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Financial Results of the 1st Quarter for Fiscal Year ending June 2023

November 11, 2022

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



FYE June 2023 Q1 YTD Main Points - 1

Revenue 22,658 Mil.Yen <Year-on-year +25.0%>

~Increased in both Medical and Device Division due to exchange rate fluctuation and recovery from the impact of COVID-19 in overseas market~

■ Medical Division ~Increased due to exchange rate fluctuation and increasing demand from the recovery of the 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 PCI GW and Penetration Catheter in all overseas regions, mainly in China and Europe
 - China: Strong sales of all products
 - Europe: Strong sales of PCI GW and Penetration Catheter for western-Europe distributors
- In Non-Cardiovascular field, increased mainly in US and Europe
 - US: Strong sales of OEM business (Rev1)
 - Europe: Strong sales of Neurovascular and Abdominal vascular products for western-Europe distributors
- Decreased due to reimbursement price reduction (Domestic) (-157 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 examination catheter components and Cardiovascular ultrasound catheter components for US market
- In Industrial Components business, decreased in the domestic/overseas construction-related transactions , increased in Leisure-related transaction for US market, resulting in flat revenue
- Increased revenue due to exchange rate fluctuation (Yen depreciation)

□ Impact of increased revenue due to exchange rate fluctuation (Yen depreciation) + 2,904 Mil. Yen



FYE June 2023 Q1 YTD Main Points - 2

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

- **Gross profit: 14,814 Mil.Yen < YoY +23.7% >**
 - Increased in gross profit due to increased in revenue
- **Operating income excluding goodwill amortization, etc.: 5,166 Mil. Yen < YoY +24.4% >**
 - Increased revenue and expenses related to sales promotion activities in overseas market
 - Increased in R&D expenses (2,306 Mil.Yen) (YoY +344 Mil.Yen, Ratio of Revenue 10.2 %)
- **Operating income: 4,686 Mil.Yen <YoY +24.7% >**
 - Increased goodwill amortization, etc. (+479 Mil. Yen) (YoY +84 Mil. Yen)
- **Ordinary income: 4,967 Mil.Yen <YoY +30.7% >**
 - Increase in foreign exchange gains (YoY +170 Mil.Yen)
- **Net Income attributable to parent company shareholders: 4,049 Mil.Yen <YoY +21.5% >**
 - Increased in insurance proceeds on disaster at Cebu factory (+305 Mil.Yen)
 - Decreased in gain on step acquisitions (-615 Mil. Yen)

Exchange rate (Unit : JPY)	US \$	EURO	CNY	BAHT
FYE June 2023 Q1	138.38	139.34	20.19	3.80
FYE June 2022 Q1	110.10	129.83	17.02	3.35



Highlights Year-on-Year

	FYE June 2022 Q1 YTD		FYE June 2023 Q1 YTD			
	Amount (Mil.Yen)	Ratio (%)	Amount (Mil.Yen)	Ratio (%)	YoY	
					Changes (Mil.Yen)	Changes(%)
Revenue	18,120	100.0	22,658	100.0	+4,538	+25.0
Gross Profit	11,978	66.1	14,814	65.4	+2,836	+23.7
Operating Income excluding goodwill amortization, etc.	4,154	22.9	5,166	22.8	+1,011	+24.4
Operating Income	3,759	20.7	4,686	20.7	+927	+24.7
Ordinary Income	3,801	21.0	4,967	21.9	+1,166	+30.7
Net income attributable to parent company shareholders	3,333	18.4	4,049	17.9	+715	+21.5
EPS (yen)	12.31	—	14.91	—	+2.60	+21.1
EBITDA	5,477	30.2	6,849	30.2	+1,371	+25.0



Revenue by Segment

	FYE June 2022 Q1 YTD		FYE June 2023 Q1 YTD			
	Amount (Mil.Yen)	Ratio (%)	Amount (Mil.Yen)	Ratio (%)	Changes (Mil.Yen)	Changes (%)
Medical	15,903	87.8	19,736	87.1	+3,833	+24.1
Device	2,217	12.2	2,921	12.9	+704	+31.8
Total amount	18,120	100.0	22,658	100.0	+4,538	+25.0

(Reference)

Medical Field	16,972	93.7	21,544	95.1	+4,572	+26.9
Device Field	1,148	6.3	1,113	4.9	-34	-3.0



Operating Income by Segment

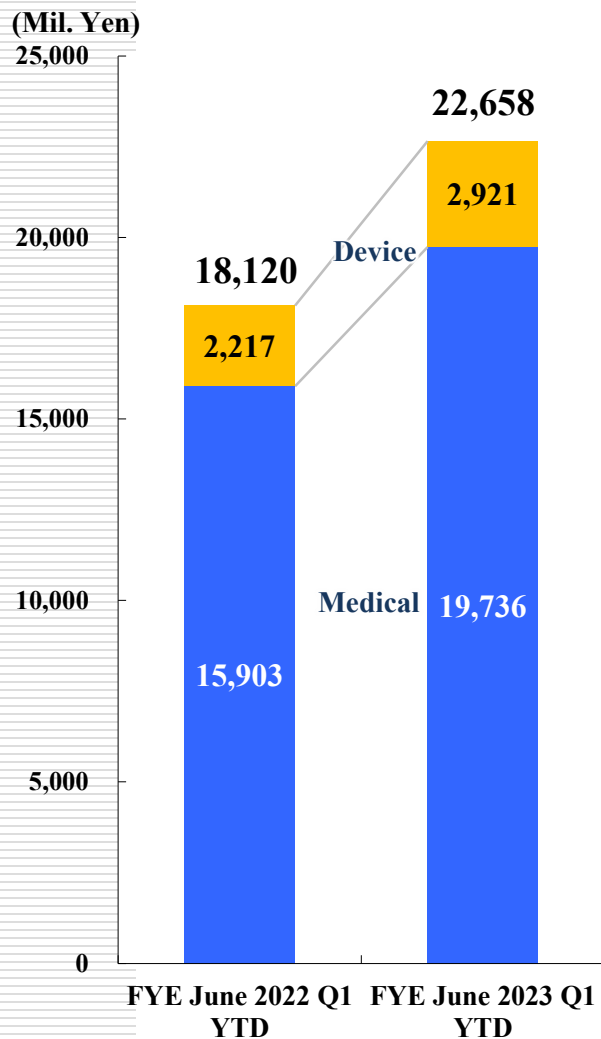
	FYE June 2022 Q1 YTD		FYE June 2023 Q1 YTD			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Changes (%)
Operating income excluding goodwill amortization, etc.						
Medical	3,952	24.9	4,485	22.7	+533	+13.5
Device	1,198	54.0	1,842	63.1	+644	+53.8
Erasing & Head Quarters	- 995	-	- 1,162	-	- 166	- 16.7
Total	4,154	22.9	5,166	22.8	+1,011	+24.4
Operating income						
Medical	3,557	22.4	4,006	20.3	+448	+12.6
Device	1,198	54.0	1,842	63.1	+644	+53.8
Erasing & Head Quarters	- 995	-	- 1,162	-	- 166	- 16.7
Total	3,759	20.7	4,686	20.7	+927	+24.7
(Reference)						
Device Division Segment Revenue	2,964	-	4,076	-	+1,111	+37.5

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

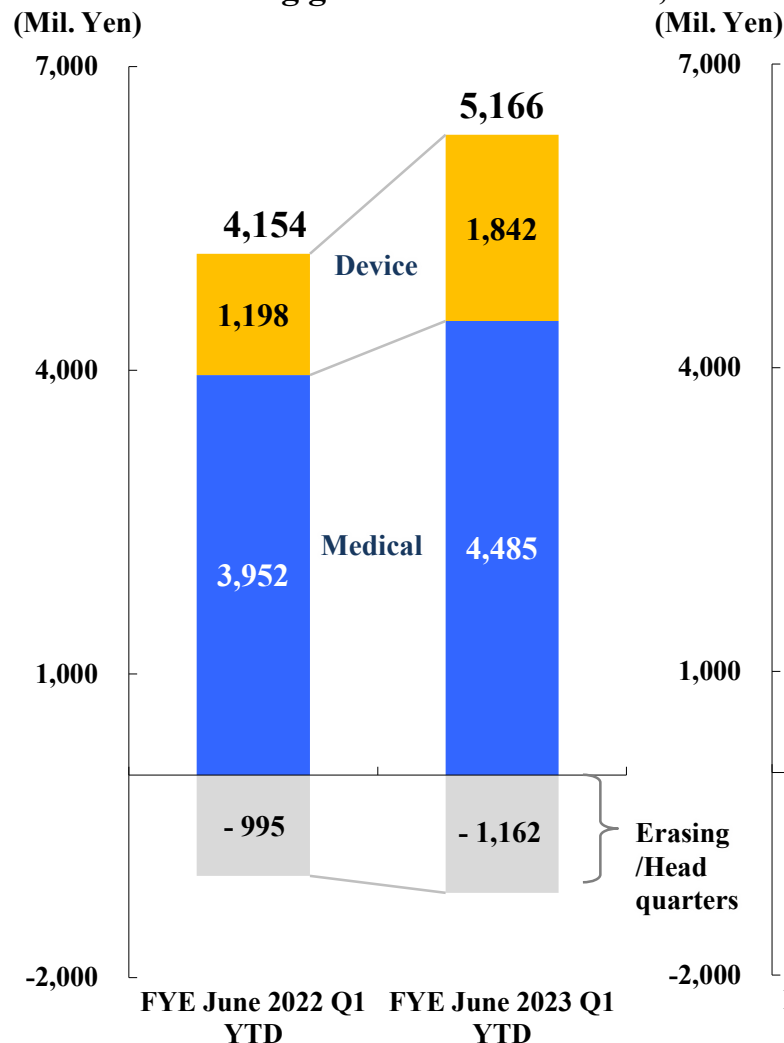


Earnings Performance by Segment

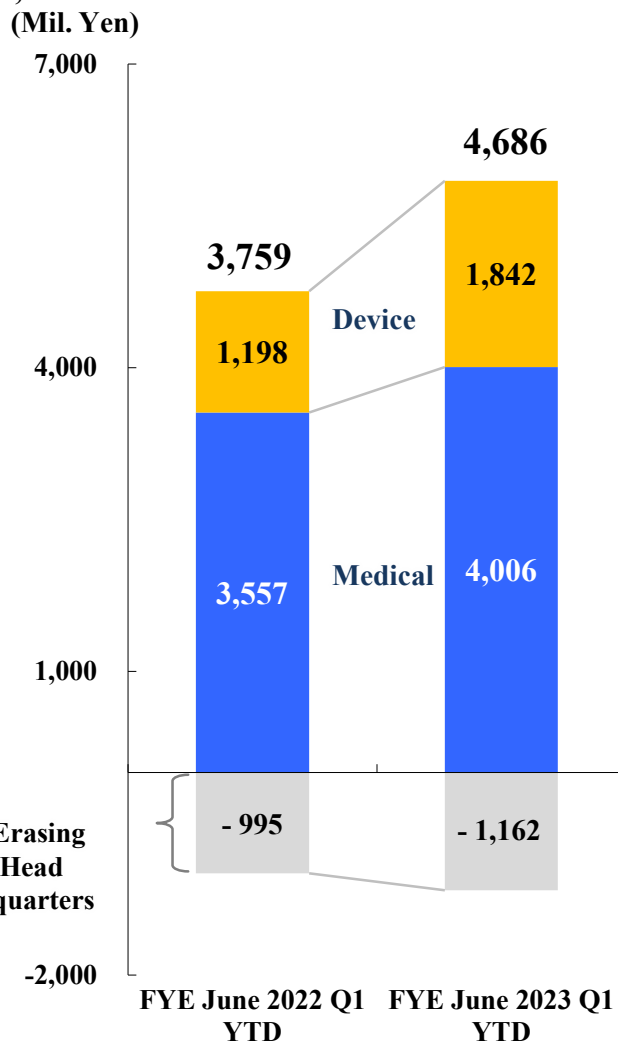
Revenue



Operating income excluding goodwill amortization, etc.



Operating income



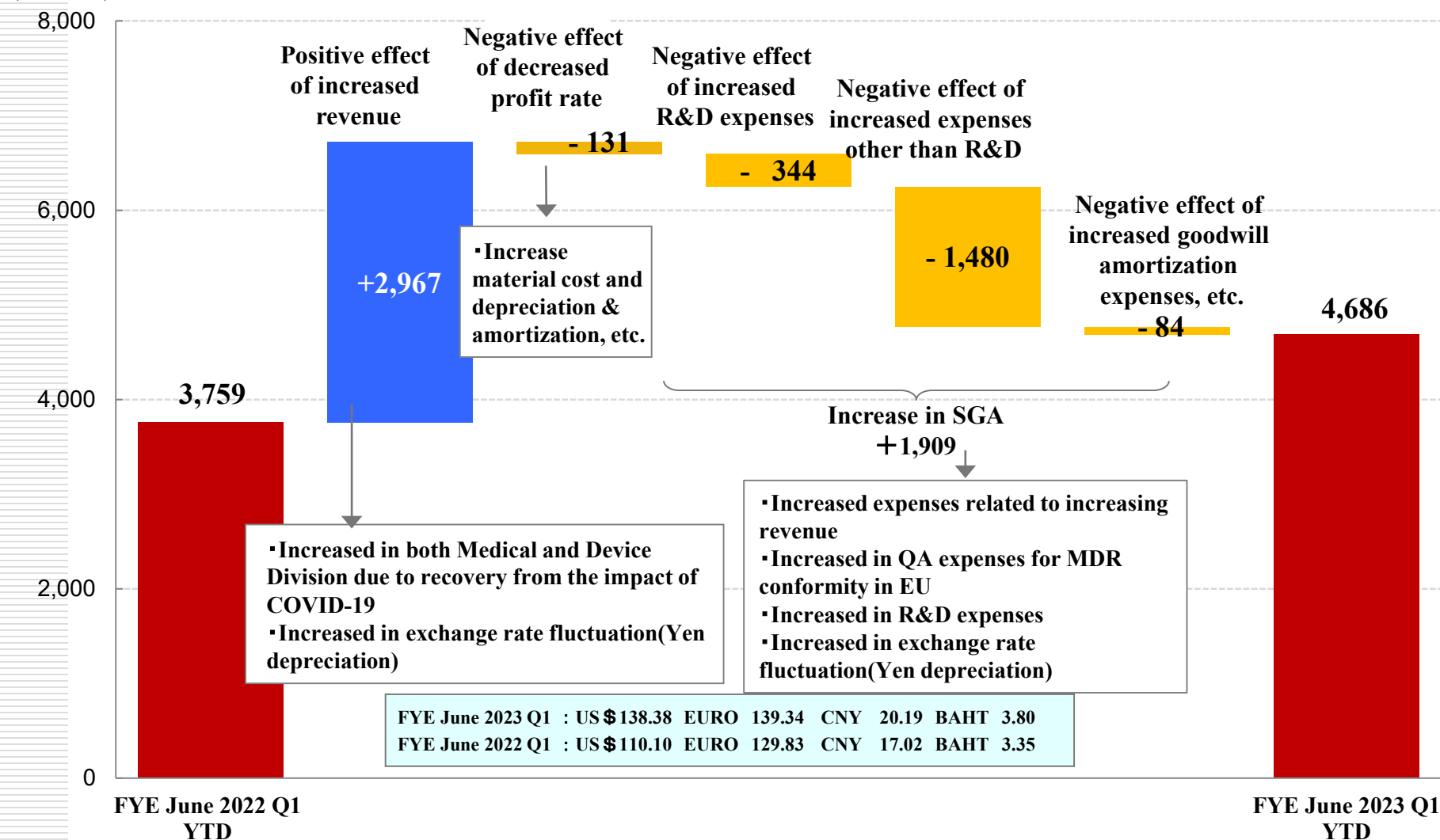
*Operating income in device division increased in proportion to higher intersegment sales



Attribution Analysis of Operating Income – 1

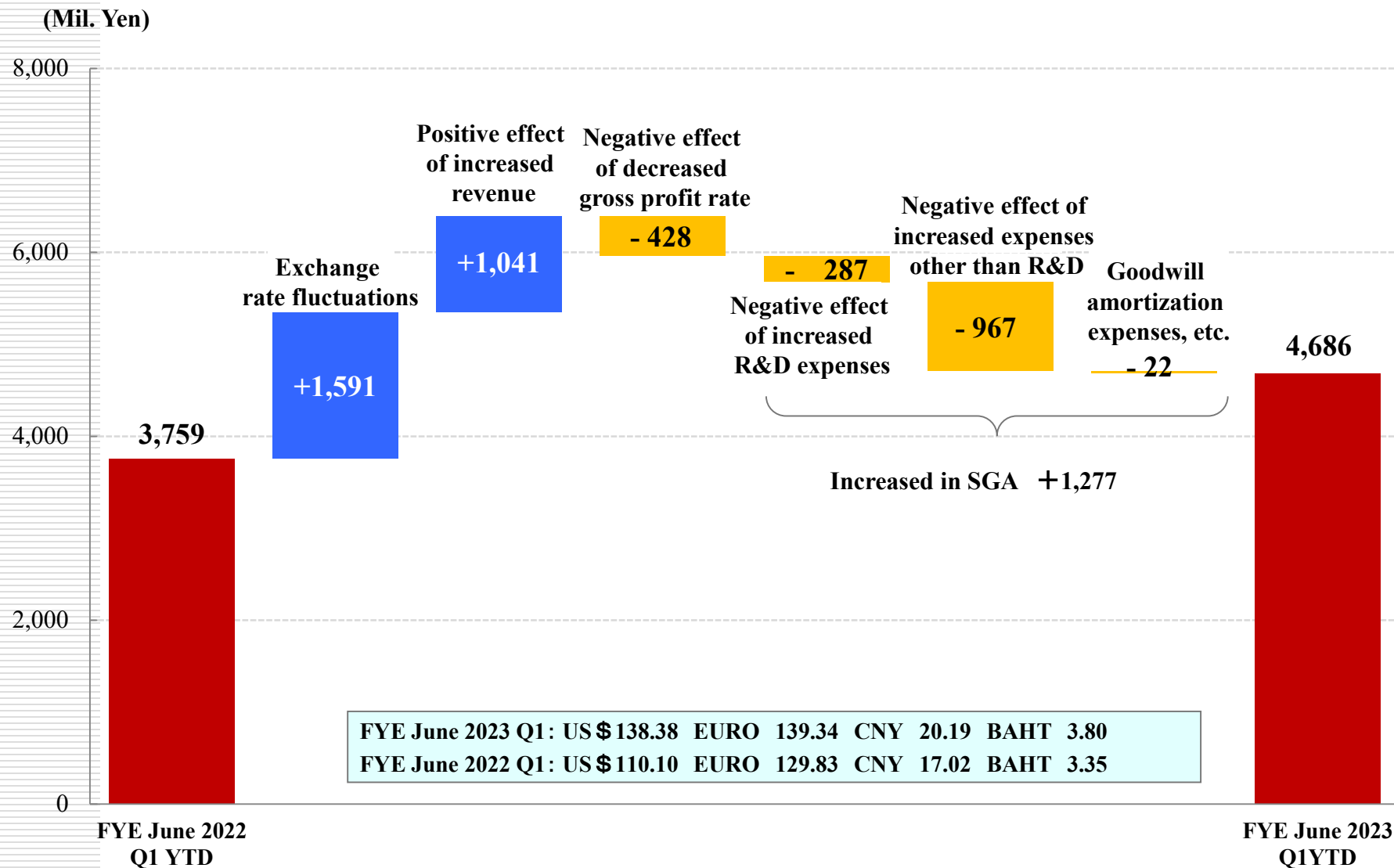
(Exchange Rate Fluctuations Included)

(Mil.Yen)





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

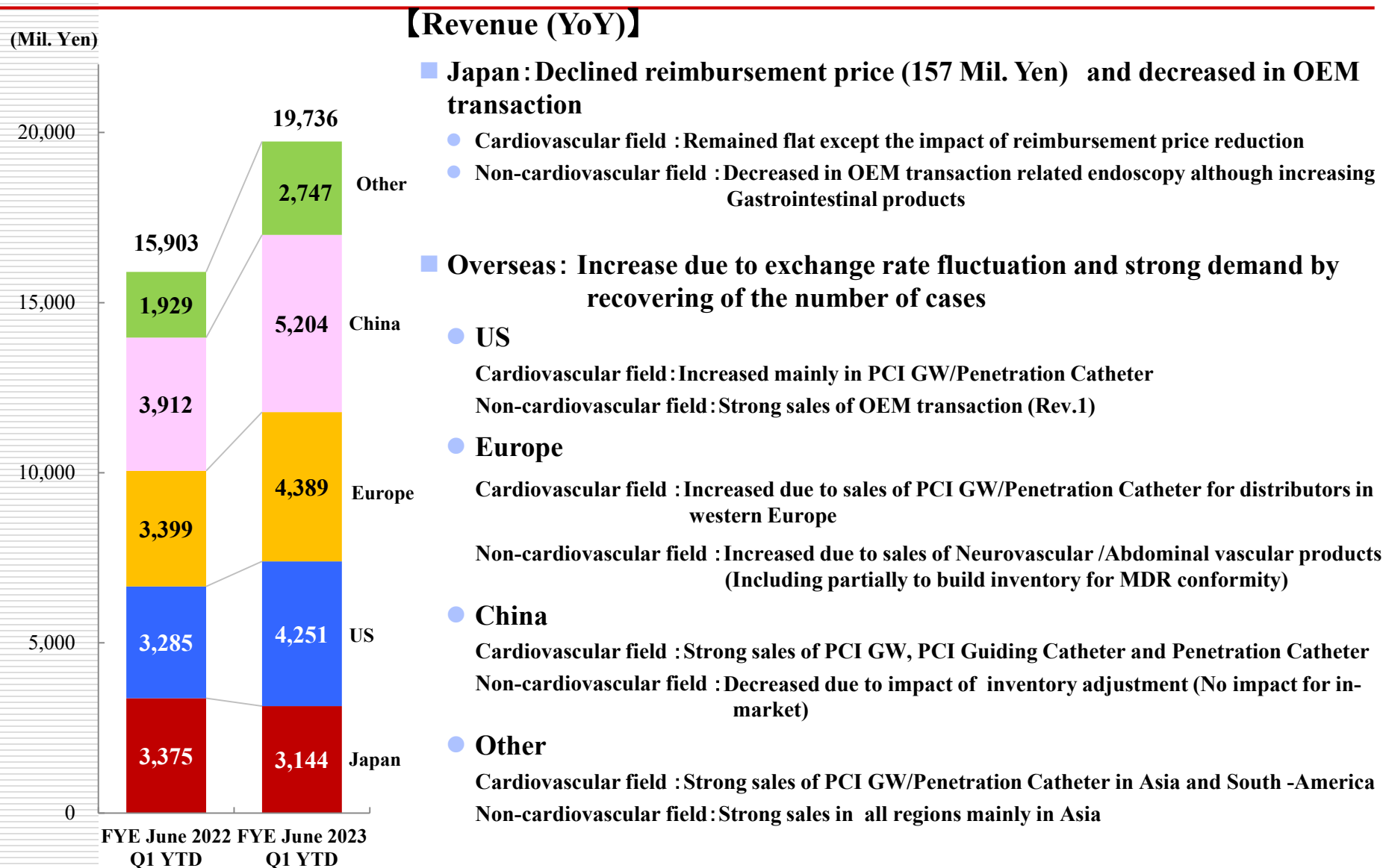




Situation Per Segment Division



Per Segment by Medical Division (by Geography-1)



【Operating Income】 Operating income increased in proportion to sales growth

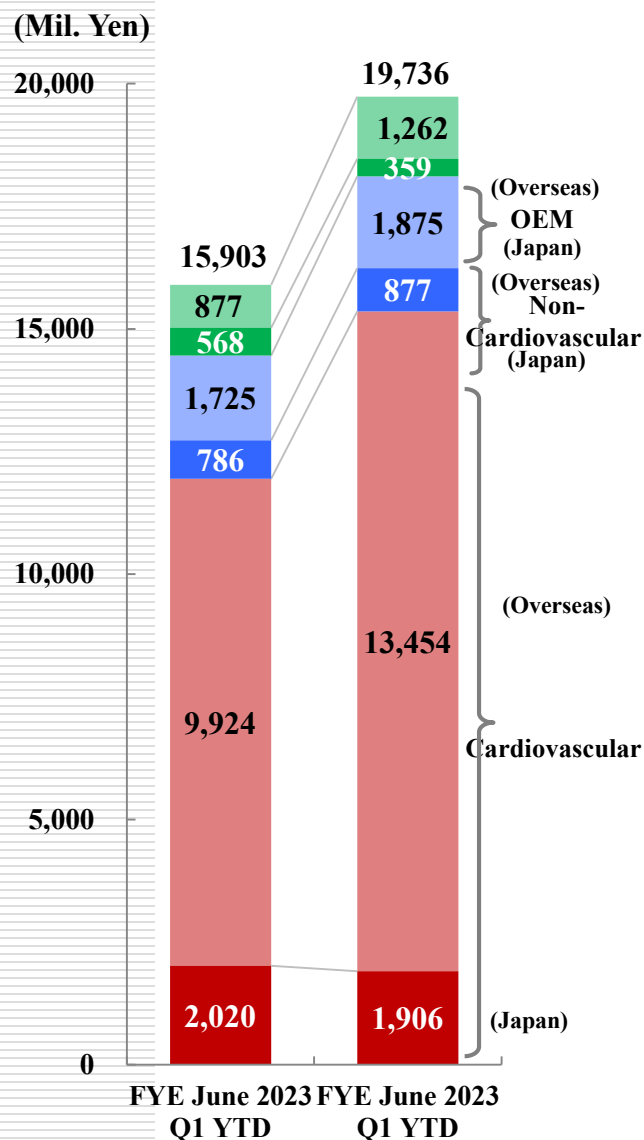


Per Segment by Medical Division (by Geography – 2)

(Mil. Yen)		FYE June 2022 Q1 YTD	FYE June 2023 Q1 YTD	YoY	
				Changes	Changes (%)
Exchange rate (Yen)	USD	110.10	138.38	+28.28	+25.7
	EURO	129.83	139.34	+9.51	+7.3
	CNY	17.02	20.19	+3.17	+18.6
Total Revenue		15,903	19,736	+3,833	+24.1
Japan		3,375	3,144	-231	-6.9
Overseas		12,527	16,592	+4,065	+32.4
US		3,285	4,251	+966	+29.4
Europe		3,399	4,389	+989	+29.1
China		3,912	5,204	+1,292	+33.0
Other		1,929	2,747	+817	+42.4
Operating income		3,557	4,006	+448	+12.6



Per Segment by Medical Division (by Treatment –1)



【Revenue (YoY)】

Cardiovascular

- Japan : Remained flat except the impact of reimbursement price reduction (126 Mil. Yen)
- Overseas : Increased due to exchange rate fluctuations and demand due to recovery of cases
 - US : Increased mainly PCI GW / Penetration Catheter
 - Europe : Strong sales of PCI GW/Penetration Catheter for distributors in western Europe (Including partially to build inventory for MDR conformity)
 - China : Strong sales of PCI GW, Guiding Catheter and Penetration catheter
 - Other : Strong sales of PCI GW/Penetration Catheter in Asia and South -America

Non-Cardiovascular

- Japan : Increase due to sales of gastrointestinal products
- Overseas : Increased due to sales of Neurovascular and Peripheral vascular products
 - Europe : Increased due to sales of Neurovascular /Peripheral /Abdominal vascular products
 - China : Decreased due to impact of inventory adjustment of distributor (No impact for in-market)
 - Other : Strong sales in all regions mainly in Asia

OEM

- Japan : Decreased endoscopy transaction
- Overseas : Increased in U.S. (Rev.1)

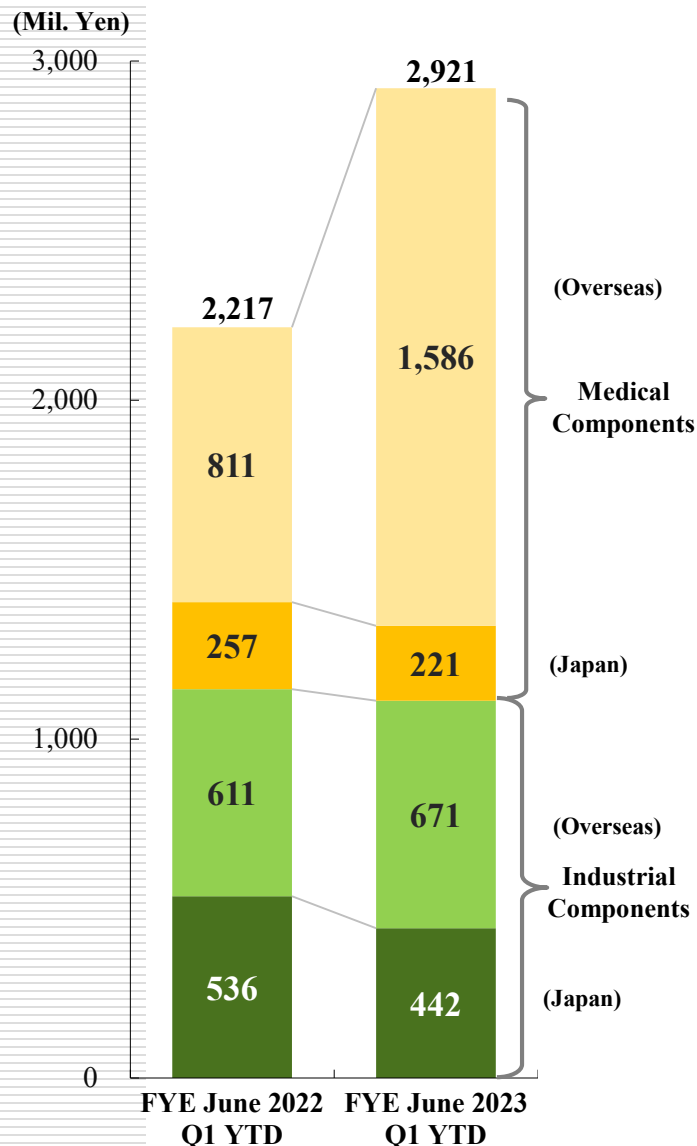


Per Segment by Medical Division (by Treatment – 2)

(Mil. Yen)		FYE June 2022 Q1 YTD	FYE June 2023 Q1 YTD	YoY	
				Changes	Changes(%)
Exchange rate (Yen)	USD	110.10	138.38	+28.28	+25.7
	EURO	129.83	139.34	+9.51	+7.3
	CNY	17.02	20.19	+3.17	+18.6
Total Revenue		15,903	19,736	+3,833	+24.1
	Japan	3,375	3,144	-231	-6.9
	Overseas	12,527	16,592	+4,065	+32.4
Cardiovascular		11,945	15,361	+3,416	+28.6
	Japan	2,020	1,906	-113	-5.6
	Overseas	9,924	13,454	+3,530	+35.6
Non-Cardiovascular		2,512	2,753	+240	+9.6
	Japan	786	877	+91	+11.6
	Overseas	1,725	1,875	+149	+8.7
OEM		1,445	1,622	+176	+12.2
	Japan	568	359	-209	-36.8
	Overseas	877	1,262	+385	+43.9



Per Segment by Device Division - 1



【Revenue (YoY)】

Increased significantly medical components in overseas market mainly in US due to receding effects of COVID-19

Medical Component

- Japan: Decreased in transaction of Catheter component due to inventory adjustment at customer
- Overseas: Increased in Cardiovascular examination catheter components and Cardiovascular ultrasound 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 increase external revenue and intersegment transaction



Per Segment by Device Division - 2

(Mil. Yen)		FYE June 2022 Q1 YTD	FYE June 2023 Q1 YTD	YoY	
				Changes	Changes (%)
Exchange rate (Yen)	USD	110.10	138.38	+28.28	+25.7
Total Revenue		2,217	2,921	+704	+31.8
	Japan	794	664	-130	-16.4
	Overseas	1,422	2,257	+834	+58.7
Medical Components		1,068	1,808	+739	+69.1
	Japan	257	221	-36	-14.1
	Overseas	811	1,586	+775	+95.6
Industrial Components		1,148	1,113	-34	-3.0
	Japan	536	442	-93	-17.5
	Overseas	611	671	+59	9.7
Operating income		1,198	1,842	+644	+53.8
(Reference) Segment Revenue		2,964	4,076	+1,111	+37.5



Reference: P/L

	FYE June 2022 Q1 YTD		FYE June 2023 Q1 YTD			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Main comparison factors
Revenue	18,120	100.0	22,658	100.0	+4,538	<ul style="list-style-type: none"> •Exchange rate fluctuation (Yen depreciation) •Increase demand and recovery of cases
Cost of sales	6,142	33.9	7,843	34.6	+1,701	<ul style="list-style-type: none"> • Increasing cost of materials, etc.
Gross profit	11,978	66.1	14,814	65.4	+2,836	
SGA	8,218	45.4	10,128	44.7	1,909	<ul style="list-style-type: none"> •Increased in sales related and R&D expenses
Operating income excl. goodwill amortization	4,154	22.9	5,166	22.8	+1,011	
Operating income	3,759	20.7	4,686	20.7	+927	
Non-operating income	183	1.0	347	1.5	+164	<ul style="list-style-type: none"> •Increased in foreign exchange gains
Non-operating expense	141	0.8	66	0.3	-74	<ul style="list-style-type: none"> •Share issuance costs were incurred in the previous period
Ordinary income	3,801	21.0	4,967	21.9	+1,166	
Extraordinary income	615	3.4	305	1.3	-310	<ul style="list-style-type: none"> •Gain on step acquisitions was incurred in the previous period •Insurance proceeds on disaster at Cebu factory
Extraordinary loss	65	0.4	71	0.3	+5	
Net income attributable to parent company shareholders	3,333	18.4	4,049	17.9	+715	
Comprehensive income	3,169	17.5	4,591	20.3	+1,422	

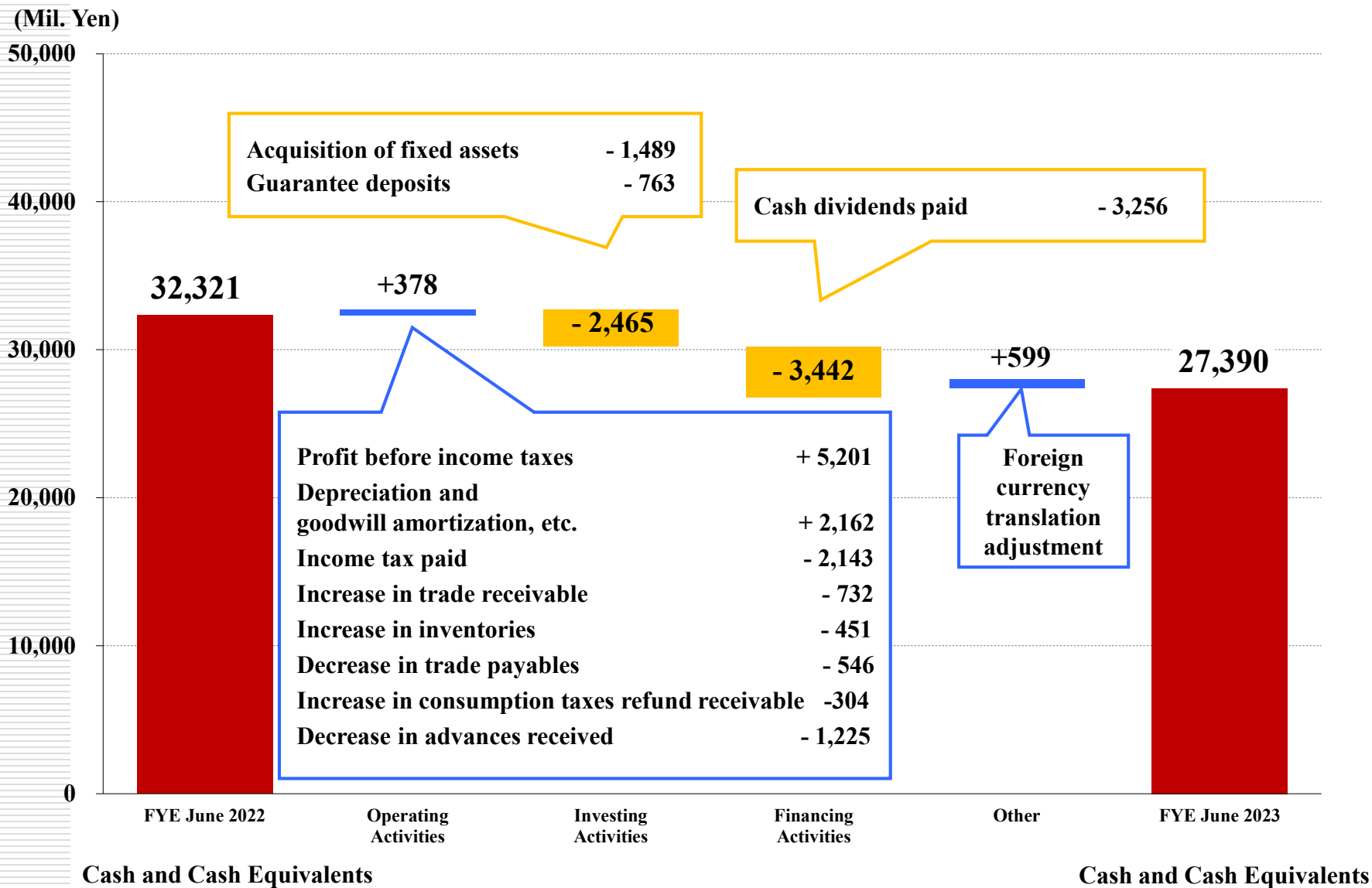


Reference: B/S

		FYE June 2022		FYE June 2023 Q1			
		Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Main comparison factors
Assets	Current assets	79,609	51.3	77,132	49.8	-2,477	Cash and deposit Receivable-trade -4,930 +1,107
	Fixed assets	75,517	48.7	77,631	50.2	+2,113	Investments and other assets +1,242 Other tangible fixed assets +914
Total assets		155,127	100.0	154,763	100.0	-363	
Liabilities	Current liabilities	20,761	13.4	18,589	12.0	-2,171	Payable-trade Income taxes payable Other current liability -640 - 911 - 740
	Fixed liabilities	13,234	8.5	13,711	8.9	+477	Long-term borrowing Other fixed liability +221 +206
Total liabilities		33,996	21.9	32,301	20.9	-1,694	
Total net assets		121,130	78.1	122,462	79.1	+1,331	Retained earnings Foreign currency translation adjustment +792 +409
Total liabilities & net assets		155,127	100.0	154,763	100.0	-363	



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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