August 9, 2019

To All Concerned Parties,

Company: Asahi Intecc Co., Ltd.
Representative: Masahiko Miyata, President & CEO
(Securities code: 7747, First section of Tokyo Stock Exchange and Nagoya Stock Exchange)
Contact: Mizuho Ito,
Member of Board & CFO, General Manager of Administration
(TEL. +81-561-48-5551)

(Correction) The partial Correction of the presentation materials for the fiscal year ended June 2019

Asahi Intecc Group announces that the presentation materials for the fiscal year ended June 2019, published via TD Net on 15:30 today, contained an error.
We will make a correct announcement as below.
Besides, we corrected such materials published on our website immediately.

1. The Reason of the correction

   We will correct the presentation materials for the fiscal year ended June 2019 because such materials contained an error.

2. The details of the Correction (the corrected place has underlined)

   Applicable part: Page 21

   Effect of exchange rate on operating income (Main currency)

   (Before the correction) CNY (<u>+0.1 yen influence</u>) : approx. 273 Mil. Yen Increase

   (After the correction) CNY (<u>+1 yen influence</u>) : approx. 273 Mil. Yen Increase

ASAHI INTECC

Your dreams. Woven together.

Financial Results for Fiscal Year ended June 2019

August 9, 2019

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

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Contents

1. Summary of Consolidated Financial Results for FYE June 2019

2. Earnings Forecast for FYE June 2020

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FYE June 2019 Main Points-1

Revenue 57,216Mil. Yen ＜Year-on-year +14.2%＞

～Increase with strong performance, centering on foreign revenue 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

- Decrease in PTCA GW due to influence of reimbursement price reduction and decrease in number of cases, increase in share continuously
- Non-compliant type “NC Kamui” led the volume increase of PTCA Balloon Catheters
- Increase in revenue of Diagnostic GW “Silverway” due to expansion of facilities
- Neurovascular field increased in Non-Cardiovascular segment
- Reimbursement price reduction (-910 Mil. Yen)

Overseas

- Increase from second half along with starting direct sales of PTCA GW in US (Parallel sales during first half)
- Strong growth for PTCA GW in all areas
- Strong growth for Penetration Catheters of Cardiovascular field in all areas, launch “SASUKE” in EU
- Increase centering on China due to special demand caused by supply unstableness of a competitor

Device Division ~ Despite decrease in Industrial Components business, increase due to good progress of Medical Components business ~

- In Medical Components business, good progress in endoscopic related components for Japanese market and Cardiovascular examination catheter components for US market
- In Industrial Components business, decrease in business for the automotive market in Japan and overseas despite increase in business for leisure related market in overseas

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FYE June 2019 Main Points-2

**Despite increase in sales and R&D related expenses,
good progress of revenue contributed to increase operating profit by double digits**

- **Gross profit :39,700 Mil. Yen ＜YoY +13.9%＞**
  - **Increase in gross profit ratio due to revenue increase.**
- **Operating income :15,168 Mil. Yen ＜ YoY +10.1% ＞**
  - **Increase in R&D expenses (6,036Mil. Yen, YoY +984Mil. Yen, Ratio of Revenue 10.6%)**
  - **Increase in expenses to strengthen sales and marketing activities such as US and Chinese market**
  - **Incurring expenses related to new building**
  - **Incurring depreciation of goodwill for stock acquisition of Retro Vascular, Inc. (current ASAHI Medical Technologies, Inc.)**
- **Ordinary income : 14,833Mil. Yen ＜ YoY +8.0% ＞**
  - **Increase in currency exchange loss (YoY +383Mil. Yen)**
- **Net income attributable to parent company shareholders : 11,237Mil. Yen ＜ YoY +11.9% ＞**
  - **Gain on step acquisitions (400 Mil. Yen)**

Exchange rate (Unit: JPY)	US $	EURO	CNY	BAHT
FYE June 2019	111.15	126.81	16.28	3.45
FYE June 2018	110.39	131.61	16.97	3.40

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Highlights

	FYE June 2018		FYE June 2019						
						YoY		Compared with initial plan	
	Amount (Mil. Yen)	Ratio (%)	Initial plan August 10, 2018	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Changes (%)	Changes (Mil. Yen)	Changes (%)
Revenue	50,124	100.0	54,493	57,216	100.0	+7,092	+14.2	+2,723	+5.0
Gross profit	34,855	69.5	37,093	39,700	69.4	+4,844	+13.9	+2,607	+7.0
Operating income	13,773	27.5	14,565	15,168	26.5	+1,395	+10.1	+602	+4.1
Ordinary income	13,740	27.4	14,557	14,833	25.9	+1,092	+8.0	+275	+1.9
Net income attributable to parent company shareholders	10,042	20.0	10,884	11,237	19.6	+1,195	+11.9	+353	+3.2
EPS *	38.88 yen	-	42.11 yen	43.29 yen	-	+4.41 yen	+11.3	+1.18 yen	+2.8

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

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Revenue by Segment

	FYE June 2018		FYE June 2019			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Changes (%)
Medical	41,366	82.5	48,216	84.3	+6,849	+16.6
Device	8,757	17.5	9,000	15.7	+243	+2.8
Total amount	50,124	100.0	57,216	100.0	+7,092	+14.2
(Reference)						
Medical field	44,603	89.0	51,881	90.7	+7,278	+16.3
Industrial field	5,520	11.0	5,335	9.3	-185	-3.4

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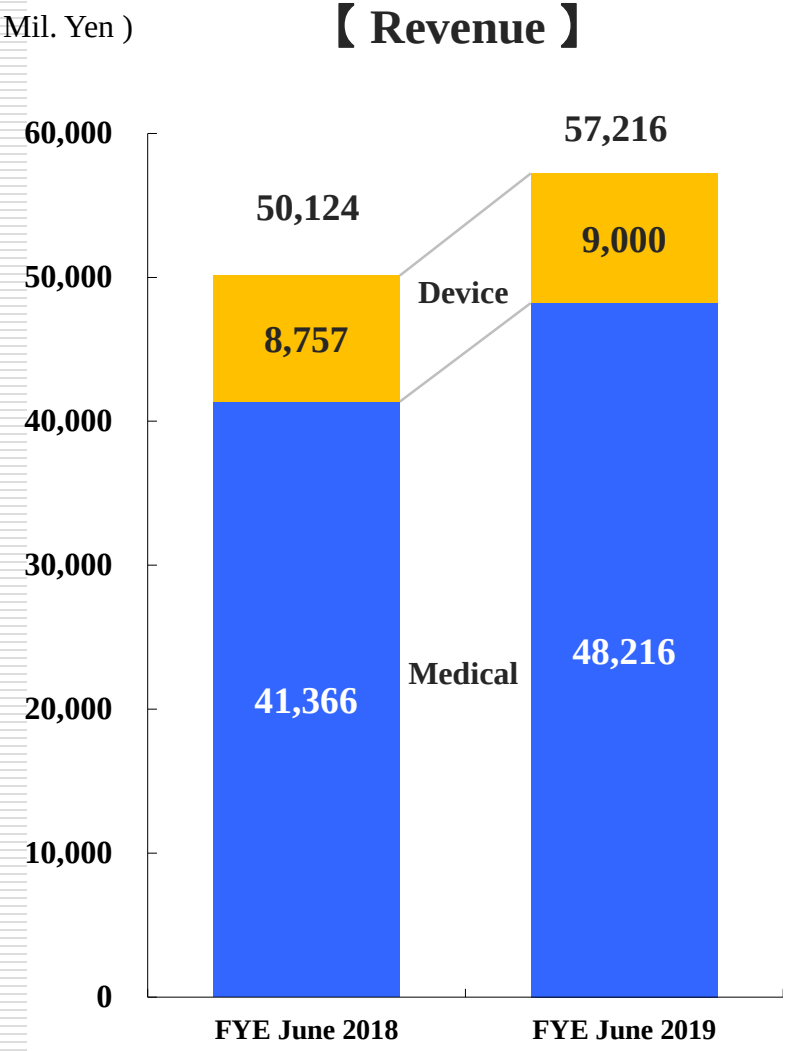
Operating Income by Segment

	FYE June 2018		FYE June 2019			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Changes (%)
Medical	13,609	81.0	15,748	84.5	+2,139	+15.7
Device	3,189	19.0	2,885	15.5	-304	-9.5
Subtotal	16,798	100.0	18,634	100.0	+1,835	+10.9
Erasing & Head Quarters	-3,025	-	-3,465	-	-440	+14.5
Total amount	13,773	-	15,168	-	+1,395	+10.1
(Reference) Device Division Segment Revenue	3,411	-	3,553	-	+141	+4.2

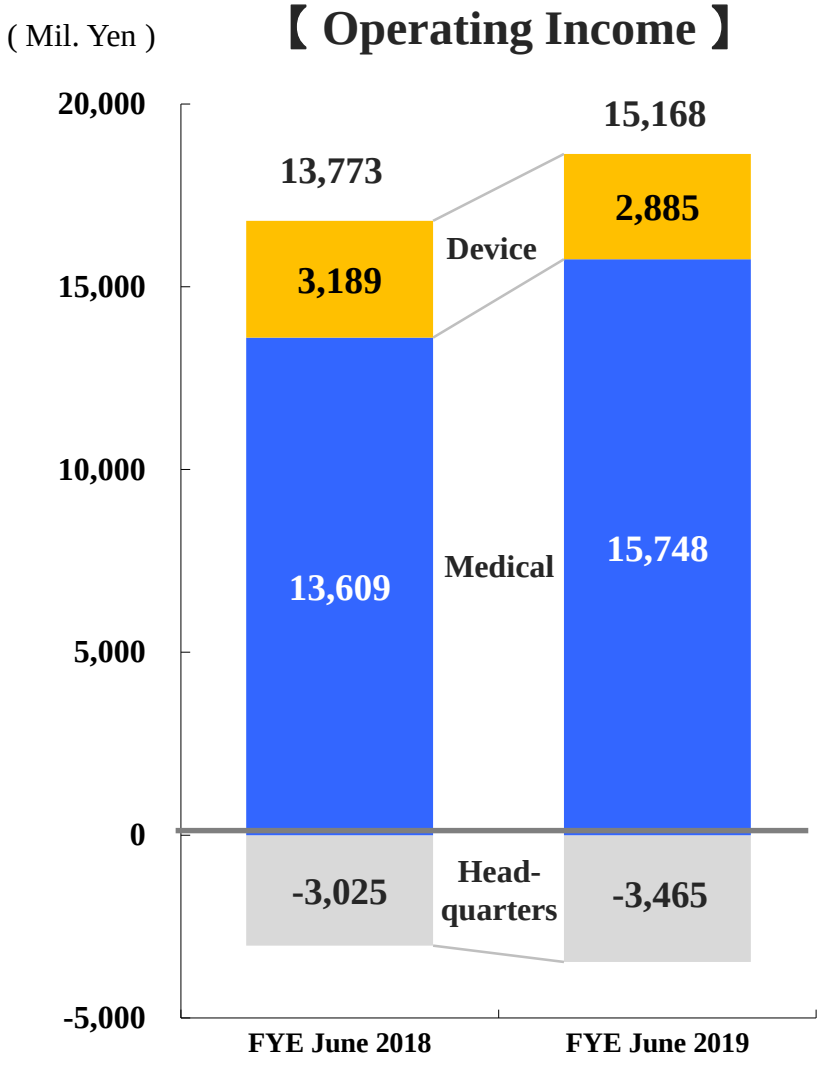
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Earnings Performance by Segment

【 Revenue 】

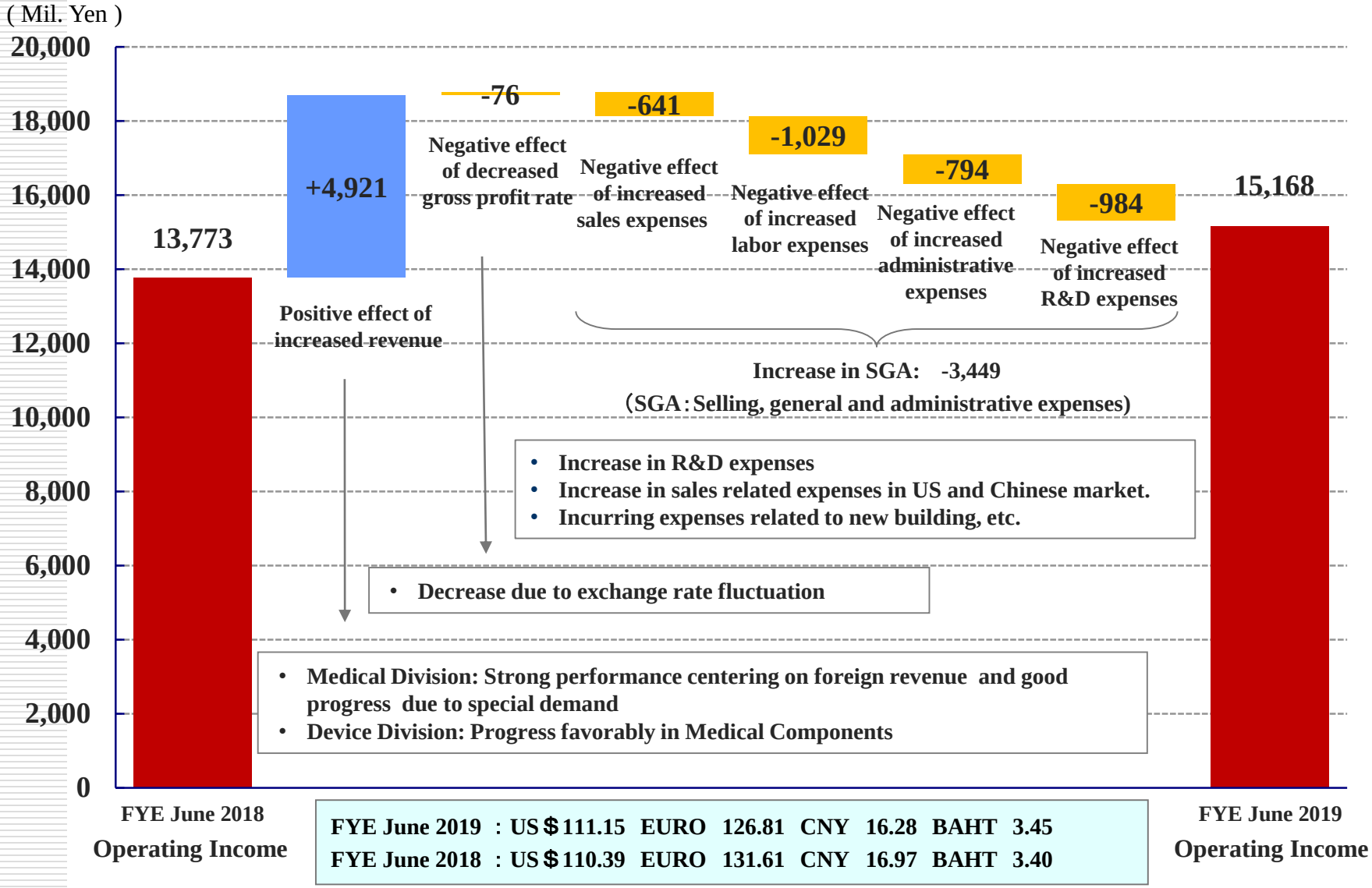


【 Operating Income 】



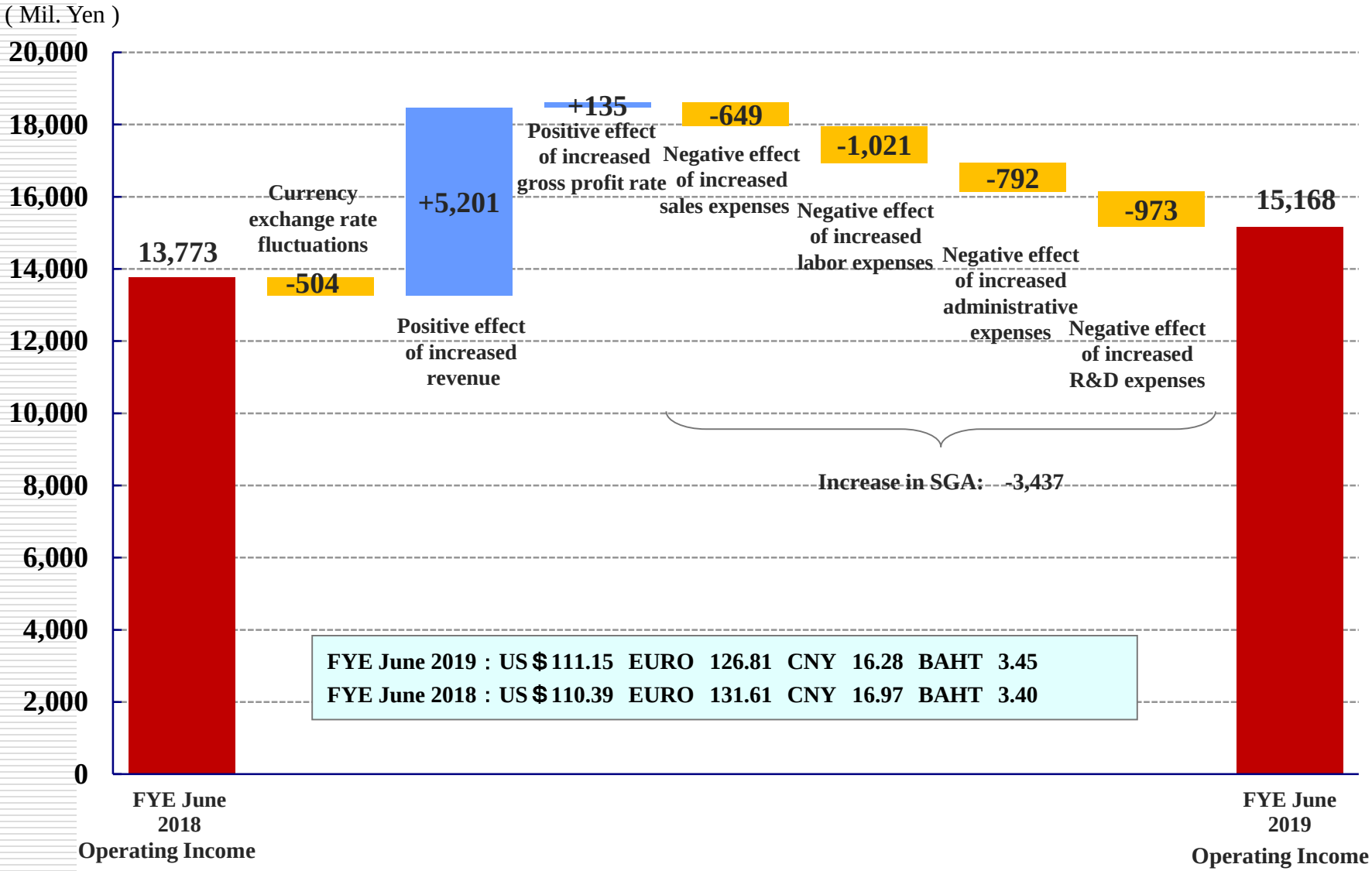
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Attribution Analysis of Operating Income – 1 (Exchange Rate Fluctuations Included)



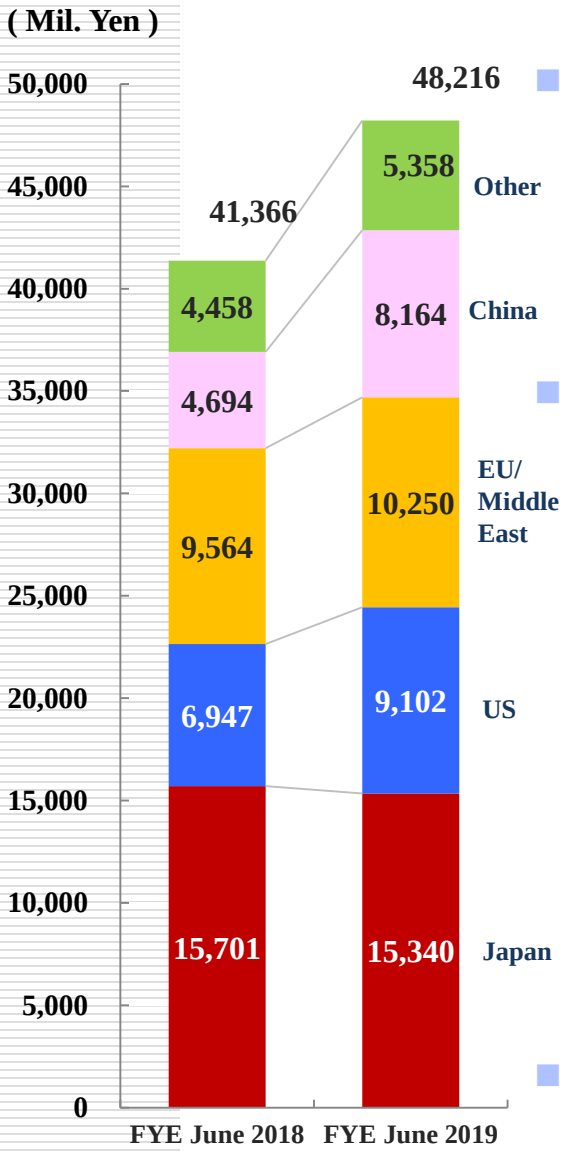
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Attribution Analysis of Operating Income – 2 (Exchange Rate Fluctuations Excluded)



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Per Segment by Medical Division (by Geography - 1)



【Revenue (YoY)】

- Japan: Revenue decreased due to influence of reimbursement price reduction (-910 Mil. Yen) and temporary decrease in number of cases
  - PTCA GW: Decrease due to influence of reimbursement price reduction, increase in share continuously
  - PTCA Balloon Catheters: Volume increase with expansion of "NC Kamui"
  - Diagnostic GW : Increase in revenue of "Silverway" due to expansion of facilities
  - Non-cardiovascular segment: Increase in Neurovascular field
- Overseas: Revenue increased greatly due to promotion of direct sales in US and special demand centering on China
  - <US>
    PTCA GW: Increase due to direct sales from second half (Parallel sales during first half)
    Penetration Catheter / Peripheral GW: Increase due to direct sales
    Neurovascular field : Increase due to starting shipping for Medtronic
  - <EU/Middle East>
    PTCA GW: Increase due to expansion of market share
    Penetration Catheter: Good progress with "Caravel", launch new product "SASUKE"
    Neurovascular GW : Progress favorably
  - <China>
    PTCA GW / Penetration Catheter "Corsair": Increase due to switching to multi distributor system , partly due to special demand
  - <Other>
    PTCA GW / Penetration Catheter: Good progress with market expansion mainly in Asia, partly due to special demand

【Operating Income】

- Despite expenditure for R&D and sales related expenses, positive revenue growth contributed to profit performance

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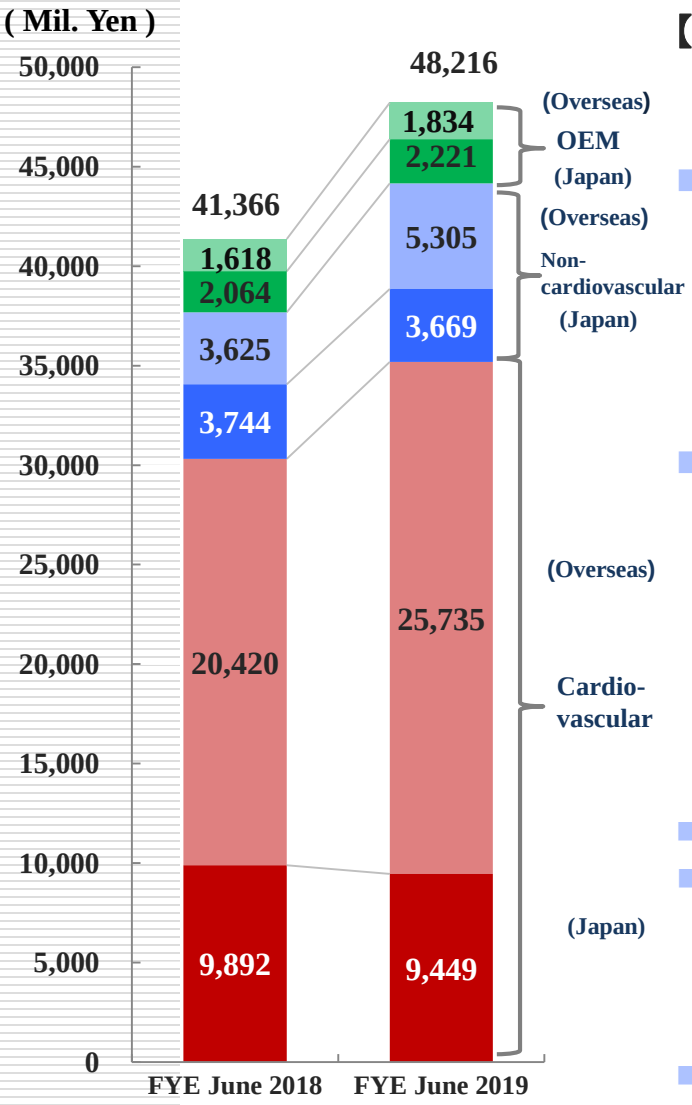
Per Segment by Medical Division (by Geography - 2)

(Mil. Yen)

		FYE June 2018	FYE June 2019	YoY	
				Changes	Changes (%)
Exchange rate(Yen)	USD	110.39	111.15	+0.76	+0.7
	EURO	131.61	126.81	-4.80	-3.6
	CNY	16.97	16.28	-0.69	-4.1
Revenue		41,366	48,216	+6,849	+16.6
Japan		15,701	15,340	-360	-2.3
Overseas		25,665	32,875	+7,210	+28.1
US		6,947	9,102	+2,154	+31.0
EU/Middle East		9,564	10,250	+685	+7.2
China		4,694	8,164	+3,469	+73.9
Other		4,458	5,358	+900	+20.2
Operating income		13,609	15,748	+2,139	+15.7

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Per Segment by Medical Division (by Treatment - 1)



【Revenue (YoY) 】

Cardiovascular

- Japan: Revenue decreased due to influence of reimbursement price reduction and temporary decrease in number of cases
  - PTCA GW: Decrease due to influence of reimbursement price reduction, increase in share continuously
  - PTCA Balloon Catheter : Volume increase with expansion of “NC Kamui”
  - Diagnostic GW : Increase in revenue of “Silverway” due to expansion of facilities
- Overseas: Good progress mainly in PTCA GW and Penetration Catheter
  - PTCA GW: Good progress in all areas
    Increase in US due to direct sales from second half
    Special demand centering on Chinese market
  - Penetration Catheter : Good progress in all areas , partly due to special demand

Non-cardiovascular

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

OEM

- Japan: Increase in business of Wires for Gastrointestinal and Peripheral vascular
- Overseas: Increase in business of Peripheral GW

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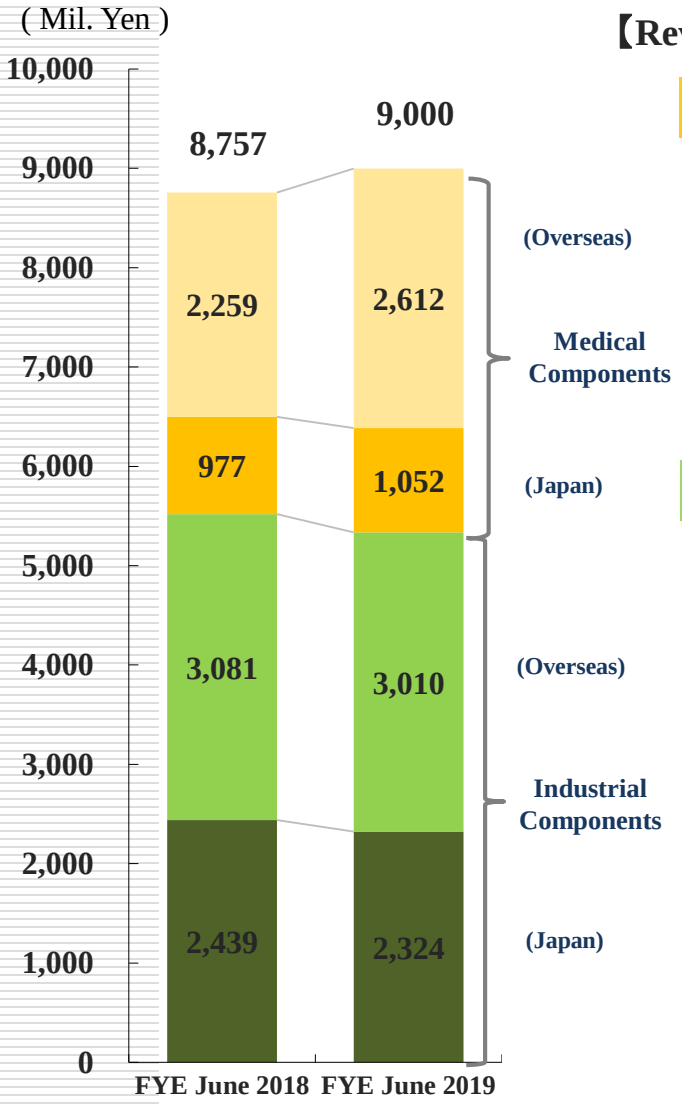
Per Segment by Medical Division (by Treatment - 2)

(Mil. Yen)

		FYE June 2018	FYE June 2019	YoY	
				Changes	Changes (%)
Exchange rate (Yen)	USD	110.39	111.15	+0.76	+0.7
	EURO	131.61	126.81	-4.80	-3.6
	CNY	16.97	16.28	-0.69	-4.1
Revenue		41,366	48,216	+6,849	+16.6
Japan		15,701	15,340	-360	-2.3
Overseas		25,665	32,875	+7,210	+28.1
Cardiovascular		30,313	35,184	+4,871	+16.1
Japan		9,892	9,449	-443	-4.5
Overseas		20,420	25,735	+5,314	+26.0
Non-cardiovascular		7,370	8,974	+1,604	+21.8
Japan		3,744	3,669	-75	-2.0
Overseas		3,625	5,305	+1,679	+46.3
OEM		3,683	4,056	+373	+10.1
Japan		2,064	2,221	+157	+7.6
Overseas		1,618	1,834	+216	+13.3

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Per Segment by Device Division - 1



【Revenue (YoY)】

Medical Components

- Japan: Increase in endoscope related components and Gastrointestinal components
- Overseas: Increase in Cardiovascular examination catheter components and Abdominal vascular catheter components for US market

Industrial Components

- Japan: Despite increase in business for the office automation equipment market, decrease in business related to automotive market
- Overseas: Despite increase in business related to leisure market, decrease in business related to automotive market

【Operating Income】

- Decrease in profit due to expenditures of SGA centering on R&D expenses

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Per Segment by Device Division - 2

(Mil. Yen)

	FYE June 2018	FYE June 2019	YoY	
			Changes	Changes(%)
Exchange rate (Yen) USD	110.39	111.15	+0.76	+0.7
Revenue	8,757	9,000	+243	+2.8
Japan	3,416	3,377	-39	-1.1
Overseas	5,341	5,623	+282	+5.3
Medical Components	3,236	3,665	+428	+13.2
Japan	977	1,052	+75	+7.7
Overseas	2,259	2,612	+353	+15.6
Industrial Components	5,520	5,335	-185	-3.4
Japan	2,439	2,324	-114	-4.7
Overseas	3,081	3,010	-70	-2.3
Operating income	3,189	2,885	-304	-9.5
(Reference) Segment Revenue	3,411	3,553	+141	+4.2

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Reference: P/L

	FYE June 2018		FYE June 2019			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Main comparison factors
Revenue	50,124	100.0	57,216	100.0	+7,092	・Strong performance mainly in overseas in Medical division ・Influence of special demand
Cost of sales	15,268	30.5	17,516	30.6	+2,247	
Gross profit	34,855	69.5	39,700	69.4	+4,844	・Increase in proportion to good revenue progress
SGA	21,082	42.1	24,531	42.9	+3,449	・Increase in R&D expenses and sales related expenses
Operating income	13,773	27.5	15,168	26.5	+1,395	
Non-operating income	166	0.3	283	0.5	+117	・Recording subsidy
Non-operating expense	198	0.4	618	1.1	+419	・Increase in currency exchange loss
Ordinary income	13,740	27.4	14,833	25.9	+1,092	
Extraordinary gain	0	0.0	402	0.7	+402	・Gain on step acquisitions
Extraordinary loss	201	0.4	278	0.5	+77	・Recording loss on revaluation of investments in securities
Net income attributable to parent company shareholders	10,042	20.0	11,237	19.6	+1,195	
Comprehensive income	10,623	21.2	11,335	19.8	+712	・Decrease in unrealized loss on securities -965 ・Increase in foreign currency translation adjustment +627

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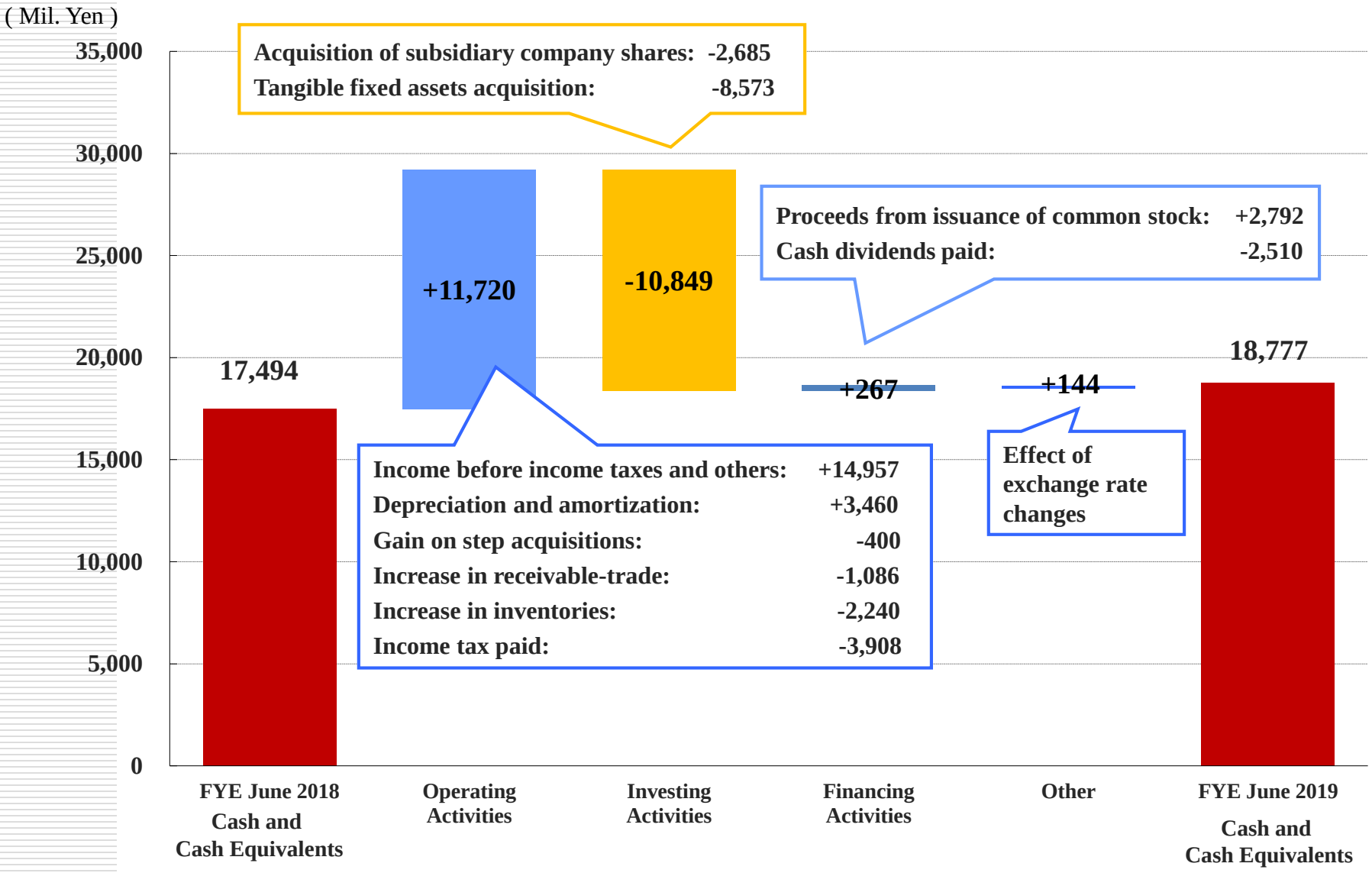
Reference: B/S

		FYE June 2018		FYE June 2019			
		Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Main comparison factors
Assets	Current assets	42,056	58.3	45,824	54.3	+3,767	Inventory assets: +2,410 Receivable-trade: +1,096 Cash and deposit: -381
	Fixed Assets	30,048	41.7	38,534	45.7	+8,486	Tangible fixed assets: +5,232 Goodwill: +2,849
Total assets		72,104	100.0	84,358	100.0	+12,254	
Liabilities	Current Liabilities	12,392	17.2	12,621	15.0	+228	Short-term debt: +263
	Fixed liabilities	6,112	8.5	6,286	7.5	+174	Long-term debt: -447 Deferred tax liability: +329 Retirement benefit liability: +325
Total liabilities		18,505	25.7	18,908	22.4	+403	
Total net assets		53,599	74.3	65,450	77.6	+11,850	Retained earnings: +8,726 Capital stock: +1,502 Capital surplus: +1,502
Total liabilities & net assets		72,104	100.0	84,358	100.0	+12,254	

∗ : 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.

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Reference: C/F



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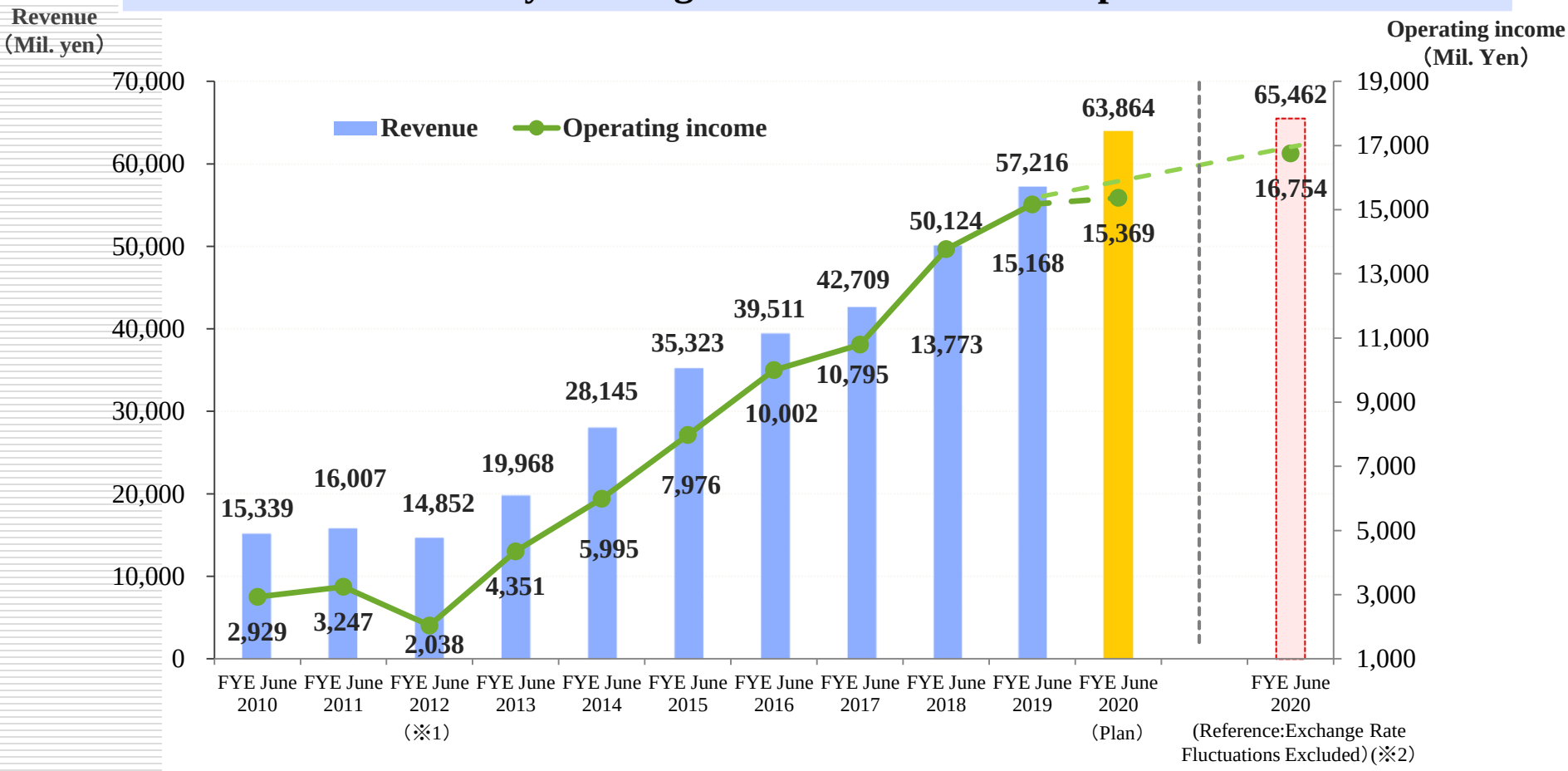
1. Summary of Consolidated Financial Results for FYE June 2019

2. Earnings Forecast for FYE June 2020

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Mid-Term Management Plan: Profit Goals to FYE June 2020

Although demand keep increasing, profits will remain flat due to currency exchange trends and reimburse price reduction



(※1)In FYE June 2012, a temporary decrease of 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.
(※2)Revenue and operating income for FYE June 2020 are calculated based on the same exchange rate assumptions as the actual results for FYE June 2019.

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Vision for FYE June 2020

Double-digit revenue increase due to expansion of overseas revenue in Medical Division despite factors of revenue decline due to external factors such as currency movements and falling medical reimbursement prices
Slightly increase in operating income due to cost increase with R&D and strengthening overseas revenue

- **Revenue are expected to be 63,864 Mil. yen (+ 11.6% YoY) due to increase demand mainly in overseas markets**
  - Increased factors
    - Further expansion of market share of PTCA GW in all areas
    - Direct sales of PTCA GW in US year-round, volume increase
    - Increase in Cardiovascular products in China with actual demand turned of special demand and expansion of PTCA Guiding Catheter
  - Decreased factors
    - Influence of reimbursement price reduction (-687 Mil. Yen)
    - Negative impact of exchange rate (-1,598 Mil. Yen)
- **Operating income slightly increase due to increase in SGA with R&D and strengthening overseas revenue**
  - Slightly decrease in Gross profit ratio with increase in fixed cost (depreciation &amortization) , etc.
  - Operating income 15,369 Mil. Yen (YoY+1.3 %)
    - Increase in R&D expenses (YoY+ 1,132 Mil. Yen, revenue ratio 11.2 %)
    - Increase in expenses due to strengthening overseas sale mainly in US and China (+1,820 Mil. Yen)
  - Ordinary income 15,373 Mil. Yen (YoY+3.6%)
  - Net income attributable to parent company shareholders: 11,310 Mil. Yen (YoY+0.6%)

Assumed Exchange Rate				(Unit : JPY)
FYE June 2020 (Plan)	US $	108.00	EURO	120.00
	CNY	15.50	BAHT	3.50
FYE June 2019	US $	111.15	EURO	126.81
	CNY	16.28	BAHT	3.45

Effect of exchange rate on operating income (Main currency)
US $ (+ 1 yen influence) : approx. 184 Mil. Yen Increase
EURO (+ 1 yen influence) : approx. 67 Mil. Yen Increase
CNY (+ 1 yen influence) : approx. 273 Mil. Yen Increase
BAHT(+0.1 yen influence) : approx. 254 Mil. Yen Decrease

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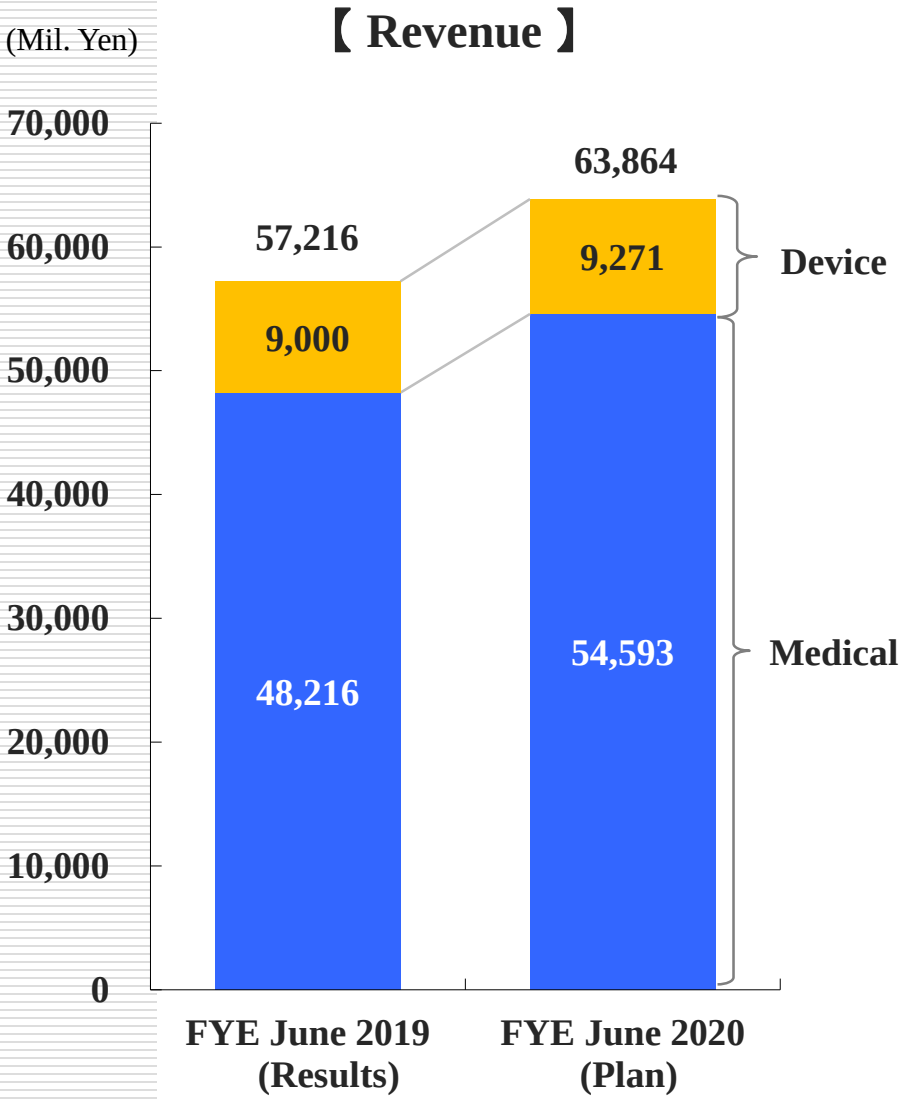
Earnings Forecast for FYE June 2020

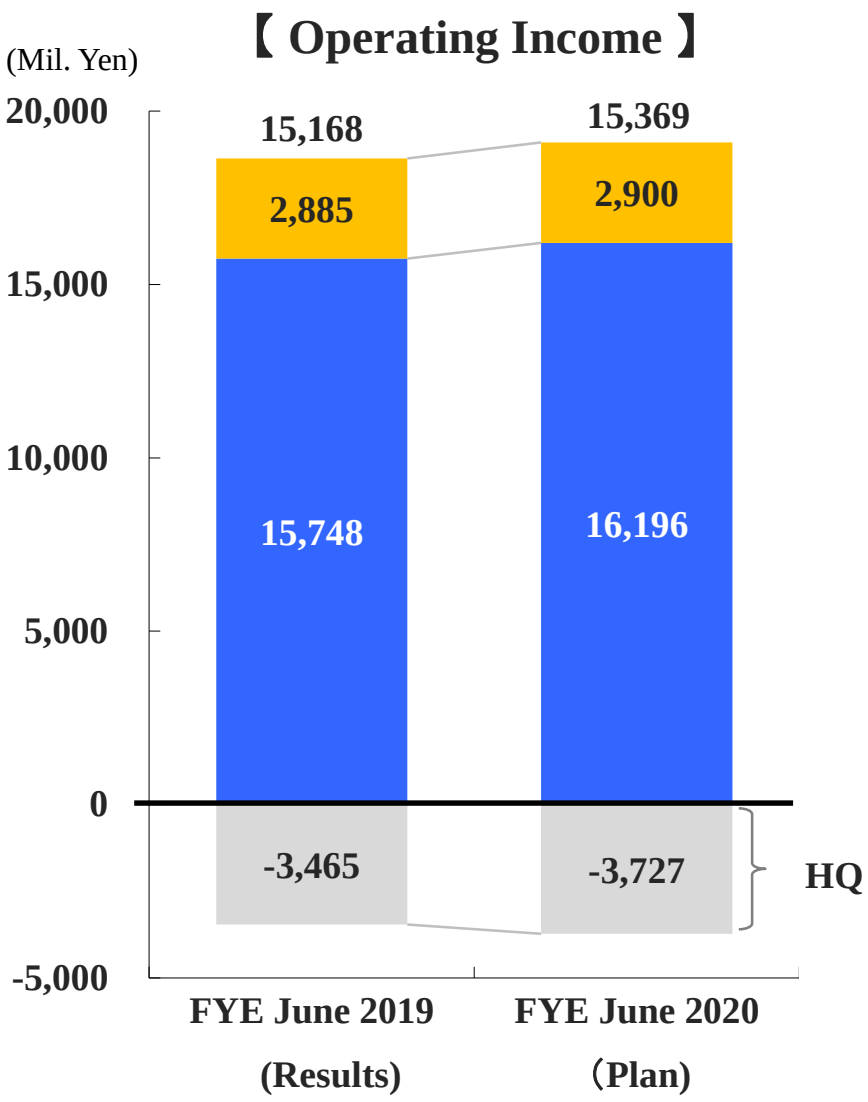
	FYE June 2019 (Results)		FYE June 2020 (Plan)				(Reference) FYE June 2020 (Plan) At the same exchange rate as the previous year			
					YoY				YoY	
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Changes (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Changes (%)
Revenue	57,216	100.0	63,864	100.0	+6,647	+11.6	65,462	100.0	+8,245	+14.4
Gross profit	39,700	69.4	43,617	68.3	+3,917	+9.9	45,211	69.1	+5,510	+13.9
Operating income	15,168	26.5	15,369	24.1	+201	+1.3	16,754	25.6	+1,585	+10.5
Ordinary income	14,833	25.9	15,373	24.1	+540	+3.6	16,758	25.6	+1,924	+13.0
Net income attributable to parent company shareholders	11,237	19.6	11,310	17.7	+72	+0.6	12,694	19.4	+1,456	+13.0
EPS (yen) *	43.29	—	43.46	—	+0.17	+0.4	48.78	—	+5.49	+12.7

* : As of July 1st , 2019, 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.

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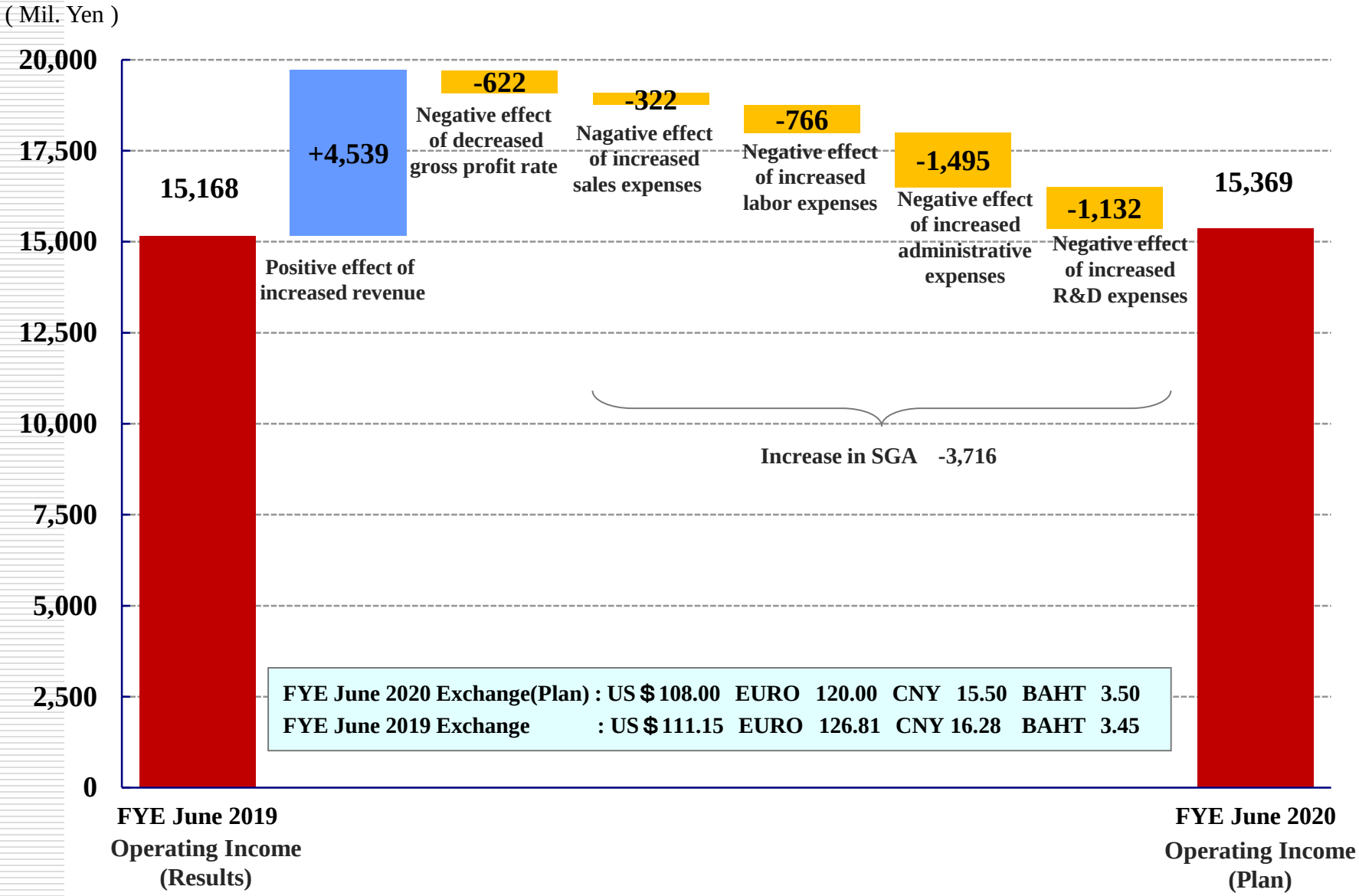
Earnings Forecast by Segment





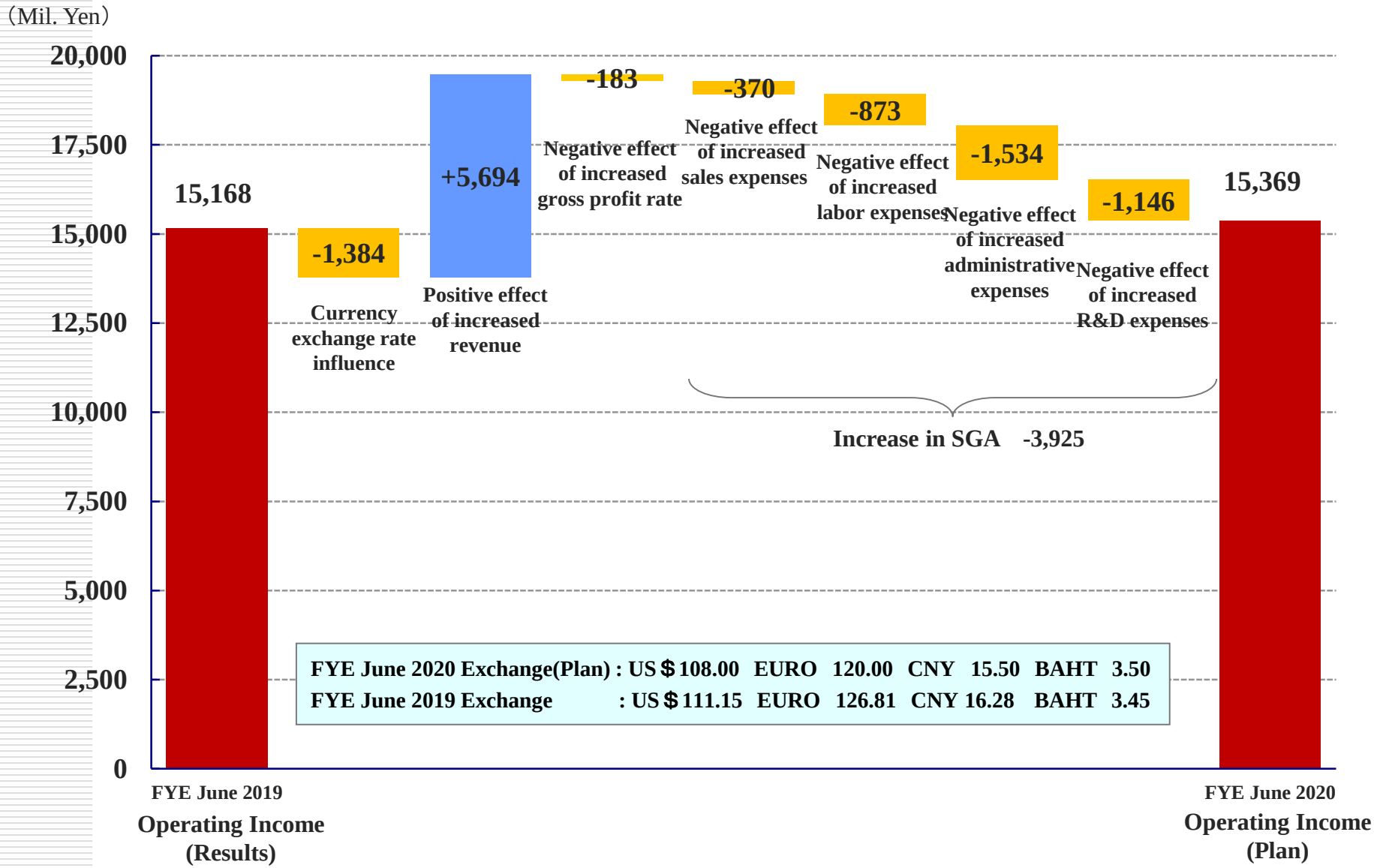
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Attribution Analysis of Operating Income (Exchange Rate Fluctuations Included)



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Attribution Analysis of Operating Income (Exchange Rate Fluctuations Excluded)

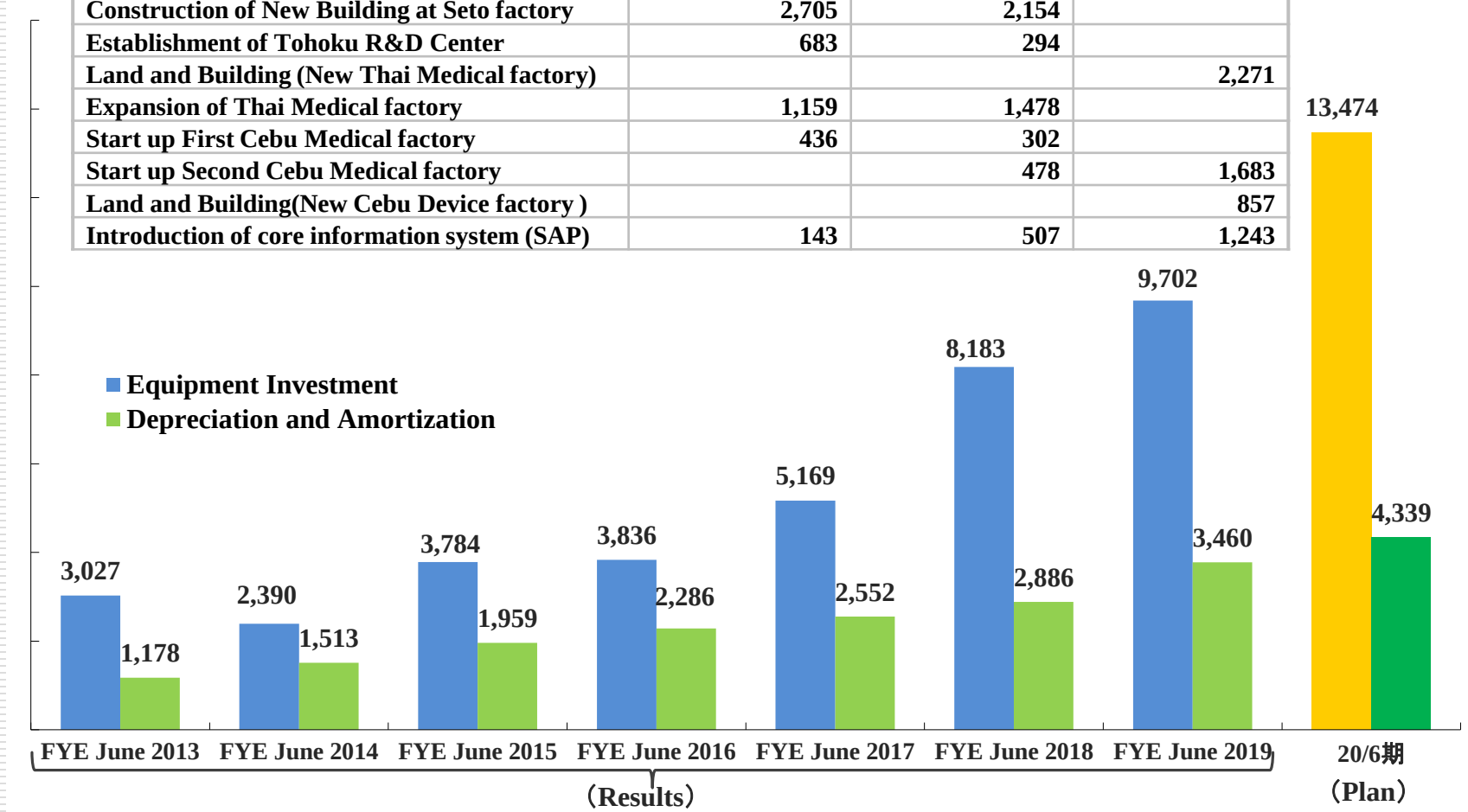


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Results and Plan for Equipment Installation

Implement expansion of overseas factory bases to increase production in the future

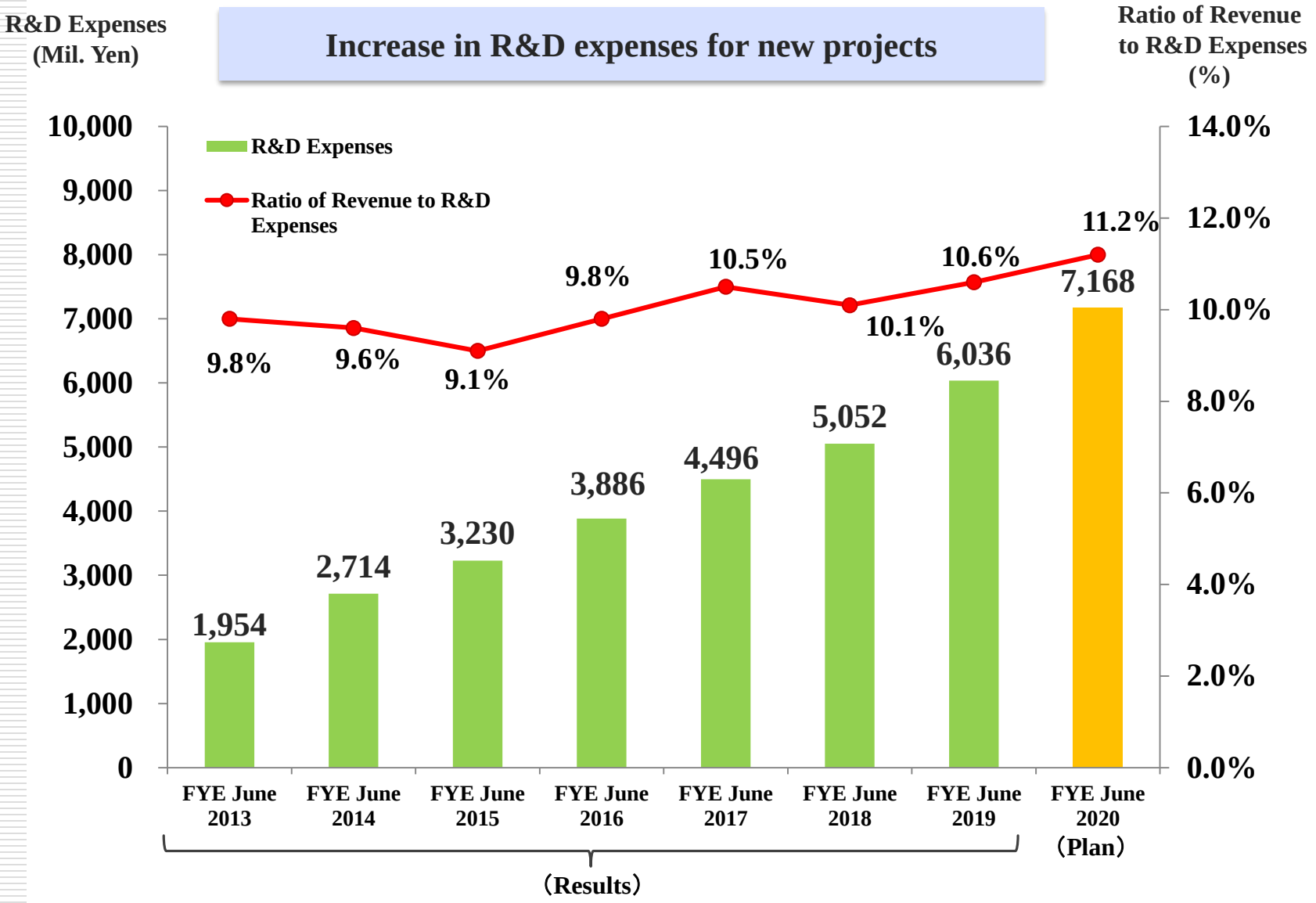
Main investment matter	FYE June 2018 (Results)	FYE June 2019 (Results)	FYE June 2020 (Plan)
Construction of New Building at Seto factory	2,705	2,154	
Establishment of Tohoku R&D Center	683	294	
Land and Building (New Thai Medical factory)			2,271
Expansion of Thai Medical factory	1,159	1,478	
Start up First Cebu Medical factory	436	302	
Start up Second Cebu Medical factory		478	1,683
Land and Building(New Cebu Device factory)			857
Introduction of core information system (SAP)	143	507	1,243



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R&D Expenses

Increase in R&D expenses for new projects



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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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