



ASAHI

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Financial Results of the 2nd Quarter for Fiscal Year ending June 2018

February 14, 2018

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



FYE June 2018 Q2 YTD Main Points-1

Net Sales 25,409 Mil. Yen <Year-on-year +24.5%>

~ Strong performance, especially in Medical Division ~

- **Medical Division ~ Sales increased greatly not only due to strong end user demand but also due to special demands mainly in foreign markets**
 - ◆ **Good progress in both cardiovascular and non-cardiovascular segments in Japanese and overseas markets**
 - Positive progress of PTCA GW based on SION Series
 - Non-con type “NC Kamui” led to the market share expansion in PTCA Balloon Catheters
 - Good progress of multi lumen type “SASUKE” in Penetration Catheter
 - Increases all of peripheral vascular, abdominal vascular, and neurovascular products in non-cardiovascular segments.
 - Positive progress of PTCA GW and Penetration Catheter in cardiovascular segments
 - Growth trends in the demand of EU/Middle East, Chinese and Asian, etc. markets
 - In addition to increase in end user demand, there was an increase due to special demand
 - Positive impacts of the exchange rate contributed to sales performance (+961 Mil. Yen)
- **Device Division ~Despite decrease of Medical Components business, slight increase of Device Division due to good progress of Industrial Components business in overseas markets**
 - ◆ **Decrease of components for cardiovascular examination and catheter components for peripheral treatment in US in the Medical Components business**
 - ◆ **Increase of components for US leisure market in the Industrial Components business**

Japan

Overseas



FYE June 2018 Q2 YTD Main Points-2

Although R&D expenses and sales related expenses increased, positive sales growth and rising gross profit rate contributed to large profit performance

- Gross profit 17,698 Mil. Yen < YoY +29.7% >
 - Sales increases and rising gross profit ratio due to strong orders and improved productivity, etc.
- Operating income 8,353 Mil. Yen < YoY +42.0% >
 - Increase of R&D expenses (2,355Mil. Yen) (YoY +425 Mil. Yen, Sales ratio 9.3%)
 - Increase of expenses to strengthen sales and marketing activities in overseas markets
- Ordinary income 8,408 Mil. Yen < YoY +35.9% >
 - Decrease of currency exchange gain (YoY -307 Mil. Yen)
- Net income attributable to parent company shareholders 6,160 Mil. Yen < YoY +45.1% >
 - Decrease of loss on revaluation of investments in securities (-147Mil. Yen)

Exchange rate (Unit: JPY)	US \$	BAHT	EURO	CNY
FYE June 2018 Q2 YTD	111.99	3.38	131.72	16.86
FYE June 2017 Q2 YTD	105.76	3.01	115.98	15.65



Highlights

	FYE June 2017 Q2 YTD		FYE June 2018 Q2 YTD						
	Amount (Mil. Yen)	Ratio (%)	Initial plan in Aug. 10, 2017	Amount (Mil. Yen)	Ratio (%)	YoY		Compared with initial plan	
						Changes (Mil. Yen)	Changes (%)	Changes (Mil. Yen)	Changes (%)
Net sales	20,403	100.0	23,423	25,409	100.0	+5,006	+24.5	+1,986	+8.5
Gross profit	13,645	66.9	15,511	17,698	69.7	+4,053	+29.7	+2,187	+14.1
Operating income	5,884	28.8	6,229	8,353	32.9	+2,468	+42.0	+2,123	+34.1
Ordinary income	6,187	30.3	6,244	8,408	33.1	+2,220	+35.9	+2,163	+34.7
Net income attributable to parent company shareholders	4,245	20.8	4,382	6,160	24.2	+1,915	+45.1	+1,778	+40.6
EPS *	33.51 yen	-	33.98 yen	47.73 yen	-	+14.22 yen	+42.4	+13.75 yen	+40.5

* : 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 Division

	FYE June 2017 Q2 YTD		FYE June 2018 Q2 YTD			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Changes (%)
Medical	16,212	79.5	21,070	82.9	+4,857	+30.0
Device	4,190	20.5	4,338	17.1	+148	+3.5
Total amount	20,403	100.0	25,409	100.0	+5,006	+24.5

(Reference)

Medical field	17,766	87.1	22,567	88.8	+4,800	+27.0
Industrial field	2,636	12.9	2,841	11.2	+205	+7.8

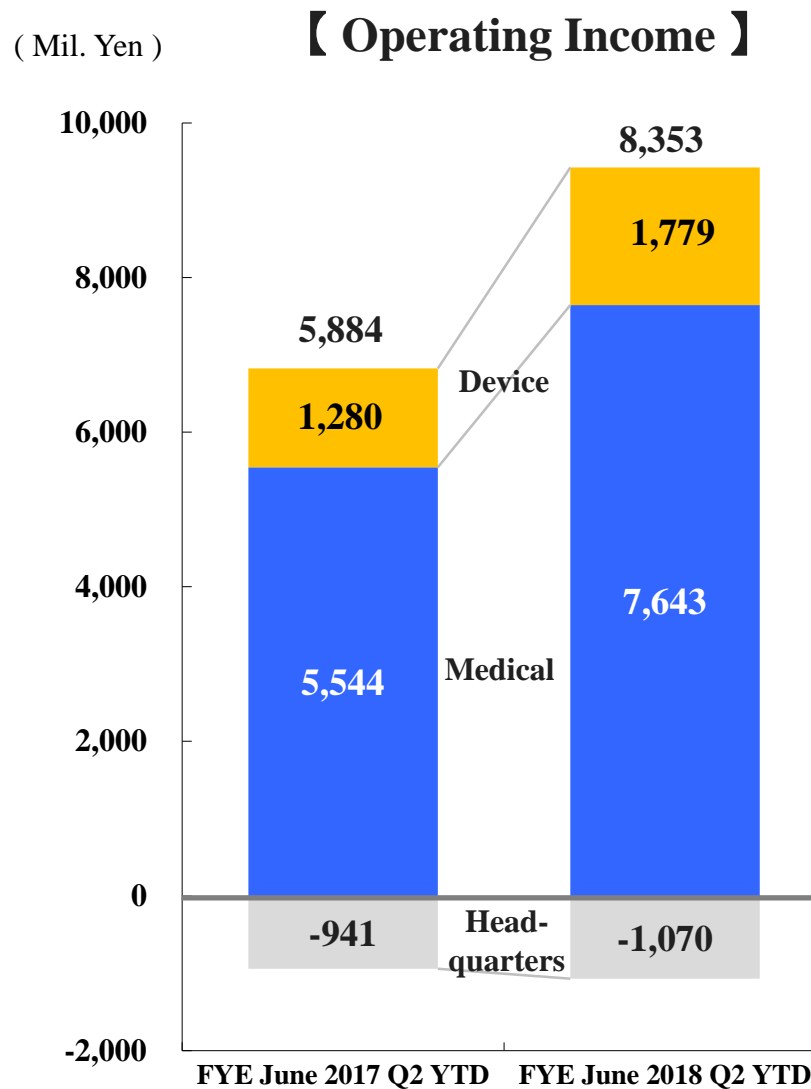
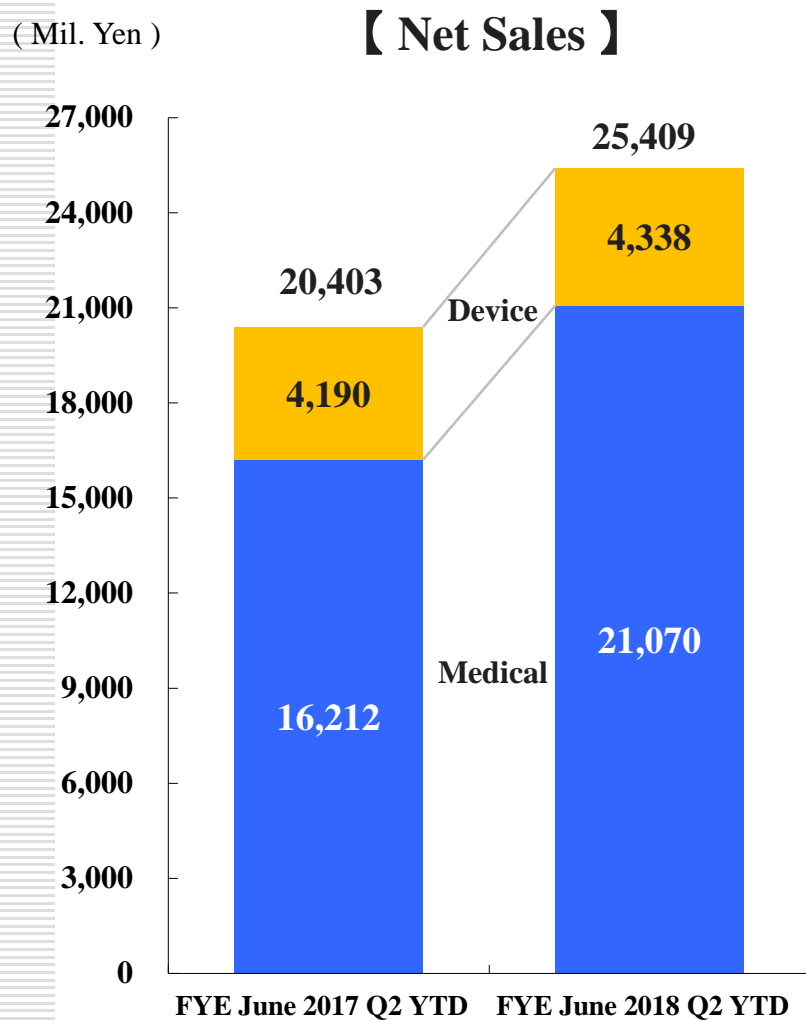


Operating Income by Segment Division

	FYE June 2017 Q2 YTD		FYE June 2018 Q2 YTD			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Changes (%)
Medical	5,544	81.2	7,643	81.1	+2,098	+37.9
Device	1,280	18.8	1,779	18.9	+499	+39.0 ※
Subtotal	6,825	100.0	9,423	100.0	+2,598	+38.1
Erasing & Head Quarters	-941	-	-1,070	-	-129	+13.7
Total amount	5,884	-	8,353	-	+2,468	+42.0
※						
(Reference) Device Division Segment Sales	1,063	-	1,831	-	+768	+72.2

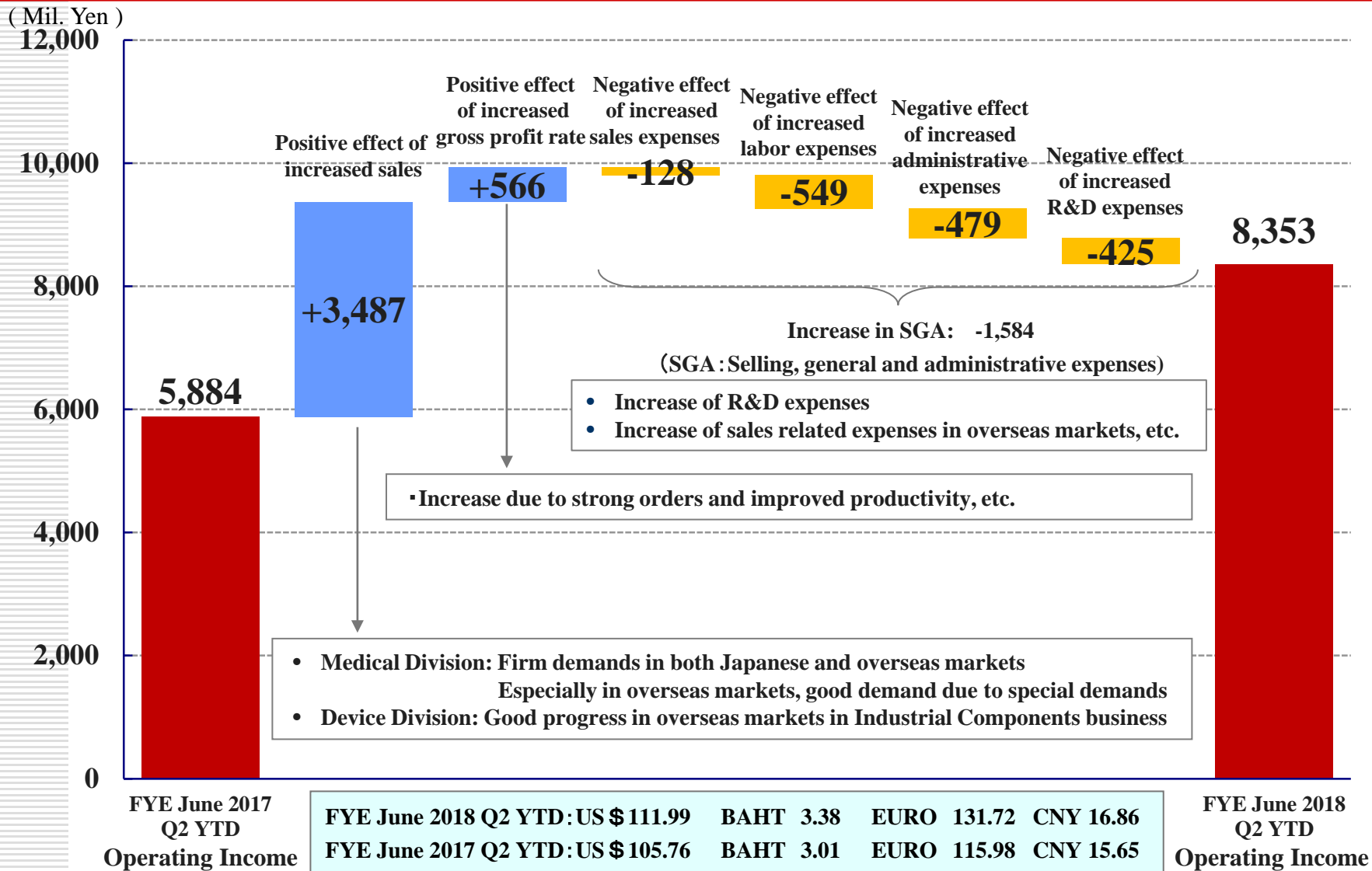


Earnings Performance by Segment Division





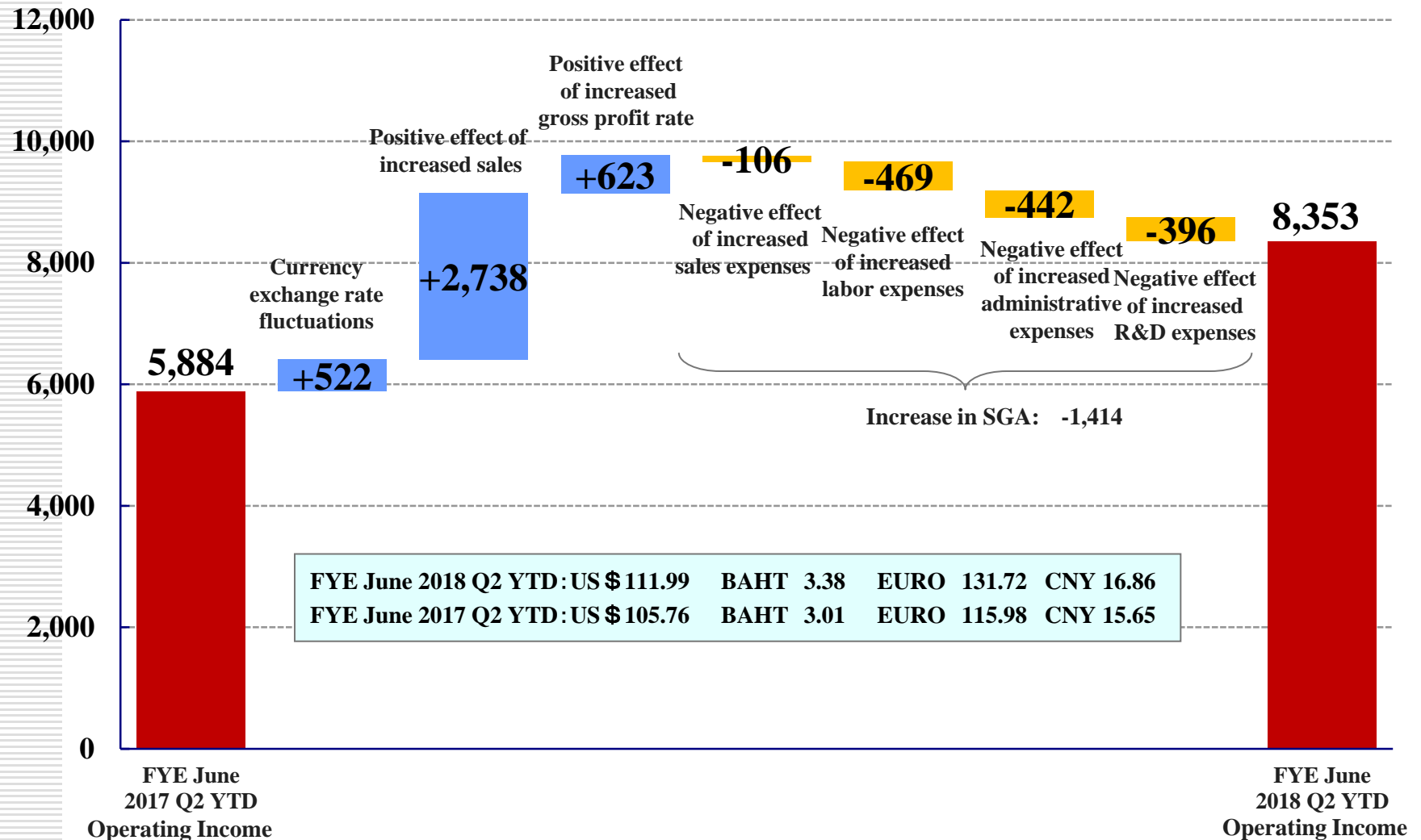
Attribution Analysis of Operating Income – 1 (Exchange Rate Fluctuations Included)





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

(Mil. Yen)





Situation Per Segment Division



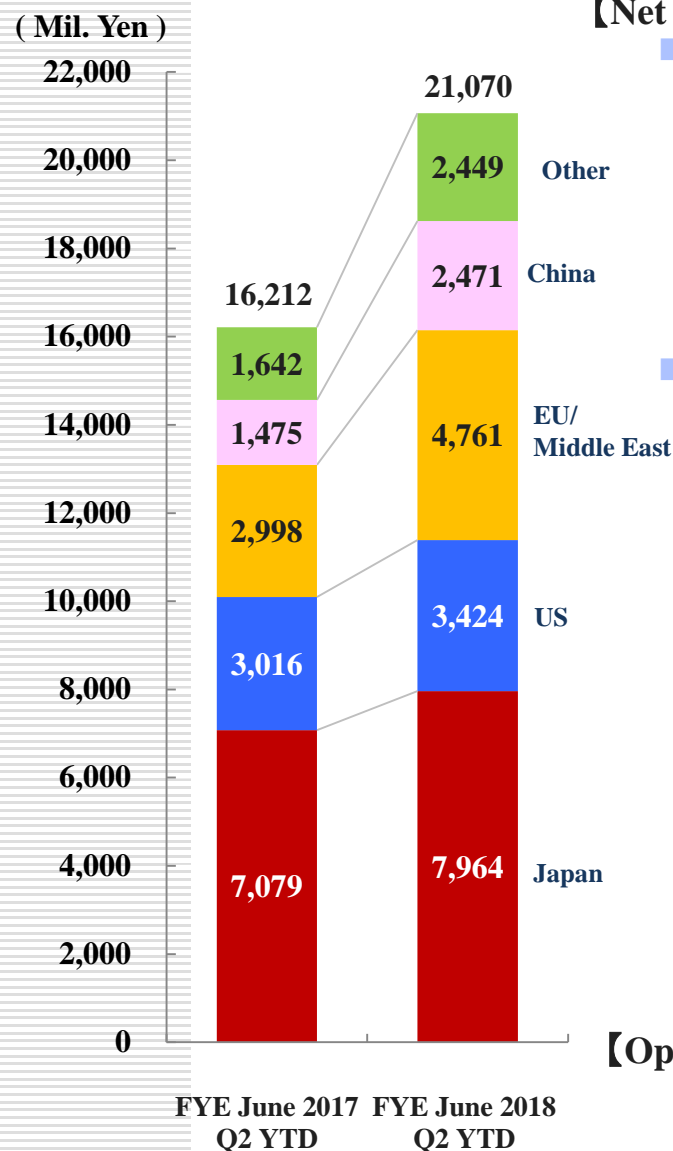
Per Segment by Medical Division (by Geography - 1)

【Net Sales (YoY)】

- **Japan: Both cardiovascular and non-cardiovascular segments favorably progressed**
 - PTCA GW: Good progress based on SION series
 - PTCA Balloon Catheters: Increase of “NC Kamui” launched in the second half of the previous fiscal year
 - Penetration Catheter: Demand increase based on multi lumen type “SASUKE”
 - Non-cardiovascular segment: Increases in Peripheral vascular, Abdominal vascular, and Neurovascular products
- **Overseas: Sales increased greatly not only due to strong end user demand but also due to special demands. In addition, positive impacts of the exchange rate contributed to sales performance.**
 - <US>
 - PTCA GW: Good progress due to special demands around the end of the first half (Some dealing sales shifted to the second half)
 - Penetration Catheter/ Peripheral Guide Wire: Increase in the direct sales
 - <EU/Middle East>
 - PTCA GW: Good progress due to expanding market share in addition to special demands
 - Penetration Catheter: Good progress based on “Corsair”
 - <China>
 - PTCA GW and Penetration Catheter “Corsair”: Increase due to switch to multi agent system in addition to special demands
 - <Other>
 - PTCA GW and Penetration Catheter “Corsair”: Good progress due to expanding market especially in Asia

【Operating Income】

- **Despite R&D and sales related expenses increasing, positive sales growth and rising gross profit ratio contributed to profit performance**





Per Segment by Medical Division (by Geography - 2)

		FYE June 2017 Q2 YTD	FYE June 2018 Q2 YTD	YoY	
				Changes	Changes (%)
Exchange rate(Yen)	USD	105.76	111.99	+6.23	+5.9
	EURO	115.98	131.72	+15.74	+13.6
	CNY	15.65	16.86	+1.21	+7.7
Net sales		16,212	21,070	+4,857	+30.0
Japan		7,079	7,964	+884	+12.5
Overseas		9,133	13,106	+3,973	+43.5
US		3,016	3,424	+408	+13.5
EU/Middle East		2,998	4,761	+1,762	+58.8
China		1,475	2,471	+995	+67.5
Other		1,642	2,449	+806	+49.1
Operating income		5,544	7,643	+2,098	+37.9

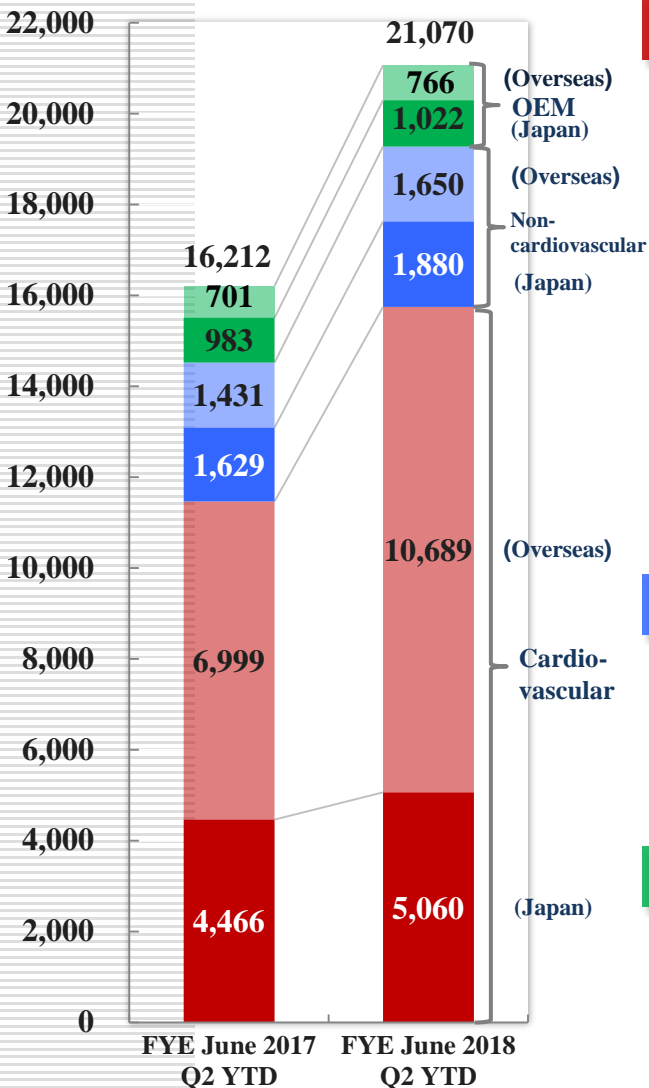
(Mil. Yen)



Per Segment by Medical Division (by Treatment - 1)

(Mil. Yen)

【Net Sales (YoY)】



Cardiovascular

- **Japan: Good progress due to new products impacts in addition to the existing products growth**
 - PTCA GW: Good progress based on SION Series
 - PTCA Balloon Catheter : : Increase of “NC Kamui” launched in the second half of the previous fiscal year
 - Penetration Catheter : Demand increase based on multi lumen type “SASUKE”
- **Overseas: Favorable progress based on PTCA GW and Penetration Catheter**
 - PTCA GW: Good progress in all areas. Special demands occurring in some areas.
 - Penetration Catheter : Increase especially in EU/Middle East and China

Non-cardiovascular

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

OEM

- **Japan: Increasing orders of gastrointestinal and cardiovascular wires**
- **Overseas: Increasing supply of FFR guide wire for Boston Scientific (US)**



Per Segment by Medical Division (by Treatment - 2)

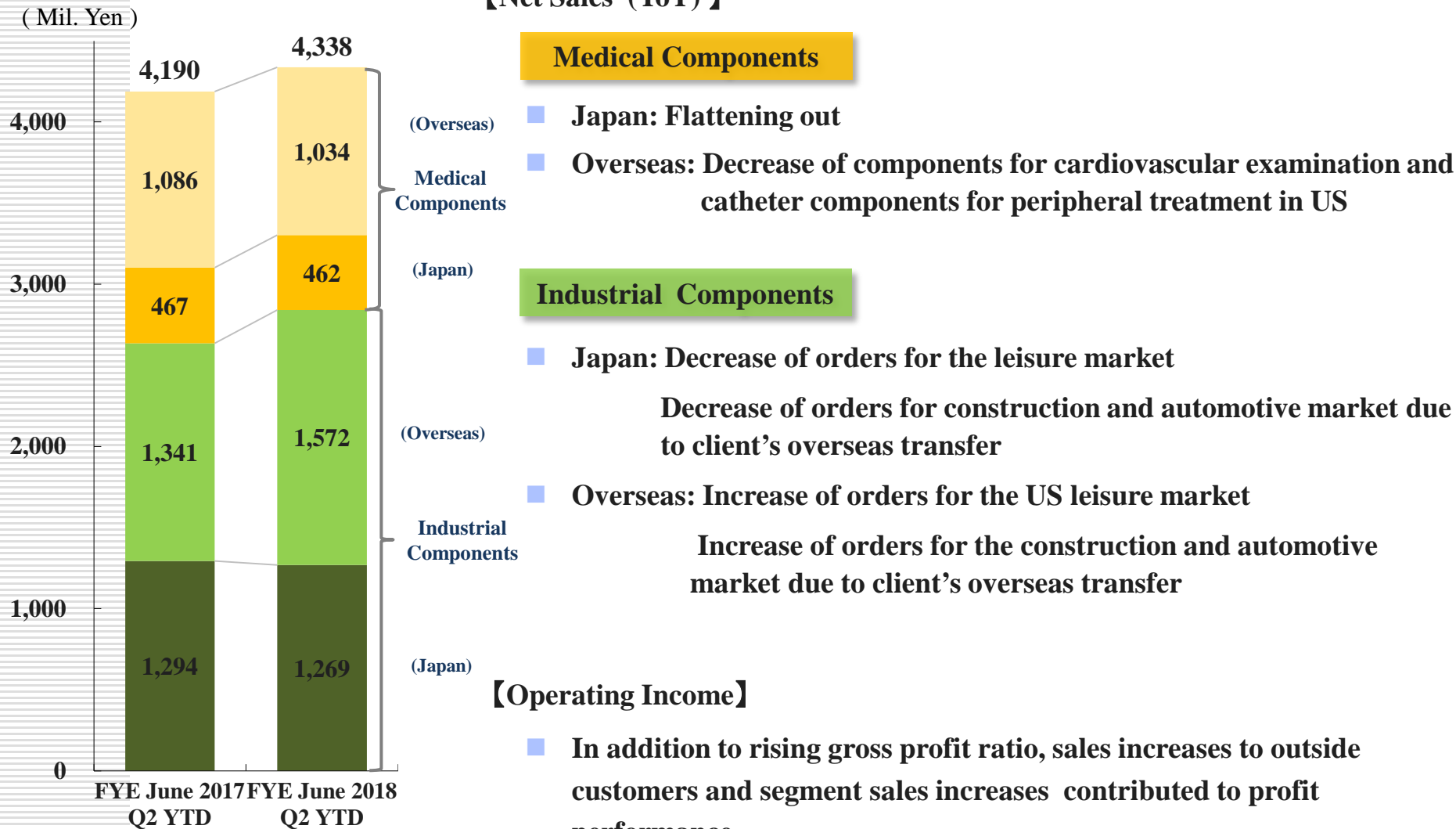
		FYE June 2017 Q2 YTD	FYE June 2018 Q2 YTD	YoY	
				Changes	Changes (%)
Exchange rate (Yen)	USD	105.76	111.99	+6.23	+5.9
	EURO	115.98	131.72	+15.74	+13.6
	CNY	15.65	16.86	+1.21	+7.7
Net sales		16,212	21,070	+4,857	+30.0
	Japan	7,079	7,964	+884	+12.5
	Overseas	9,133	13,106	+3,973	+43.5
Cardiovascular		11,465	15,749	+4,284	+37.4
	Japan	4,466	5,060	+594	+13.3
	Overseas	6,999	10,689	+3,689	+52.7
Non-cardiovascular		3,061	3,531	+470	+15.4
	Japan	1,629	1,880	+251	+15.4
	Overseas	1,431	1,650	+218	+15.3
OEM		1,685	1,788	+103	+6.1
	Japan	983	1,022	+39	+4.0
	Overseas	701	766	+64	+9.2

(Mil. Yen)



Per Segment by Device Division - 1

【Net Sales (YoY)】





Per Segment by Device Division - 2

		FYE June 2017 Q2 YTD	FYE June 2018 Q2 YTD	YoY	
				Changes	Changes (%)
Exchange rate (Yen)	USD	105.76	111.99	+6.23	+5.9
Net sales		4,190	4,338	+148	+3.5
	Japan	1,761	1,732	-29	-1.7
	Overseas	2,428	2,606	+177	+7.3
Medical Components		1,553	1,496	-57	-3.7
	Japan	467	462	-4	-0.9
	Overseas	1,086	1,034	-52	-4.9
Industrial Components		2,636	2,841	+205	+7.8
	Japan	1,294	1,269	-24	-1.9
	Overseas	1,341	1,572	+230	+17.2
Operating income		1,280	1,779	+499	+39.0
(Reference) Segment Sales		1,063	1,831	+768	+72.2

(Mil. Yen)



Reference: P/L

	FYE June 2017 Q2 YTD		FYE June 2018 Q2 YTD			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Main comparison factors
Net sales	20,403	100.0	25,409	100.0	+5,006	Both divisions progressed favorably
Cost of sales	6,757	33.1	7,711	30.3	+953	
Gross profit	13,645	66.9	17,698	69.7	+4,053	Increase due to strong orders and improved productivity, etc.
SGA	7,760	38.0	9,344	36.8	+1,584	Increase of R&D and sales related expenses
Operating income	5,884	28.8	8,353	32.9	+2,468	
Non-operating income	369	1.8	89	0.4	-279	Decrease of currency exchange gain -307 Mil. Yen
Non-operating expense	66	0.3	34	0.1	-32	
Ordinary income	6,187	30.3	8,408	33.1	+2,220	
Extraordinary gain	0	0.0	0	0.0	+0	
Extraordinary loss	151	0.7	0	0.0	-150	Decrease of loss on revaluation of investments in securities -147 Mil. Yen
Net income attributable to parent company shareholders	4,245	20.8	6,160	24.2	+1,915	
Comprehensive income	5,972	29.3	7,076	27.9	+1,103	Foreign currency translation adjustment increased -986 Mil. Yen

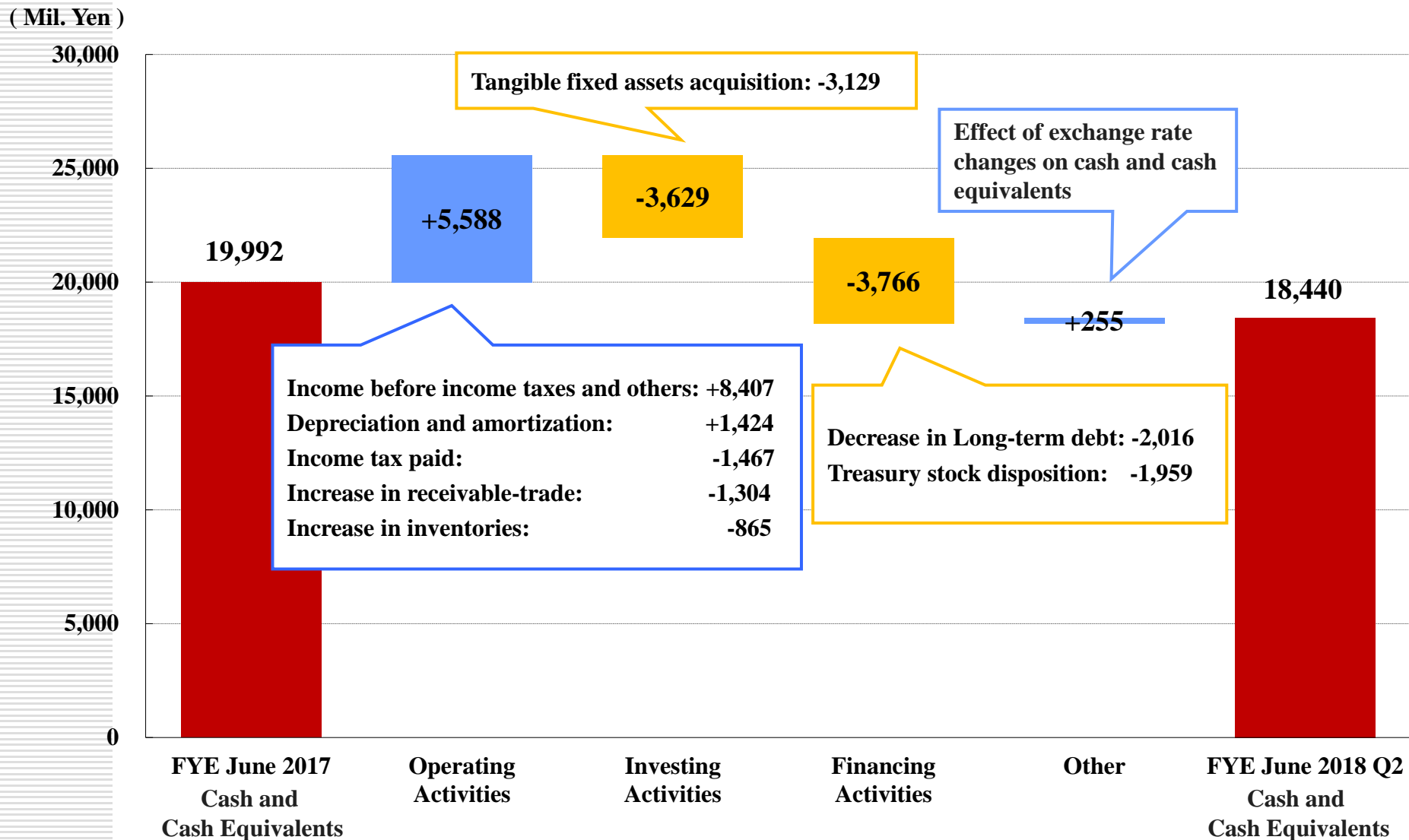


Reference: B/S

		FYE June 2017		FYE June 2018 Q2			
		Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Main comparison factors
Assets	Current assets	39,718	62.8	40,815	60.9	+1,097	Cash and deposit: -1,552 Receivable-trade: +1,452 Inventory assets: +1,088
	Fixed assets	23,528	37.2	26,151	39.1	+2,623	Tangible fixed assets: +1,911 investments and other assets: +630
Total assets		63,246	100.0	66,967	100.0	+3,720	
Liabilities	Current liabilities	12,285	19.4	10,840	16.2	-1,444	Short-term debt: -1,369
	Fixed liabilities	6,302	10.0	6,124	9.1	-177	Long-term debt: -639
Total liabilities		18,587	29.4	16,965	25.3	-1,622	
Total net assets		44,659	70.6	50,002	74.7	+5,343	Retained earnings: +4,200 Foreign currency translation adjustment: +653
Total liabilities & net assets		63,246	100.0	66,967	100.0	+3,720	



Reference: C/F





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.

【 IR contact 】

Asahi Intecc Co., Ltd. Corporate strategic office

TEL 052-768-1211

URL <http://www.asahi-intecc.co.jp/en/>