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Sustainability Bolstering Non-financial Capital

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On-site problem-solving through innovation

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- Social Issues to be Solved and Measures
- Strengthening Social Capital
- Strengthening Intellectual Capital
- Strengthening Manufacturing Capital
- Promotion of Digital Transformation (DX)

Strengthening global human resources

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- Human Resource Management
- Creating Fulfilling Workplace



ASAHI INTECC USA, INC.

On-site problem-solving through innovation

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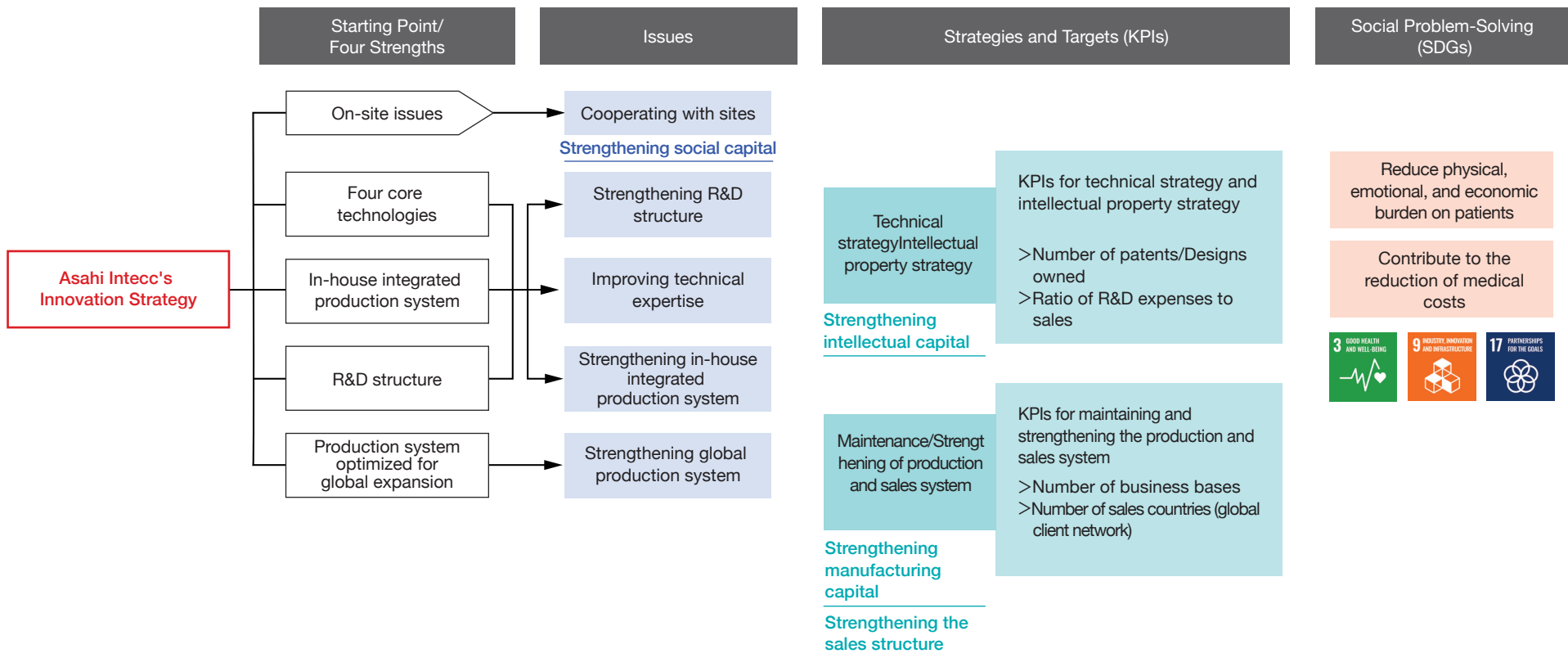
We are working to further create innovation by bolstering non-financial capital.

Basic Thinking

Our Group's innovation comes from our four strengths: advanced and highly unique material processing technology based on four core technologies, in-house integrated production system, R&D structure, and

production system optimized for global distribution. Supporting these four strengths is our management foundation made up of non-financial capital, including excellent human resources (human capital) who inherit the

DNA of the company, as well as manufacturing capital, intellectual capital, and social capital. By bolstering this non-financial capital, our Group will work strategically to solve on-site issues for achieving greater innovation.



Social Issues to be Solved and Measures

1 Social Issues Asahi Intecc Wants to Address

The starting point of business activities of our Group is solving on-site issues. We aim to supply the world with one-and-only technologies and number-one products in the fields of medical devices and industrial components so that, based on safety and reliability, we solve on-site issues, realize dreams, and contribute to society as a whole.

Social Problem-Solving (SDGs)

Reduce physical, emotional, and economic burden on patients
Help reduce medical costs



2 Specific Measures

Developing Products That Reduce the Physical, Emotional, and Economic Burden on Patients (Medical Division)

Developing Products to Meet Customers' Needs (Device Division)

Our Group has developed and marketed products 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 treatments in the CTO field. By focusing on medical challenges and supplying products that meet doctors' needs, we are also reducing the physical, emotional, and economic burden on patients by contribution to improvements in treatment success rates and to reductions in treatment durations by increasing choices at medical facilities. In addition, we share the on-site issues of our customers, including medical device manufacturers and industrial equipment manufacturers, and go back to the material level through repeated trial and error to develop and supply component products with high-value added functions. By doing so, we strive to satisfy customer needs.

New Products and Technologies

Recently, we have established and promoted the new products and technologies described below.

In FYE June 2023, our company launched the new CROSSLEAD series in order to strengthen the guide wire for peripheral vascular treatment in the guide wire business that is our strong point, and developed the CROSSLEAD 35 as the first in the line-up thereof. CROSSLEAD 35 is a new product with a large diameter (0.89 mm/0.035"), which greatly improves the ability to rotate in steep meandering areas, which was difficult in the past with a large diameter, and also improves the support required to guide the catheter and the penetration of the narrowed area. Because of its product superiority, it has

the potential to reduce treatment time and medical costs. The number of new medical device products launched in FYE June 2023 was two. We continue to create new medical items every term.

In recent years, in addition to developing conventional devices for treatment and testing, we have also developed software to support catheter treatment. Besides the treatment using plasma guide wire, which is currently undergoing clinical trials, we are also developing the product with a view to using it alone.

We also undertook multiple innovation initiatives, including applying an overseas startup's sensors to our guide wires in a joint R&D project contributing to the evolution of cerebrovascular therapy. As an R&D-oriented company, we will continue to deepen and expand our company's core technologies and create new value by integrating our company technologies with a variety of new technologies in order to meet diversifying social and customer needs.

CROSSLEAD

Guide wire for peripheral
vascular treatment



Social Issues to be Solved and Measures

③ Entry into New Businesses

■ Efforts to realize next-generation smart treatments

With the aim of improving the quality of life of patients around the world, our Group is promoting initiatives to realize next-generation smart treatments. As a phased approach, we are expanding into the field of robotics and developing navigation systems.

Efforts in Robotics

In the field of robotics, ASAHI SURGICAL ROBOTICS CO., LTD., one of our consolidated subsidiaries, has developed the laparoscopic surgery support robot, the ANSUR Surgical Unit (ANSUR). ANSUR is a surgery support robot with a unique concept that is different from existing robots in that it ensures visual field expansion and serves as an assistant to pull organs, according to the operator's intention. It is expected that the assistant robot will reduce the number of assistants involved in surgery and accordingly that the work-life balance of doctors will be improved.

We have also developed the WATSON EVUS Guide System (WATSON) in collaboration with FUJII CORPORATION. By holding the ultrasound probe, WATSON is able to produce a stable ultrasound image without shaking even when the position is fixed for a long time, and it is possible to support an environment in which EVUS procedures* can be performed without limitations on human resources or skills.

Efforts to Develop Navigation Systems

Our Group has established Magnaire Co., Ltd. in partnership with MagneDesign Corporation, which owns GSR sensor technology, to plan, develop, and manufacture new catheters and guide wires using GSR sensors. The GSR sensor is a magnetic sensor that enables unprecedented ultra-miniaturization and ultra-high sensitivity. We think that the use of the GSR sensor enables high-precision catheter navigation systems and other technologies that are essential for the development of advanced medical care in the future.



WATSON EVUS guide system

*EVUS procedure is a method of treating lower extremity blood vessels using ultrasound imaging, which can reduce the burden of radiation exposure on patients and healthcare professionals.

■ Efforts for preventive medicine

In May 2022, our Group established walkey Inc., a joint venture company with Quantum Inc., for the purpose of providing walking training services in the field of gait. Our Group will contribute to improving the quality of life of all people, not just patients with current diseases, by expanding its business into the field of preventive medicine as well as conventional treatment.



I On-site problem-solving through innovation

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Strengthening social capital

Cooperating with sites

Medical Division

In recent years, we have developed products matching the needs of medical practice by strengthening our joint R&D system with highly experienced top doctors in each medical field. We sign contracts with top doctors and medical institutions in cardiology, peripheral blood vessels, neurovascular, and gastrointestinal fields, and together develop products based on the needs we hear of in clinical settings.

We also do this overseas, establishing a development division in the United States and building a system for reflecting local doctors' needs in prototypes, as well as incorporating the needs of doctors at home and abroad in product development. In addition, we have established a near-clinical environment with a simulation room that recreates an actual operating room in our Global Headquarters and R&D Center. In the simulation room, we have top Japanese and foreign doctors try out our Group's technologies and products on proprietary human models so we can immediately apply their desires and feedback to our product development.

Device Division

Our Group's origins lie in the manufacture and processing of ultra-fine stainless steel wire ropes. Currently, in addition to manufacturing and processing ultra-fine stainless steel wire ropes, we are highly regarded in the manufacture and processing of resin products, and products in the device business are widely used as components in the medical equipment and industrial equipment fields.

We meet our customers' diverse needs by developing components to their unique specifications in response to their requests.



I On-site problem-solving through innovation

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Strengthening social capital

Cooperating with sites

Our Group has signed contracts with top doctors and medical institutions in each field, and together develop products based on the needs we hear of in clinical settings. In addition, by exchanging opinions with local doctors at conferences held around the world, we incorporate the needs of clinical practice into our product development.

We will open new doors for minimally invasive treatments in response to the voices of doctors around the world.

Cardiovascular Field



William L. Lombardi, M.D.

Clinical Professor, Medicine, Division of Cardiology, Director, Complex Coronary Artery Disease Therapies, University of Washington Medical Center



I think with the move of ASAHI to ownership of their guide wires and their micro-catheter, we are going to see much more knowledgeable sales people who are more vested in the success of that technology. And I think that we, hopefully, will see increasingly vigorous investment in research and physician education via the activities of a small nimble sales force.



Prof. Junbo Ge

Academician of Chinese Academy of Sciences, Director of Department of Cardiology, Zongshan Hospital, Fudan University



I guess, maybe in the next few years, PCI in the whole of China should be over three million. Therefore, I think we have a lot of things to do. We have to train our colleagues, especially our young colleagues, to encourage them to get involved to promote PCI. And the more local hospitals, especially in rural districts, also now get involved in handling acute myocardial infarctions, especially for primary PCI treatments.

Neurovascular Field



Demetrius K. Lopes, M.D.

Surgical Director, Director of Cerebrovascular Surgery and the Comprehensive Stroke Program, Advocate Health Care



Asahi Intecc is something that was for me very much a synonym of great technology and great products. I have always felt that the quality associated with Asahi is of a very high standard. This became very true when I started using a lot of the Asahi products. You start feeling the reliability and the consistency of the products.



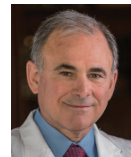
Prof. Dr. René Chapot

Head of Department of Neuroradiology and Radiology, Alfried Krupp Hospital



As the volume of procedures is increasing a lot, we need many more specialized products. We need a range of guiding catheters, such as balloon guiding catheters, small wires and wires that facilitate the navigation of the aspiration catheter. There are so many things to do, and I'm sure that soon we will have a new family of products coming out of Asahi.

Peripheral Vascular Field



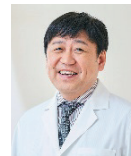
Craig Walker, M.D.

Founder and President, Cardiovascular Institute of the South, Founder and Chairman, New Cardiovascular Horizons (NCVH)



Asahi is the world leader in creating guidewires and support catheters that facilitate crossing of obstructive arterial and venous lesions and delivery of interventional devices. Innovation in design has improved my ability to more effectively treat patients.

Gastrointestinal Field



Masaaki Ito, MD, PhD.

Deputy Director, National Cancer Center Hospital East, Head of the Department of Colorectal Surgery and the Department of Medical Device Development and Promotion



ANSUR was developed from the voices of the medical fields. As work-style reform efforts progress, I believe that it will meet needs not only of small and medium-sized hospitals with limited manpower but also of large hospitals with a large number of cases. I believe that our mission from now on is to start clinical use and promote it to physicians with needs in Japan and overseas.

We have listened to feedback from doctors at academic conferences held all over the world.



CCT (Japan)



SCAI (USA)



EURO CTO (Europe)



CIT (China)



IENT (USA)



JSES (Japan)



Kei Ito, MD, PhD.

Director of Center of Gastroenterology, Sendai City Medical Center Sendai Open Hospital



I am quite impressed by the ability and speed at which Asahi Intecc transfers its technologies accumulated in the cardiovascular field to the field of gastroenterology. They have a corporate culture that allows many engineers to openly express their opinions and rack their brains together to solve problems. I believe that Asahi is a company capable of choosing the optimal path in this way.

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Strengthening Intellectual Capital 1

Strengthening R&D structure

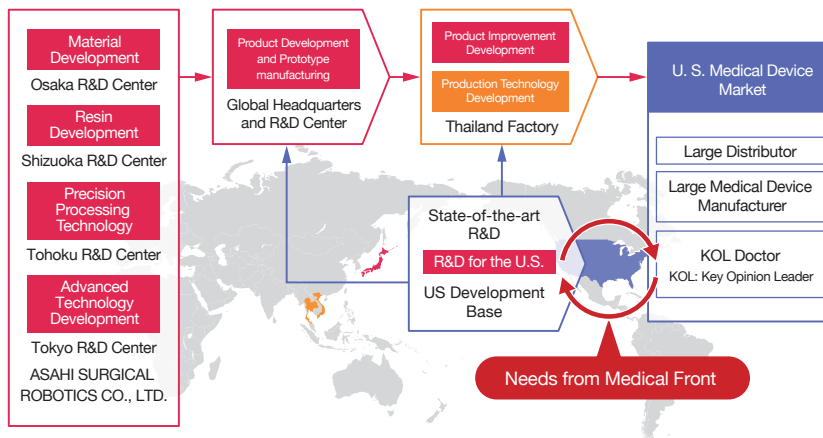
Measures to Strengthen/Improve Our R&D Structure

At our Global Headquarters and R&D Center, we integrate the material and processing technology research results cultivated in our Japanese R&D bases to enhance our product development.

For details, please refer to the Basic Policy (3) "Develop R&D and Production System Optimized for Global Expansion" in our Medium-Term Management Plan "Asahi Going Beyond 1000" (page 35).

R&D System Covering Product Development from Upstream to Downstream

We strengthen our practical competence through the globalization of R&D systems, including prototyping.



Develop R&D System Optimized for Global Expansion



Strengthening Intellectual Capital 2

➡ Improving Technical Expertise (Technical Strategy/Intellectual Property Strategy)

■ Measures to Strengthen/Improve Our Technical Expertise

In order to respond to rapidly changing market needs in a timely, precise fashion, we will continue to evolve our four core technologies, introduce new technologies and, through innovation based on synergy between core and new technologies, strengthen and improve our foundation of technical expertise.

With our four core technologies, we are constantly considering and working on how we can respond to new and sophisticated needs in the fields of medical devices and industrial components from new perspectives as well as how we can expand their applications to new materials or achieve new synergy between core technologies. Furthermore, with technologies such as laser processing and precision processing, we strive to cultivate new core technologies. We have recently been promoting research into new underlying technologies such as sensors and plasma through external partnerships, proactively engaging in activities based on open innovation. We are also combining and supplementing technologies to produce in-house synergy using these new technologies and our four core technologies.

■ Intellectual Property Strategy

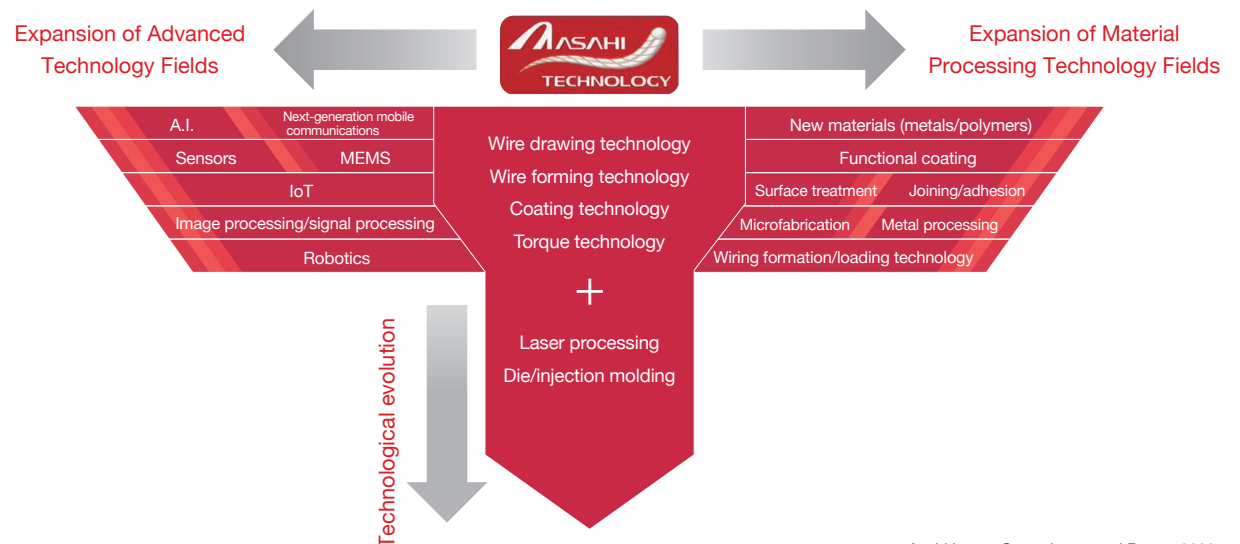
Asahi Intecc Group has established the intellectual property management rules to manage intellectual property. We protect the fruits of our new technology obtained by technical development as the foundation of our Group's activities by applying for and obtaining patents. However, to avoid disclosing technical details in the patent application process, we have elected to keep our most important, most unique material processing technology inside the company and not apply for patents. In terms of strengthening and protecting our brand, we are proactive in registering the trademarks and designs of our products

and technologies.

〈Actions for patent infringement and lawsuits〉

Our Group has built a system to catch patent infringements in a timely manner using a database dedicated for intellectual property that contains information on laws and regulations in countries around the world as the routine management system of intellectual property. Any infringement on intellectual property we own will be dealt with by the Intellectual Property Committee, chaired by the CEO, according to the management regulations.

Evolution and Expansion of Our Group's Technology



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Strengthening manufacturing capital

➡ Measures to Enhance Production System

Production System

Our Group currently specializes in R&D and prototyping in Japan, while we have established the integrated production from materials to finished product in overseas factories (ASAHI INTECC THAILAND CO., LTD. [Thailand factory], ASAHI INTECC HANOI CO., LTD. [Hanoi factory], and TOYOFLEX CEBU CORPORATION [Cebu factory]).

From the perspectives of risk management and BCP, we are working to establish a system that enables 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. In addition, at our production base in Japan (Asahi Intecc Co., Ltd.), which currently does not have a mass-production function, we plan to secure mass-production facilities at our new R&D building (scheduled to be completed in June 2024), which will allow us to substitute some products in the event of an emergency.

Measures to Strengthen/Improve Our Technical Expertise

We continue to promote mechanization, labor force reduction, and automation in our mass production factories to further improve productivity and stabilize product quality. These activities are led by the engineers at each factory based on the expertise accumulated there. They include not only installing outside equipment but also prototyping, designing, manufacturing, and

modifying core equipment and machinery at each base. The technical information learned from these activities is then shared among the bases (Thailand factory, Hanoi factory, Cebu factory, and Japan) to collaboratively strengthen and improve our technical expertise. We also continue to consider technologies compatible with IoT and are progressively implementing them at our mass production sites.

Measures to Enhance Production Platform

We have made numerous improvements to each overseas base (introducing equipment, machinery, and jigs,

streamlining tasks, etc.) to improve productivity. Through these activities, we have enhanced our production platform. In addition, we have enhanced the Cebu factory's mass production system to improve BCP (Business Continuity Planning). We transferred production of the Hanoi factory's products to the Cebu factory, increasing the number of products that can be manufactured there. For the transfer, we installed in the Cebu factory manufacturing equipment, machinery and jigs designed and built in the Thailand factory and Hanoi factory, establishing a stable production line.

Development of Production System Optimized for Global Expansion

Development/Prototyping/Product on transfer

Japan

- Expand prototype line for passing on technology
- Maintain production back-up system in case of emergency although R&D is the main focus



Global Headquarters and R&D Center



Tohoku R&D Center

Thailand Factory

- Shifted to new development base with the roles of rolling-up development system and smooth production transfer of development project, from conventional mass production/trial production factory



- Restructure production bases to improve production efficiency and decentralize to meet BCP requirements
- In areas where local production is required, consider establishing new production bases that are closely linked to the area while considering regulations

Mass production/Increase production efficiency

Hanoi Factory (Vietnam)

- Pursue production efficiency as a mass production factory
- Plan to build the new factory for further mass production



Cebu Factory (Philippines)

- Pursue production efficiency as a mass production factory
- Enable the factory to manufacture medical device products



Medical Plant

Promotion of Digital Transformation (DX)

➡ Promotion of Company-wide DX through the Establishment of the AIX Promotion Office

Launch of DX Promotion Project

In order to promote and strengthen DX initiatives throughout the company, under the Group-wide cross-sectional project to promote DX named AIX (Asahi Intecc Transformation), which was launched in FYE June 2022, we have examined the definition of DX, the organizational structure, and human resources to effectively promote DX activities, and the promotion schedule. In FYE June 2023, we also supported the promotion of small-scale trial projects and conducted in-house awareness activities to standardize the promotion process and accumulate knowledge for future

company-wide expansion.

Based on these processes, we established the AIX Promotion Office in July 2023. The AIX Promotion Office aims to contribute to improving our Group's competitiveness by focusing on two types of DX: CX (Customer eXperience), which enhances the value of products and services based on the needs of customers and society, and EX (Employee eXperience), which utilizes data and improves business processes based on the needs of employees. In the first year, we will continue to support the promotion of small-scale projects and deepen the exploration of data and digital technologies that can be utilized in AIX, while cultivating the basis for our activities by promoting the internal penetration of the AIX promotion vision and the discovery of human resources to

promote DX.

At present, the AIX promotion portal site has been newly established to provide information company-wide and enable two-way communication.

In addition, in order to enable internal organizations and employees to take initiatives in DX promotion activities, we will work to reform business processes and create and provide new value by developing an environment where they can utilize the services of large language model AI such as OpenAI and an analysis base using various data. Through DX promotion, we will continue to promote value creation and problem solving based on the hands-on approach while inheriting the ASAHI-DNA, which is the root of our Group's value creation.



DX internally referred to as "AIX"

Asahi Intecc Transformation



AIX Promotion Portal Site