

08

Performance and Company Information

Performance and Company Information

Financial Summary	8-1
Non-Financial Summary	8-2
Company and Stock Information	8-3



Financial Summary

(Consolidated)

	38th Fiscal Year FYE June 2014	39th Fiscal Year FYE June 2015	40th Fiscal Year FYE June 2016	41st Fiscal Year FYE June 2017	42nd Fiscal Year FYE June 2018	43rd Fiscal Year FYE June 2019	44th Fiscal Year FYE June 2020	45th Fiscal Year FYE June 2021	46th Fiscal Year FYE June 2022	47th Fiscal Year FYE June 2023 (Current Consolidated Fiscal Year)
Revenue (million yen)	28,145	35,323	39,511	42,709	50,124	57,216	56,546	61,507	77,748	90,101
Operating income excluding goodwill amortization, etc. (million yen)	6,047	8,034	10,004	10,797	13,774	15,317	12,595	12,944	16,893	19,934
EBITDA (million yen)	7,561	9,994	12,291	13,350	16,660	18,778	16,794	17,764	22,712	26,742
Operating income (million yen)	5,995	7,976	10,002	10,795	13,773	15,168	12,445	12,795	15,239	18,030
Operating income margin (%)	21.3	22.6	25.3	25.3	27.5	26.5	22.0	20.8	19.6	20.0
Ordinary income (million yen)	6,099	8,399	9,521	10,941	13,740	14,833	12,310	13,196	16,326	17,635
Net income attributable to parent company shareholders (million yen)	4,360	5,828	6,907	7,725	10,042	11,237	9,178	9,984	10,857	13,106
Comprehensive income (million yen)	4,392	7,940	4,126	9,490	10,623	11,335	9,251	10,753	17,297	16,280
Total assets (million yen)	42,967	51,049	50,286	63,246	72,104	84,358	93,729	115,427	155,127	172,644
Net assets (million yen)	25,736	32,592	32,263	44,659	53,599	65,450	71,975	92,938	121,130	134,300
Equipment investment (million yen)	2,390	3,784	3,836	5,169	8,183	9,702	11,361	11,764	8,933	14,456
Depreciation and goodwill amortization (million yen)	1,513	1,959	2,286	2,552	2,886	3,460	4,198	4,819	6,439	7,513
R&D expenses (million yen)	2,714	3,230	3,886	4,496	5,052	6,036	6,579	7,524	8,869	9,723
Net assets per share (yen)	100.32	126.97	127.47	173.11	207.34	251.37	276.13	349.18	439.80	487.12
Earnings per share (yen)	17.06	22.73	27.31	30.43	38.88	43.29	35.25	38.25	40.01	48.25
Equity ratio (%)	59.9	63.8	64.1	70.6	74.3	77.6	76.8	80.5	77.0	76.6
ROE (Return On Equity) (%)	18.3	20.0	21.3	20.1	20.4	18.9	13.4	12.1	10.2	10.4
ROIC (Return On Invested Capital) (%)	-	-	-	-	-	20.0	13.5	11.7	10.9	10.7
Price earnings ratio (x)	30.5	46.1	45.5	42.0	53.9	61.3	87.0	69.4	51.2	58.3
Cash flows from operating activities (million yen)	5,015	6,666	8,622	10,257	11,717	11,720	11,166	8,920	17,302	19,138
Cash flows from investing activities (million yen)	- 1,125	- 3,249	- 3,841	- 5,268	- 10,537	- 10,849	- 10,389	- 16,327	- 18,703	- 15,135
Cash flows from financing activities (million yen)	- 2,920	- 1,311	- 4,552	1,598	- 3,749	267	- 850	10,110	11,368	- 2,342
Cash and equivalents, end of period (million yen)	10,915	13,344	12,935	19,992	17,494	18,777	18,554	21,358	32,321	34,884
(Reference) Consolidated dividend payout ratio (%)	25.0	25.0	27.5	25.0	25.0	25.0	25.0	30.0	30.0	30.0
Number of employees/consolidated (persons)	4,831	5,233	5,545	6,220	6,998	7,810	8,761	9,409	10,435	10,187

1. The Company conducted a two-for-one split of its common shares on January 1, 2014, August 1, 2015, January 1, 2018, and July 1, 2019. Accordingly, the net assets per share, earnings per share, and diluted earnings per share are calculated on the assumption that such split of shares was conducted at the beginning of FYE June 2014.

2. ROIC (Return On Invested Capital) is calculated based on the following formula.

ROIC = net operating income after tax / invested capital (working capital + fixed assets (average of beginning and ending balances))

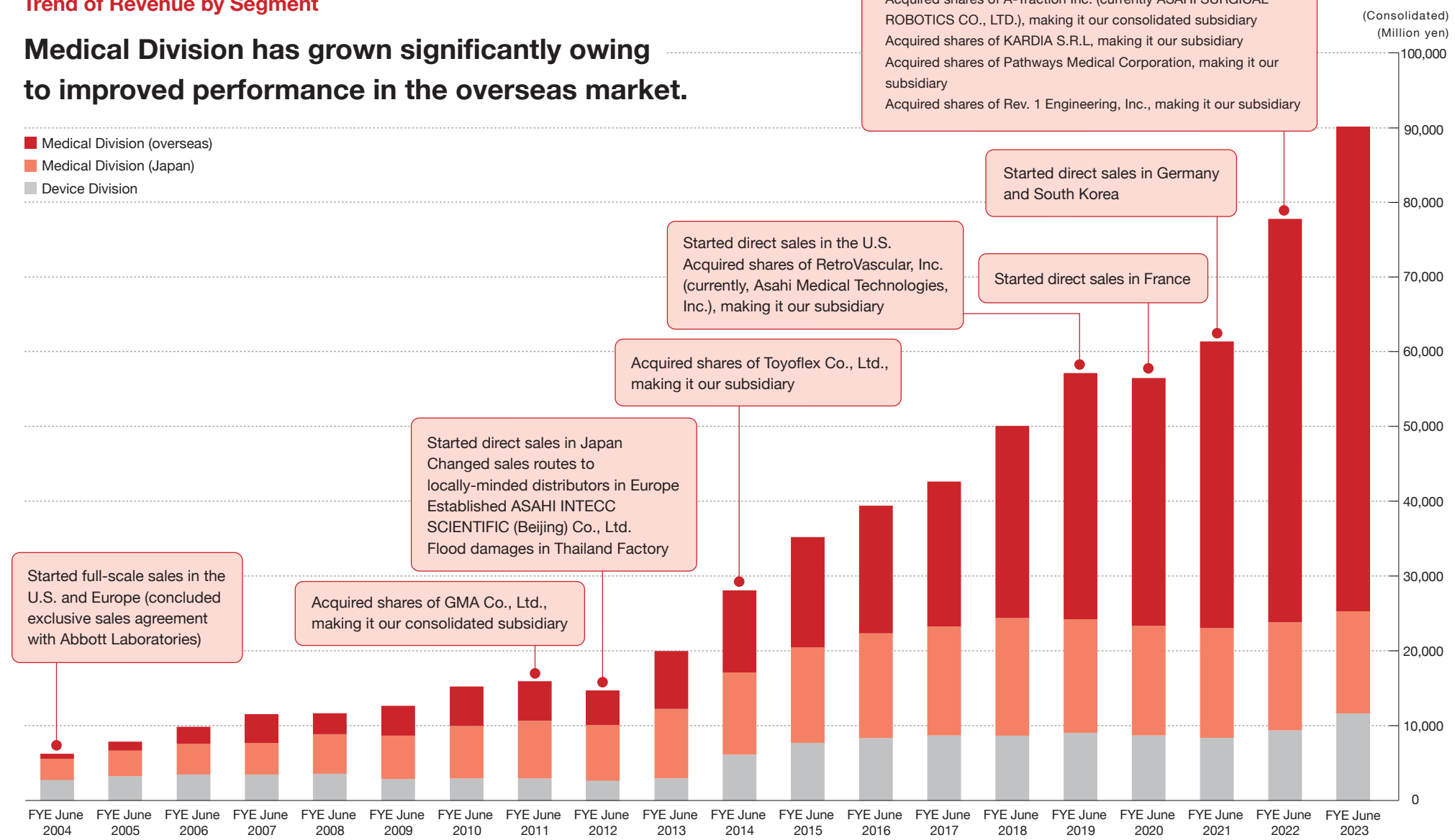
Financial Summary

Trend of Revenue by Segment

Medical Division has grown significantly owing to improved performance in the overseas market.

- Medical Division (overseas)
- Medical Division (Japan)
- Device Division

Acquired shares of A-Traction Inc. (currently ASAHI SURGICAL ROBOTICS CO., LTD.), making it our consolidated subsidiary
 Acquired shares of KARDIA S.R.L., making it our subsidiary
 Acquired shares of Pathways Medical Corporation, making it our subsidiary
 Acquired shares of Rev. 1 Engineering, Inc., making it our subsidiary



Started full-scale sales in the U.S. and Europe (concluded exclusive sales agreement with Abbott Laboratories)

Acquired shares of GMA Co., Ltd., making it our consolidated subsidiary

Started direct sales in Japan
 Changed sales routes to locally-minded distributors in Europe
 Established ASAHI INTECC SCIENTIFIC (Beijing) Co., Ltd.
 Flood damages in Thailand Factory

Acquired shares of Toyoflex Co., Ltd., making it our subsidiary

Started direct sales in the U.S.
 Acquired shares of RetroVascular, Inc. (currently, Asahi Medical Technologies, Inc.), making it our subsidiary

Started direct sales in Germany and South Korea

Started direct sales in France

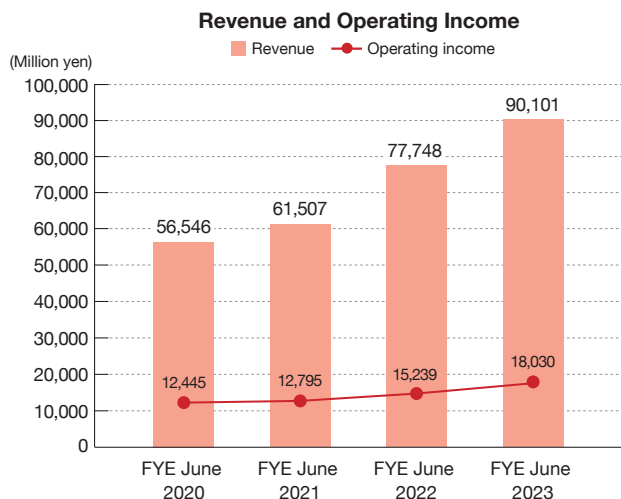
Impact of COVID-19

Financial Summary

Revenue and Operating Income

Revenue of our Group for the fiscal year under review amounted to 90,101 million yen (an increase of 15.9% year on year), thanks to steady market penetration of our products primarily from the Medical Division in the overseas market in addition to positive external environmental factors such as the impact of the number of cases, which decreased owing to the spread of COVID-19 becoming less significant in many regions, and a weaker yen.

Gross profit totaled 58,832 million yen (an increase of 15.2% year on year), owing to the increase in revenue. Operating profit was 18,030 million yen (an increase of 18.3% year on year), despite an increase in selling, general and administrative expenses, such as an increase in sales-related expenses mainly associated with reinforcement of sales promotion, an increase in R&D expenses and strengthening of the management structure.

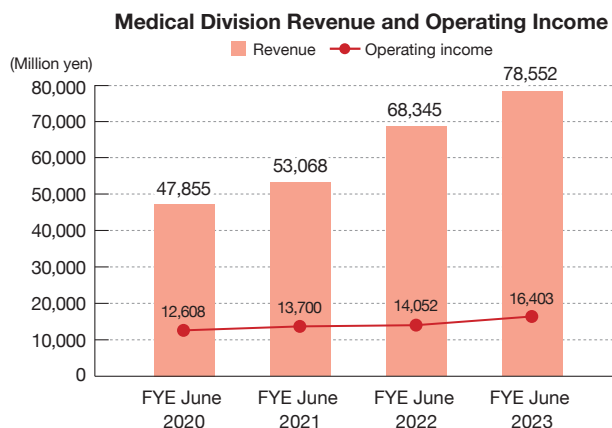


Revenue by Business Division

① Medical Division

In the Medical Division, revenue increased significantly owing to steady market penetration of our products primarily in the overseas market in addition to positive external environmental factors such as the impact of the number of cases, which decreased owing to the spread of COVID-19 becoming less significant in many regions, and a weaker yen. In the overseas market, revenue increased owing to strong results for PCI guide wires, penetration catheters and other existing products, primarily in the cardiovascular field, as well as steady contracting transactions for development by Rev. 1 (U.S.), an acquired consolidated subsidiary, and increased orders for OEM and ODM transactions from overseas medical device manufacturers in the non-cardiovascular field, in addition to a recovery in the number of cases and favorable currency movements.

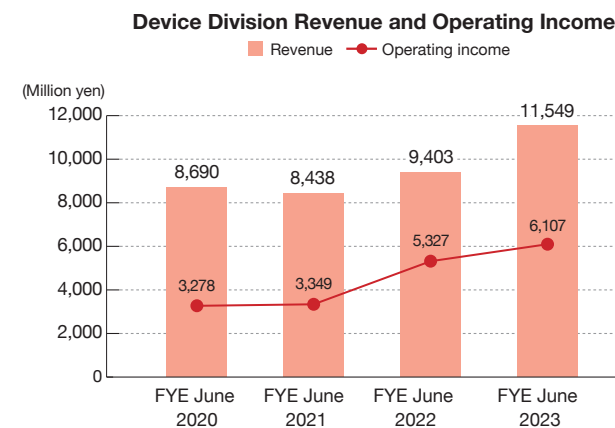
As a result, revenue totaled 78,552 million yen (an increase of 14.9% year on year). Segment profit amounted to 16,403 million yen (an increase of 16.7% year on year).



② Device Division

In the Device Division, revenue increased primarily for medical components in the overseas market, mainly owing to growth of the market needs following a recovery from the impact of COVID-19 and a weaker yen. As for medical components, revenue remained flat in the domestic market. However, in the overseas market, revenue increased mainly owing to increases in transactions of cardiovascular ultrasonic catheter components and cardiovascular inspection catheter components. As for industrial components, revenue remained flat owing to strong results for leisure-related transactions in the overseas market and favorable currency movements, despite a decrease in construction-related transactions in the domestic market.

As a result, revenue totaled 11,549 million yen (an increase of 22.8% year on year). Segment profit amounted to 6,107 million yen (an increase of 14.6% year on year), owing to increases in external revenue and intersegment transactions.



Financial Summary

8-1

Consolidated Balance Sheet

(Million yen)

	Previous Consolidated Fiscal Year (FYE June 2022)	Current Consolidated Fiscal Year (FYE June 2023)
Assets		
Current assets		
Cash and deposit	32,321	34,884
Bills/accounts receivable	13,987	14,678
Electronically recorded monetary claims – operating	1,607	1,728
Securities	—	2,000
Merchandise and finished goods	7,294	10,077
Work in process	12,493	13,473
Raw materials and supplies	7,168	7,807
Others	4,933	5,842
Allowance for doubtful accounts	-196	-231
Total current assets	79,609	90,261
Fixed Assets		
Tangible fixed assets		
Buildings and structures	31,800	33,678
Accumulated depreciation	-10,101	-12,054
Buildings and structures, net	21,698	21,623
Machinery, equipment and vehicles	27,324	31,830
Accumulated depreciation	-18,060	-21,330
Machinery, equipment, and vehicles, net	9,263	10,500
Land	6,381	6,678
Construction in progress	3,905	8,472
Others	10,062	13,168
Accumulated depreciation	-5,749	-6,761
Others, net	4,313	6,407
Total tangible fixed assets	45,561	53,683
Intangible assets		
Goodwill	8,200	7,737
Others	11,157	10,632
Total intangible assets	19,358	18,369
Investments and other assets		
Investment securities	7,052	6,177
Shares of subsidiaries and associates	205	220
Deferred tax assets	611	929
Others	2,815	3,096
Allowance for doubtful accounts	-86	-93
Total investments and other assets	10,598	10,329
Total fixed assets	75,517	82,383
Total assets	155,127	172,644

(Million yen)

	Previous Consolidated Fiscal Year (FYE June 2022)	Current Consolidated Fiscal Year (FYE June 2023)
Liabilities		
Current liabilities		
Bills payable/accounts payable	3,180	2,856
Electronically recorded obligations – operating	700	883
Short-term debt	5,815	10,361
Account payable – other	1,726	2,043
Accrued corporate tax, etc.	2,927	2,309
Provision for bonuses	1,371	1,784
Others	5,039	6,076
Total current liabilities	20,761	26,316
Fixed liabilities		
Long-term debt	6,364	3,892
Deferred tax liabilities	3,703	3,921
Provision for retirement benefits for Directors (and other officers)	20	19
Retirement benefit liability	2,033	2,496
Asset retirement obligations	—	15
Others	1,112	1,683
Total fixed liabilities	13,234	12,028
Total liabilities	33,996	38,344
Net assets		
Shareholders' equity		
Capital stock	18,860	18,860
Capital surplus	21,727	21,727
Retained earnings	69,018	78,867
Treasury stock	-7	-7
Total shareholders' equity	109,599	119,448
Accumulated other comprehensive income		
Valuation difference on available for-sale securities	1,872	2,033
Foreign currency translation adjustment	7,898	10,867
Re-measurements of defined benefit plans	89	-36
Total accumulated other comprehensive income	9,860	12,864
Noncontrolling interests	1,670	1,987
Total net assets	121,130	134,300
Total liabilities and net assets	155,127	172,644

Consolidated Statements of Income

(Million yen)

	Previous Consolidated Fiscal Year (FYE June 2022)	Current Consolidated Fiscal Year (FYE June 2023)
Revenue	77,748	90,101
Cost of sales	26,666	31,268
Gross profit	51,082	58,832
Selling, general, and administrative expenses	35,843	40,802
Operating income	15,239	18,030
Non-operating income		
Interest income	24	50
Dividend income	71	73
Foreign exchange gains	983	—
Others	381	184
Total non-operating income	1,460	308
Non-operating expense		
Interest expenses	141	308
Foreign exchange loss	—	298
Provision of allowance for doubtful accounts	105	12
Share issuance cost	82	—
Others	43	84
Total non-operating expense	373	703
Ordinary income	16,326	17,635
Extraordinary gain		
Gain on step acquisitions	615	—
Disaster insurance income	—	305
Total extraordinary gain	615	305
Extraordinary loss		
Loss on valuation of investment securities	445	196
Loss on disaster	609	—
Others	156	1
Total extraordinary loss	1,211	197
Profit before income taxes and others	15,730	17,743
Income taxes – current	4,688	4,715
Income taxes – deferred	49	-248
Total income taxes	4,738	4,467
Net income	10,992	13,276
Profit attributable to noncontrolling interests	134	170
Profit attributable to parent company shareholders	10,857	13,106

Financial Summary

8-1

Consolidated Statement of Comprehensive Income

(Million yen)

	Previous Consolidated Fiscal Year (FYE June 2022)	Current Consolidated Fiscal Year (FYE June 2023)
Net income	10,992	13,276
Other comprehensive income		
Valuation difference on available for-sale securities	104	161
Foreign currency translation adjustment	6,030	2,968
Re-measurements of defined benefit plans	169	-126
Total other comprehensive income	6,304	3,003
Comprehensive income	17,297	16,280
(Breakdown)		
Comprehensive income attributable to parent company shareholders	17,162	16,015
Profit attributable to non-controlling interests	134	264

Consolidated Statements of Changes in Shareholders' Equity (Previous Consolidated Fiscal Year)

(Million yen)

	Shareholders' equity					Accumulated other comprehensive income				Stock acquisition rights	Noncontrol ling interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total sharehold- ers' equity	Valuation difference on available for-sale securities	Foreign currency translation adjustment	Re-measure- ments of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of current period	12,647	15,517	61,155	-7	89,312	1,767	1,868	-79	3,556	44	25	92,938
Changes during the period												
Issuance of new shares	6,213	6,213			12,427							12,427
Dividends of surplus			-2,994		-2,994							-2,994
Profit attributable to parent company shareholders			10,857		10,857							10,857
Acquisition of treasury stock												
Purchase of shares of consolidated subsidiaries		-3			-3							-3
Net changes in items other than shareholders' equity						104	6,030	169	6,304	-44	1,645	7,905
Total changes during the period	6,213	6,210	7,863	-	20,286	104	6,030	169	6,304	-44	1,645	28,192
Balance at the beginning of the period	18,860	21,727	69,018	-7	109,599	1,872	7,898	89	9,860	-	1,670	121,130

Consolidated Statements of Changes in Shareholders' Equity (Current Consolidated Fiscal Year)

(Million yen)

	Shareholders' equity					Accumulated other comprehensive income				Stock acquisition rights	Noncontrol ling interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total sharehold- ers' equity	Valuation difference on available for-sale securities	Foreign currency translation adjustment	Re-measure- ments of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of current period	18,860	21,727	69,018	-7	109,599	1,872	7,898	89	9,860	-	1,670	121,130
Changes during the period												
Issuance of new shares												
Dividends of surplus			-3,256		-3,256							-3,256
Profit attributable to parent company shareholders			13,106		13,106							13,106
Acquisition of treasury stock				-0	-0							-0
Purchase of shares of consolidated subsidiaries												
Net changes in items other than shareholders' equity						161	2,968	-126	3,003	-	316	3,320
Total changes during the period	-	-	9,849	-0	9,849	161	2,968	-126	3,003	-	316	13,169
Balance at the beginning of the period	18,860	21,727	78,867	-7	119,448	2,033	10,867	-36	12,864	-	1,987	134,300

Consolidated Statements of Cash flows

(Million yen)

	Previous Consolidated Fiscal Year (FYE June 2022)	Current Consolidated Fiscal Year (FYE June 2023)
Cash flows from operating activities		
Profit before income taxes and others	15,730	17,743
Depreciation	6,439	7,513
Increase (decrease) in allowance for doubtful accounts	160	33
Increase (decrease) in provision for bonuses	136	383
Increase (decrease) in retirement benefit liability	187	145
Interest income and dividend income	-96	-124
Interest expenses	141	308
Amortization of goodwill	1,034	1,198
Loss (gain) on valuation of investment securities	445	196
Disaster insurance income received	-	-305
Increase (decrease) in trade and other receivables	-1,624	-340
Increase (decrease) in inventories	-3,260	-2,793
Increase (decrease) in trade and other payables	1,189	-256
Increase (decrease) in accounts payable	-223	291
Increase (decrease) in advances received	1,868	741
Increase (decrease) in accrued income	471	254
Others	-1,794	-1,088
Subtotal	20,805	23,902
Interest and dividends received	95	95
Interest paid	-162	-261
Insurance income received	-	305
Income taxes paid	-3,436	-4,903
Cash flows from operating activities	17,302	19,138
Cash flows from investing activities		
Purchase of investment securities	-2,656	-1,123
Purchase of tangible fixed assets	-7,981	-12,291
Purchase of intangible assets	-579	-422
Purchase of investments in subsidiaries resulting in change in scope of consolidation	-6,934	-
Others	-551	-1,298
Cash flows from investing activities	-18,703	-15,135
Cash flows from financing activities		
Net increase (decrease) in short-term debt	-1,550	5,165
Proceeds from long-term loans payable	5,262	-
Repayment of long-term loans payable	-1,603	-3,927
Dividends paid	-2,994	-3,256
Proceeds from issuance of shares resulting from exercise of share acquisition rights	12,383	-
Repayments of lease obligations	-125	-322
Others	-4	0
Cash flows from financing activities	11,368	-2,342
Effect of exchange rate change on cash and cash equivalents	995	902
Increase (decrease) in cash and cash equivalents	10,962	2,563
Cash and cash equivalents at beginning of period	21,358	32,321
Cash and cash equivalents at end of period	32,321	34,884