



Financial Results of Fiscal Year ended June 2020

August 14, 2020

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



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**1. Summary of Consolidated Financial for
FYE June 2020**

2. Earnings Forecast for FYE June 2021



FYE June 2020 Main Points-1

Revenue 56,546 Mil. Yen <Year-on-year -1.2%>

~ Despite the favorable progress before impact of COVID-19, slight decrease due to the external factors such as impact of COVID-19 on and after the second half, exchange rate fluctuation and reimbursement price reduction ~

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

Japan

- The number of cases has decreased since April due to the impact of COVID-19
- Most of our own brand products such as PTCA GW decreased due to the decrease in the number of cases
- Neurovascular field favorably progressed due to launch of new product Balloon guide catheter “Branchor” in addition to increase of guide wires
- Reimbursement price reduction in October and April (-504 Mil. yen)

Overseas

- The number of cases has decreased worldwide due to the impact of COVID-19
- PTCA GW increased in volume year-on-year in all regions, despite the impact of decrease in the number of cases
- Non-Cardiovascular segment decreased in Abdominal and Neuro vascular field
- Influence of the exchange rate fluctuation (-1,245 Mil. yen)

■ Device Division ~ Despite increase in Medical Components business, decrease in revenue due to decrease in Industrial Components business ~

- ◆ In Medical Components business, good progress in Cardiovascular examination catheter components and Abdominal vascular catheter components in US market
- ◆ In Industrial Components business, decrease in business related to the automobile and construction market for overseas, despite increase in business related to the office automation market for Japan



FYE June 2020 Main Points-2

Operating income decreased due to increase in sales and R&D related expenses with ongoing upfront investment

- **Gross profit 38,038 Mil. Yen < YoY -4.2% >**
 - Decrease in gross profit rate mainly due to the decrease in revenue
- **Operating income :12,445 Mil. Yen < YoY -18.0% >**
 - Increase in expenses to strengthen sales and marketing activities such as US and European market
 - Increase in R&D expenses (6,579 Mil. Yen, YoY +542 Mil. Yen, Ratio of Revenue 11.6%)
 - Increase in personnel expenses for strengthening organizational structure
- **Ordinary income : 12,310 Mil. Yen < YoY -17.0% >**
 - Decrease in currency exchange loss (YoY -209 Mil. Yen)
- **Net income attributable to parent company shareholders :**
9,178 Mil. Yen < YoY -18.3% >
 - Decrease in gain on step acquisitions (400 Mil. Yen)
 - Recording of subsidy for new office building (959 Mil. Yen)
 - Occurrence of operating compensation for switching to direct sales (339 Mil. Yen)

Exchange rate (Unit: JPY)	US \$	EURO	CNY	BAHT
FYE June 2020	108.19	119.62	15.38	3.49
FYE June 2019	111.15	126.81	16.28	3.45



Highlights Year on Year

	FYE June 2019		FYE June 2020				(Reference) At the same exchange rate as the previous year			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	YoY		Amount (Mil. Yen)	Ratio (%)	YoY	
					Changes (Mil. Yen)	Changes (%)			Changes (Mil. Yen)	Changes (%)
Revenue	57,216	100.0	56,546	100.0	-670	-1.2	57,911	100.0	+694	+1.2
Gross profit	39,700	69.4	38,038	67.3	-1,662	-4.2	39,401	68.0	-299	-0.8
Operating income	15,168	26.5	12,445	22.0	-2,722	-18.0	13,627	23.5	-1,540	-10.2
Ordinary income	14,833	25.9	12,310	21.8	-2,522	-17.0	13,492	23.3	-1,340	-9.0
Net income attributable to parent company shareholders	11,237	19.6	9,178	16.2	-2,059	-18.3	10,360	17.9	-877	-7.8
EPS *	43.29 yen	—	35.25 yen	—	-8.04 yen	-18.6	—	—	—	—

* : As of July 1st, 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.



Highlights Compared to the Plan

	FYE June 2020 Plan		FYE June 2020 Results				(Reference) At the same exchange rate as the plan			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Compared to the plan		Amount (Mil. Yen)	Ratio (%)	Compared to the plan	
					Changes (Mil. Yen)	Changes (%)			Changes (Mil. Yen)	Changes (%)
Net sales	56,207	100.0	56,546	100.0	+339	+0.6	56,381	100.0	+173	+0.3
Gross profit	37,272	66.3	38,038	67.3	+766	+2.1	37,888	67.2	+616	+1.7
Operating income	11,940	21.2	12,445	22.0	+505	+4.2	12,313	21.8	+373	+3.1
Ordinary income	11,965	21.3	12,310	21.8	+345	+2.9	12,178	21.6	+213	+1.8
Net income attributable to parent company shareholders	8,977	16.0	9,178	16.2	+200	+2.2	9,046	16.0	+68	+0.8
EPS	34.48 yen	—	35.25 yen	—	+0.77 yen	+2.2	—	—	—	—



Net Revenue by Segment

	FYE June 2019		FYE June 2020			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Changes (%)
Medical	48,216	84.3	47,855	84.6	-360	-0.7
Device	9,000	15.7	8,690	15.4	-309	-3.4
Total amount	57,216	100.0	56,546	100.0	-670	-1.2

(Reference)

Medical field	51,881	90.7	51,931	91.8	+49	+0.1
Industrial field	5,335	9.3	4,614	8.2	-720	-13.5

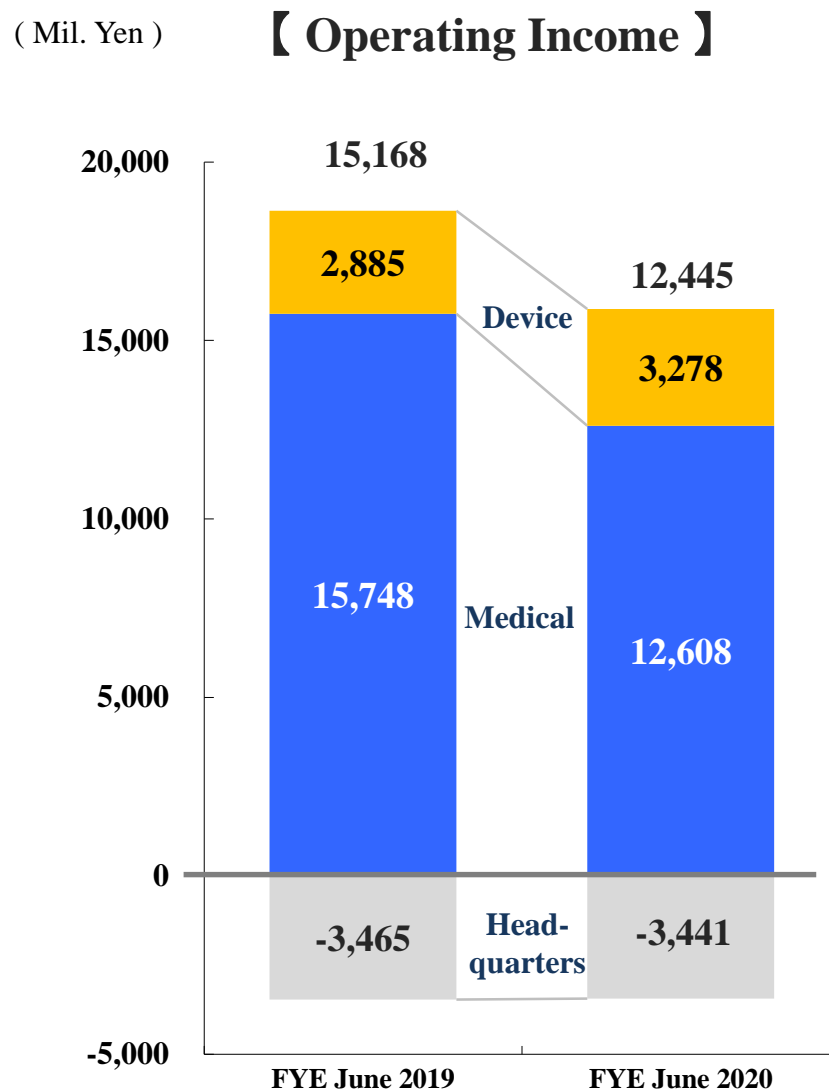
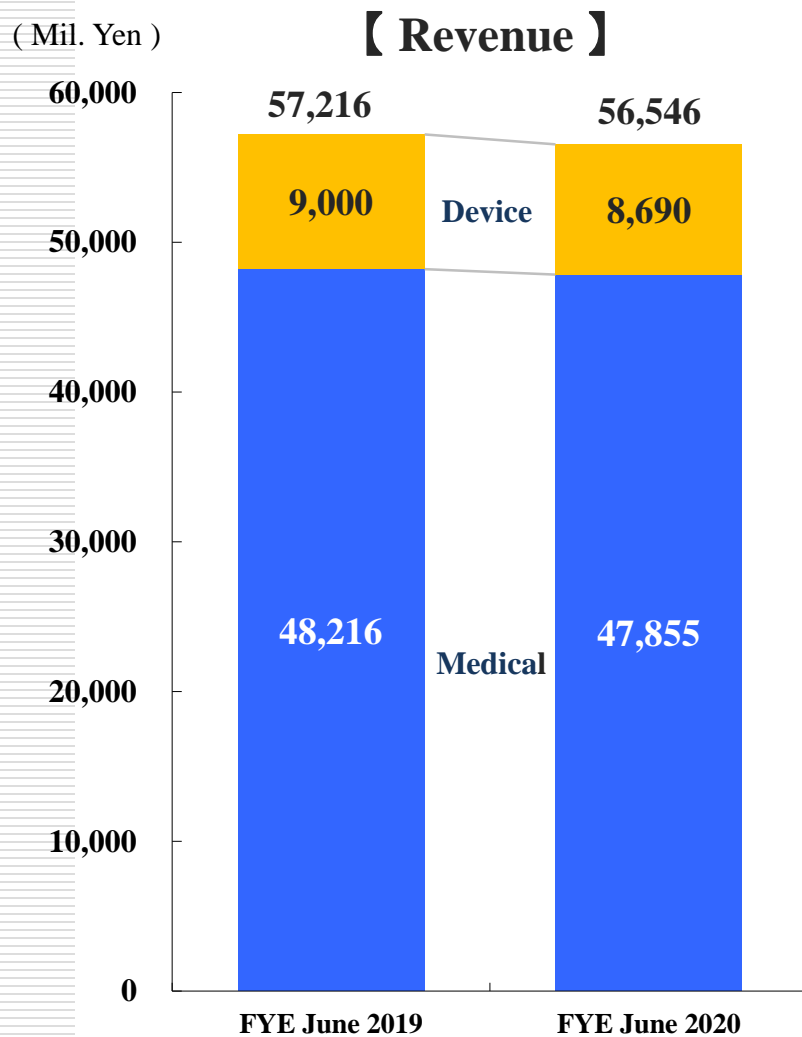


Operating Income by Segment

	FYE June 2019		FYE June 2020			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Changes (%)
Medical	15,748	84.5	12,608	79.4	-3,139	-19.9
Device	2,885	15.5	3,278	20.6	+392	+13.6
Subtotal	18,634	100.0	15,886	100.0	-2,747	-14.7
Erasing & Head Quarters	-3,465	-	-3,441	-	+24	-0.7
Total amount	15,168	-	12,445	-	-2,722	-18.0
(Reference) Device Division Segment Revenue	3,553	-	4,449	-	+896	+25.2



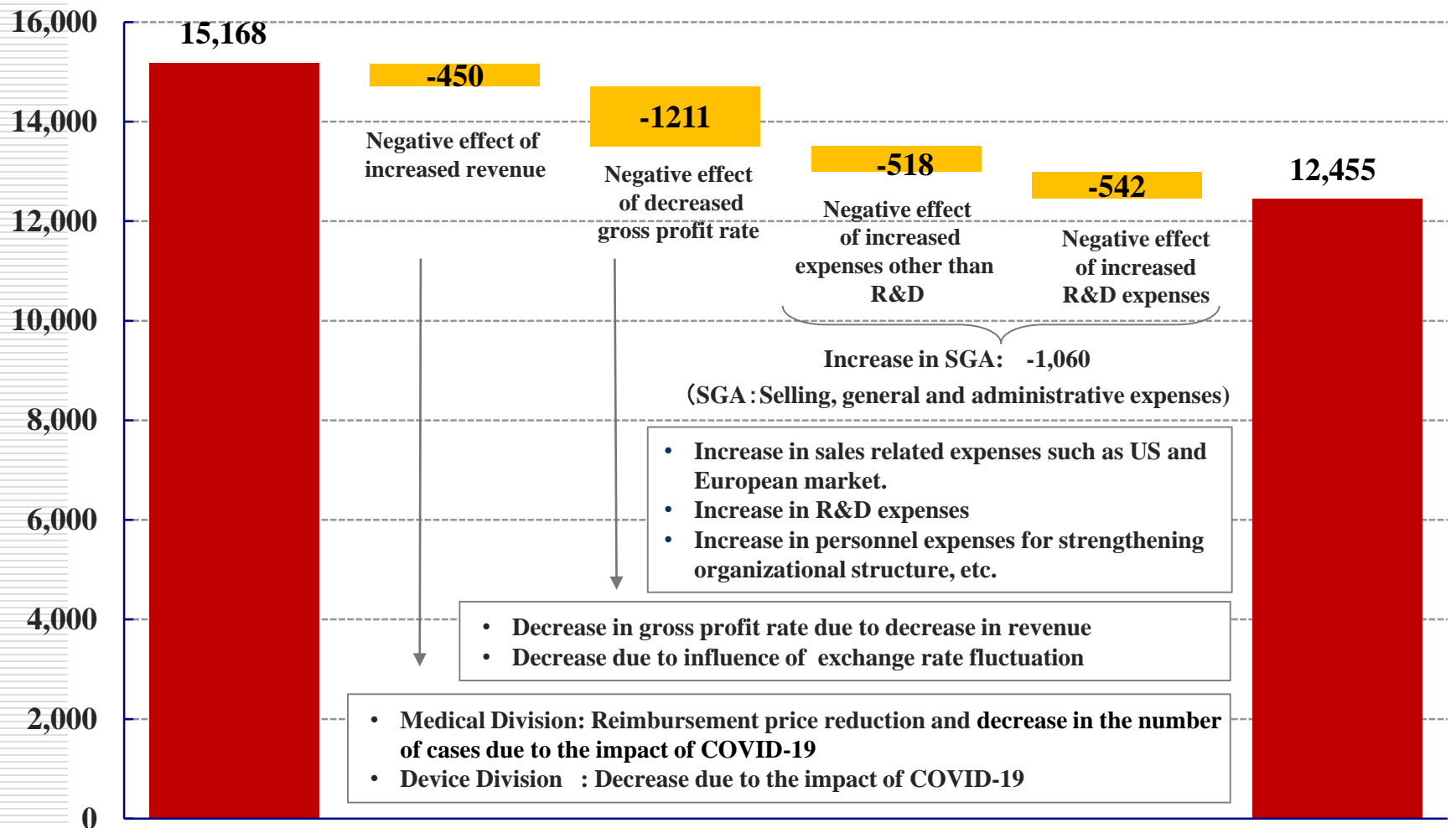
Earnings Performance by Segment





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

(Mil. Yen)



FYE June 2019
Operating Income

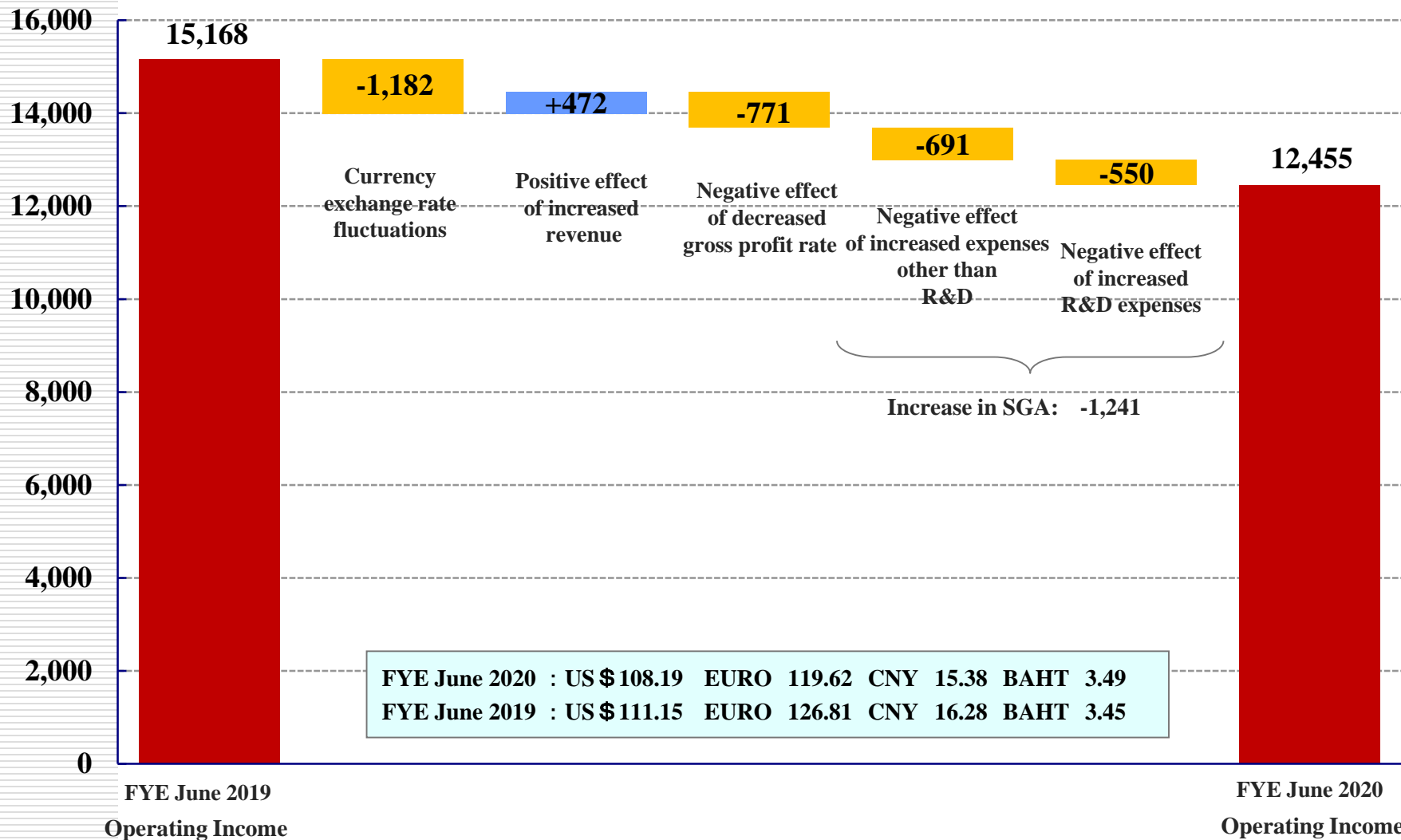
FYE June 2020 : US \$108.19 EURO 119.62 CNY 15.38 BAHT 3.49
FYE June 2019 : US \$111.15 EURO 126.81 CNY 16.28 BAHT 3.45

FYE June 2020
Operating Income



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

(Mil. Yen)





Situation Per Segment Division



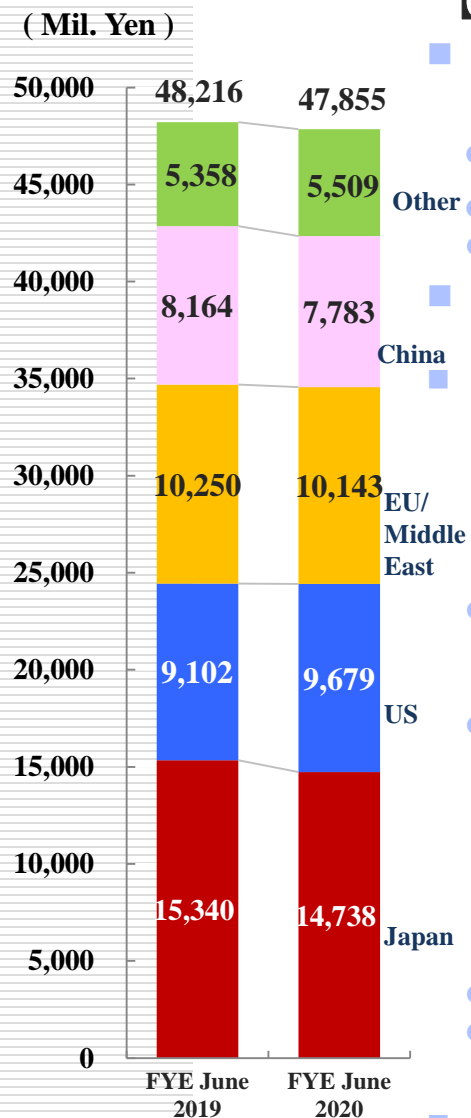
Per Segment by Medical Division (by Geography - 1)

【Revenue (YoY)】

- **Japan:** In addition to the influence of reimbursement price reduction (-504Mil.yen), decrease in revenue due to decrease in the number of cases by the impact of COVID-19
 - Decreased in number of cases from April due to the impact of COVID-19
- **PTCA GW:** Decrease due to the reimbursement price reduction and the impact of COVID-19
- **Neurovascular field:** Increase due to launch of Balloon guide catheter “Branchor”
- **Overseas:** Slight increase due to increase in volume centering on US market despite impact of exchange rate fluctuation (-1,245Mil. yen) and impact of COVID-19
 - **<US>**
 - PTCA GW: Increase with promotion of direct sales despite the impact of COVID-19 (Parallel sales in the first half of the previous year)
 - Penetration Catheter : Increase due to strengthening direct sales despite the impact of COVID-19
 - Neurovascular field : Inventory adjustment of Medtronic, decrease due to decrease in the number of cases
 - **<EU/Middle East>**
 - Despite the impact of COVID-19, increase in sales volume due to impact mitigation by distributor sales, decrease due to exchange rate fluctuation
 - **<China>**
 - PTCA GW: Despite the impact of COVID-19, business increased due to inventory replenishment and impact mitigation of COVID-19 by distributor sales
 - Penetration Catheter: Decrease due to such as reaction to special demand in addition to the impact of COVID-19
 - PTCA Guiding Catheters “Hyperion”: Increase due to inventory replenishment to distributors
 - Non-cardiovascular segment: Decrease in Abdominal field due to the impact of COVID-19
 - **<Other>**
 - Despite the impact of COVID-19, increase in business due to impact mitigation by distributor sales

【Operating Income】

- Decrease due to increase in R&D and sales related expenses





Per Segment by Medical Division (by Geography - 2)

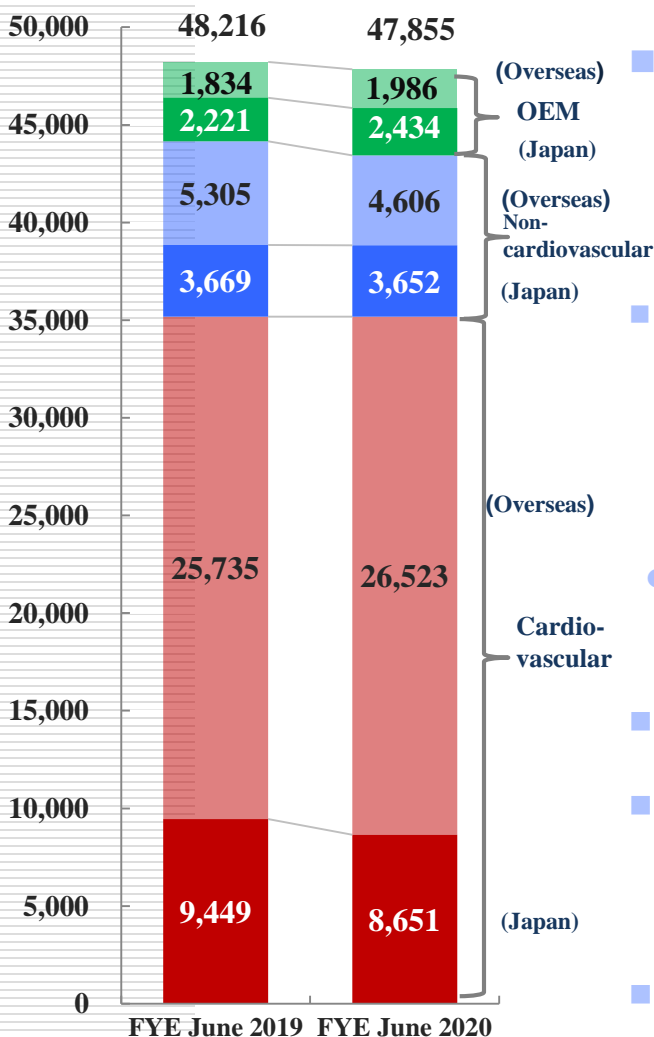
(Mil. Yen)

		FYE June 2019	FYE June 2020	YoY	
				Changes	Changes (%)
Exchange rate(Yen)	USD	111.15	108.19	-2.96	-2.7
	EURO	126.81	119.62	-7.19	-5.7
	CNY	16.28	15.38	-0.90	-5.5
Total Revenue		48,216	47,855	-360	-0.7
Japan		15,340	14,738	-601	-3.9
Overseas		32,875	33,116	+240	+0.7
US		9,102	9,679	+577	+6.3
EU/Middle East		10,250	10,143	-106	-1.0
China		8,164	7,783	-380	-4.7
Other		5,358	5,509	+151	+2.8
Operating income		15,748	12,608	-3,139	-19.9



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

- Decrease in number of cases on and after April
- PTCA GW: Decrease due to the reimbursement price reduction and the impact of COVID-19
- **Overseas:** Slight increase due to increase in volume centering on US market despite the impact of exchange rate fluctuation and COVID-19
- PTCA GW: Increase in volume in all areas despite the impact of COVID-19
- US market :Increase due to promotion of direct sales
- Chinese market: Despite the impact of COVID-19, business increased due to inventory replenishment and impact mitigation of COVID-19 by distributor sales
- **Penetration Catheter:** Decrease due to such as reaction to special demand in addition to the impact of COVID-19

Non-cardiovascular

- **Japan:** In Neurovascular field, in addition to increase in GW, favorably progressed with launch of Balloon guide catheter “Branchor”
- **Overseas:** Neuro Vascular field: Inventory adjustment of Medtronic in US, decrease due to decrease in number of cases
- Abdominal vascular field: Decrease in China due to the impact of COVID-19

OEM

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



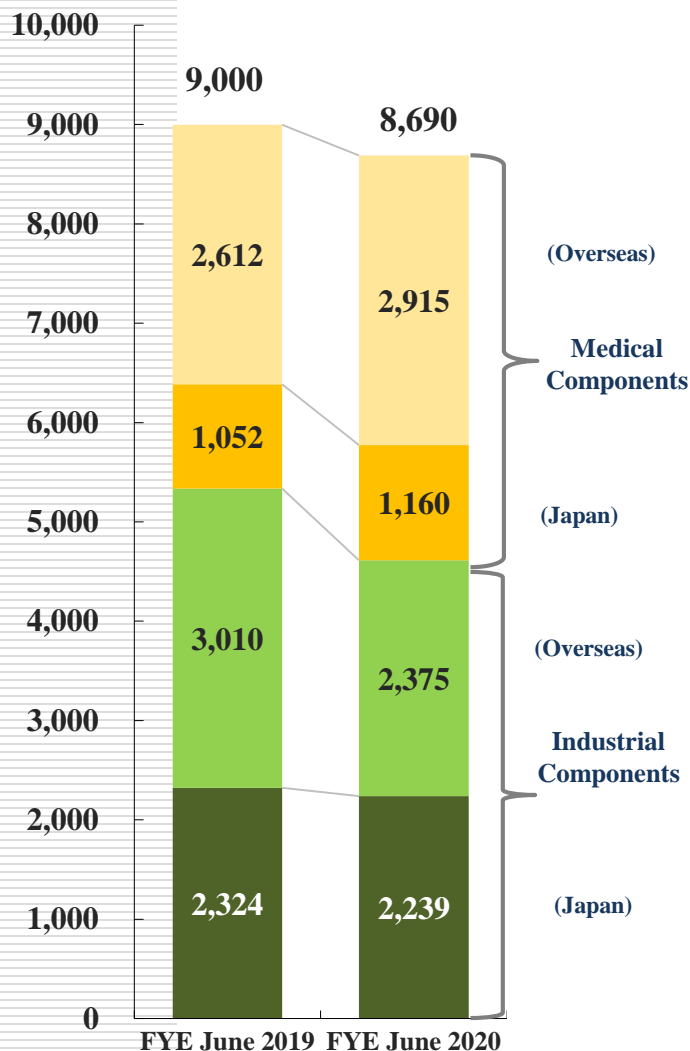
Per Segment by Medical Division (by Treatment - 2)

		FYE June 2019	FYE June 2020	YoY		(Mil. Yen)
				Changes	Changes (%)	
Exchange rate (Yen)	USD	111.15	108.19	-2.96	-2.7	
	EURO	126.81	119.62	-7.19	-5.7	
	CNY	16.28	15.38	-0.90	-5.5	
Total Revenue		48,216	47,855	-360	-0.7	
	Japan	15,340	14,738	-601	-3.9	
	Overseas	32,875	33,116	+240	+0.7	
Cardiovascular		35,184	35,175	-9	-0.0	
	Japan	9,449	8,651	-797	-8.4	
	Overseas	25,735	26,523	+788	+3.1	
Non-cardiovascular		8,974	8,259	-715	-8.0	
	Japan	3,669	3,652	-16	-0.4	
	Overseas	5,305	4,606	-699	-13.2	
OEM		4,056	4,420	+363	+9.0	
	Japan	2,221	2,434	+212	+9.6	
	Overseas	1,834	1,986	+151	+8.2	



Per Segment by Device Division - 1

(Mil. Yen)



【Revenue (YoY)】

Medical Components

- **Japan:** Increase in business of prototypes for new fields and endoscope related components
- **Overseas:** Increase in Cardiovascular examination catheter components for US and Abdominal vascular catheter components

Industrial Components

- **Japan:** Despite increase in business related to office automation equipment market, decrease in business related to home appliances market and construction market
- **Overseas:** Decrease in business related to automobile market and construction market

【Operating Income】

- Increase in profit due to increase in segment deals



Per Segment by Device Division - 2

		FYE June 2019	FYE June 2020	YoY	
				Changes	Changes(%)
Exchange rate (Yen)	USD	111.15	108.19	-2.96	-2.7
Total Revenue		9,000	8,690	-309	-3.4
	Japan	3,377	3,399	+22	+0.7
	Overseas	5,623	5,290	-332	-5.9
Medical Components		3,665	4,075	+410	+11.2
	Japan	1,052	1,160	+107	+10.2
	Overseas	2,612	2,915	+302	+11.6
Industrial Components		5,335	4,614	-720	-13.5
	Japan	2,324	2,239	-84	-3.6
	Overseas	3,010	2,375	-635	-21.1
Operating income		2,885	3,278	+392	+13.6
(Reference) Segment Revenue		3,553	4,449	+896	+25.2

(Mil. Yen)



Reference: P/L

	FYE June 2019		FYE June 2020			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Main comparison factors
Revenue	57,216	100.0	56,546	100.0	-670	•Decrease due to the impact of COVID-19 and impact of exchange rate / reimbursement price reduction
Cost of sales	17,516	30.6	18,507	32.7	+991	
Gross profit	39,700	69.4	38,038	67.3	-1,662	•Decrease due to decrease in revenue and impact of operation restrictions at the Cebu factory
SGA	24,531	42.9	25,592	45.3	+1,060	•Increase in sales related expenses and R&D expenses
Operating income	15,168	26.5	12,445	22.0	-2,722	
Non-operating income	283	0.5	141	0.3	-141	
Non-operating expense	618	1.1	277	0.5	-341	•Decrease in currency exchange loss
Ordinary income	14,833	25.9	12,310	21.8	-2,522	
Extraordinary gain	402	0.7	959	1.7	+557	•Decrease in gain on step acquisitions •Recoding subsidy income for new office building
Extraordinary loss	278	0.5	612	1.1	+333	•Recording loss on revaluation of investment securities •Recording operating compensation
Net income attributable to parent company shareholders	11,237	19.6	9,178	16.2	-2,059	
Comprehensive income	11,335	19.8	9,251	16.4	-2,084	•Unrealized loss on securities +668 •Foreign currency translation adjustment -691



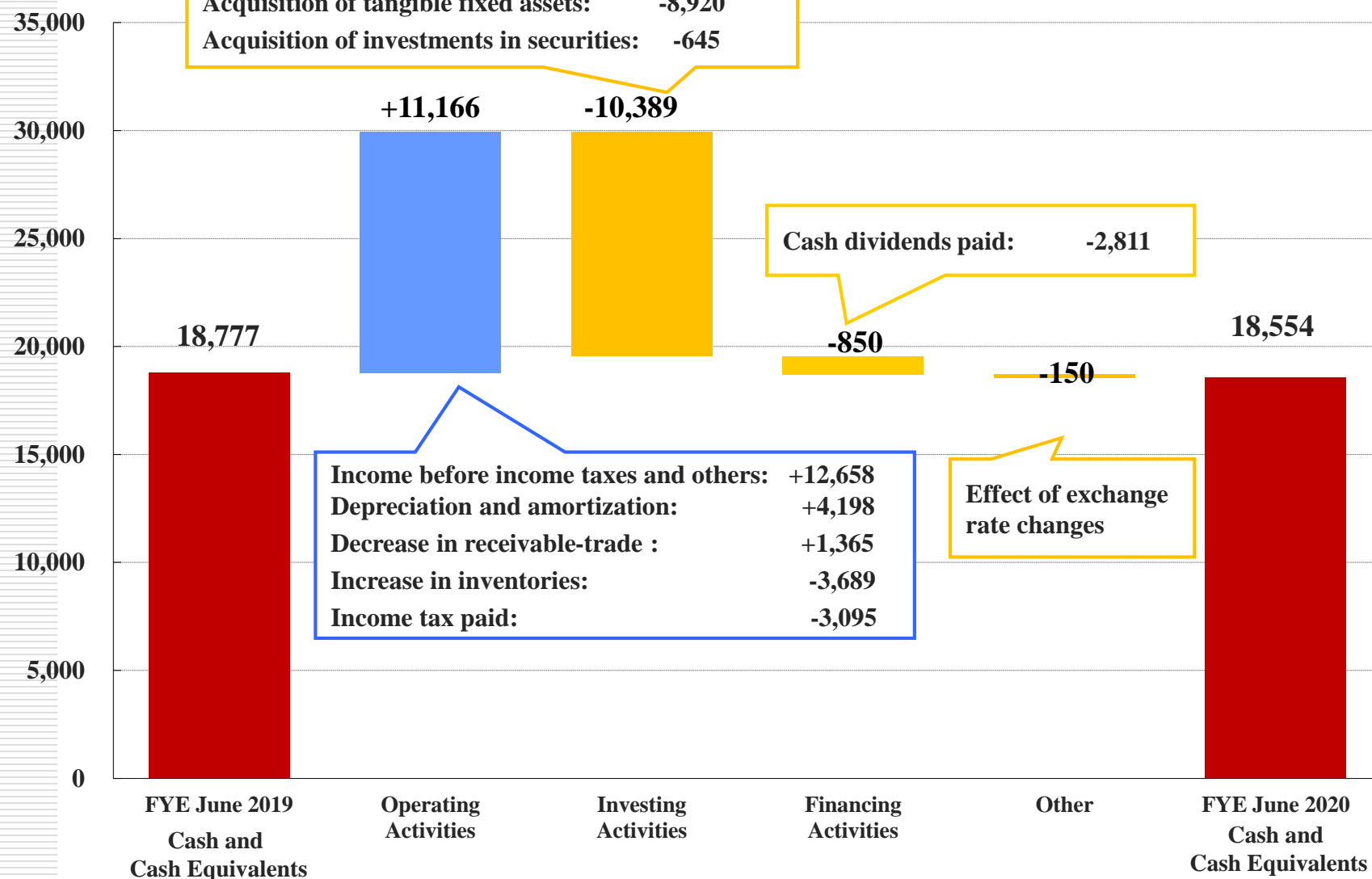
Reference: B/S

		FYE June 2019		FYE June 2020			
		Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Main comparison factors
Assets	Current assets	45,824	54.3	47,793	51.0	+1,969	Work in process: +2,105 Cash and deposit: -223
	Fixed Assets	38,534	45.7	45,935	49.0	+7,401	Tangible fixed assets: +5,940 Intangible fixed assets +729 Investment securities +783
Total assets		84,358	100.0	93,729	100.0	+9,370	
Liabilities	Current Liabilities	12,621	15.0	12,786	13.6	+164	
	Fixed liabilities	6,286	7.5	8,968	9.6	+2,681	Long-term debt: +2,063 Liability for retirement benefits: +296
Total liabilities		18,908	22.4	21,754	23.2	+2,845	
Total net assets		65,450	77.6	71,975	76.8	+6,524	Retained earnings: +6,331
Total liabilities & net assets		84,358	100.0	93,729	100.0	+9,370	



Reference: C/F

(Mil. Yen)





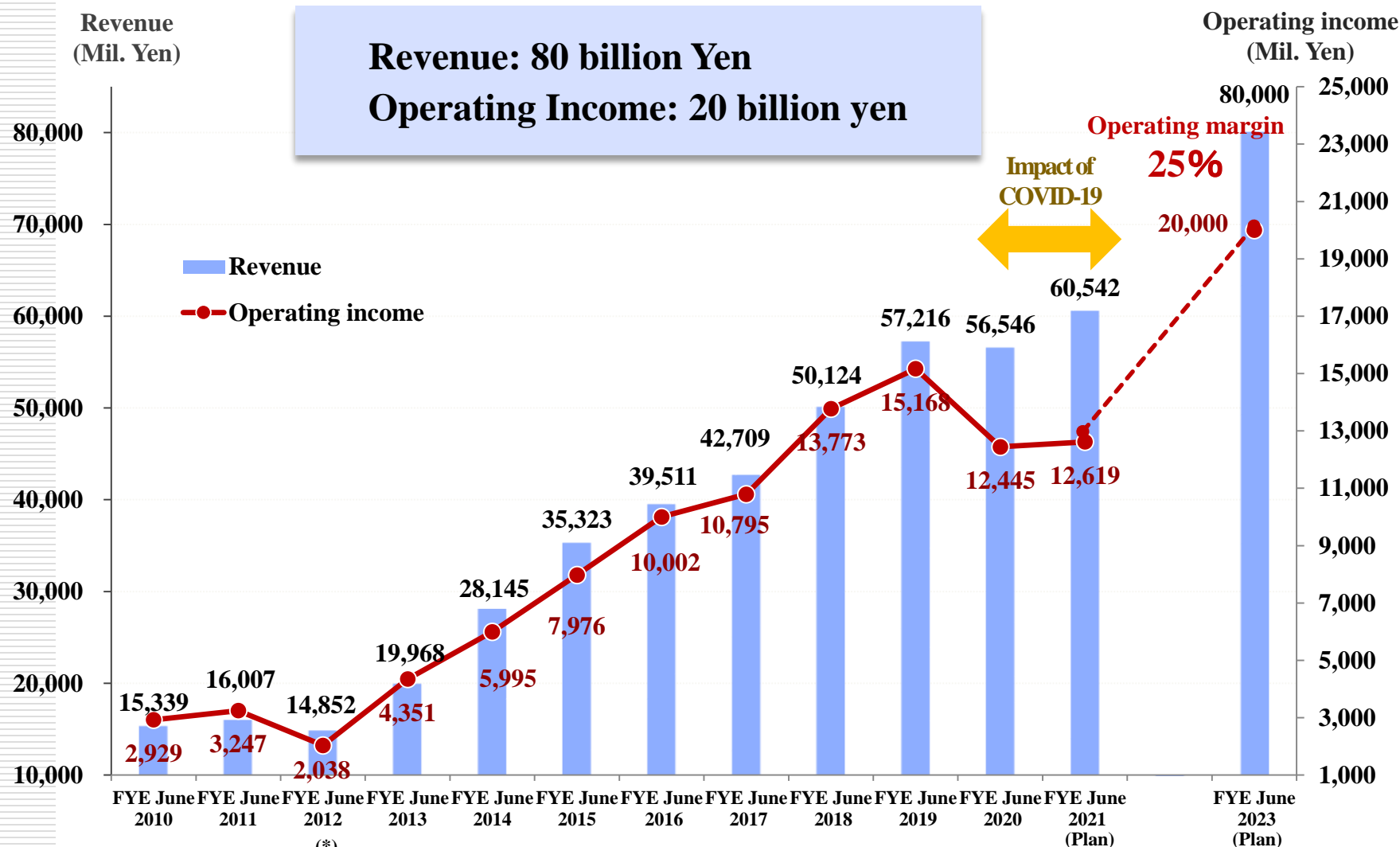
Contents

**1. Summary of Consolidated Financial for
FYE June 2020**

2. Earnings Forecast for FYE June 2021



Mid-Term Management Plan: Profit Goals to FYE June 2023



(*) In FYE June 2012, a temporary decrease in revenue and profit occurred due to reduced production. The reason for such was that our main factory of our consolidated subsidiary company, Asahi Intecc Thailand was forced to suspend operations temporarily when flooding hit Thailand at that time.



Vision for FYE June 2021

**Decrease in the number of PCI cases due to the impact of COVID-19 is expected to be limited in the second half of the year
Continue to make upfront investment for future growth**

- **For FYE June 2021, despite severe external factors such as foreign exchange trends and reimbursement price reduction, we plan to secure higher sales and profits in addition to being affected by COVID-19 as in the previous term**
- **Decrease in the number of PCI cases due to the impact of COVID-19 has been on a recovery trend since the latter half of FYE June 2020 and in FYE June 2021, the impact will continue mainly in the first half of the year, but it is expected that the impact on the second half will be limited as it gradually recovers**
- **Decrease in the number of cases by the second wave and temporary increase of more than 100% at normal times due to waiting cases are not included because it is difficult to estimate quantitatively**
- **Continue to carry out upfront investment, etc. in accordance with the basic policies and strategies of the current medium- to long-term plan because we judge that there is no impact on medium- to long-term growth potential if the impact of COVID-19 subside, most of the deferred waiting cases are expected to be treated**



Vision for FYE June 2021

Increase in revenue due to expansion of overseas sales in the medical division despite the factors such as impact of COVID-19, exchange rate fluctuation and reimbursement price reduction

Slight increase in operating income due to increase in expenses for R&D and strengthening overseas sales

- **Revenue is expected to increase to 60,542 million yen (+7.1% YoY) due to increase in demand mainly in overseas markets**

Increasing factors

- Sales increase due to increased market share of PTCA GW in US market
- Sales increase due to recovery from impact of COVID-19 in Chinese market

Decreasing factors

- Sales decrease due to the impact of COVID-19
- Reimbursement price reduction (Scheduled to be revised in April, impact amount -458 Mil. Yen)
- Negative impact of exchange rate (-520 Mil. Yen)

- **Slight increase in Operating income due to decrease in Gross profit ratio and increase in SGA for R&D**

- Decrease in Gross profit ratio due to increase in Fixed cost (depreciation cost)

- **Operating income 12,619 Mil. Yen (YoY +1.4%)**

- Increase in R&D expenses (7,388 Mil. Yen, revenue ratio 12.2 %)
- Increase in expenses due to strengthening overseas sales mainly in EU and Asia
- Increase in system related expenses

- **Ordinary income 12,496 Mil. Yen (YoY +1.5%)**

- **Net income attributable to parent company shareholders:
9,193 Mil. Yen (YoY+0.2%)**

Assumed Exchange Rate	(Unit : JPY)			
FYE June 2021 (Plan)	US \$	106.00	EURO	123.00
	CNY	15.00	BAHT	3.45
FYE June 2020	US \$	108.19	EURO	119.62
	CNY	15.38	BAHT	3.49

Effect of exchange rate on operating income (Main currency)

US \$ (+ 1 yen influence) : approx. 194 Mil. Yen Increase
 EURO (+ 1 yen influence) : approx. 61 Mil. Yen Increase
 CNY (+ 1 yen influence) : approx. 265 Mil. Yen Increase
 BAHT(+0.1 yen influence) : approx. 207 Mil. Yen Decrease



Earnings Forecast for FYE June 2021

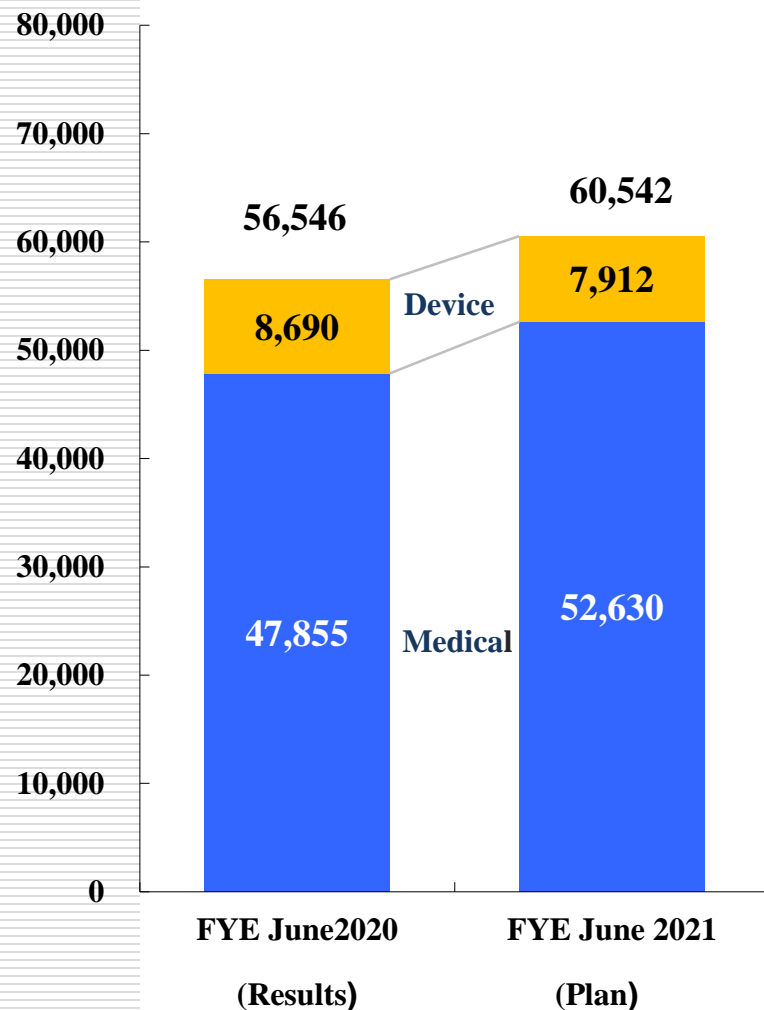
	FYE June 2020 (Results)		FYE June 2021 (Plan)				(Reference) FYE June 2021 At the same exchange rate as the previous year			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	YoY		Amount (Mil. Yen)	Ratio (%)	YoY	
					Changes (Mil. Yen)	Changes (%)			Changes (Mil. Yen)	Changes (%)
Net sales	56,546	100.0	60,542	100.0	+3,996	+7.1	61,062	100.0	+4,516	+8.0
Gross profit	38,038	67.3	40,670	67.2	+2,632	+6.9	41,079	67.3	+3,041	+8.0
Operating income	12,445	22.0	12,619	20.8	+173	+1.4	12,889	21.1	+443	+3.6
Ordinary income	12,310	21.8	12,496	20.6	+185	+1.5	12,766	20.9	+455	+3.7
Net income attributable to parent company shareholders	9,178	16.2	9,193	15.2	+14	+0.2	9,463	15.5	+285	+3.1
EPS *	35.25 yen	—	35.28 yen	—	+0.03 yen	+0.1	36.32 yen	—	+1.07 yen	+3.0



Earnings Forecast for by Segment

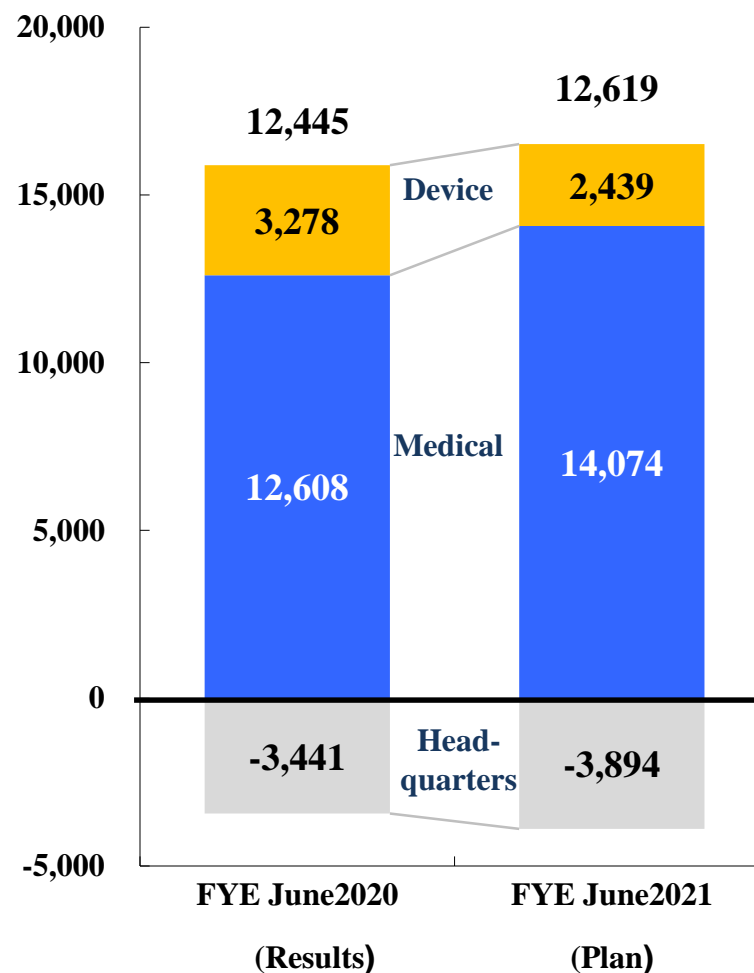
(Mil. Yen)

【 Revenue 】



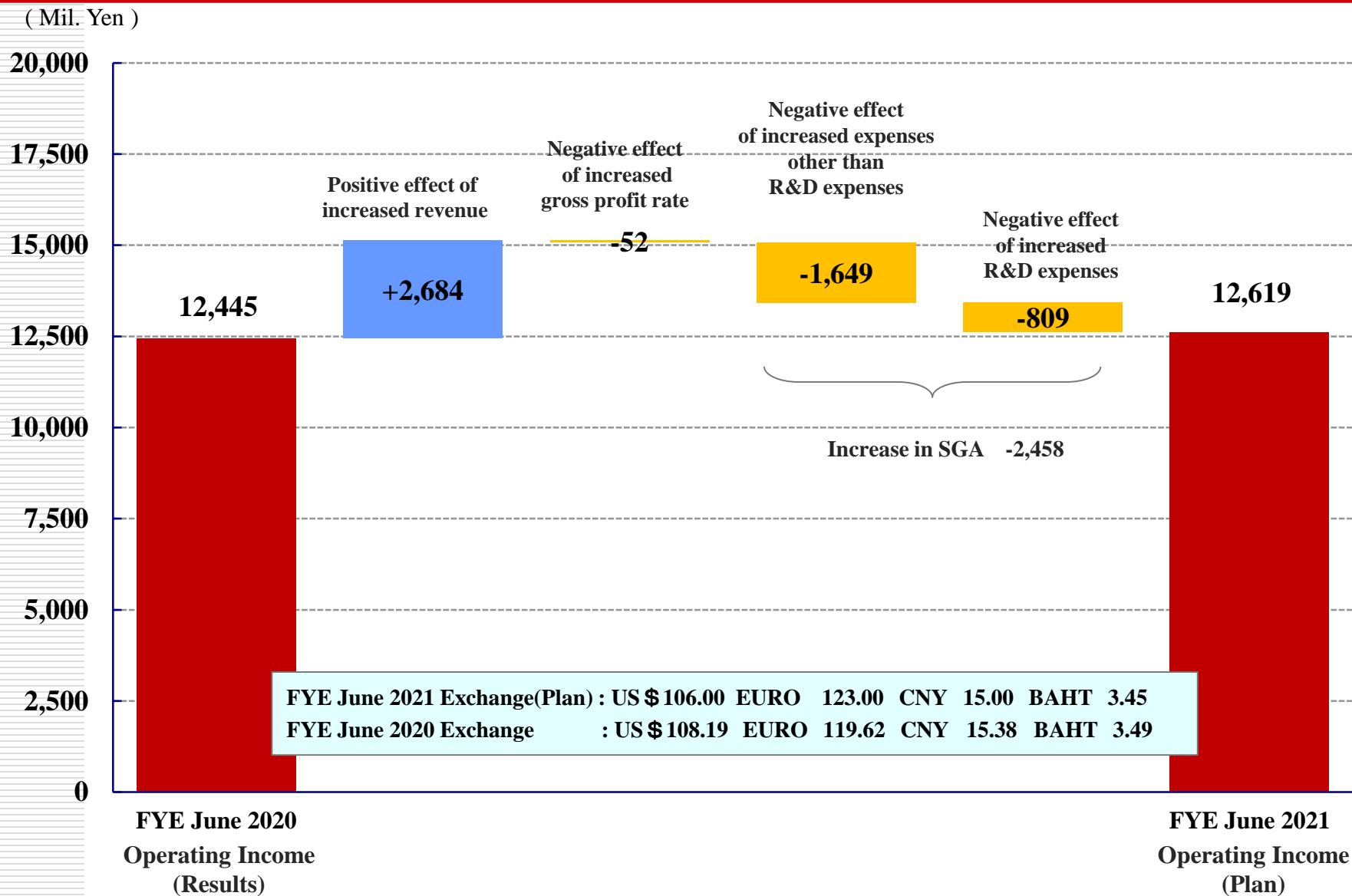
(Mil. Yen)

【 Operating Income 】





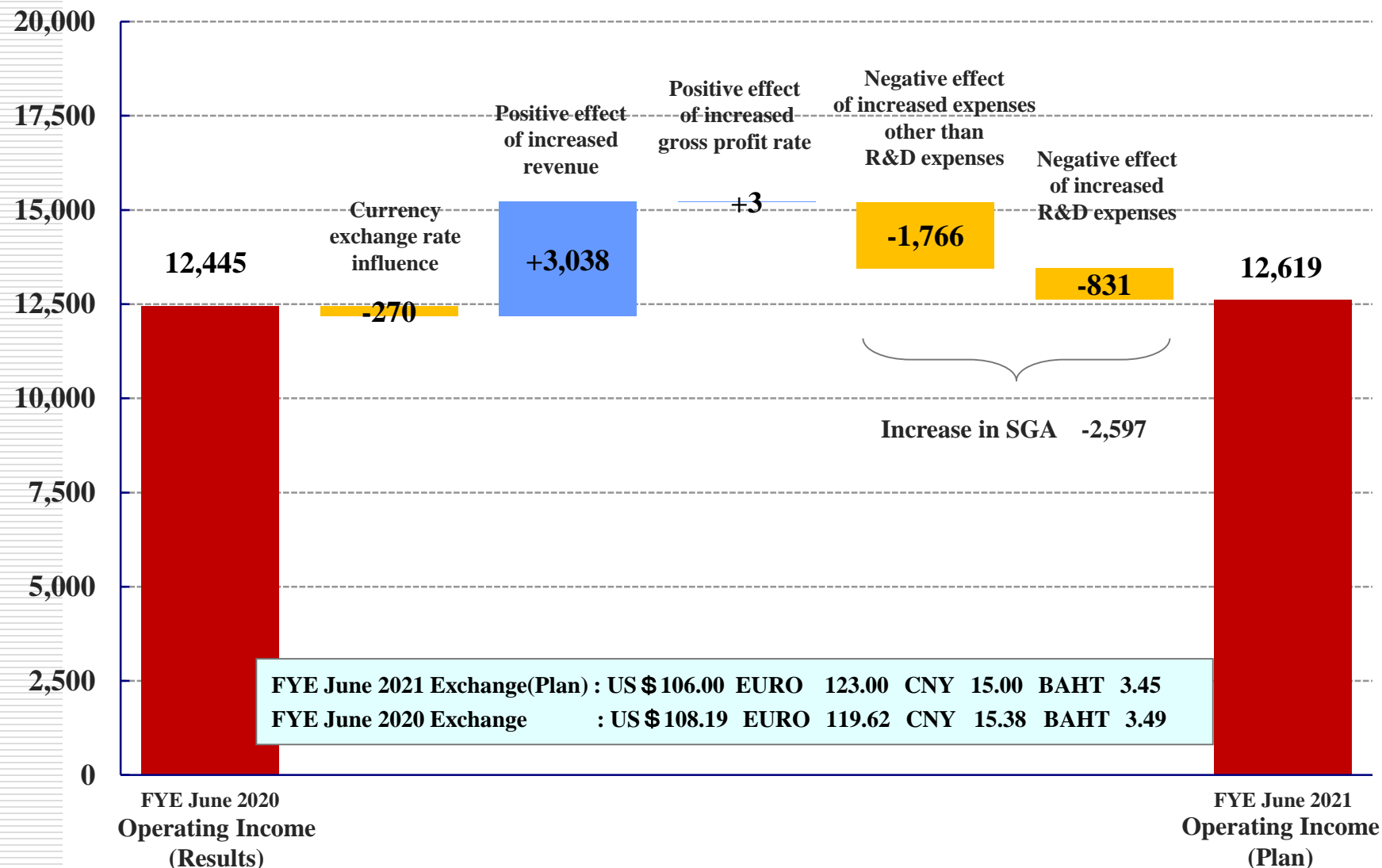
Attribution Analysis of Operating Income (Exchange Rate Fluctuations Included)





Attribution Analysis of Operating Income (Exchange Rate Fluctuations Excluded)

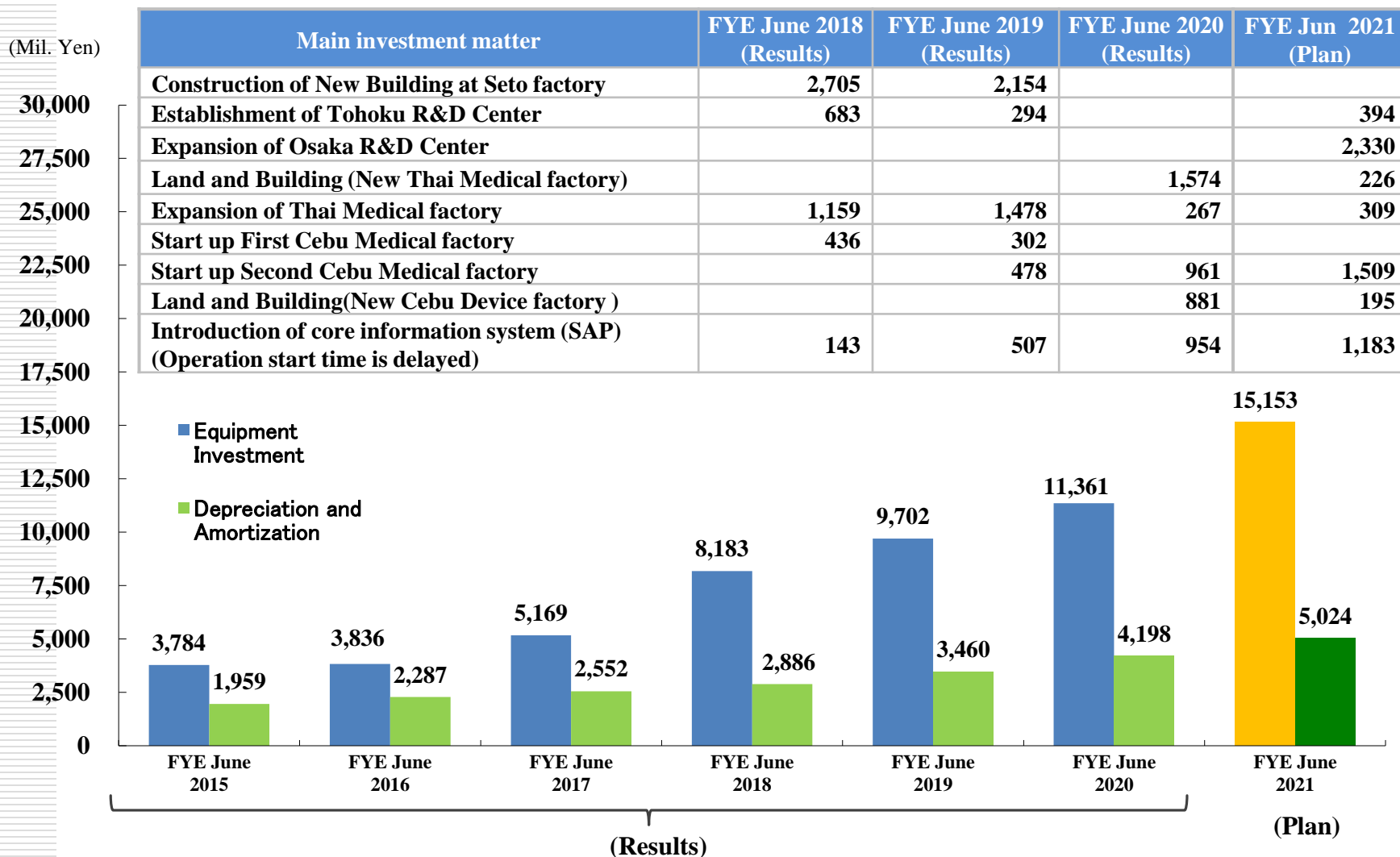
(Mil. Yen)





Results and Plan for Equipment Installation

Expansion of development bases for the purpose of expanding core technology research
Plan to implement expansion of overseas factory bases to increase production in the future



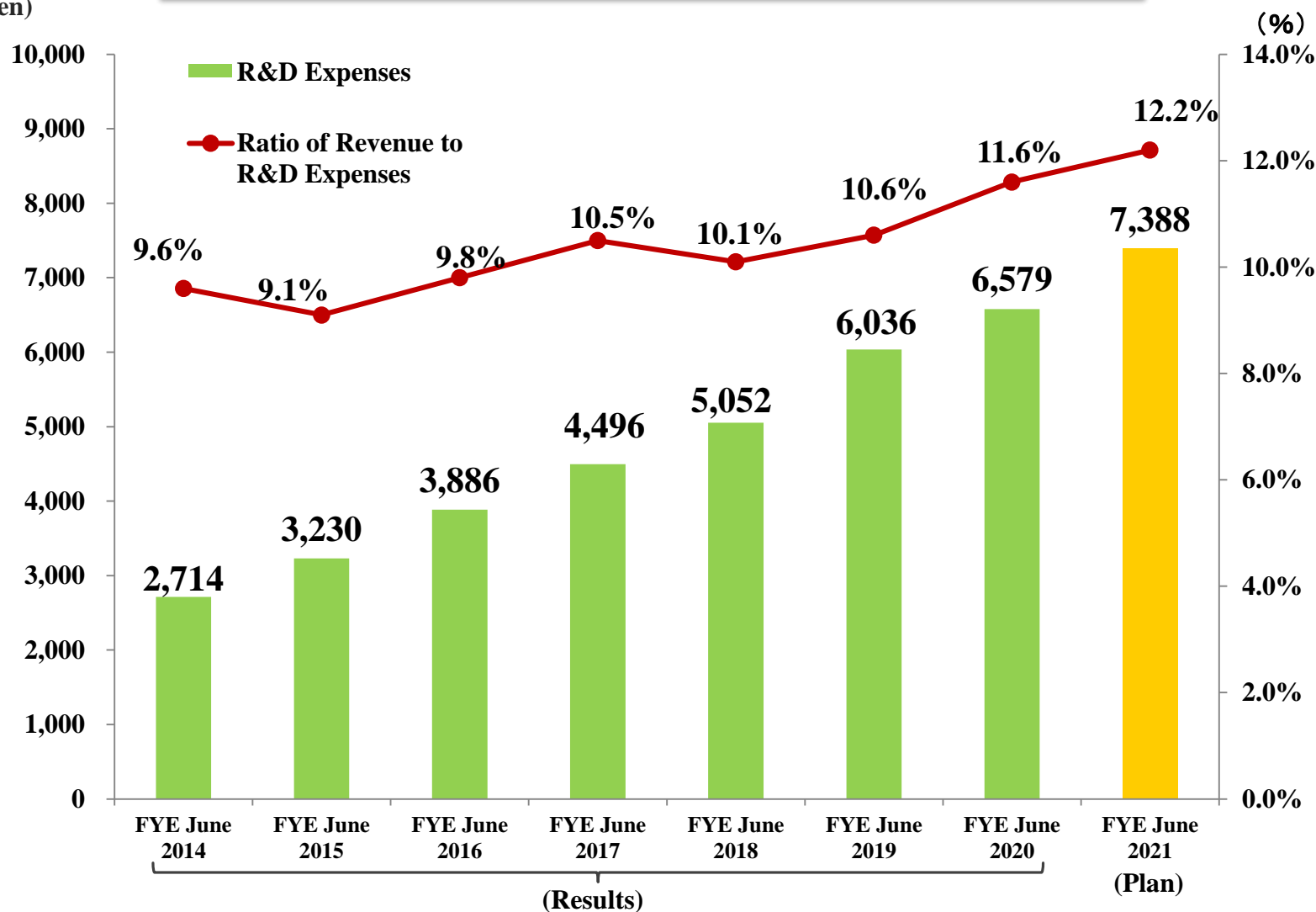


R&D Expenses

R&D Expenses
(Mil. Yen)

Increase in R&D expenses for new projects

Ratio of Revenue
to R&D Expenses





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.

【 IR contact 】

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