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Financial Results of the 2nd Quarter for Fiscal Year ending June 2023

February 14, 2023

**(Securities code: 7747 Prime of Tokyo Stock Exchange,
Premier of Nagoya Stock Exchange)**



FYE June 2023 Q2 YTD Main Points - 1

Revenue 45,435 Mil. Yen <Year-on-year +20.5%>

Increased in both Medical and Device Division mainly in overseas market due to exchange rate fluctuation and recovery of number of cases, etc.

- **Medical Division** ~ Increased due to exchange rate fluctuation and increasing demand from the recovery of number of cases ~
 - Increased year-on-year in the number of cases due to recovery from the impact of COVID-19
 - In Cardiovascular field, increased in all overseas regions, mainly in China, U.S. and Asia
 - China: Increased our main products due to not only exchange rate fluctuation and recovering cases but also strong market demand
 - North America: Increased main products due to exchange rate fluctuation and recovering cases, etc.
 - In Non-Cardiovascular field, increased favorably mainly in U.S. and Europe
 - US: Strong sales of OEM business (Rev1) and exchange rate fluctuation
 - Europe: Increased due to strong sales for western-Europe distributors and exchange rate fluctuation
 - Decreased due to reimbursement price reduction (Domestic) (-329 Mil. Yen)
 - Increased in revenue due to the exchange rate fluctuation (Yen depreciation)
- **Device Division** ~ Increased in Medical Components in overseas market mainly in US ~
 - In Medical Components business, increased in Cardiovascular ultrasound catheter components and Cardiovascular examination catheter components for US market
 - In Industrial Components business, remained flat due to decreasing construction-related and automobile-related transactions, though increased in leisure-related transaction
 - Increased revenue due to exchange rate fluctuation (Yen depreciation)
- **Impact of increased revenue due to exchange rate fluctuation (Yen depreciation) + 5,558 Mil. Yen**



FYE June 2023 Q2 YTD Main Points - 2

Increased in operating income due to increased in revenue despite increasing SGA

- **Gross profit: 30,040 Mil.Yen < YoY +20.0% >**
 - Increased in gross profit due to increased in revenue
- **Operating income excluding goodwill amortization, etc.: 10,901 Mil. Yen < YoY +22.4% >**
 - Increased revenue and expenses related to sales promotion activities in overseas market
 - Increased in R&D expenses (4,764 Mil.Yen) (YoY +468 Mil.Yen, Ratio of Revenue 10.5 %)
- **Operating income: 9,951 Mil.Yen < YoY +22.8% >**
 - Increased goodwill amortization, etc. (949 Mil. Yen) (YoY +153 Mil. Yen)
- **Ordinary income: 9,621 Mil.Yen < YoY +11.9% >**
 - Increase in foreign exchange loss (YoY -265 Mil.Yen)
- **Net Income attributable to parent company shareholders: 7,473 Mil.Yen < YoY +17.0% >**
 - Increased in insurance proceeds on disaster at Cebu factory (+305 Mil.Yen)
 - Decreased in loss on disaster at Cebu factory (+249 Mil. Yen)
 - Decreased in gain on step acquisitions (-615 Mil. Yen)

Exchange rate (Unit : JPY)	US \$	EURO	CNY	BAHT
FYE June 2023 Q2YTD	139.97	141.84	20.03	3.85
FYE June 2022 Q2 YTD	111.91	129.96	17.40	3.38



Highlights

	FYE June 2022 Q2 YTD		FYE June 2023 Q2 YTD						
	Amount (Mil.Yen)	Ratio (%)	Initial plan August 12, 2022	Amount (Mil.Yen)	Ratio (%)	YoY		Compared with Initial plan	
						Changes (Mil.Yen)	Changes (%)	Changes (Mil.Yen)	Changes (%)
Revenue	37,702	100.0	44,507	45,435	100.0	+7,733	+20.5	+928	+2.1
Gross Profit	25,023	66.4	28,396	30,040	66.1	+5,016	+20.0	+1,643	+5.8
Operating Income excluding goodwill amortization, etc.	8,902	23.6	9,164	10,901	24.0	+1,998	+22.4	+1,736	+18.9
Operating Income	8,106	21.5	8,249	9,951	21.9	+1,845	+22.8	+1,701	+20.6
Ordinary Income	8,595	22.8	8,246	9,621	21.2	+1,026	+11.9	+1,374	+16.7
Net income attributable to parent company shareholders	6,385	16.9	5,866	7,473	16.4	+1,087	+17.0	+1,607	+27.4
EPS (yen)	23.54	—	21.60	27.52	—	+3.98	+16.9	+5.92	+27.4
EBITDA	11,797	—	12,305	14,257	—	+2,460	+20.9	1,952	+15.9



Revenue by Segment Year-on-year

	FYE June 2022 Q2 YTD		FYE June 2023 Q2 YTD			
	Amount (Mil.Yen)	Ratio (%)	Amount (Mil.Yen)	Ratio (%)	Changes (Mil.Yen)	Changes (%)
Medical	33,146	87.9	39,695	87.4	+6,549	+19.8
Device	4,555	12.1	5,740	12.6	+1,184	+26.0
Total amount	37,702	100.0	45,435	100.0	+7,733	+20.5

(Reference)

Medical Field	35,431	94.0	43,145	95.0	+7,714	+21.8
Device Field	2,270	6.0	2,290	5.0	+19	+0.8



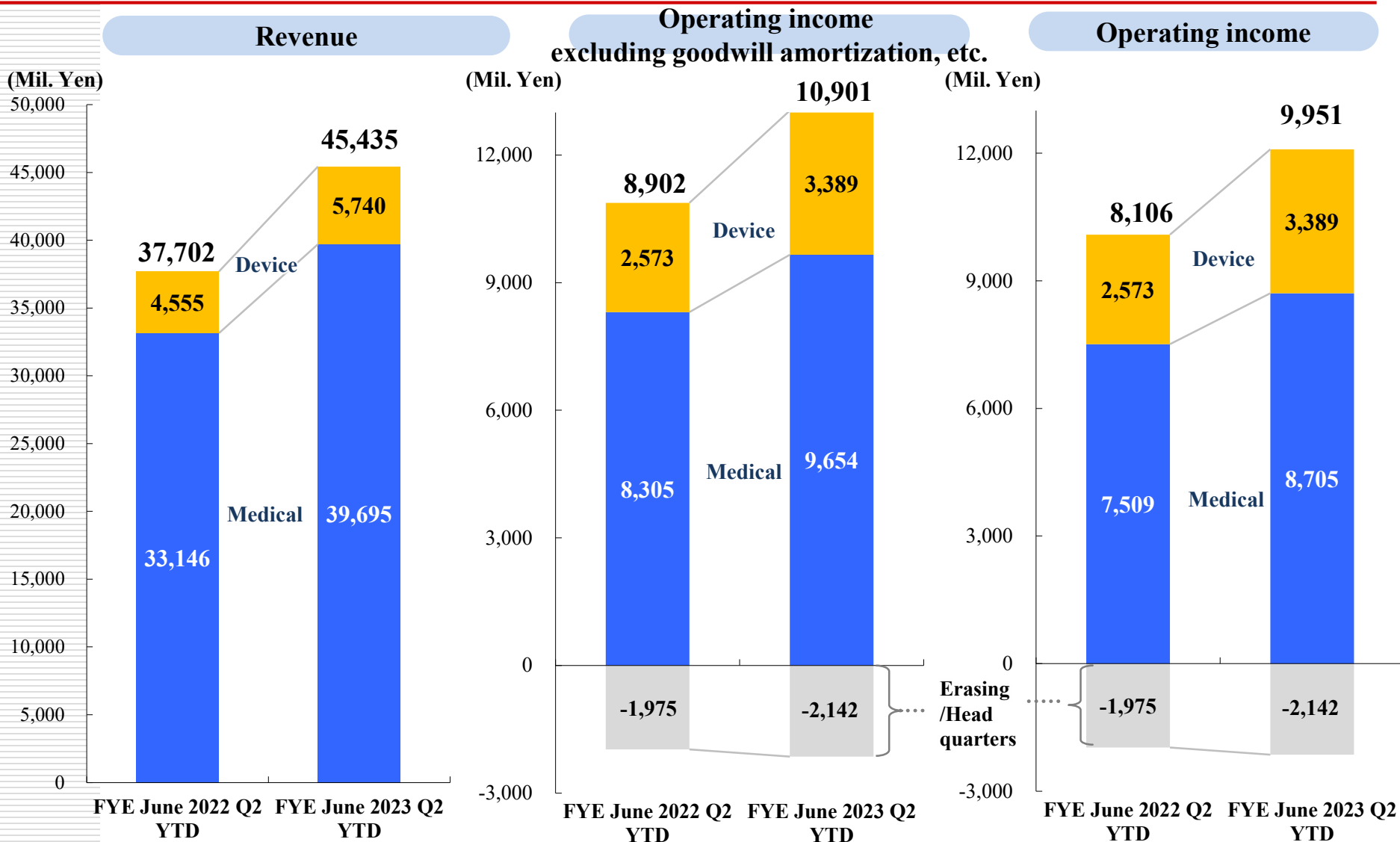
Operating Income by Segment Year-on-year

	FYE June 2022 Q2 YTD		FYE June 2023 Q2 YTD			
	Amount (Mil.Yen)	Operating margin (%)	Amount (Mil.Yen)	Operating margin (%)	Changes (Mil.Yen)	Changes (%)
Operating income excluding goodwill amortization, etc.						
Medical	8,305	25.1	9,654	24.3	+1,349	+16.2
Device	2,573	56.5	3,389	59.0	+816	+31.7
Erasing & Head Quarters	- 1,975	—	- 2,142	—	- 166	+8.4
Total	8,902	23.6	10,901	24.0	+1,998	+22.4
Operating income						
Medical	7,509	22.7	8,705	21.9	+1,195	+15.9
Device	2,573	56.5	3,389	59.0	+816	+31.7
Erasing & Head Quarters	-1,975	—	-2,142	—	-166	+8.4
Total	8,106	21.5	9,951	21.9	+1,845	+22.8
(Reference)						
Device Division Segment Revenue	6,534	—	7,655	—	+1,120	+17.2

*Operating income in device division increased in proportion to increase intersegment sales



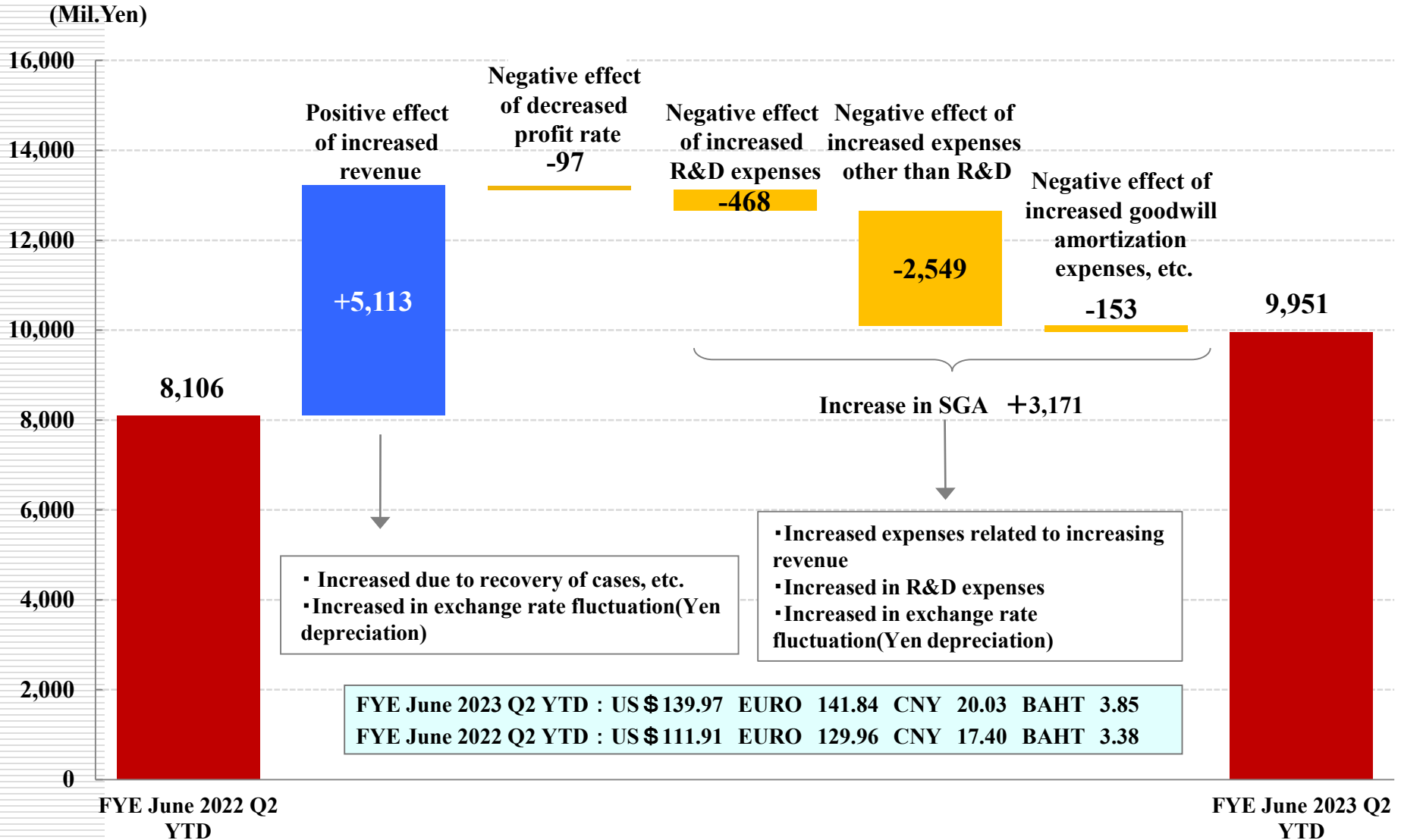
Earnings Performance by Segment



*Operating income in device division increased in proportion to higher intersegment sales

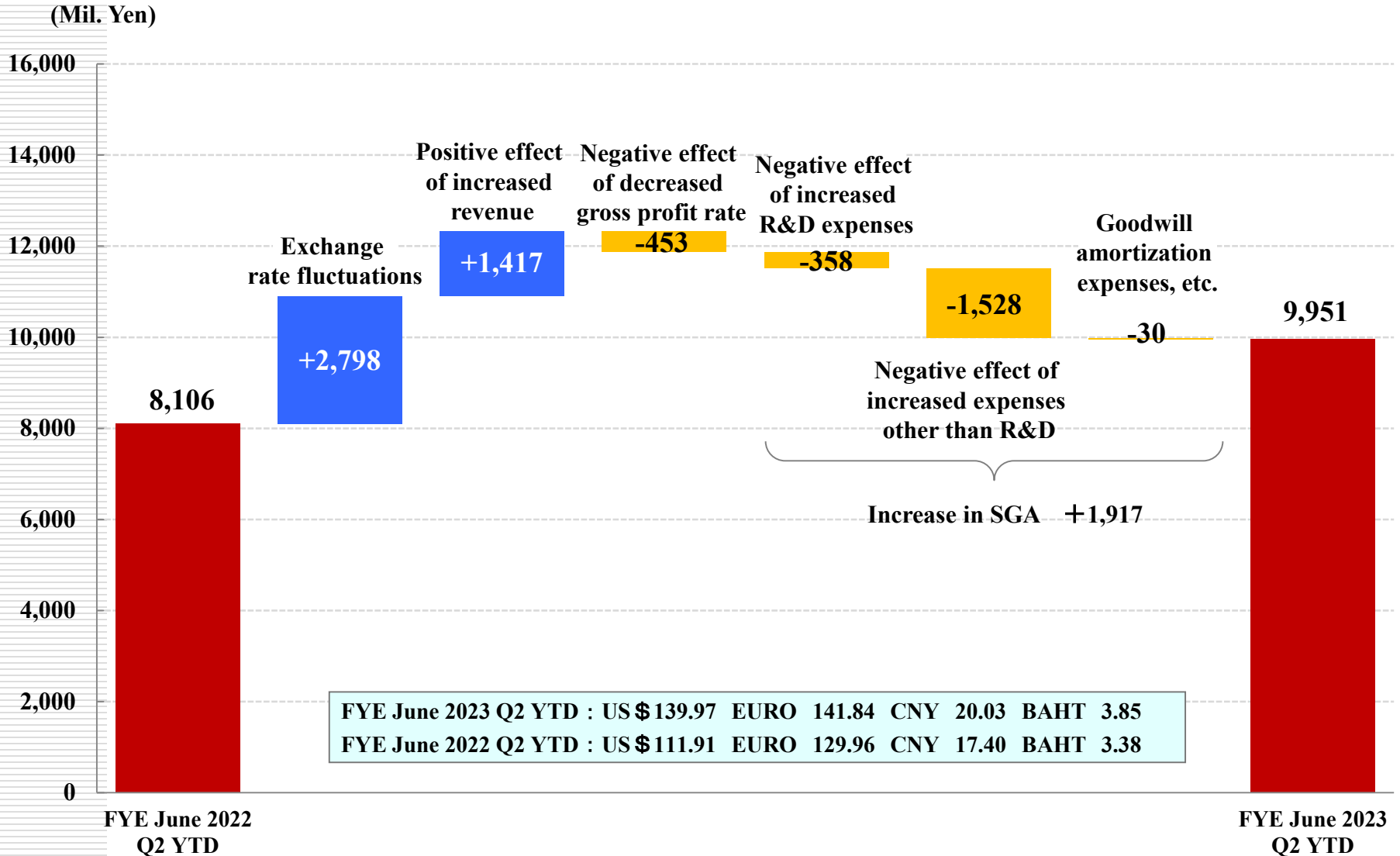


Attribution Analysis of Operating Income – 1 (Exchange Rate Fluctuations Included)





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

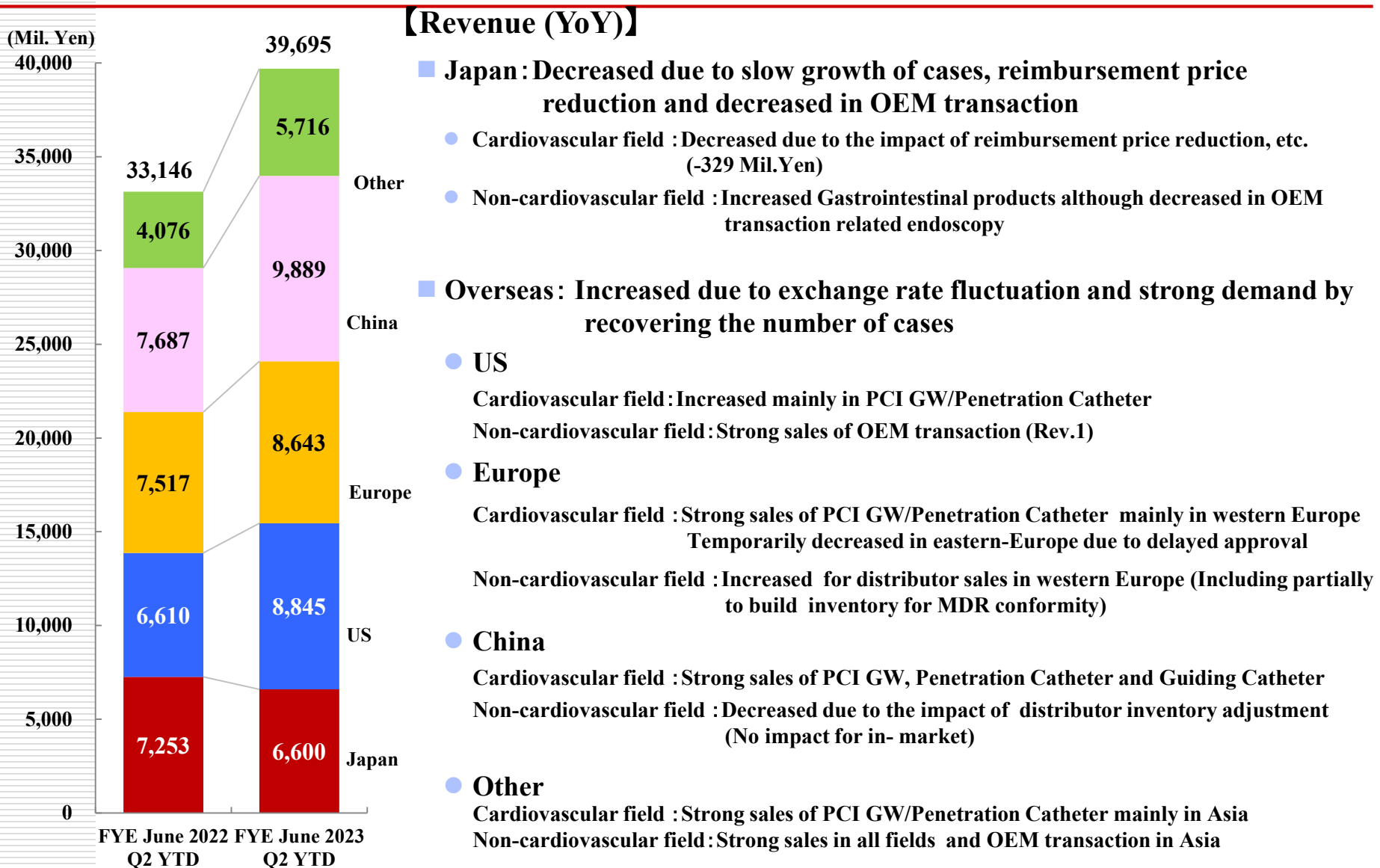




Situation Per Segment Division



Per Segment by Medical Division (by Geography-1)



【Operating Income】 Operating income increased in proportion to revenue

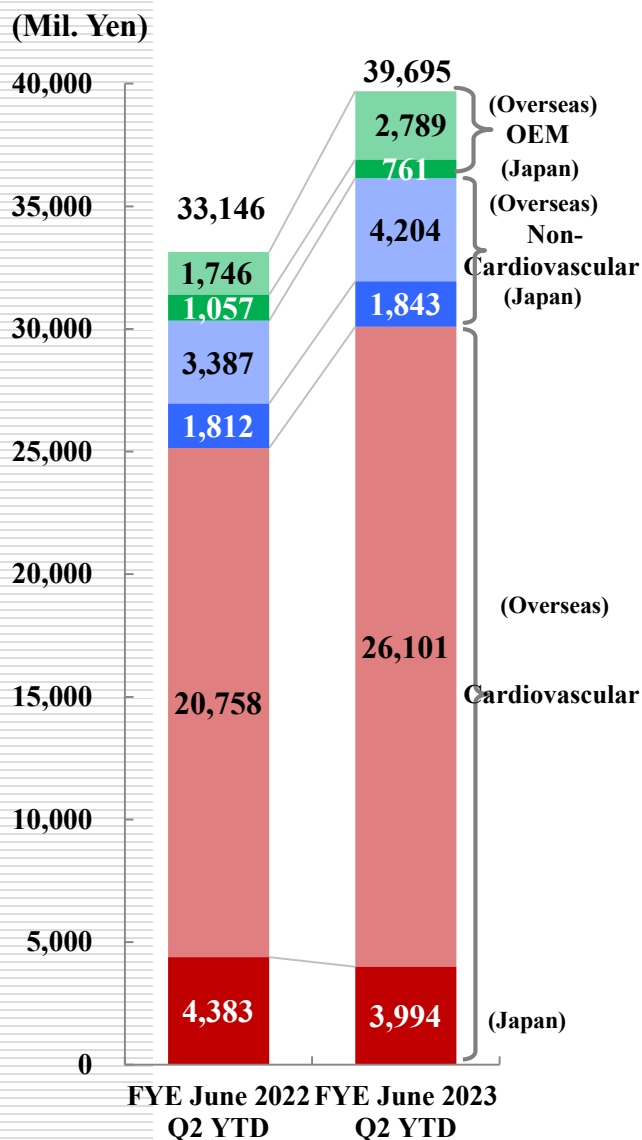


Per Segment by Medical Division (by Geography – 2)

(Mil. Yen)		FYE June 2022 Q2 YTD	FYE June 2023 Q2 YTD	YoY	
				Changes	Changes (%)
Exchange rate (Yen)	USD	111.91	139.97	+28.06	+25.1
	EURO	129.96	141.84	+11.88	+9.1
	CNY	17.40	20.03	+2.63	+15.1
Total Revenue		33,146	39,695	+6,549	+19.8
Japan		7,253	6,600	- 653	- 9.0
Overseas		25,892	33,094	+7,202	+27.8
US		6,610	8,845	+2,235	+33.8
Europe		7,517	8,643	+1,126	+15.0
China		7,687	9,889	+2,201	+28.6
Other		4,076	5,716	+1,640	+40.2
Operating income		7,509	8,705	+1,195	+15.9



Per Segment by Medical Division (by Treatment –1)



【Revenue (YoY)】

Cardiovascular

- **Japan**: Decreased due to the impact of reimbursement price reduction
- **Overseas**: Increased due to exchange rate fluctuation and demand due to recovery of cases
 - **US**: Increased mainly PCI GW / Penetration Catheter
 - **Europe**: Strong sales of PCI GW/Penetration Catheter
 - **China**: Strong sales of PCI GW, Guiding Catheter and Penetration catheter
 - **Other**: Strong sales of PCI GW/Penetration Catheter mainly in Asia

Non-Cardiovascular

- **Japan**: Increased in Gastrointestinal products
- **Overseas**: Increased in all fields
 - **Europe**: Increased in sales for western Europe distributors which including inventory building due to MDR conformity
 - **China**: Decreased due to impact of inventory adjustment of distributor (No impact for in-market)
 - **Other**: Strong sales in all fields in Asia

OEM

- **Japan**: Decreased endoscopy transaction
- **Overseas**: Increased due to strong sales in U.S. (Rev.1), China and Asia regions

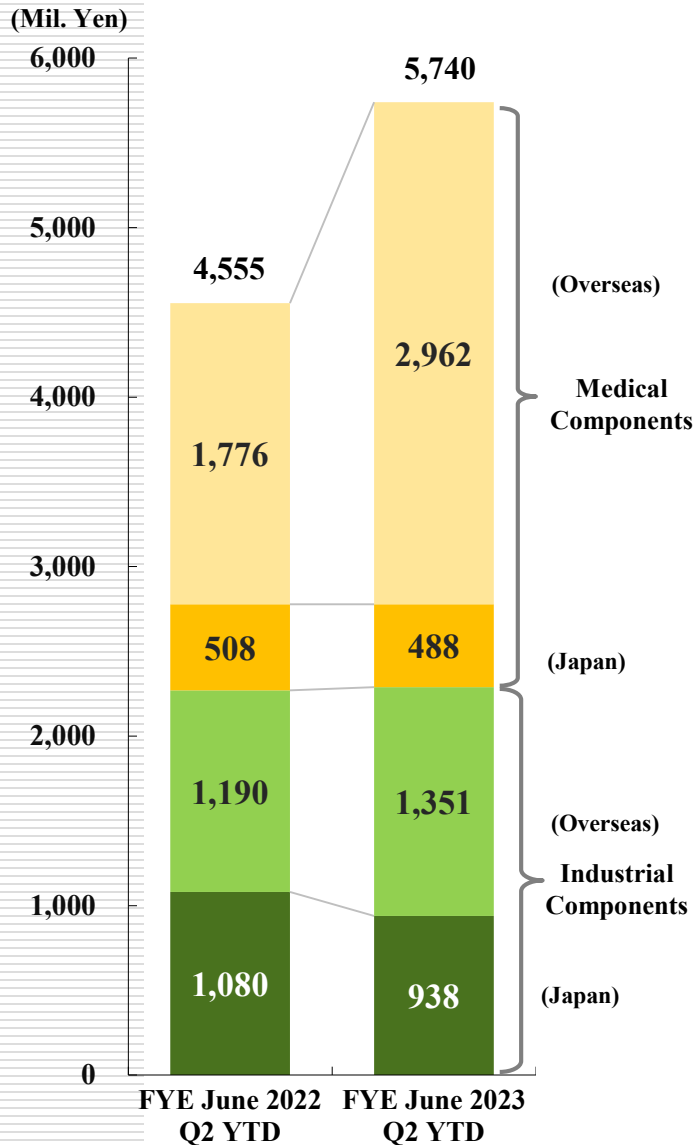


Per Segment by Medical Division (by Treatment – 2)

(Mil. Yen)		FYE June 2022 Q2 YTD	FYE June 2023 Q2YTD	YoY	
				Changes	Changes(%)
Exchange rate (Yen)	USD	111.91	139.97	+28.06	+25.1
	EURO	129.96	141.84	+11.88	+9.1
	CNY	17.40	20.03	+2.63	+15.1
Total Revenue		33,146	39,695	+6,549	+19.8
	Japan	7,253	6,600	-653	-9.0
	Overseas	25,892	33,094	+7,202	+27.8
Cardiovascular		25,141	30,096	+4,954	+19.7
	Japan	4,383	3,994	-388	-8.9
	Overseas	20,758	26,101	+5,343	+25.7
Non-Cardiovascular		5,200	6,048	+847	+16.3
	Japan	1,812	1,843	+31	+1.7
	Overseas	3,387	4,204	+816	+24.1
OEM		2,803	3,550	+746	+26.6
	Japan	1,057	761	-296	-28.0
	Overseas	1,746	2,789	+1,043	+59.7



Per Segment by Device Division - 1



【Revenue (YoY)】

Increased significantly medical components in overseas market mainly in US due to recovering influence of COVID-19

Medical Component

- Japan: Remained flat due to inventory adjustment of Catheter component at customer
- Overseas: Increased in Cardiovascular ultrasound catheter components and Cardiovascular examination catheter components for US market

Industrial Component

- Japan: Decreased in construction and office automation equipment transactions
- Overseas: Increased favorably due to the transaction of leisure despite decreasing construction and automobile transactions

【 Operating income 】

- Increased due to increasing external revenue and intersegment transactions



Per Segment by Device Division - 2

(Mil. Yen)		FYE June 2022 Q2 YTD	FYE June 2023 Q2 YTD	YoY	
				Changes	Changes (%)
Exchange rate (Yen)	USD	111.91	139.97	+28.06	+25.1
Total Revenue		4,555	5,740	+1,184	+26.0
Japan		1,588	1,427	-161	-10.2
Overseas		2,967	4,313	+1,346	+45.4
Medical Components		2,285	3,450	+1,165	+51.0
Japan		508	488	-19	-3.9
Overseas		1,776	2,962	+1,185	+66.7
Industrial Components		2,270	2,290	+19	+0.8
Japan		1,080	938	-141	-13.1
Overseas		1,190	1,351	+160	13.5
Operating income		2,573	3,389	+816	+31.7
(Reference) Segment Revenue		6,534	7,655	+1,120	+17.2



Reference: P/L

	FYE June 2022 Q2 YTD		FYE June 2023 Q2 YTD			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Main comparison factors
Revenue	37,702	100.0	45,435	100.0	+7,733	<ul style="list-style-type: none"> •Increase demand due to recovery of cases •Exchange rate fluctuation (Yen depreciation)
Cost of sales	12,678	33.6	15,395	33.9	+2,717	<ul style="list-style-type: none"> • Increased in proportion to revenue
Gross profit	25,023	66.4	30,040	66.1	+5,016	
SGA	16,917	44.9	20,088	44.2	+3,171	<ul style="list-style-type: none"> •Increased related to sales and R&D expenses
Operating income excl. goodwill amortization	8,902	23.6	10,901	24.0	+1,998	
Operating income	8,106	21.5	9,951	21.9	+1,845	
Non-operating income	670	1.8	110	0.2	-560	<ul style="list-style-type: none"> •Decreased in foreign exchange gains
Non-operating expense	182	0.5	440	1.0	+258	<ul style="list-style-type: none"> •Increased in foreign exchange loss
Ordinary income	8,595	22.8	9,621	21.2	+1,026	
Extraordinary income	615	1.6	305	0.7	-310	<ul style="list-style-type: none"> •Decreased in gains due to step acquisitions •Increased in insurance proceeds on disaster at Cebu factory
Extraordinary loss	386	1.0	72	0.2	-314	<ul style="list-style-type: none"> •Decreased in loss on disaster at Cebu factory
Net income attributable to parent company shareholders	6,385	16.9	7,473	16.4	+1,087	
Comprehensive income	7,264	19.3	7,115	15.7	-148	

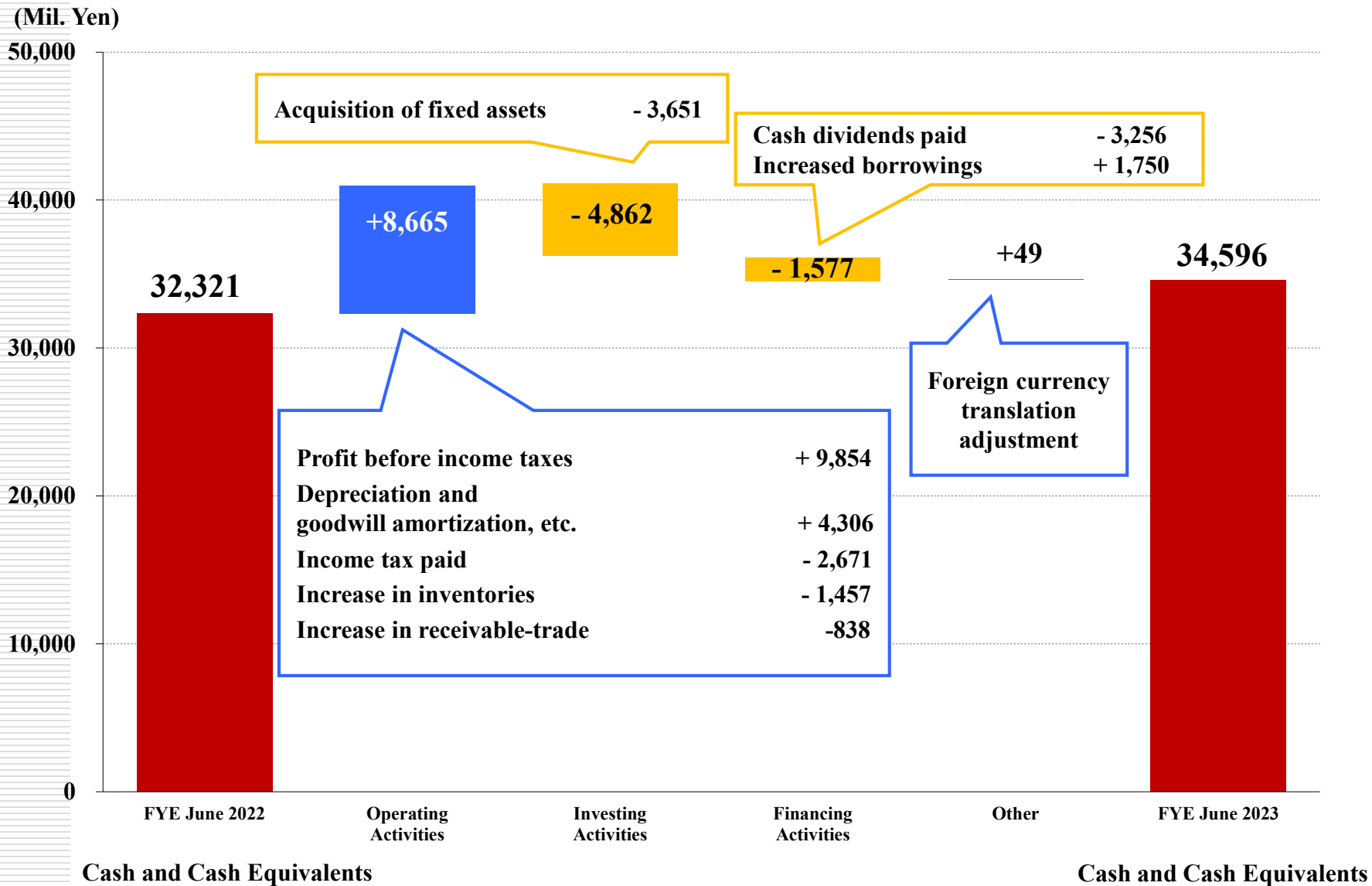


Reference: B/S

		FYE June 2022		FYE June 2023 Q2			
		Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Main comparison factors
Assets	Current assets	79,609	51.3	85,311	53.5	+5,701	Cash and deposit +2,274 Inventories +1,233
	Fixed assets	75,517	48.7	74,119	46.5	- 1,397	Investments and other assets -1,103
Total assets		155,127	100.0	159,431	100.0	+4,303	
Liabilities	Current liabilities	20,761	13.4	21,334	13.4	+572	Short-term borrowings +1,701 Notes and accounts payable-trade - 624 Other current liability - 454
	Fixed liabilities	13,234	8.5	13,110	8.2	- 123	Retirement benefit liability +118 Long-term borrowings -223
Total liabilities		33,996	21.9	34,445	21.6	+449	
Total net assets		121,130	78.1	124,985	78.4	+3,854	Retained earnings +4,217 Foreign currency translation adjustment -461
Total liabilities & net assets		155,127	100.0	159,431	100.0	+4,303	



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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