnings: +4,840 Treasury stock: -3,005 Foreign currency translation adjustment: -1,552
Total liabilities & net assets		51,049	100.0	48,889	100.0	-2,159	



# Reference: C/F

(Mil. Yen)





# Caution Regarding Information Presented

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**All forward looking statements contained herein, including sales forecasts, outlooks, and strategic plans, are based on the best currently available data; however, risk and uncertainty are involved in these statements. Please note that actual results may differ greatly from plans presented here.**

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