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Long-Term Management Vision and  
Medium-Term Management Plan

## Long-Term Management Vision and Medium-Term Management Plan

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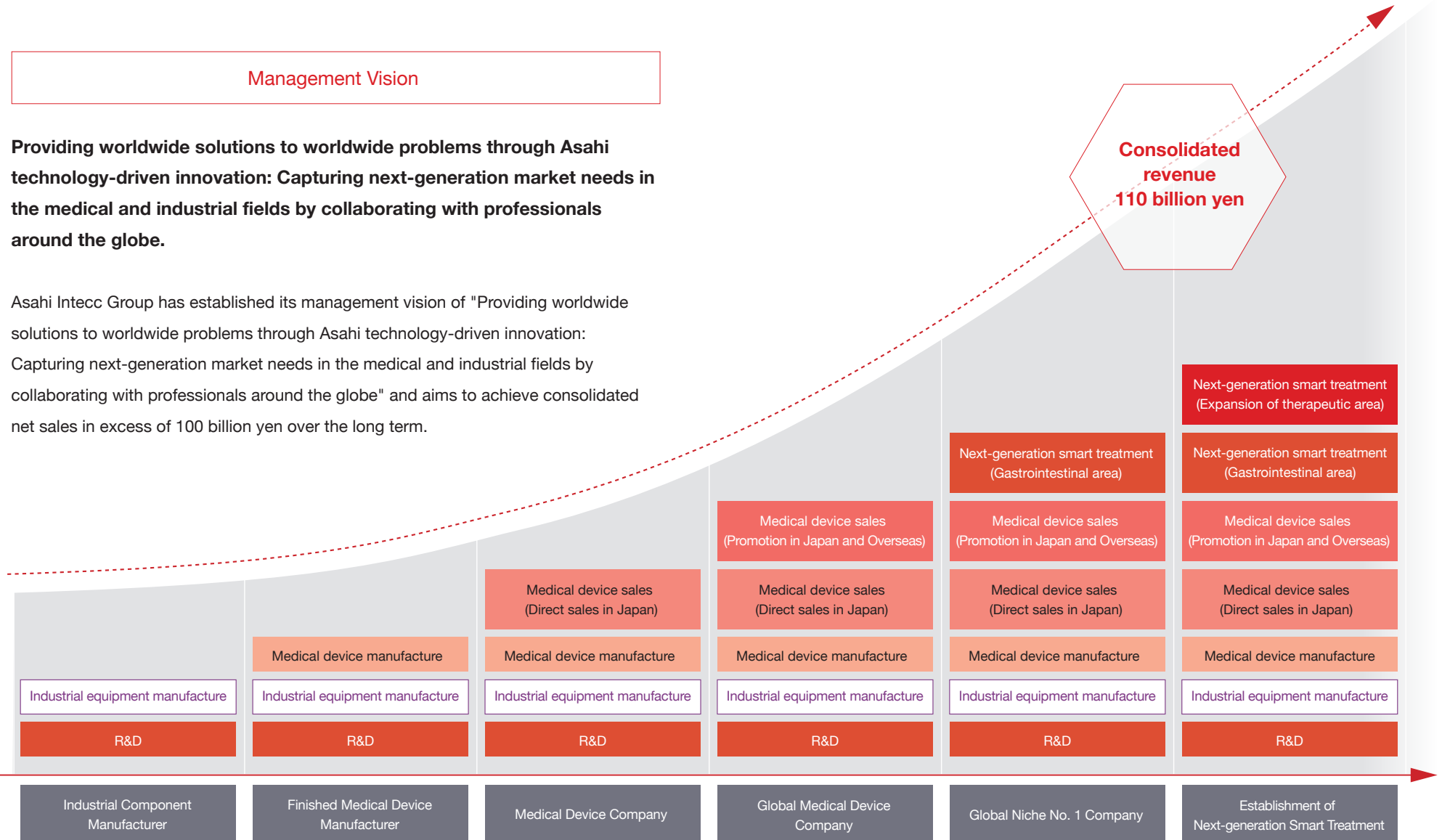
# Long-term Management Vision

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## Management Vision

**Providing worldwide solutions to worldwide problems through Asahi technology-driven innovation: Capturing next-generation market needs in the medical and industrial fields by collaborating with professionals around the globe.**

Asahi Intecc Group has established its management vision of "Providing worldwide solutions to worldwide problems through Asahi technology-driven innovation: Capturing next-generation market needs in the medical and industrial fields by collaborating with professionals around the globe" and aims to achieve consolidated net sales in excess of 100 billion yen over the long term.



## Medium-Term Management Plan "ASAHI Going Beyond 1000"

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Looking ahead 10 years into the future, we have clarified our vision for future growth in the medium to long term.

We, Asahi Intecc Group, are promoting "Develop Global Market Strategically and Expand Affected/Treatment Area" to build a business portfolio for further growth with consolidated revenue exceeding 100 billion yen based on our Medium-Term Management Plan "ASAHI Going Beyond 1000 " for the five years to the FYE June 2026. By consolidating our basic strategy to date, strengthening

the earnings base of our existing businesses, and continuing to invest in future growth, we have realized our aim to "Create New Business in a Global Niche Market." In this way, we aim to strengthen our company's presence in global niche markets and further enhance our corporate value. As a business foundation to support our growth strategy, we have worked to "Develop R&D and

Production System Optimized for Global Expansion" and "Establish Management Foundation for Sustainable Growth." Going forward, we aim to expand our corporate value by steadily advancing our growth strategy based on the Medium-Term Management Plan.

### ASAHI Going Beyond 1000

Building a business portfolio for further growth with consolidated revenue exceeding 100 billion yen



## Medium-Term Management Plan "ASAHI Going Beyond 1000"

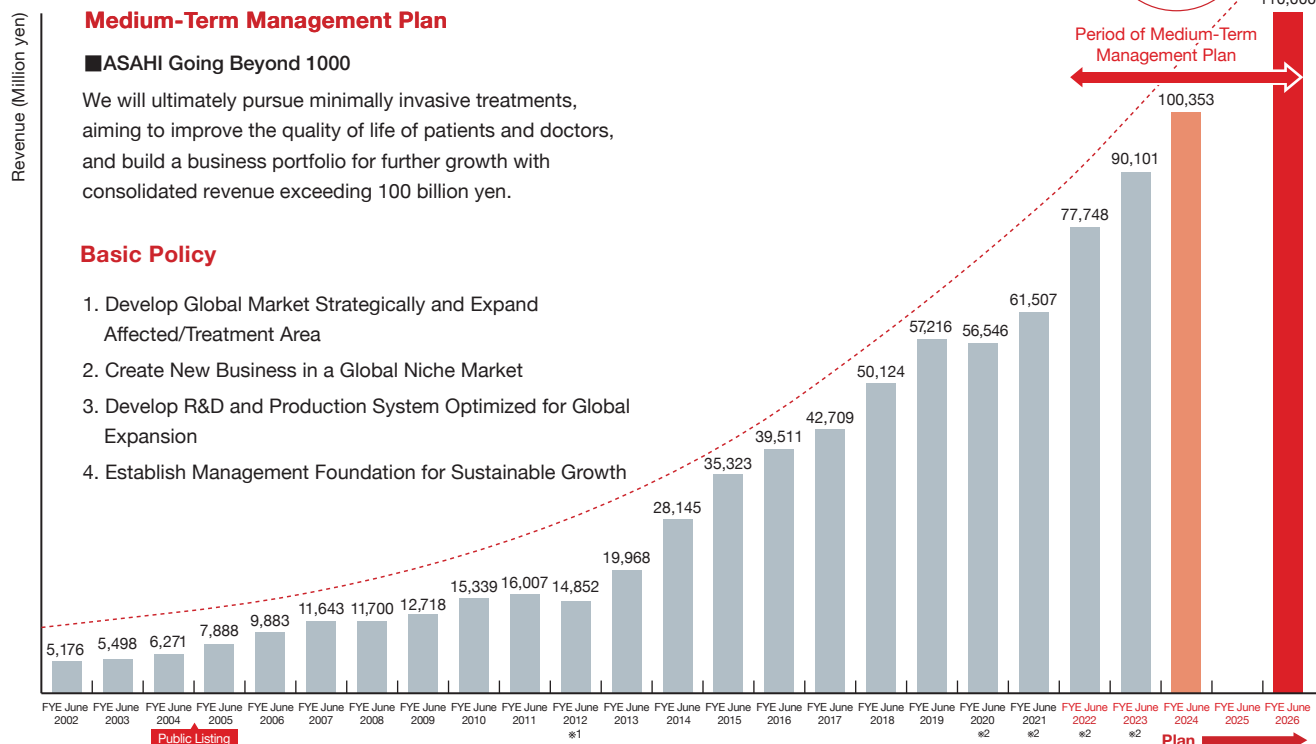
### We aim to expand our corporate value by steadily advancing our growth strategy through ambidextrous management.

Our Group has set a revenue target of 110 billion yen for the FYE June 2026 in its Medium-Term Management Plan "ASAHI Going Beyond 1000." During the period of the Medium-Term Management Plan, it is the non-cardiovascular segment of the existing business that will drive sales growth.

The non-cardiovascular segment comprises peripheral blood vessels, neurovascular, abdominal blood vessels, and gastrointestinal areas, as well as ODM and OEM businesses. It is a growing market on a global scale, as well as a market in which our Group has much room to expand its market share through the development of new products. By aggressively developing new products and strengthening global sales activities, we will work to achieve the targets set in the Medium-Term Management Plan.

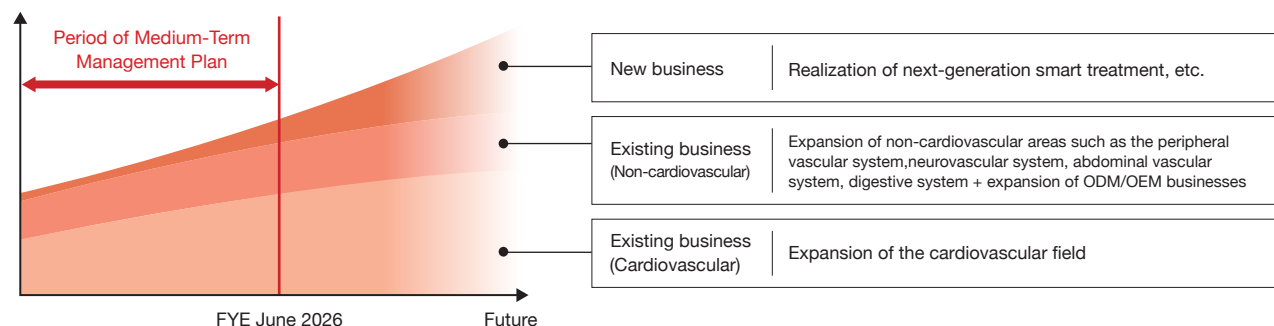
We place importance on new businesses as a business area that will drive continued growth after the period of the Medium-Term Management Plan, and we are working on a variety of businesses, including the robotics field, to sow seeds for this purpose.

Asahi Intecc Group will continue to focus on ambidextrous management of strengthening profitability of existing businesses and creating new businesses to be a company that can continue to grow 10 to 20 years from now.



\*1 In the FYE June 2012, net sales and profits temporarily declined because our consolidated subsidiary ASAHI INTECC THAILAND CO., LTD., which is our Group's main plant, temporarily suspended operations and was forced to reduce production owing to the Thai floods.

\*2 Owing to the COVID-19 pandemic, the number of cases has decreased from the usual level.



## Medium-Term Management Plan "ASAHI Going Beyond 1000"

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## Basic Policy

1

Develop Global Market Strategically and  
Expand Affected/Treatment Area

## Develop Global Market Strategically

Asahi Intecc Group currently sells products to 118 countries and regions around the world. The number of cases of intravascular diseases for which our Group products are used is expected to continue to grow on a global scale, particularly in emerging countries. Amid this backdrop, we will strengthen our earnings base on a global scale by further enhancing our sales and marketing functions in each region.

## Japan

**Strengthen profit structure through direct sales system**  
**Actively launch new products despite the impact of falling medical device reimbursement prices**

In Japan, we sell our own brand products directly to hospitals, etc., and we are working to gain market share. We are also actively promoting the introduction of new products in the non-cardiovascular field, utilizing our direct sales system to sell other companies' products and strengthening our own brand products in the digestive field.

In addition, we have started sales of products in the robotics field to create new businesses and will strive to expand our revenues and business areas.

## U.S.

**Reinforce sales by leveraging the direct sales system**  
**Enhance products in the peripheral vascular field to increase profits**

In the U.S., we sell our own-brand products directly to hospitals.

Positioning peripheral vascular systems and cerebrovascular systems in the non-cardiovascular field as priority markets, we will actively launch new products and further enhance our marketing and sales functions to enable us to grasp market trends more quickly in close contact with physicians who are end customers in order to further promote sales and expand our market share. We will actively expand our ODM and OEM business and strive to further increase earnings, besides our own-brand products.

## EU

**Gain high market share through community-based agencies**  
**Aim to increase revenues by gradually shifting to direct marketing**

In the European market, we have gained a high market share mainly in the cardiovascular area through direct sales and through several agencies who are closely involved in the field. In some regions of the European market, we are gradually shifting to direct marketing -- in France in July 2019, in Germany in January 2021, and in Italy in July 2021. Through these activities, we will continue to expand our market share and earnings.

## China

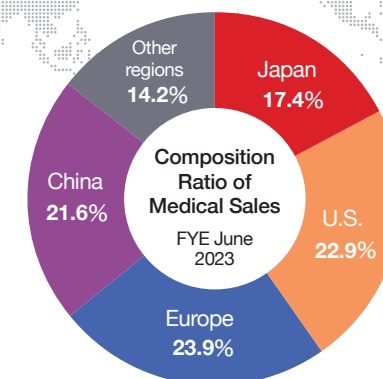
**The spread of PCI treatment has led to a surge in cases, particularly in inland areas**  
**Seek to expand share in the booming Chinese market**

In China, we sell products through local agencies. The number of cases in both cardiovascular and non-cardiovascular areas is increasing steadily, mainly in the inland areas, and the China market is expected to experience particularly high growth and development in the global market. Despite the ongoing changes in the business environment, including the introduction of a bidding system, we will continue to strive to further expand earnings in light of market conditions by introducing new products, enhancing marketing and sales activities, and strengthening the backup system closely linked to local agencies.

## Other Regions

**Continue to strengthen sales structure, focusing on emerging markets with growth potential**

In Asia, the Middle East, Oceania, South America, and other regions, we are strengthening our sales structure with community-based local agencies, mainly in emerging countries with growth potential. In some regions, we have moved to direct marketing. By continuing these strategies, we aim to further increase earnings in both the cardiovascular and non-cardiovascular sectors.





## Medium-Term Management Plan "ASAHI Going Beyond 1000"

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## Basic Policy

1

Develop Global Market Strategically and  
Expand Affected/Treatment Area

## Expand Affected/Treatment Area

## "Number One" Product Strategy

In the field of our mainstay PCI guide wires in the cardiovascular field, we will focus on the development of products for CTO that are difficult to treat, but in which our technology has strengths. In addition, we will strive to expand the lineup of products for the treatment of common lesions, thereby solidifying our overall "Number One" position.

In addition, we will further strengthen and expand our product lineup in the catheter field in order to establish a second and third mainstay product after PCI guide wires. In addition, we will continue to promote measures to strengthen product development not only in the cardiovascular fields but also in non-cardiovascular fields such as the peripheral vascular system, cerebrovascular system, abdominal vascular system and digestive system. In the non-cardiovascular fields, we will expand new products by laterally applying the technologies cultivated in the cardiovascular fields. At the same time, we will strengthen our sales structure, especially overseas, to gain market share on a global scale.

## "Only One" Product Strategy

Currently, PCI treatment for CTOs, which are considered difficult to treat, is not absolutely perfect even in Japan, which is an advanced country in PCI treatment, and bypass surgery is still used in some cases mainly in overseas markets. Amid this backdrop, Asahi Intecc Group has developed and

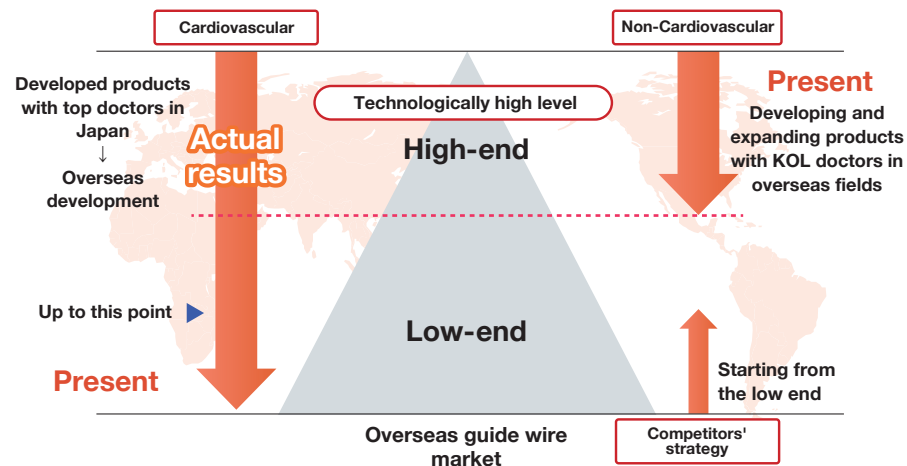
marketed products necessary for minimally invasive treatments such as PCI guide wires and penetration catheters, which have a high product advantage unmatched by other companies and are capable of CTO treatment, and have contributed to expanding the selection rate of PCI treatment in the CTO field. As an R&D-oriented company, we will continue to develop

products that retain new functions using advanced technologies, such as plasma guide wire (cardiovascular system and peripheral vascular system) and stroke smart guide wire (cerebrovascular system), and contribute to the spread and development of minimally invasive treatments.

## Guide Wire Strategy

Why non-cardiovascular products, unlike cardiovascular products, can increase market share

- **Cardiovascular segment:** The high-end market has been occupied by top players, and there is room to gain share only in the low-end market.
- **Non-cardiovascular segment:** We are going to enter the high-end market ⇒ Our products will penetrate the market smoothly.



## Medium-Term Management Plan "ASAHI Going Beyond 1000"

3-2

### Basic Policy

# 2

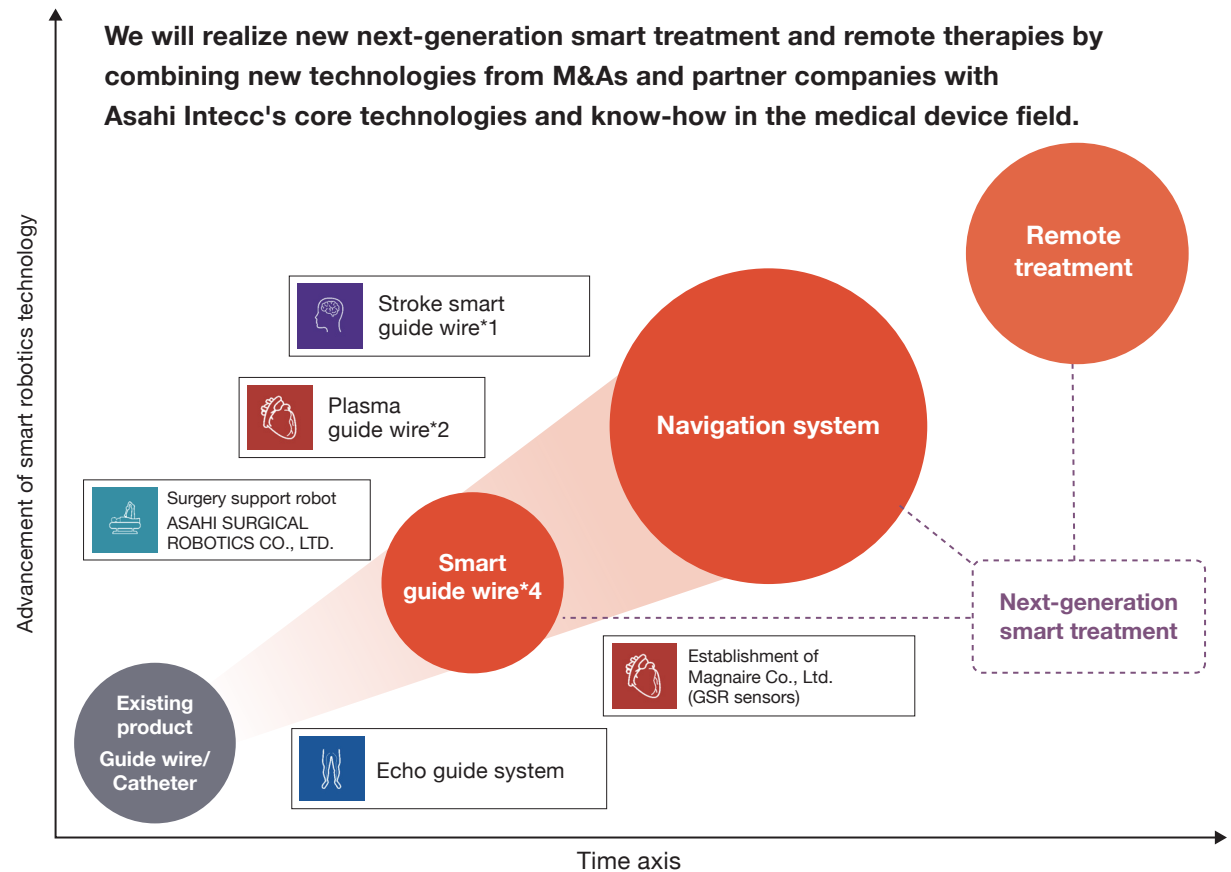
## Create New Business in Global Niche Market



As an R&D-oriented company, Asahi Intecc Group has advanced and highly unique material processing technologies based on four core technologies. In addition to these technologies, we have established an integrated production system from raw materials to products, which enables us to develop and manufacture products with unique materials and functions. This is a strength unique to our Group, which engages in both the industrial equipment field and the medical device field, and is a major factor in differentiating the Group from competitors in the medical device field in terms of cost and technology.

In order to win global competition and continue to grow and prosper as a company with consolidated revenue exceeding 100 billion yen, we recognize the necessity to set the measures that will be the foundation of our business from now, and have begun to advance into new fields such as the gastrointestinal, neurovascular and robotics fields by strengthening our Group's advanced technological capabilities.

In addition, when we require the fusion of our technologies with new ones, we are more active in promoting strategic alliances with leading partners, including the introduction of new technologies from outside, by making full use of technological alliances, M&As, and minority investment. By creating new businesses in global niche markets, we will strive to strengthen our business portfolio and aim to become a company with sustainable global growth.



\*1 Refers to an innovative guide wire that makes it possible to identify the nature and composition of the thrombus resulting from a cerebral infarction by adding the sensor technology of Sensome SAS, French company to our guide wire.

\*2 Refers to an innovative guide wire that enables to passage hard thrombosed lesions by generating plasma energy from the tip of guide wire, and also enables even inexperienced surgeons to perform CTO\*3 treatment, which used to require a high level of skill on the part of the surgeons.

\*3 CTO (chronic total occlusion) is a condition in which the blood vessels are completely blocked and left for a long time. Among catheter treatment cases, it has been considered very difficult to treat.

\*4 This is a generic term for innovative guidewires that add functional value to our guide wires by adding new technologies such as the Smart Stroke Guidewire and Plasma Guidewire mentioned above.

## Medium-Term Management Plan "ASAHI Going Beyond 1000"

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## Basic Policy

3

Develop R&D and Production System  
Optimized for Global Expansion

Currently, Asahi Intecc Group specializes in R&D and prototyping in Japan, and in principle transfers mass production to overseas consolidated subsidiaries.

For the R&D activities in Japan, we have constructed a new building on the premises of the Group's main R&D base in Seto Factory, and in 2018 we developed an R&D environment identical to a clinical setting. In February 2022, we opened our Tokyo R&D Center for further strengthening R&D functions, and we are scheduled to build a new building at the Global Headquarters and R&D Center (Seto City, Aichi Prefecture) in June 2024.

As for the globalization of the R&D, at Asahi Intecc USA, Inc., our consolidated subsidiary, which is a direct sales base in the U.S., we have built an R&D structure that is able

to reflect the needs and feedback of doctors, our core customers, directly in our products, even at the prototype level. We are expanding the R&D bases at another consolidated subsidiary, ASAHI INTECC THAILAND CO., LTD. (Thailand factory), which enables us to promote more proactive improvement of existing products, including the examination of product specifications. Furthermore, at ASAHI INTECC HANOI CO., LTD. (our Hanoi factory), we will continue to improve our research and development functions with a focus on factory development. For production, we have established the integrated production system from materials to finished product, which is one of the Group's strengths, in overseas factories (ASAHI INTECC THAILAND CO., LTD. [Thailand factory],

ASAHI INTECC HANOI CO., LTD. [Hanoi factory], and TOYOFLEX CEBU CORPORATION [Cebu factory]). In this context, from the perspectives of risk management and BCP\*, we are optimizing production bases across the entire Group by enabling all three factories to manufacture the same products so that in the event of one or more factories ceasing operation due to local factors or otherwise, another factory can cover the majority of the lost production. Going forward, we intend to support our Group's growth strategy by building and expanding R&D bases and production systems that are ideal for global expansion.

\*BCP (Business Continuity Planning): A plan of a company to set out appropriate activities and methods and means for business continuity in emergencies such as a natural disaster, a large fire, or a terrorist attack, to minimize the damage to business assets and enable continuation or early restoration of the core business

## Expansion and decentralization of production capacity across the Group



- Center for R&D
- Maintain an emergency production backup system
- Construct a new building at the Global Headquarters and R&D Center to expand development functions

Based on country risk, the same products can be produced at these three factories.



## ASAHI INTECC THAILAND CO.,LTD.

- Decentralize production to Hanoi/Cebu Factory
- Support the launch of Hanoi/Cebu Factory



## ASAHI INTECC HANOI CO.,LTD.

- Accept decentralized production from Thailand Factory
- Start-up a new plant to expand production
- Transfer production to Cebu Plant



## TOYOFLEX CEBU CORPORATION

- Acquired as BCP (Business Continuity Plan)
- Establish production systems not only in the industrial equipment field but also in the medical device field
- Currently launching mass production of finished medical devices

Directly deliver  
products  
to customers  
worldwide

- Expand overseas sales warehouses
- Optimize supply chain movement and build a timely supply system



## Medium-Term Management Plan "ASAHI Going Beyond 1000"

3-2

### Basic Policy

# 4

## Establish Management Foundation for Sustainable Growth



The demand for minimally invasive treatments that are less burdensome, both physically and economically, is increasing on a global scale owing to population aging around the world, especially in developed countries, and economic growth in emerging countries, and mainly in emerging economies the number of catheterization cases is increasing. Under such circumstances, Asahi Intecc Group aims to solve issues on the site by developing, manufacturing, and selling innovative medical devices using our unique technologies and to improve the quality of life (QOL) of patients all over the world.

Amid increasing risk events such as large-scale natural disasters and pandemics, our Group is working to strengthen its risk management, including its Business Continuity Plan (BCP) as a global medical device company that supplies products to medical facilities around the world. We will respond to environmental and human rights regulations around the world by looking at the entire supply chain. Considering the impact that these changes may have on Asahi Intecc Group's business environment, we have examined key issues regarding sustainability. By addressing these key issues in terms of both growth strategy and the strengthening of the management base, we aim to realize sustainability of society and our Group.

As the importance of sustainability increases worldwide, the megatrends that may affect our business are constantly changing, and we will review the key issues accordingly.

