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# **Financial Results of the 2<sup>nd</sup> Quarter for Fiscal Year ending June 2021**

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**February 12, 2021**

**(Securities code: 7747 First Section of the Tokyo Stock Exchange,  
First Section of the Nagoya Stock Exchange)**



# FYE June 2021 Q2 YTD Main Points-1

**Revenue 28,301 Mil. Yen <Year-on-year -8.6%>**

~ Decrease due to the external factors such as impact of COVID-19 and reimbursement price reduction ~

## ■ Medical Division ~ Decrease due to the impact of COVID-19 and reimbursement price reduction ~

### Japan

- Decrease in the number of cases year-on-year since April 2020 due to the impact of COVID-19
- Decrease in the most of our own brand products such as PTCA GW due to the decrease in the number of cases
- Increase year-on-year in Neurovascular field mainly in new product Balloon guide catheter “Branchor”
- Sales delay to the second half due to the network issues caused by unauthorized access (-300 Mil. yen)
- Reimbursement price reduction in October 2019 and April 2020 (-261 Mil. yen)

### Overseas

- Decrease in the number of cases worldwide due to the impact of COVID-19
- Decrease in PTCA GW year-on-year in all regions affected by the decrease in the number of cases
- Despite decrease in the number of cases, increase in Neurovascular field in Non-Cardiovascular segment due to inventory adjustment in the same period of the previous year
- Influence of the exchange rate fluctuation (-128 Mil. yen)

## ■ Device Division ~ Decrease in Medical Components business / Industrial Components business due to the impact of COVID-19 ~

- ◆ In Medical Components business, decrease in Abdominal vascular catheter components and Cardiovascular examination catheter components for US market
- ◆ In Industrial Components business, decrease in business related to the automobile, office automation market and leisure market for overseas



## FYE June 2021 Q2 YTD Main Points-2

Decrease in operating income due to increase in such as sales and R&D expenses with ongoing upfront investment

- **Gross profit : 19,519 Mil. Yen < YoY -7.7% >**
  - Decrease in gross profit rate mainly due to decrease in revenue
  
- **Operating income : 6,186 Mil. Yen < YoY -29.0% >**
  - Increase in R&D expenses (3,571 Mil. Yen, YoY +472 Mil. Yen, Ratio of Revenue 12.6%)
  - Occurrence of expenses for recovering from network issues caused by unauthorized access
  - Increase in IT expenses for introducing core business system
  - Increase in personnel expenses for strengthening organizational structure
  
- **Ordinary income : 6,097 Mil. Yen < YoY -31.1% >**
  - Increase in currency exchange loss (YoY +122 Mil. Yen)
  
- **Net income attributable to parent company shareholders :**  
**4,451 Mil. Yen < YoY -27.7% >**

Exchange rate (Unit: JPY)	US \$	EURO	CNY	BAHT
FYE June 2021 Q2 YTD	105.38	124.27	15.58	3.40
FYE June 2020 Q2 YTD	108.13	119.90	15.38	3.55



# Highlights

	FYE June 2020 Q2 YTD		FYE June 2021 Q2 YTD						
	Amount (Mil. Yen)	Ratio (%)	Initial plan August 14,2020	Amount (Mil. Yen)	Ratio (%)	YoY		Compared with Initial plan	
						Changes (Mil. Yen)	Changes (%)	Changes (Mil. Yen)	Changes (%)
Revenue	30,948	100.0	28,734	28,301	100.0	-2,646	-8.6	-432	-1.5
Gross profit	21,153	68.4	19,424	19,519	69.0	-1,634	-7.7	+94	+0.5
Operating income	8,708	28.1	5,943	6,186	21.9	-2,522	-29.0	+243	+4.1
Ordinary income	8,848	28.6	5,850	6,097	21.5	-2,751	-31.1	+246	+4.2
Net income attributable to parent company shareholders	6,158	19.9	4,124	4,451	15.7	-1,707	-27.7	+327	+7.9
EPS	23.66 yen	-	15.83 yen	17.08 yen	—	-6.58 yen	-27.8	+1.25 yen	+7.9



# Net Revenue by Segment

	FYE June 2020 Q2 YTD		FYE June 2021 Q2 YTD			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Changes (%)
Medical	26,290	84.9	24,421	86.3	-1,868	-7.1
Device	4,657	15.1	3,880	13.7	-777	-16.7
<b>Total amount</b>	<b>30,948</b>	<b>100.0</b>	<b>28,301</b>	<b>100.0</b>	<b>-2,646</b>	<b>-8.6</b>

(Reference)

Medical field	28,411	91.8	26,080	92.2	-2,331	-8.2
Industrial field	2,536	8.2	2,221	7.8	-315	-12.4

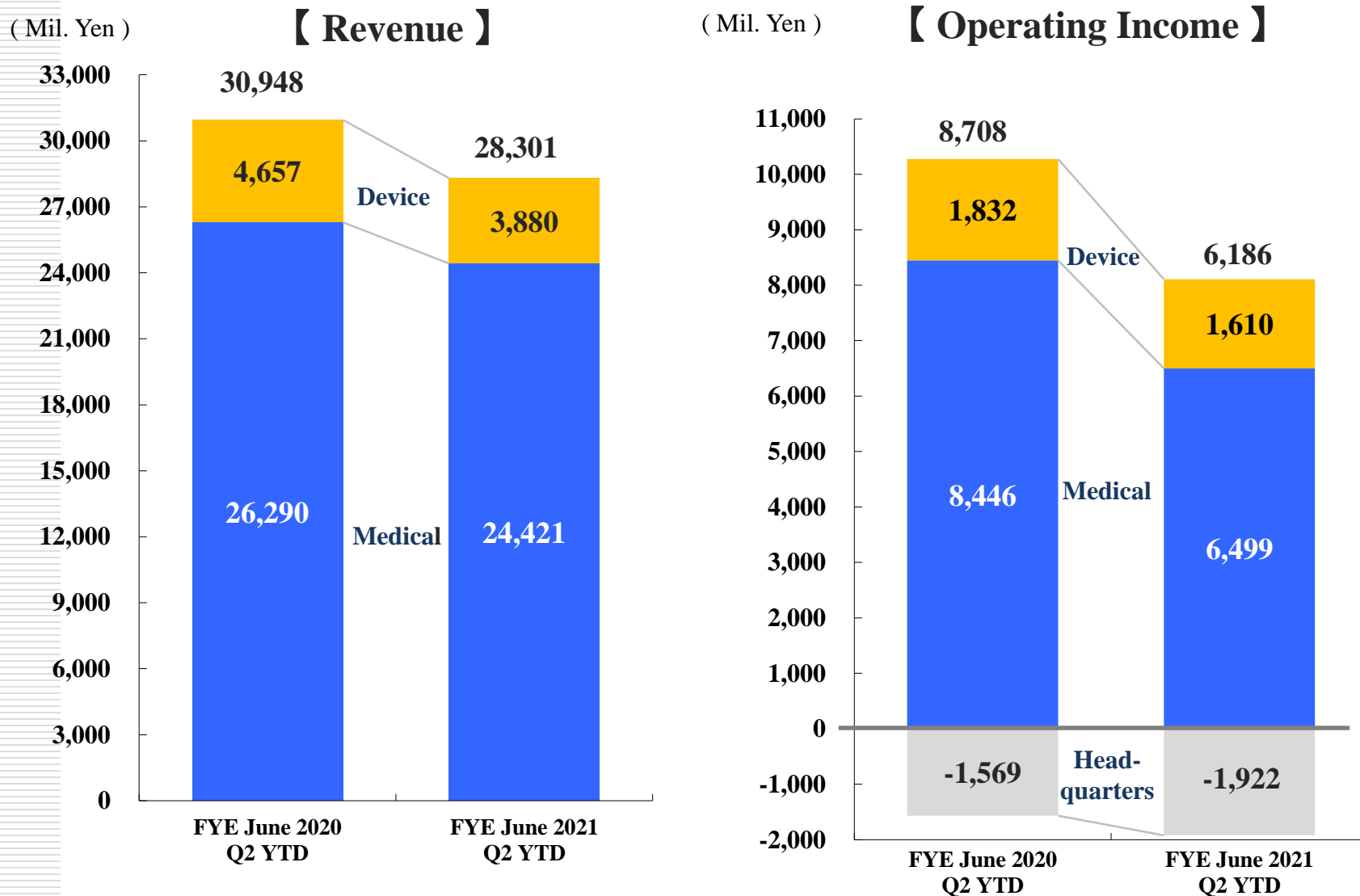


# Operating Income by Segment

	FYE June 2020 Q2 YTD		FYE June 2021 Q2 YTD			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Changes (%)
Medical	8,446	82.2	6,499	80.1	-1,946	-23.1
Device	1,832	17.8	1,610	19.9	-221	-12.1
Subtotal	10,278	100.0	8,109	100.0	-2,168	-21.1
Erasing & Head Quarters	-1,569	-	-1,922	-	-353	+22.5
Total amount	8,708	-	6,186	-	-2,522	-29.0
(Reference) Device Division Segment Revenue	2,143	-	2,809	-	+665	+31.1

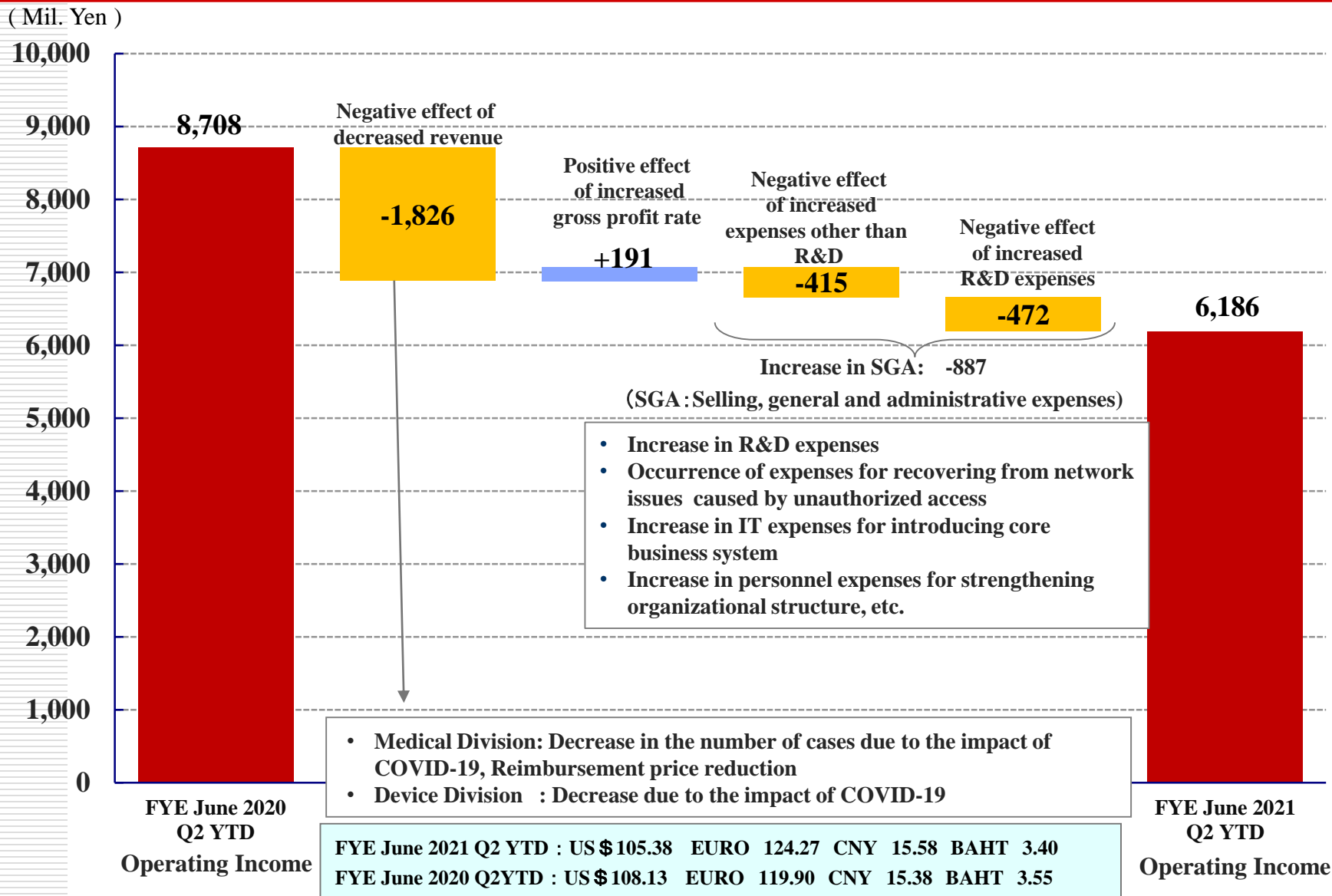


# Earnings Performance by Segment





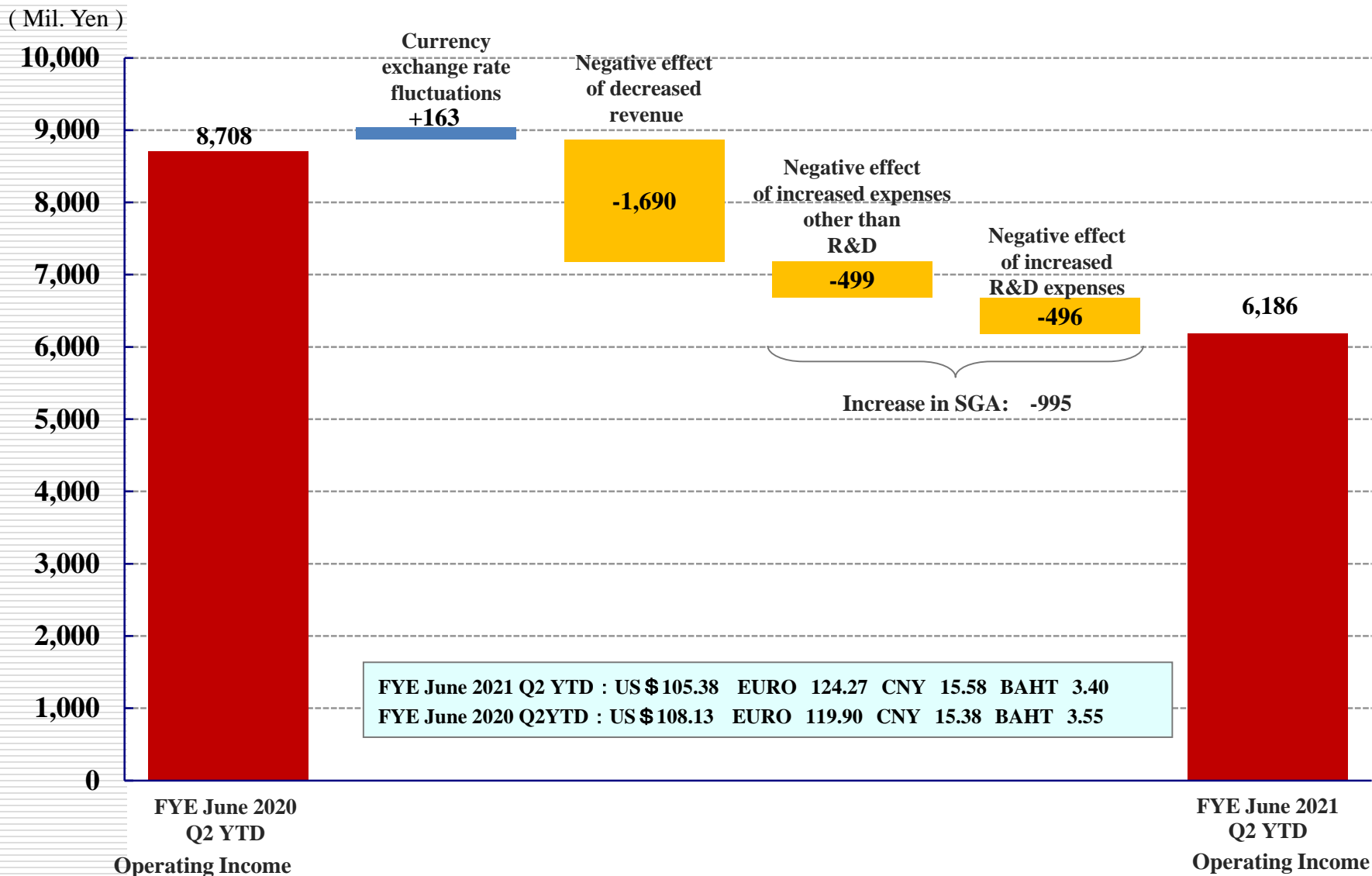
# Attribution Analysis of Operating Income – 1 (Exchange Rate Fluctuations Included)







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





# Situation Per Segment Division



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

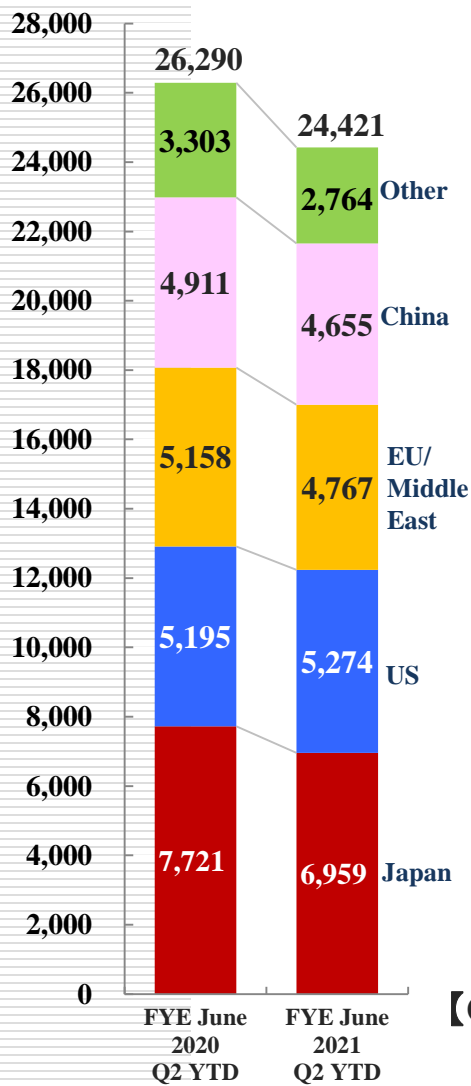
## 【Revenue (YoY)】

- **Japan: In addition to the influence of reimbursement price reduction (-261Mil.yen), decrease in revenue due to decrease in the number of cases by the impact of COVID-19**
  - Decrease in number of cases due to the impact of COVID-19
  - PTCA GW: Decrease due to reimbursement price reduction and the impact of COVID-19
  - Neurovascular field: Increase mainly in new product, Balloon guide catheter “Branchor”
  - Sales delay to the second half due to the network issues caused by unauthorized access (-300 Mil. yen)
  
- **Overseas: Decrease in revenue due to decrease in the number of cases by the impact of COVID-19**
  - <US>
    - PTCA GW: Despite the impact of COVID-19, slight increase in number with promotion of direct sales
    - Neurovascular field : Increase for Medtronic due to the inventory adjustment in the same period of the previous year
    - OEM: Increase in supply of FFR components for Boston Scientific (US)
  - <EU/Middle East>
    - Decrease in CIS and Middle East
      - CIS: Temporary refraining from buying due to currency depreciation (shift to the second half)
      - Middle East: Impact of COVID-19, etc.
  - <China>
    - PTCA GW / Penetration Catheter : Despite the impact of COVID-19, increase due to such as inventory replenishment by distributor sales
    - PTCA Guiding Catheters “Hyperion”: Reactionary decrease in distributor inventory construction in the previous year
    - Non-cardiovascular segment: Decrease in Abdominal field and increase in Neurovascular field
  - <Other>
    - PTCA GW : Decrease due to the impact of COVID-19

## 【Operating Income】

- Decrease due to decrease in revenue and increase in R&D expenses

(Mil. Yen)





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

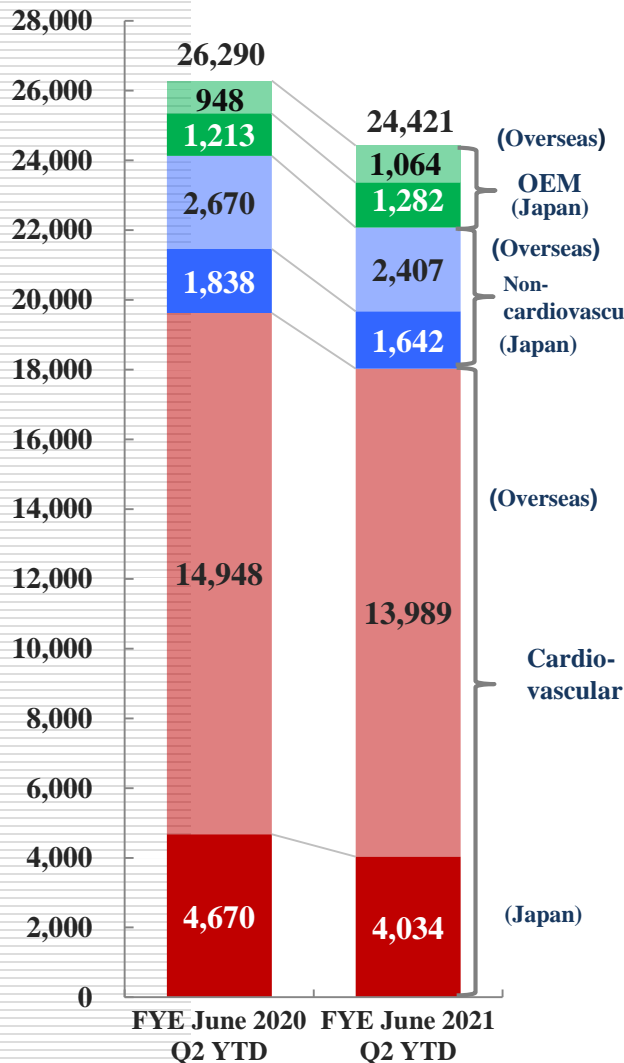
(Mil. Yen)

		FYE June 2020 Q2 YTD	FYE June 2021 Q2 YTD	YoY	
				Changes	Changes (%)
Exchange rate(Yen)	USD	108.13	105.38	-2.75	-2.5
	EURO	119.90	124.27	+4.37	+3.6
	CNY	15.38	15.58	+0.20	+1.3
Total Revenue		26,290	24,421	-1,868	-7.1
Japan		7,721	6,959	-761	-9.9
Overseas		18,568	17,461	-1,106	-6.0
US		5,195	5,274	+78	+1.5
EU/Middle East		5,158	4,767	-391	-7.6
China		4,911	4,655	-255	-5.2
Other		3,303	2,764	-538	-16.3
Operating income		8,446	6,499	-1,946	-23.1



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

(Mil. Yen)



【Revenue (YoY)】

## Cardiovascular

- **Japan:** : In addition to the influence of reimbursement price reduction, decrease in revenue due to decrease in the number of cases by the impact of COVID-19  
Sales delay to the second half due to the network issues caused by unauthorized access
- **Overseas:** Decrease in revenue due to decrease in the number of cases by the impact of COVID-19
- **PTCA GW:** Decrease due to the impact of COVID-19  
  - US market: Despite the impact of COVID-19, slight increase in number due to the promotion of direct sales
  - Chinese market: Despite the impact of COVID-19, increased due to such as inventory replenishment by the distributor sales
  - EU/Middle East: Decrease in CIS and Middle East
  - CIS: Temporary refraining from buying due to currency depreciation (shift to the second half)
  - Middle East: Impact of COVID-19, etc.
- **Penetration Catheter:** Decrease in EU/Middle East Market

## Non-cardiovascular

- **Japan:** In Neurovascular field, increase mainly in new product, Balloon guide catheter “Branchor”
- **Overseas:** Neurovascular field: Increase for Medtronic due to the inventory adjustment in the same period of the previous year and increase in China  
Abdominal vascular field: Decrease in China due to the impact of COVID-19

## OEM

- **Japan:** Increase in business of wires for Gastrointestinal, etc.
- **Overseas:** Increase in supply of FFR components for Boston Scientific (US)



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

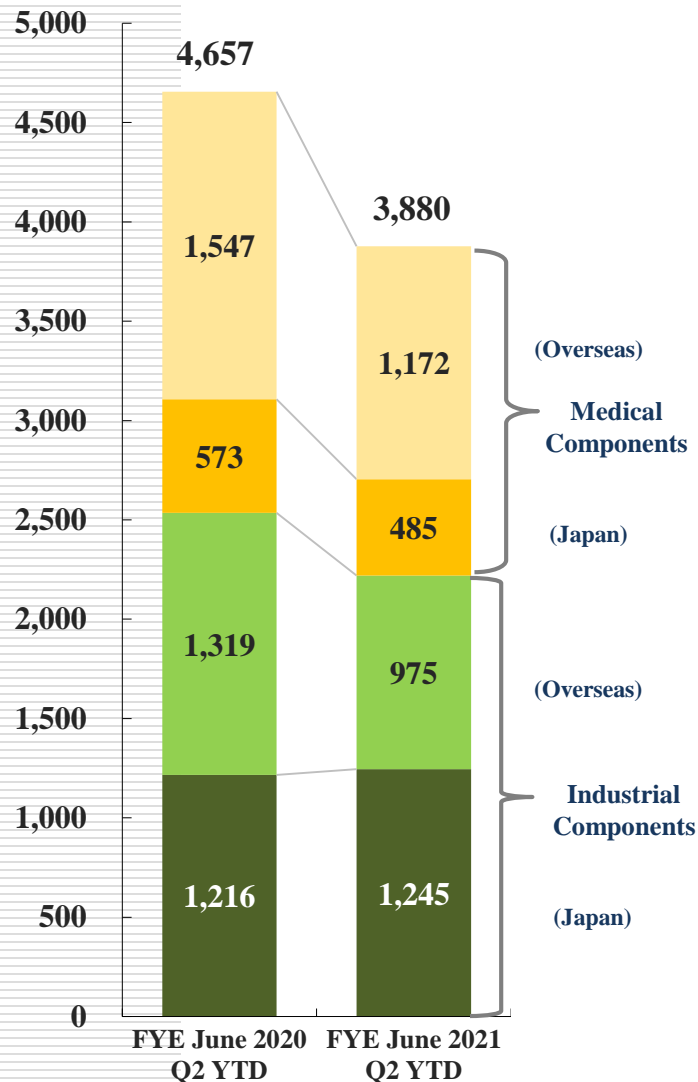
(Mil. Yen)

		FYE June 2020Q Q2 YTD	FYE June 2021 Q2 YTD	YoY	
				Changes	Changes (%)
Exchange rate (Yen)	USD	108.13	105.38	-2.75	-2.5
	EURO	119.90	124.27	+4.37	+3.6
	CNY	15.38	15.58	+0.20	+1.3
<b>Total Revenue</b>		<b>26,290</b>	<b>24,421</b>	<b>-1,868</b>	<b>-7.1</b>
	<b>Japan</b>	<b>7,721</b>	<b>6,959</b>	<b>-761</b>	<b>-9.9</b>
	<b>Overseas</b>	<b>18,568</b>	<b>17,461</b>	<b>-1,106</b>	<b>-6.0</b>
<b>Cardiovascular</b>		<b>19,619</b>	<b>18,024</b>	<b>-1,594</b>	<b>-8.1</b>
	<b>Japan</b>	<b>4,670</b>	<b>4,034</b>	<b>-635</b>	<b>-13.6</b>
	<b>Overseas</b>	<b>14,948</b>	<b>13,989</b>	<b>-959</b>	<b>-6.4</b>
<b>Non-cardiovascular</b>		<b>4,509</b>	<b>4,050</b>	<b>-458</b>	<b>-10.2</b>
	<b>Japan</b>	<b>1,838</b>	<b>1,642</b>	<b>-195</b>	<b>-10.6</b>
	<b>Overseas</b>	<b>2,670</b>	<b>2,407</b>	<b>-263</b>	<b>-9.9</b>
<b>OEM</b>		<b>2,161</b>	<b>2,346</b>	<b>+184</b>	<b>+8.6</b>
	<b>Japan</b>	<b>1,213</b>	<b>1,282</b>	<b>+69</b>	<b>+5.7</b>
	<b>Overseas</b>	<b>948</b>	<b>1,064</b>	<b>+115</b>	<b>+12.2</b>



# Per Segment by Device Division - 1

( Mil. Yen )



## 【Revenue (YoY)】

Both medical components and industrial components were sluggish partly due to the impact of COVID-19

### Medical Components

- **Japan:** Decrease in endoscope components
- **Overseas:** Decrease in Abdominal vascular catheter components and Cardiovascular examination catheter components for US

### Industrial Components

- **Japan:** Slight increase due to increase in construction market despite decrease in business related to office automation equipment, automobile and leisure market
- **Overseas:** Decrease in business related to automobile, office automation and leisure market

## 【Operating Income】

- **Decrease due to decrease in revenue and increase in R&D expenses**



## Per Segment by Device Division - 2

		FYE June 2020 Q2 YTD	FYE June 2021 Q2 YTD	YoY	
				Changes	Changes(%)
Exchange rate (Yen)	USD	108.13	105.38	-2.75	-2.5
<b>Total Revenue</b>		<b>4,657</b>	<b>3,880</b>	<b>-777</b>	<b>-16.7</b>
	Japan	1,789	1,731	-58	-3.3
	Overseas	2,867	2,148	-719	-25.1
<b>Medical Components</b>		<b>2,121</b>	<b>1,658</b>	<b>-462</b>	<b>-21.8</b>
	Japan	573	485	-87	-15.3
	Overseas	1,547	1,172	-374	-24.2
<b>Industrial Components</b>		<b>2,536</b>	<b>2,221</b>	<b>-315</b>	<b>-12.4</b>
	Japan	1,216	1,245	+29	+2.4
	Overseas	1,319	975	-344	-26.1
<b>Operating income</b>		<b>1,832</b>	<b>1,610</b>	<b>-221</b>	<b>-12.1</b>
<b>(Reference) Segment Revenue</b>		<b>2,143</b>	<b>2,809</b>	<b>+665</b>	<b>+31.1</b>

( Mil. Yen)





## Reference: P/L

	FYE June 2020 Q2 YTD		FYE June 2021 Q2 YTD			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Main comparison factors
Revenue	30,948	100.0	28,301	100.0	-2,646	•Decrease due to the impact of COVID-19 and reimbursement price reduction
Cost of sales	9,794	31.6	8,782	31.0	-1,012	
Gross profit	21,153	68.4	19,519	69.0	-1,634	•Decrease due to decrease in revenue
SGA	12,444	40.2	13,332	47.1	+887	•Increase in R&D expenses , etc.
Operating income	8,708	28.1	6,186	21.9	-2,522	
Non-operating income	183	0.6	107	0.3	-75	
Non-operating expense	42	0.1	196	0.7	+153	•Increase in currency exchange loss
Ordinary income	8,848	28.6	6,097	21.5	-2,751	
Extraordinary gain	-	0.0	-	0.0	-	
Extraordinary loss	192	0.6	2	0.0	-190	
Net income attributable to parent company shareholders	6,158	19.9	4,451	15.7	-1,707	
Comprehensive income	7,244	23.4	4,623	16.3	-2,620	•Foreign currency translation adjustment -1,231

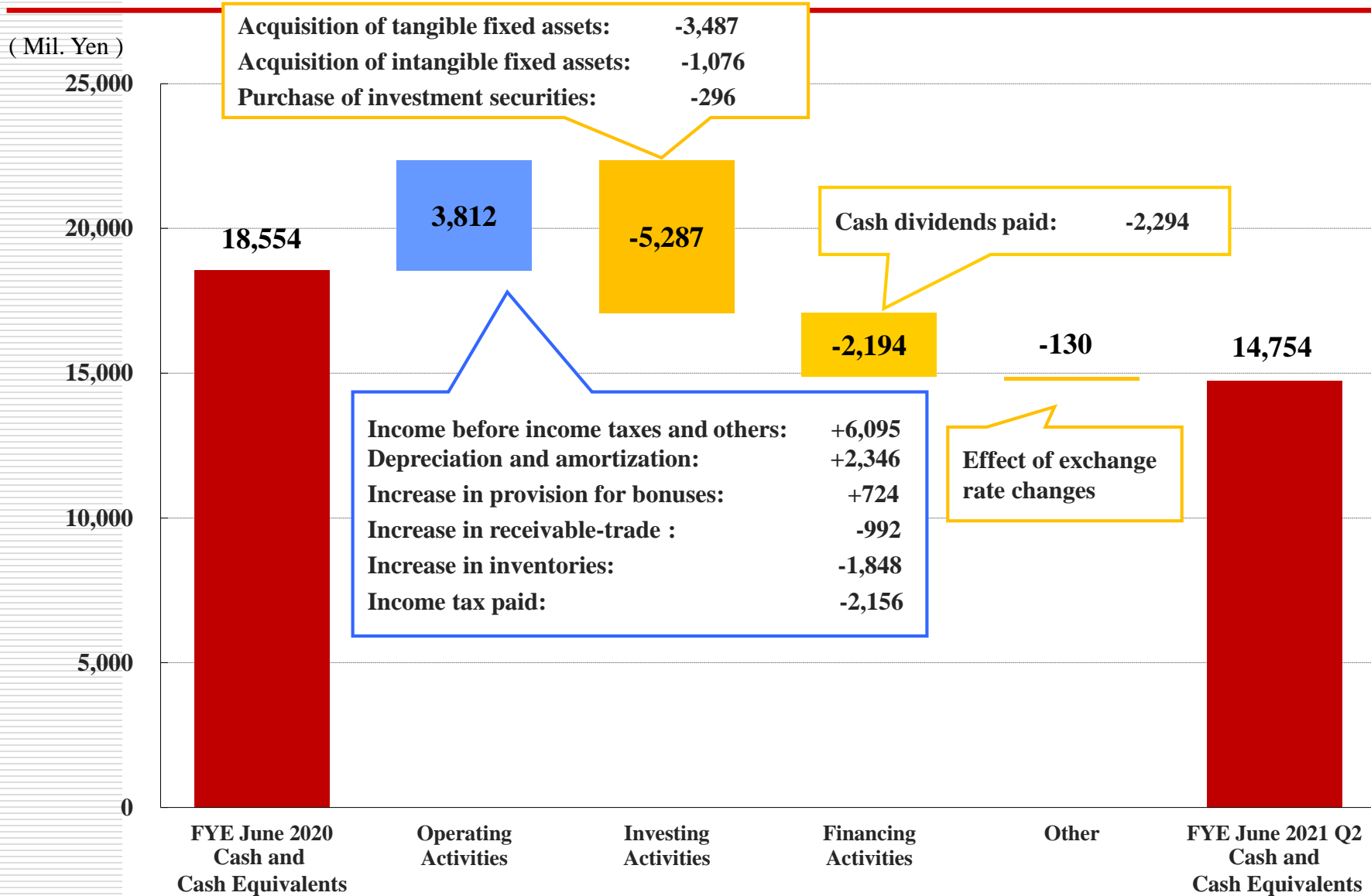


## Reference: B/S

		FYE June 2020		FYE June 2020 Q2 YTD			
		Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Main comparison factors
Assets	Current assets	47,793	51.0	46,463	48.8	-1,330	Inventory: +1,413 Receivable-trade: +852 Cash and deposit: -3,799
	Fixed Assets	45,935	49.0	48,811	51.2	+2,875	Investments and other assets: +1,747 Tangible fixed assets: +572 Intangible fixed assets: +555
Total assets		93,729	100.0	95,275	100.0	+1,545	
Liabilities	Current Liabilities	12,786	13.6	12,062	12.6	-723	Account payable-other.: -118 Bill payable and account payable: -175 Accrued corporate tax, etc.: -346
	Fixed liabilities	8,968	9.6	8,844	9.3	-123	
Total liabilities		21,754	23.2	20,906	21.9	-847	
Total net assets		71,975	76.8	74,368	78.1	+2,393	Retained earnings: +2,156 Valuation difference on available-for-sale securities: +585 Foreign currency translation adjustment: -437
Total liabilities & net assets		93,729	100.0	95,275	100.0	+1,545	



# Reference: C/F





## Caution Regarding Information Presented

**All forward looking statements contained herein, including revenue 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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