



Financial Results of the 1st Quarter for Fiscal Year ending June 2019

November 13, 2018

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



FYE June 2019 Q1 YTD Main Points-1

Net Sales 13,722Mil. Yen <Year-on-year +9.2%>

~ Strong performance, centering on foreign sales in Medical Division though influenced by the external factors (Reimbursement price reduction)~

■ Medical Division ~ Strong performance in end user demand mainly in foreign markets and greatly increased due to special demand ~

Japan

- PTCA GW remained at the same level
- Non-con type "NC Kamui" led the increase in demand of PTCA Balloon Catheters
- The guide wire for examination "Silverway" increased due to gradual expansion of facilities
- Increase in Neurovascular field in Non-Cardiovascular segment
- Falling of the reimbursement price (-288 Mil. Yen)

Overseas

- Started direct sales of PTCA GW in US (July 2018~). However, it will also be sold by Abbott until the end of 2018
- Strong growth for Penetration Catheters of Cardiovascular field in US, EU/Middle East, China, and Asia
- In addition to increase in end user demand, increase due to special demand in EU/Middle East, China, and Asia caused by supply unstableness of a competitor

■ Device Division ~ Despite the decrease in Industrial Components business, remained at the same level due to good progress of Medical Components business ~

- ◆ Good progress in Gastrointestinal components for Japanese markets and Cardiovascular examination catheter components for US market in Medical Components business
- ◆ Decrease in business related to automobiles in Industrial Components business



FYE June 2019 Q1 YTD Main Points-2

Despite increase in sales related expenses, sales growth and rising gross profit ratio contributed to large profit performance

- **Gross profit : 9,919 Mil. Yen < YoY +13.9% >**
 - Strong orders and rising gross profit ratio due to improved productivity and the influence of unrealized gain, etc.
- **Operating income : 4,749 Mil. Yen < YoY +11.8% >**
 - Increase in expenses to strengthen sales and marketing activities centered on US market
 - Incurring depreciation of goodwill for stock acquisition of Retro Vascular, Inc.
- **Ordinary income : 4,857 Mil. Yen < YoY +13.1% >**
 - Increase in currency gain (YoY +114 Mil. Yen)
- **Net income attributable to parent company shareholders : 3,924 Mil. Yen < YoY +27.7% >**
 - Gain on step acquisitions (400 Mil. Yen)

Exchange rate (Unit: JPY)	US \$	EURO	CNY	BAHT
FYE June 2019 1Q	111.46	129.59	16.37	3.38
FYE June 2018 1Q	111.04	130.42	16.64	3.33



Highlights

	FYE June 2018 Q1 YTD		FYE June 2019 Q1 YTD			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	YoY	
					Changes (Mil. Yen)	Changes (%)
Net sales	12,568	100.0	13,722	100.0	+1,153	+9.2
Gross profit	8,708	69.3	9,919	72.3	+1,210	+13.9
Operating income	4,249	33.8	4,749	34.6	+499	+11.8
Ordinary income	4,295	34.2	4,857	35.4	+562	+13.1
Net income attributable to parent company shareholders	3,073	24.5	3,924	28.6	+850	+27.7
EPS *	23.82 Yen	-	30.37 yen	-	+6.55	+27.5

* : As of Jan. 1st, 2018, a 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.



Net Sales by Segment

	FYE June 2018 Q1 YTD		FYE June 2019 Q1 YTD			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Changes (%)
Medical	10,311	82.0	11,465	83.6	+1,153	+11.2
Device	2,256	18.0	2,257	16.4	+0	+0.0
Total amount	12,568	100.0	13,722	100.0	+1,153	+9.2

(Reference)

Medical field	11,128	88.5	12,365	90.1	+1,236	+11.1
Industrial field	1,440	11.5	1,357	9.9	-83	-5.8

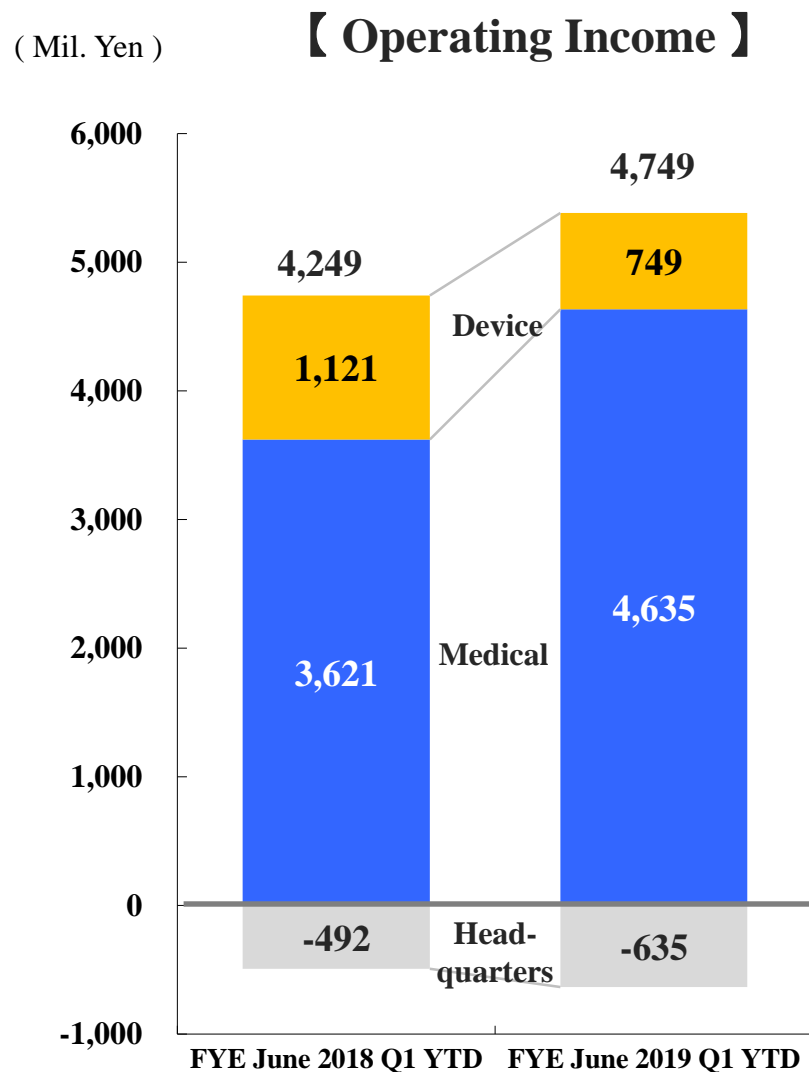
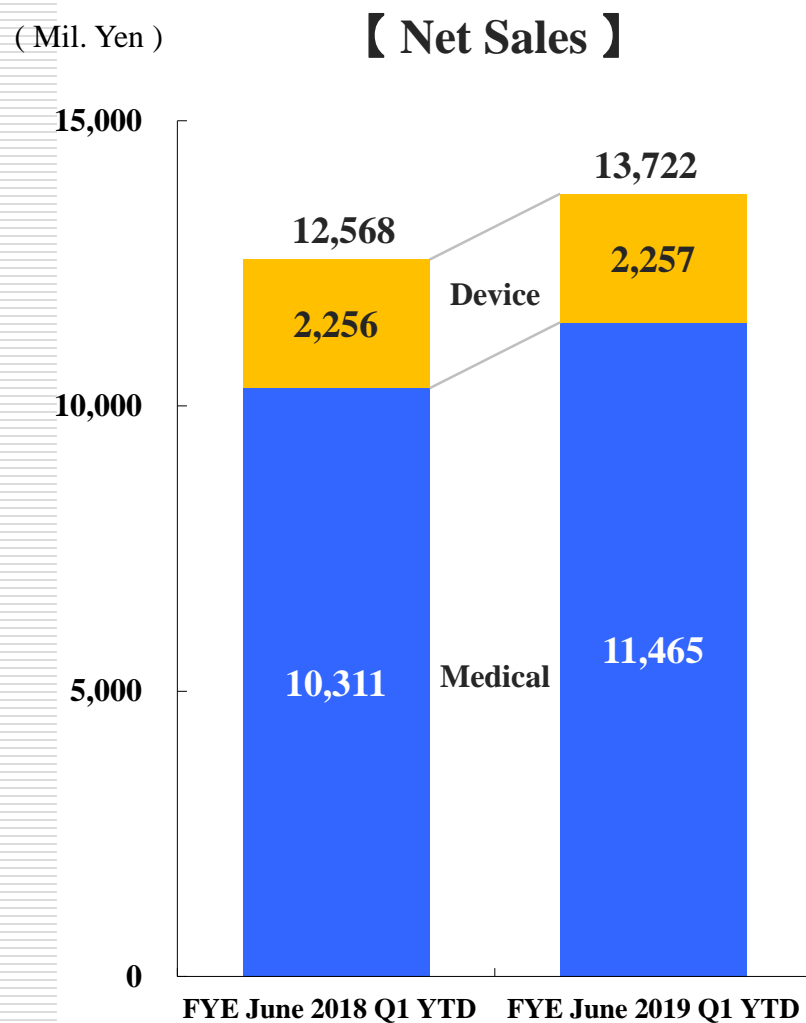


Operating Income by Segment

	FYE June 2018 Q1 YTD		FYE June 2019 Q1 YTD			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Changes (%)
Medical	3,621	76.4	4,635	86.1	+1,014	+28.0
Device	1,121	23.6	749	13.9	-371	-33.1
Subtotal	4,742	100.0	5,385	100.0	+642	+13.6
Erasing & Head Quarters	-492	-	-635	-	-143	+29.1
Total amount	4,249	-	4,749	-	+499	+11.8
(Reference) Device Division Segment Sales	1,033	-	705	-	-328	-31.8

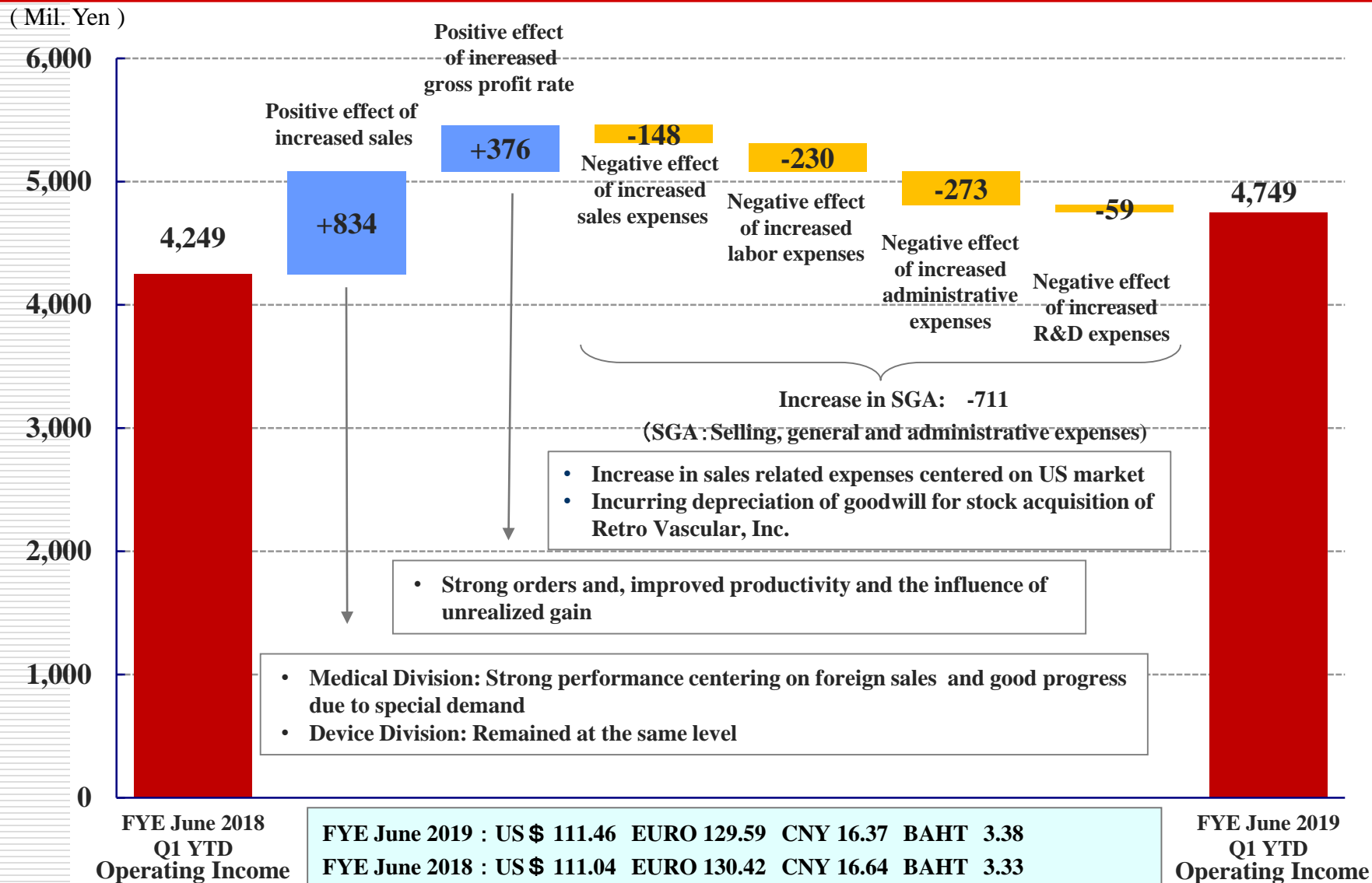


Earnings Performance by Segment



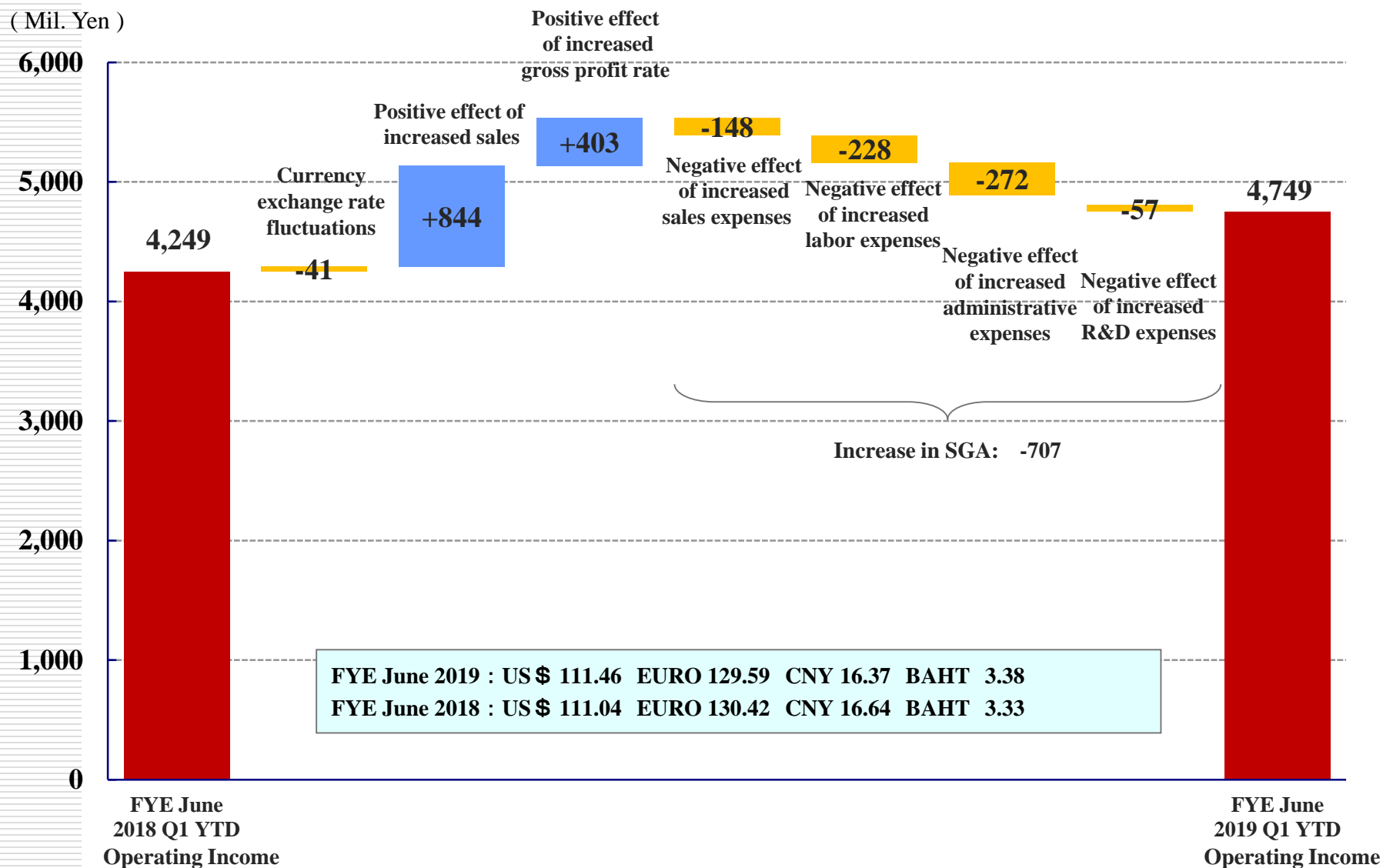


Attribution Analysis of Operating Income – 1 (Exchange Rate Fluctuations Included)





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



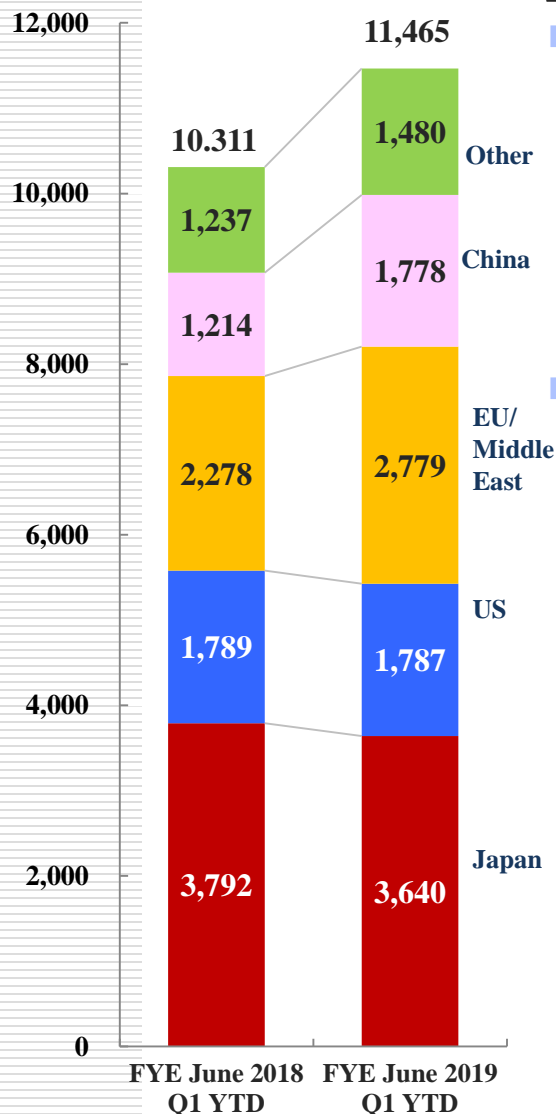


Situation Per Segment Division



Per Segment by Medical Division (by Geography - 1)

(Mil. Yen)



【Net Sales (YoY)】

- **Japan:** Volume increased due to the sustained growth of existing products, though influenced by the reimbursement price reduction (-288 Mil. Yen)
 - PTCA GW: Volume remained at the same level
 - PTCA Balloon Catheters: : Increase in demand with expansion of “NC Kamui”
 - The guide wire for examination : "Silverway" increased due to gradual expansion of facilities
 - Non-cardiovascular segment: Increase in Neurovascular field
- **Overseas:** Sales increased greatly due to the promotion of sales channel reform and the special demand
 - <US>
 - PTCA GW: Start in direct sales in July 2018. Parallel sales until December
 - Penetration Catheter / Peripheral Guide Wire: Increase due to direct sales
 - <EU/Middle East>
 - PTCA GW: Increase due to expanding market share
 - Penetration Catheter: Good progress centering on “Caravel”, partly due to the special demand
 - <China>
 - PTCA GW / Penetration Catheter “Corsair”: Increase due to switching to multi agent system , partly due to the special demand
 - <Other>
 - PTCA GW: Good progress with expanding market mainly in Asia, partly due to the special demand

【Operating Income】

- Despite the expenditure for R&D and sales related expenses, positive sales growth and rising gross profit ratio contributed to profit performance



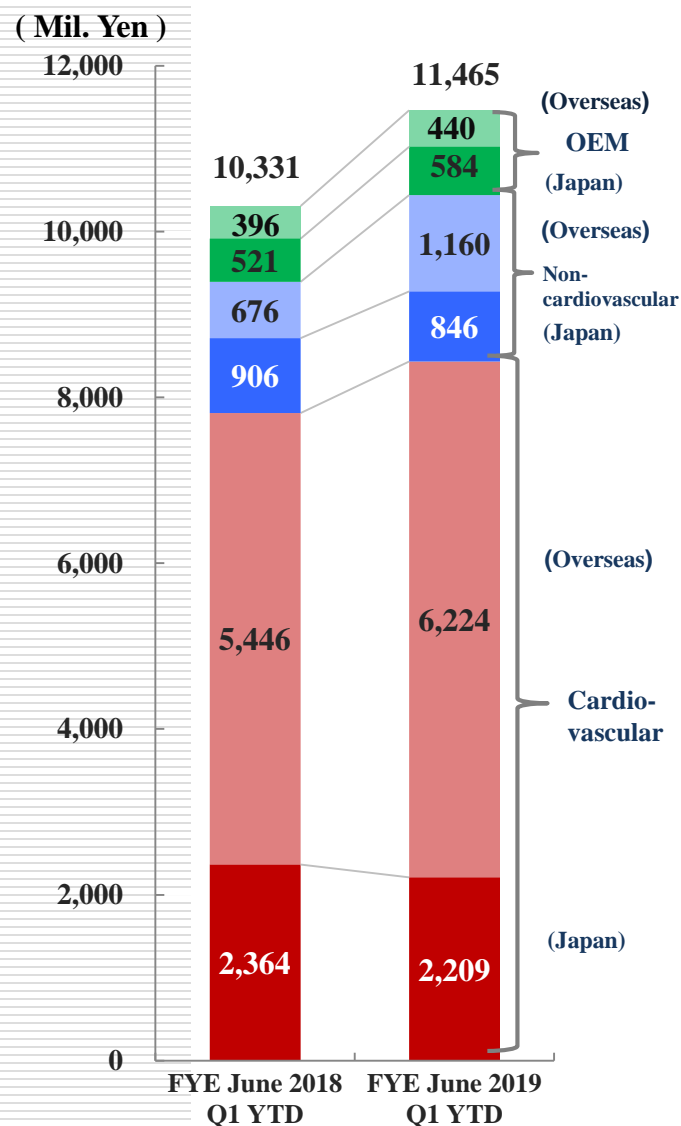
Per Segment by Medical Division (by Geography - 2)

		FYE June 2018 Q1 YTD	FYE June 2019 Q1 YTD	YoY	
				Changes	Changes (%)
Exchange rate(Yen)	USD	111.04	111.46	+0.42	+0.4
	EURO	130.42	129.59	-0.83	-0.6
	CNY	16.64	16.37	-0.27	-1.6
Net sales		10,311	11,465	+1,153	+11.2
Japan		3,792	3,640	-152	-4.0
Overseas		6,519	7,825	+1,306	+20.0
US		1,789	1,787	-2	-0.1
EU/Middle East		2,278	2,779	+501	+22.0
China		1,214	1,778	+563	+46.4
Other		1,237	1,480	+243	+19.7
Operating income		3,621	4,635	+1,014	+28.0

(Mil. Yen)



Per Segment by Medical Division (by Treatment - 1)



【Net Sales (YoY)】

Cardiovascular

- **Japan:** Favorable progress though influenced by the reimbursement price reduction
 - PTCA GW: Volume remained at the same level
 - PTCA Balloon Catheter : Increase in demand with expansion of “NC Kamui”
 - The guide wire for examination : "Silverway" increased due to gradual expansion of facilities
- **Overseas:** Good progress mainly in PTCA GW and Penetration Catheter
 - PTCA GW: Good progress in areas other than US partly due to the special demand.
Start in direct sales in July 2018 in US. Parallel sales until December
 - Penetration Catheter : Good progress in US, EU/Middle east, and China partly due to the special demand

Non-cardiovascular

- **Japan:** Good progress in Neurovascular field
- **Overseas:** Good progress in Peripheral vascular, Abdominal vascular, and Neurovascular field

OEM

- **Japan:** Increase in business of Gastrointestinal and Peripheral wires
- **Overseas:** Increase in business of Cardiovascular examination

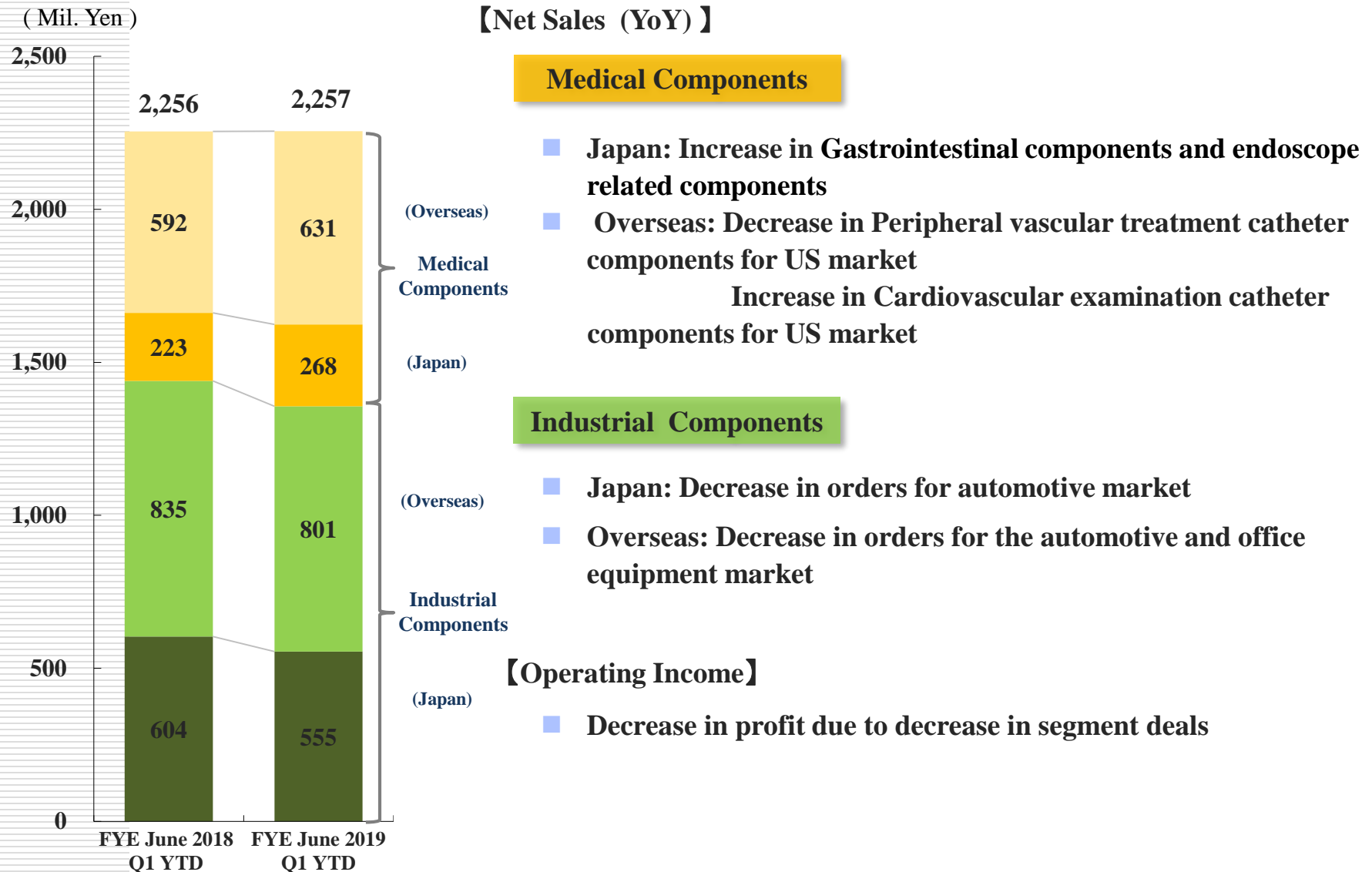


Per Segment by Medical Division (by Treatment - 2)

		FYE June 2018 Q1 YTD	FYE June 2019 Q1 YTD	YoY		(Mil. Yen)
				Changes	Changes (%)	
Exchange rate (Yen)	USD	111.04	111.46	+0.42	+0.4	
	EURO	130.42	129.59	-0.83	-0.6	
	CNY	16.64	16.37	-0.27	-1.6	
Net sales		10,311	11,465	+1,153	+11.2	
	Japan	3,792	3,640	-152	-4.0	
	Overseas	6,519	7,825	+1,306	+20.0	
Cardiovascular		7,810	8,433	+622	+8.0	
	Japan	2,364	2,209	-154	-6.5	
	Overseas	5,446	6,224	+777	+14.3	
Non-cardiovascular		1,582	2,006	+424	+26.8	
	Japan	906	846	-60	-6.7	
	Overseas	676	1,160	+484	+71.7	
OEM		918	1,025	+106	+11.6	
	Japan	521	584	+62	+12.0	
	Overseas	396	440	+44	+11.1	



Per Segment by Device Division - 1





Per Segment by Device Division - 2

		FYE June 2018 Q1 YTD	FYE June 2019 Q1 YTD	YoY	
				Changes	Changes (%)
Exchange rate (Yen)	USD	111.04	111.46	+0.42	+0.4
Net sales		2,256	2,257	+0	+0.0
	Japan	828	824	-4	-0.5
	Overseas	1,428	1,432	+4	+0.3
	Medical Components	816	899	+83	+10.2
	Japan	223	268	+44	+20.0
	Overseas	592	631	+38	+6.5
	Industrial Components	1,440	1,357	-83	-5.8
	Japan	604	555	-49	-8.1
	Overseas	835	801	-34	-4.1
Operating income		1,121	749	-371	-33.1
(Reference) Segment Sales		1,033	705	-328	-31.8

(Mil. Yen)



Reference: P/L

	FYE June 2018 Q1 YTD		FYE June 2019 Q1 YTD			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Main comparison factors
Net sales	12,568	100.0	13,722	100.0	+1,153	<ul style="list-style-type: none"> • Strong performance mainly in overseas in Medical division • Special demand caused by the supply unstableness of other suppliers
Cost of sales	3,859	30.7	3,803	27.7	-56	
Gross profit	8,708	69.3	9,919	72.3	+1,210	<ul style="list-style-type: none"> • Increase due to strong orders and improved productivity, etc.
SGA	4,458	35.5	5,170	37.7	+711	<ul style="list-style-type: none"> • Increase in sales related expenses
Operating income	4,249	33.8	4,749	34.6	+499	
Non-operating income	66	0.5	177	1.3	+111	<ul style="list-style-type: none"> • Increase in currency exchange gain
Non-operating expense	20	0.2	68	0.5	+48	
Ordinary income	4,295	34.2	4,857	35.4	+562	
Extraordinary gain	0	0.0	400	2.9	+400	<ul style="list-style-type: none"> • Gain on step acquisitions
Extraordinary loss	-	0.0	-	0.0	-	
Net income attributable to parent company shareholders	3,073	24.5	3,924	28.6	+850	
Comprehensive income	3,582	28.5	4,498	32.8	+915	<ul style="list-style-type: none"> • Increase in foreign currency translation adjustment +470 • Unrealized loss on securities -404



Reference: B/S

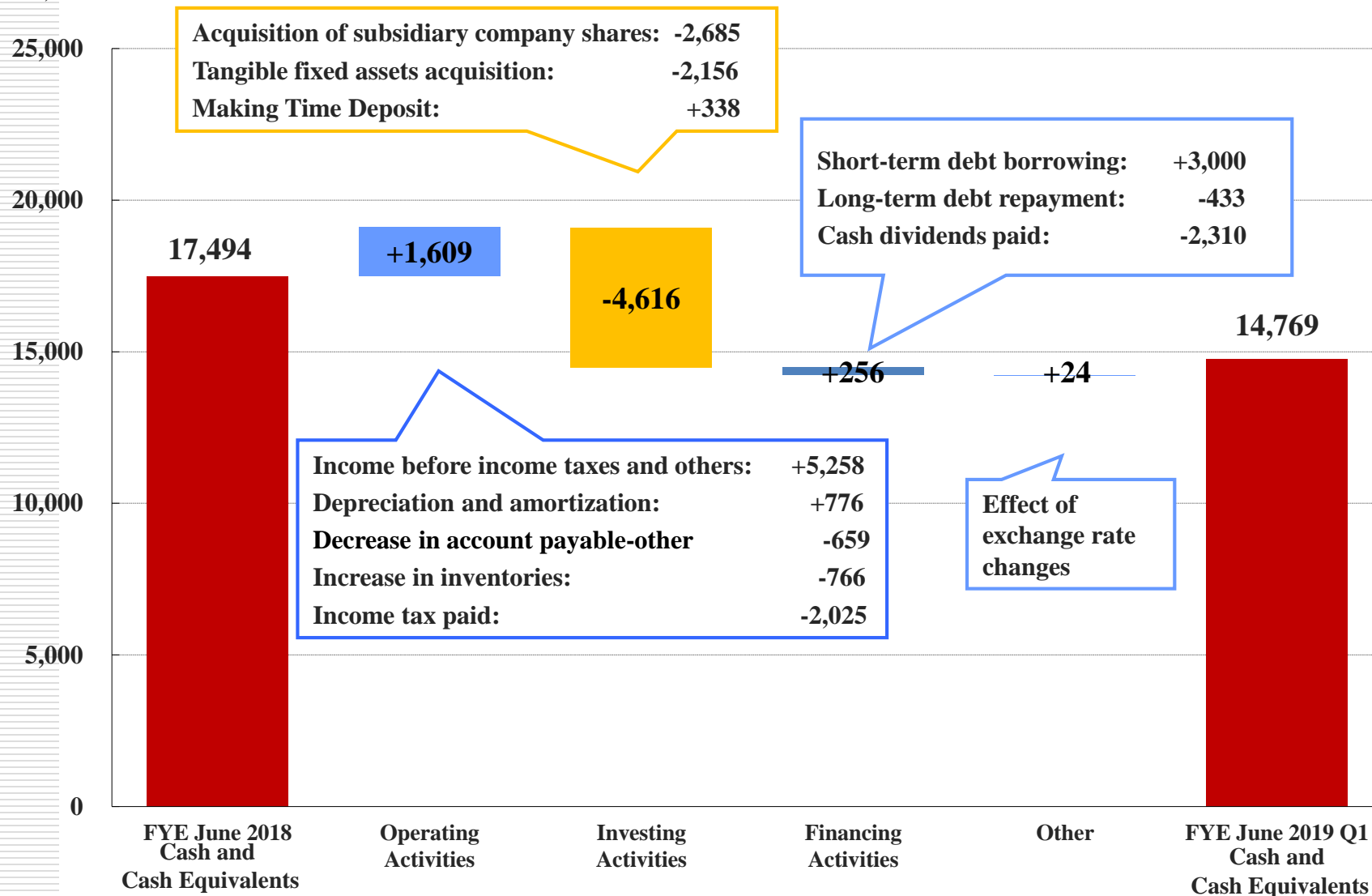
		FYE June 2018 Q1 YTD		FYE June 2019 Q1 YTD			
		Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Main comparison factors
Assets	Current assets	42,056	58.3	40,589	53.8	-1,466	Cash and deposit: -2,990 Receivable-trade: +454 Inventory assets: +1,141
	Fixed Assets	30,048	41.7	34,805	46.2	+4,756	Tangible fixed assets: +1,933 Goodwill: +2,930
Total assets		72,104	100.0	75,394	100.0	+3,290	
Liabilities	Current Liabilities	12,392	17.2	13,806	18.3	+1,413	Short-term debt: +2,796 Accrued corporation tax: -721
	Fixed liabilities	6,112	8.5	5,969	7.9	-142	Long-term debt: -205
Total liabilities		18,505	25.7	19,776	26.2	+1,271	
Total net assets		53,599	74.3	55,618	73.8	+2,018	Retained earnings: +1,413
Total liabilities & net assets		72,104	100.0	75,394	100.0	+3,290	

* : Since “Partial revision of “Accounting standard for tax effect accounting”” (Corporate Accounting Standard No. 28, February 16, 2018) etc. has been applied from the beginning of the first quarter of FYE June 2019, the figures after applying the accounting standards etc. are stated for FYE June 2018.



Reference: C/F

(Mil. Yen)





Caution Regarding Information Presented

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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