

ASAHI INTECC GROUP INTEGRATED REPORT

2024

Asahi Intecc Group
Integrated Report 2024

 **ASAHI INTECC CO.,LTD.**

Tokyo Stock Exchange: Prime Market
Nagoya Stock Exchange: Premier Market

Securities Code: 7747
Japanese version issued on November 14, 2024
English version issued on January 31, 2025

Your dreams. Woven together.

Our mission is to realize our clients' wishes in a single ultra-fine wire.

Corporate Philosophy & Purpose

Corporate Philosophy

We will make efforts to help all of our customers achieve their dreams thereby contributing widely to society through providing “only-one” technologies and “number one” products to the world bearing safety and reliability in mind in the medical and industrial equipment fields.

1. **Development of technology** is vital for us, thus challenging to create new technologies and products.
2. Based on the “**Customer First**” motto, we provide our customers with the best quality products and services.
3. We seriously **pursue good results** while pursuing happiness for both the company and individuals.

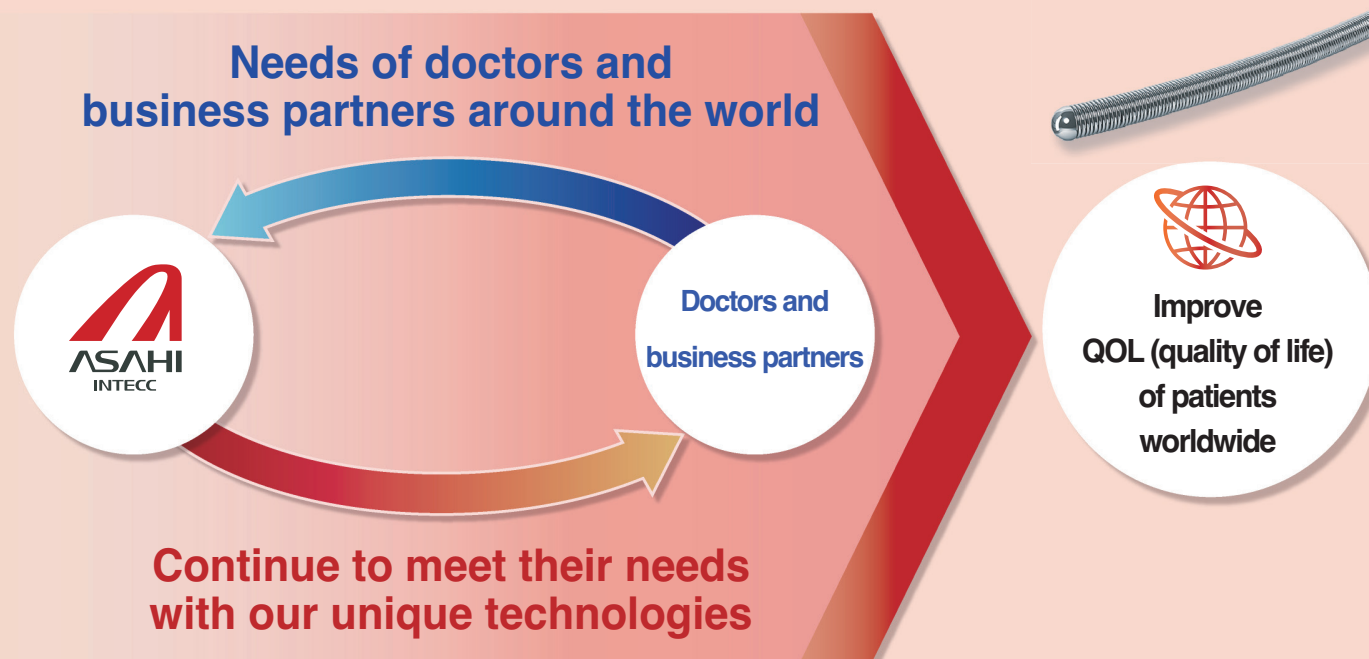
Purpose

By continuing to address the needs of doctors and business partners around the world with our unique technologies, we will provide “number one” products of high added value with global quality and realize the dreams of customers around the world.

01 Our Importance of Existence

Contribute to the future of medicine with our “only-one” technologies

Our mission is to realize our clients' wishes in a single ultra-fine wire. Our importance of existence is to continue to address the needs of doctors and business partners around the world with our unique technologies and to contribute to medical care and people worldwide.

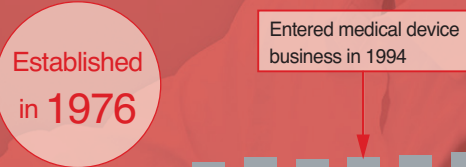


Our main products are guide wires and catheters for intravascular treatment. We continue to produce high value-added products opening up the possibility of CTO treatment, which has traditionally relied on surgery.

*See page 18 for details.

02

Transition to Medical Device Field Our Growth Trajectory



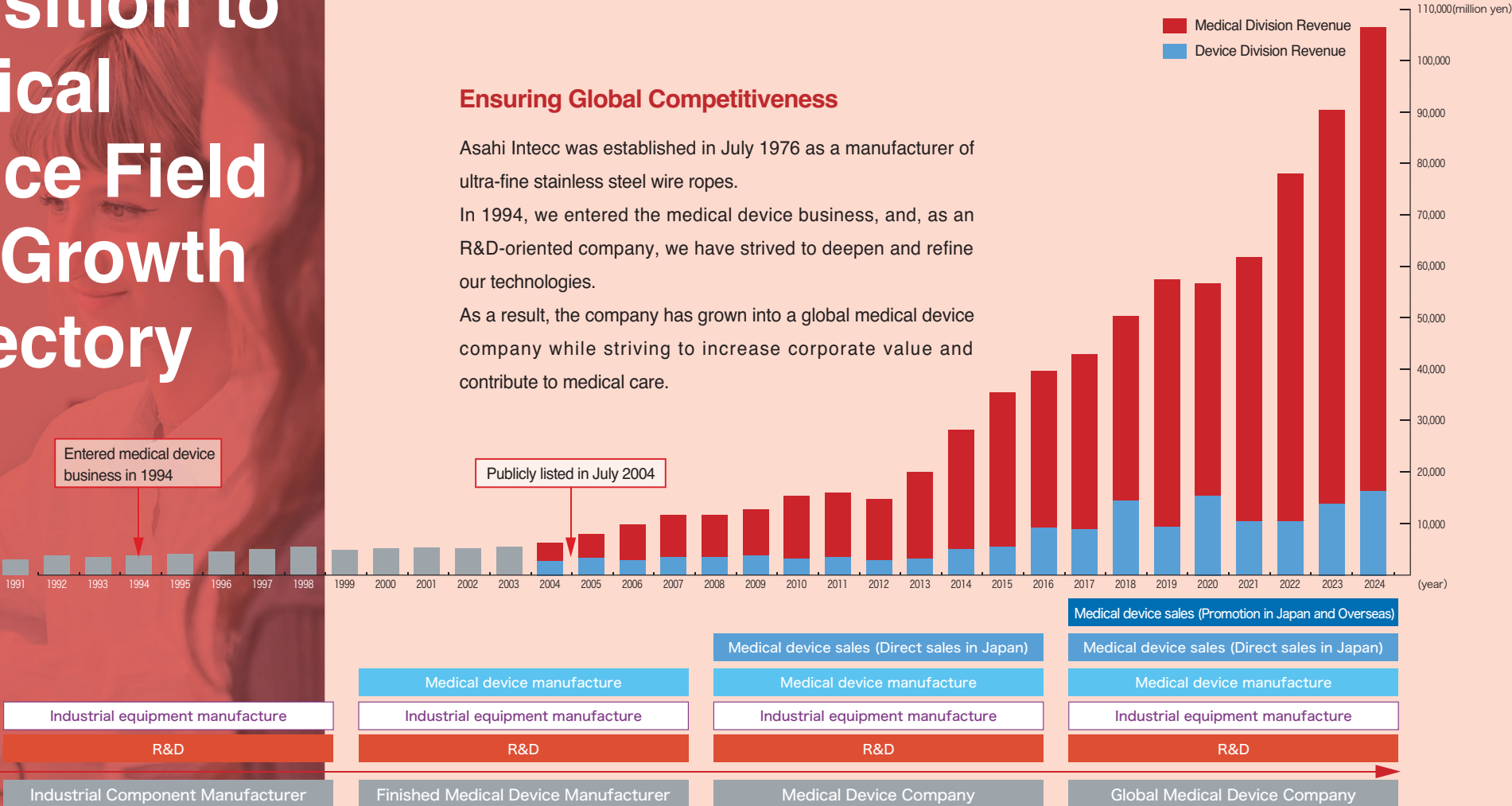
We have expanded from the industrial components field to the medical device field, as an R&D oriented manufacturer, by utilizing our advanced ultra-fine stainless steel wire rope technology that we cultivated in the industrial equipment field at the beginning of our foundation. Now,we have grown into a global medical device company, which contributes to medical care and people around the world.

Ensuring Global Competitiveness

Asahi Intecc was established in July 1976 as a manufacturer of ultra-fine stainless steel wire ropes.

In 1994, we entered the medical device business, and, as an R&D-oriented company, we have strived to deepen and refine our technologies.

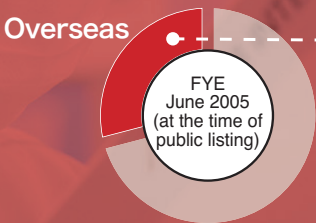
As a result, the company has grown into a global medical device company while striving to increase corporate value and contribute to medical care.



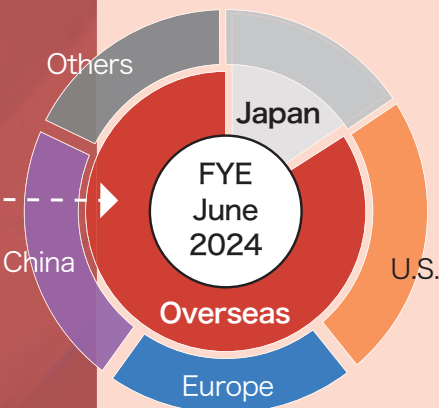
*See page 22 for details.

03

Global Market Expansion



FYE June 2005
(at the time of public listing)
Revenue: **7.8** billion yen
Ratio of Overseas Sales: **30%**

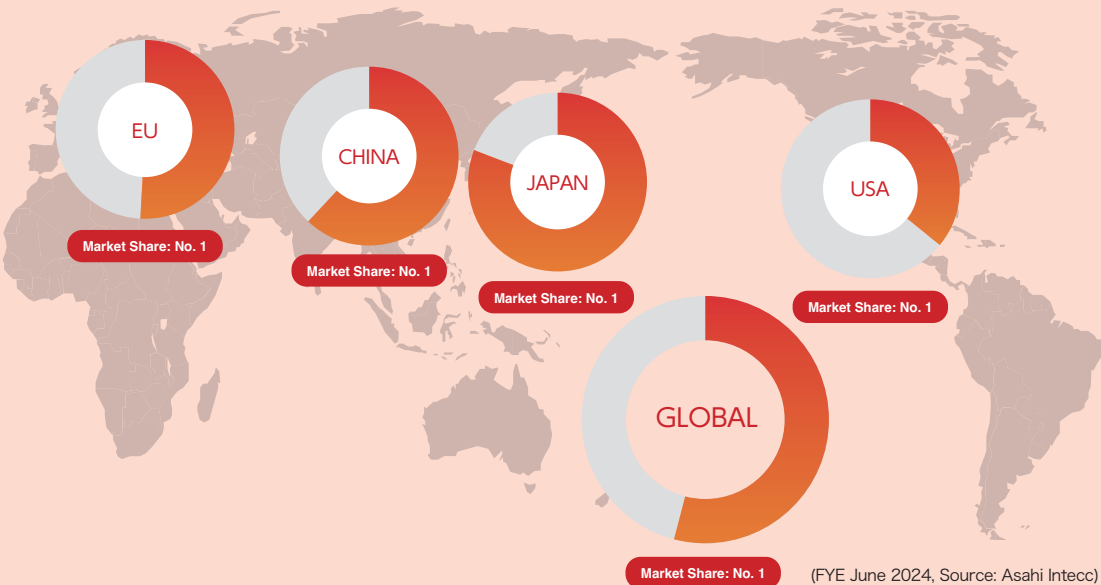


FYE June 2024
Revenue: **107.5** billion yen
Ratio of Overseas Sales: **84%**

With its outstanding development capabilities and manufacturing technology in the medical device field, Asahi Intecc has a high share around the world. And we continue to expand our market share in growing markets on a global scale.

Markets surrounding catheterization are growing, which continues to expand significantly, primarily in emerging countries, owing to the spread of minimally invasive treatments.
Asahi Intecc aims to achieve sustainable growth on a global scale by responding appropriately to such trends of the times and securing a stable supply of high-quality products essential for medical care.

Our PCI Guide Wire Share



We have achieved the number one market share in all regions, including Japan, the United States, Europe and China, and continue to expand our market share. This shows that doctors have high confidence in our products.

*See page 29 for details.

04

Human Capital Supporting Growth



In order to achieve further growth, we are developing human resources who understand diversity and can engage in business from a wide range of perspectives from multiple angles. This has led to the growth of Asahi Intecc Group.



Desired profile by our company

Those who make their dreams come true by an insatiable challenging spirit with ASAHI-DNA in mind.

We are constructing an education and training system to promote value penetration and human resource development through the basic principles of “Challenge,” “Practical Competence,” “Self-Support,” “Global Best,” and “Creative Manufacturing Group,” which is our Group’s DNA.



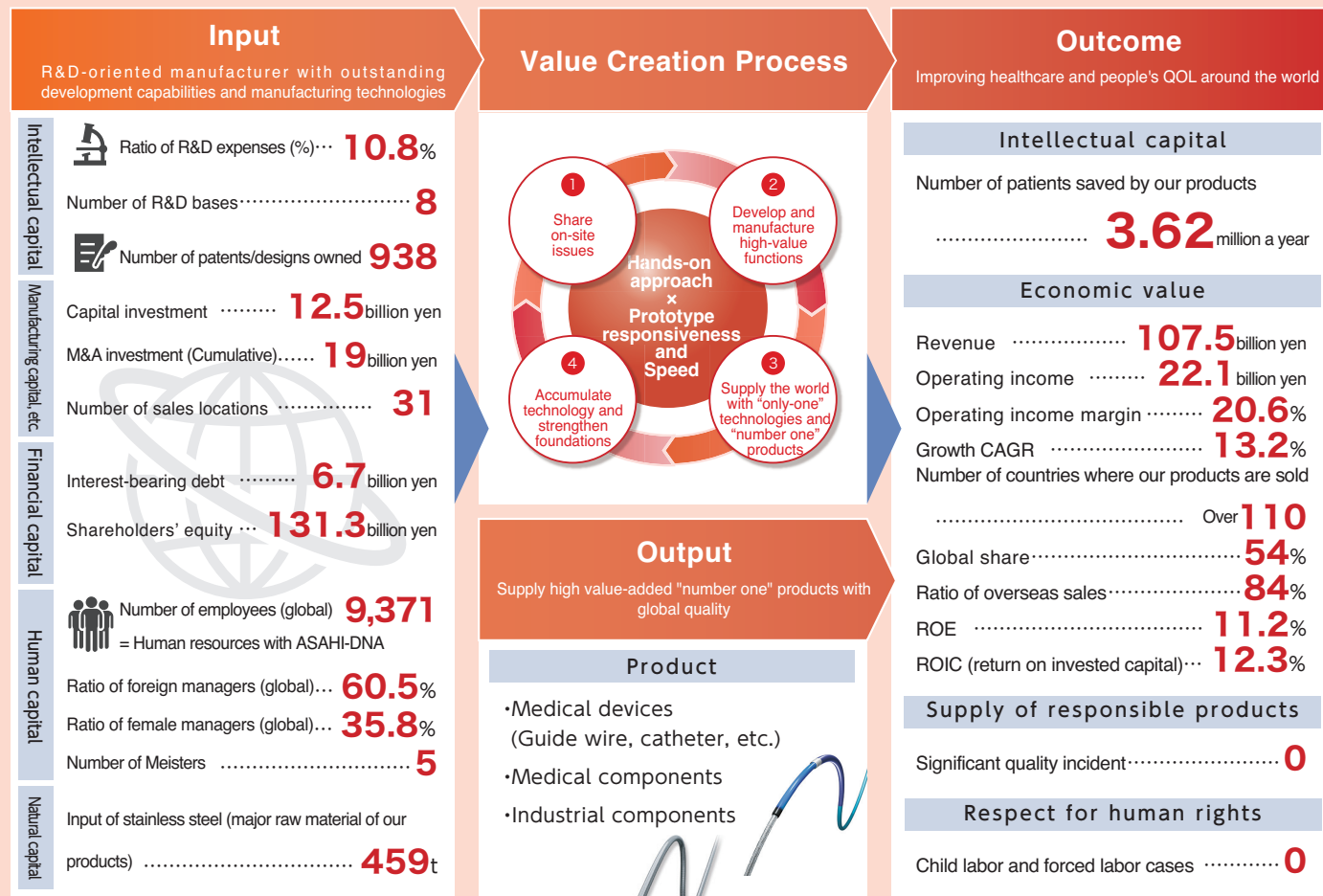
*See page 70 for details.

05

Value Creation Cycle & Indicators

Asahi Intecc's Value Creation Cycle & Indicators

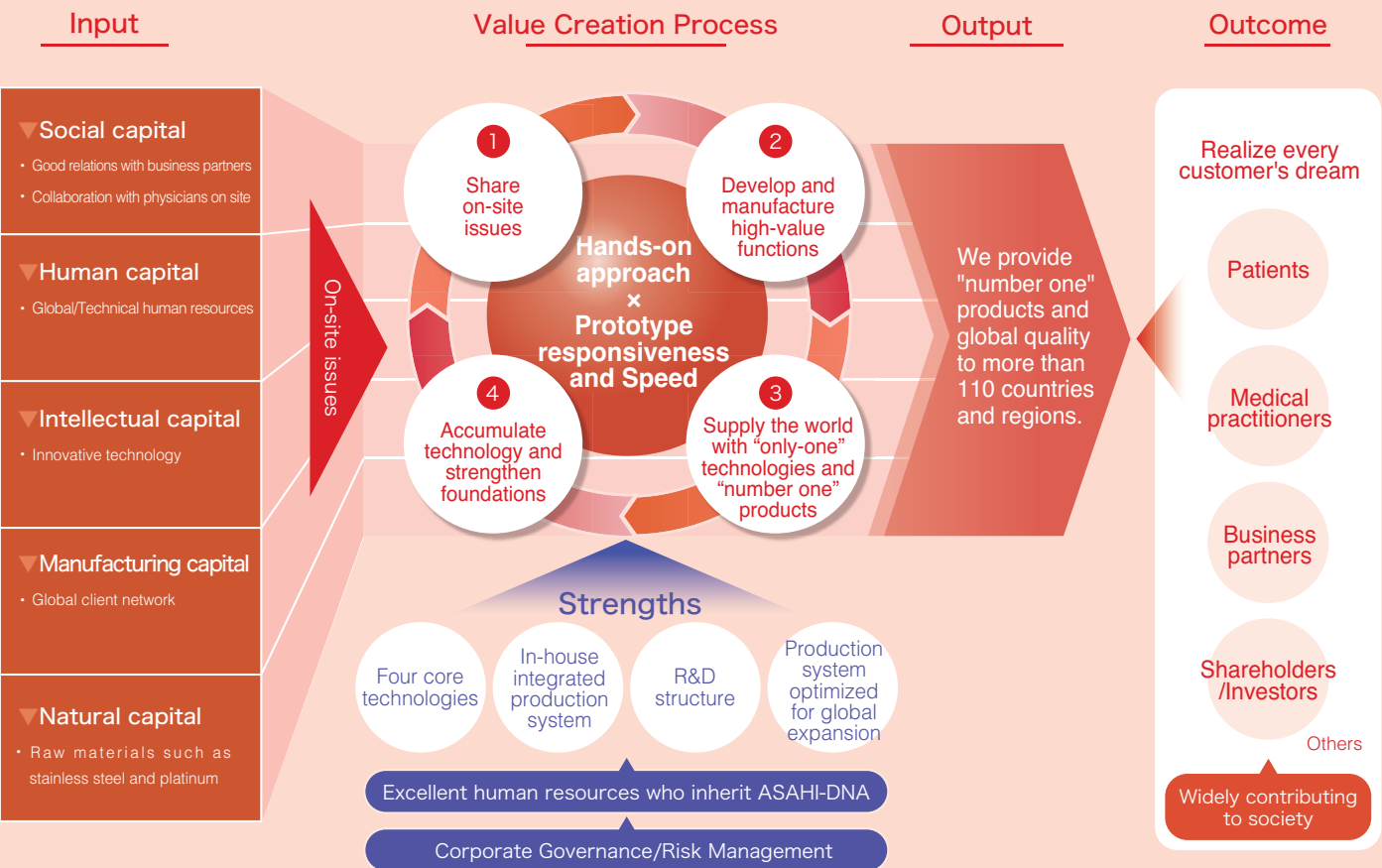
We will engage in a virtuous cycle that promotes business and strengthens our foundation based on the technological capabilities developed and cultivated in the course of meeting the advanced needs of our customers, thereby contributing to the continuous improvement of corporate value and the promotion of a sustainable society as a whole.



06

Value Creation Process

By continuing to address the needs of doctors and business partners around the world with our unique technologies, we will realize the dreams of customers around the world.



*See page 17 for details.



Introduction

Corporate Philosophy & Purpose	01
Our Importance of Existence	02
Transition to Medical Device Field/Our Growth Trajectory	03
Global Market Expansion	04
Human Capital Supporting Growth	05
Value Creation Cycle & Indicators	06
Value Creation Process	07

Chapter 1

Chairman and President in Dialogue	09
Message from the President	10
Chairman and President in Dialogue	12

Chapter 2

Value Creation Story	16
Value Creation Process and Importance of Existence	17
Our Business and Products	19
Source of Competitiveness	20
Our History and Transition	22
Environmental Awareness and Key Issues (Materiality)	24
Initiatives and Progress on Key Issues (Materiality)	25

Chapter 3

Long-Term Management Vision and Medium-Term Management Plan	26
Long-Term Management Vision	27
Medium-Term Management Plan "ASAHI Going Beyond 1000"	28
• Basic Policy	
1. Develop Global Market Strategically and Expand Affected/Treatment Area	29
2. Create New Business in a Global Niche Market	31
3. Develop R&D and Production System Optimized for Global Expansion	32
4. Establish Management Foundation for Sustainable Growth	33
Interview with Executive Director in charge of Research and Development for Medical Business	34
Interview with Senior Executive Officer in charge of Domestic Sales for Medical Business	38

Chapter 4

Financial Strategy	47
Dialogue between CFO and Outside Director	48
Financial Strategy	54

Chapter 5

Sustainability Bolstering Non-Financial Capital	58
On-Site Problem Solving Through Innovation	59
• Social Issues to be Solved and Measures	60
• Strengthening Social Capital	64
• Strengthening Intellectual Capital	66
• Strengthening Manufacturing Capital	68
• Promotion of Digital Transformation (DX)	69
Strengthening Global Human Resources	70
• Human Resource Management	71
• Creating a Fulfilling Workplace	74
Roundtable Discussion between Executive Officer in charge of HR Development and Young Employees	84

Chapter 6

Sustainability Environmental and Social	93
Measures to Reduce Environmental Burden	94
Supply Chain Management	102
Providing Safe and Secure Products	104
Social Contribution	107

Chapter 7

Sustainability Governance	112
Interview with Outside Director	113
Corporate Governance	118
Risk Management	131
Compliance	135

Chapter 8

Performance and Company Information	138
Financial Summary	139
Non-Financial Summary	144
Company and Stock Information	146

<Scope of reporting>

Asahi Intecc Co., Ltd. and its consolidated subsidiaries

<Reporting period>

July 1, 2023 - June 30, 2024

Information before and after the relevant period is included in part of the report.

<Reference guidelines>

- "International Integrated Reporting Framework" issued by the International Integrated Reporting Council (IIRC)
- "Value Co-creation Guidance" issued by the Ministry of Economy, Trade and Industry (METI)
- "Task Force on Climate-related Financial Disclosures (TCFD) Final Report"

<Editorial policy>

This report is edited, on the assumption that the target readers are investors and shareholders, for the purpose of promoting enhancement of the corporate value of Asahi Intecc Group through the creation of unique value and to enable readers to gain a better understanding of our business and initiatives. The content of the report was edited and improved from the perspective of users who view it online from a tablet device or PC. The report comprehensively explains each business and management base from the integrated perspective of ESG.

<Notes on forward-looking statements>

Forward-looking statements in this report, such as earnings forecasts, are based on information available to our company at the time the report was prepared and involve potential risks, uncertainties, and other factors. Accordingly, changes in various factors may cause actual results to differ materially from those projected.

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01 | Chairman and President in Dialogue



| Message from the President 1-1

| Chairman and President in Dialogue 1-2

1-1 Message from the President

Mr. Kenji Miyata took the office of President & CEO in September 2024.

Asahi Intecc will respond to the on-site needs with our technological capabilities while valuing our unique identity.

Thank you for reading our Asahi Intecc Group Integrated Report 2024. I am Kenji Miyata, President & CEO of Asahi Intecc Co., Ltd.

On September 1, 2024, I became the third President & CEO of the company. Masahiko Miyata, former President & CEO, contributed to our company's globalization by promoting the development of products with advanced technologies, including PCI guidewire for CTO treatment, developed by our founder, Naohiko Miyata, not only in Japan but also in overseas markets.

I joined Asahi Intecc as a new graduate. After that, I had experience in overall production to provide a stable supply of high-value-added products, which is the foundation of a manufacturing company, building of a supply chain, management of the device business, which is responsible for processing important parts in the medical business, and PMI (post merger integration) of merged companies. In September 2016, I was appointed as Executive Vice President and COO and have been involved in overall management of the company together with the former President.



Kenji Miyata
President & CEO
Asahi Intecc Co., Ltd.

1-1 Message from the President

Consolidated revenue target of 110 billion yen is expected to be achieved ahead of schedule. We will realize both organizational enhancement and speedy management decisions.

As the new president & CEO, I will steer our company's management. However, there will be no change to the company's raison d'être: "By responding to the on-site needs of doctors and business partners with our unique technologies, we will realize the dreams of all customers." I will continue to work hard to increase our corporate value even further while valuing our key principles of hands-on approach, prototype responsiveness and speed, the identity of Asahi Intecc, and what we have achieved with our uniqueness.

Our company has high growth potential, which has led us to expand the business scope and organizational scale. But in order to maintain and expand further growth potential in the future, I believe it is important to be a company that can make speedy management decisions and implement them, which are the strengths of our company, while enhancing our organization on a global scale.

I will also follow this strategy in developing new business, which the former president spearheaded. Amid this situation, there may be various choices to make in the future, but I will carefully consider what is important for our Group to achieve medium- to long-term growth and respond accordingly.

Under the current Medium-Term Management Plan "ASAHI Going Beyond 1000," the target was to achieve consolidated revenue of 110 billion yen in the fiscal year ending June 2026, but we currently expect to achieve that target one year ahead of schedule. We are now thoroughly studying a new medium-term management plan, including new strategies, and would like to disclose it at an appropriate time.

In addition to improving business performance, we will implement sustainable management that enhances the sustainability of our business while giving due consideration to governance, employee satisfaction and ease of working, and the natural environment.

We look forward to your continued support.

Kenji Miyata
President & CEO
Asahi Intecc Co., Ltd.

宮田 憲次



1-2 Chairman and President in Dialogue

In lieu of farewell and inaugural messages from former and new presidents.



Kenji Miyata

President & CEO
Asahi Intecc Co., Ltd.

Masahiko Miyata

Chairman and Director
Asahi Intecc Co., Ltd.

As of September 1, 2024, Masahiko Miyata passed on the baton as President & CEO of Asahi Intecc to Kenji Miyata. In this interview, we would like to look back on the progress we have made so far and tell the readers about the background that led to the change of the president, what we hope for in the next generation, what we want to continue to protect, and what the new president envisions for the future.

- First of all, please tell us again about the background of the decision of Chairman Masahiko Miyata (former President) to step down.

Chairman: In early August, I asked the company to replace me owing to my health. Asahi Intecc is in a growth phase and a sense of speed is important. My top priority was not to stop growing the company. As I have not been in perfect physical condition, I thought I should not make the company's progress slow down, so I have volunteered to resign from the president's position.

President: In response to a request from the chairman, the board of directors made a resolution.

As we two had managed the company as President and Vice President together, I believe that the company's policy and axis will not be shaken by this organizational change.

- Tell us about the division of roles between you two so far.

President: Chairman Masahiko Miyata was responsible

for the overall medical business and medical sales, while I (President Kenji Miyata) was responsible for the production and supply chain of the entire company and the device business. I think it was an ideal relationship to fill in the missing pieces.

Chairman: We have always discussed and made decisions on important business judgments and major issues, regardless of such division of roles, and I don't think there have been any major disagreements so far. I will continue to maintain this good relationship and

1-2 Chairman and President in Dialogue / In lieu of farewell and inaugural messages from former and new presidents.

support the new president even under the new organization.

- Chairman Masahiko Miyata took over as president in 2009 from the company's founder, former President Naohiko Miyata. During the past 15 years, there had been many major decisions, including the full-scale expansion into overseas markets, switching to direct sales, and setting the stage for new business areas. Among them, if you could choose one thing in which you particularly demonstrated leadership and put effort into, what would it be? Also, what kind of policies have you applied to the management of the company?

Chairman: There have been many turning points since our company launched the medical device business, but if I could focus on one, it would be our global strategy. When I became president in 2009, I outlined three major policies such as (i) globalization, (ii) technological innovation, and (iii) practical competence. At that time, overseas sales in the medical business accounted for about 45% of our total sales of approximately 12 billion yen. However, in order for our company to achieve sustainable growth, we believed that we first and foremost needed to become a company that could compete on a global scale. I believe that during my 15 years as president I had achieved most of the goals I had envisioned since I first took office, including the establishment of a world-class value chain, the establishment of the ASAHI brand, the establishment of a direct sales system that accurately meets on-site needs, and an investment and collaboration structure to realize new

technological innovation.

- External investors have often asked whether the current level of overseas sales of the company is due to the former president's excellent diplomatic and marketing skills, especially in dealing with key opinion leader (KOL) doctors in overseas markets. They also have concern about our business and management risks, such as whether the company has a system in place that enables such approach to be carried out systematically in the future. What do you think about that?

Chairman: I sensed and grasped the on-site needs by visiting the frontline myself. But I was able to do that because our sales and development staff had built strong, trusting relationships with KOL doctors on a daily basis. I believe that we have already been able to respond systematically as a company, and I trust that you have taken over the very idea of valuing the frontline. I would also like to continue working for the future of medical care without forgetting the sense of valuing the frontline.

President: It is true that the chairman has taken the lead in building a relationship with doctors, but in recent years we have been communicating with them as an organization and will continue to follow this under the new system. So I do not think there will be any major changes, crises or risks. Specifi-

cally, Executive Director, Nishiuchi, who is in charge of Research and Development for Medical Business, takes the lead in building relationships with doctors. (See page 34.)

- In addition, the chairman had led the new business with strong leadership. What will it be in the future?

President: Certainly, the chairman has been actively involved in the establishment of new businesses so far. Now, the company has established the New Business Development Division, which is headed by Director Terai. (See page 122.) We have dealt with it as an organization, not as an individual, and we will continue to do so. Also, the chairman is not leaving the company, so I would like him to continue to be involved.

Chairman: In order to develop new businesses, there is an aspect in which the top management must make



1-2 Chairman and President in Dialogue / In lieu of farewell and inaugural messages from former and new presidents.

strong efforts to advance, and I think this was especially true in the initial stage. However, I have never dealt with it alone, but with other people as an organization. There are a variety of new business projects, some of which are disclosed in IR and some of which are not, but I would like the new president to select what is necessary for Asahi Intecc in the future and develop it into the future.

In taking over the baton of management

- Could you, Chairman Masahiko Miyata, tell us what you expect from President Kenji Miyata?

Chairman: As the new president has developed his career centered on technology with a focus on manufacturing, I expect that he will not only continue to follow the current management policy, but also take advantage of his strengths to further enhance our position as a manufacturing company.

President: I have been involved in our company as a part-time worker since I was a student, and I have learned our company's manufacturing from scratch. After joining the company as a regular employee, I have been involved in all aspects of the value chain, including development, production, quality assurance and claims processing. So far, I have mainly been in charge of the Device Division. And basically, parts and materials used by the Medical Division are manufactured and delivered by the Device Division. Each business division deals in different end products, but the two businesses are closely linked in our company. Production lines of both divisions are located in the same overseas

manufacturing plants. In that sense, my strongest points are the integrated in-house production that is the source of our company's competitiveness, and the hands-on approach that supports it.

New Asahi Intecc enters a new stage

- Please let me ask you some questions. Since you took office as President & CEO on September 1, 2024, it has only been a short time. Can you tell us about your current business environment and what strategies you intend to implement to improve corporate value? Also, what kind of company would you like to make? Do you have an ideal?

President: The business environment has become increasingly severe owing to a decline in reimbursement prices resulting from the medical cost-reduction policy in Japan, rising costs for materials and personnel not only in Japan but worldwide, and extreme fluctuations in the currency exchange rate. The pace of change is accelerating and uncertainty is increasing. However, whatever the circumstances are, what our company should do is just one thing: continue to secure stable supply of high-quality products to customers around the world. To achieve this, we will develop value-added products that only our company can offer, manufacture high-quality products with high productivity, and never stop investing for the future while securing appropriate profits. I think that continuing this cycle without stopping will lead to sustainable enhancement of corporate value and further contributions to society.



When I became company president, I established and announced a company-wide policy of returning to the starting point. We will reaffirm a common understanding of our company's strengths and the essence of our business activities throughout the company and carry out our beliefs and basic actions correctly without compromising them.

- In fiscal 2024, the Management Executive Committee was established, and I feel that we are moving to a more collegial governance structure while maintaining the speed of management decisions. Are there any issues, such as the effectiveness of the Board of Directors or the role of the Management Executive Committee?

President: I think that the strong leadership that comes from the founding family and the ability to think about improving corporate value over the medium to long term rather than the short term is one of our company's strengths. At the same time, I recognize that top-down management by ownership alone cannot achieve sustainability and diversity of the company. To this end, I

1-2 Chairman and President in Dialogue / In lieu of farewell and inaugural messages from former and new presidents.

listen carefully to the opinions of our employees on a daily basis and intend to create an environment and a system where it is easy to express opinions.

The establishment of the Management Executive Committee and the enhancement of executive officers who will manage our company in the next generation are also part of this effort. In our company, we prioritize a sense of speed and a sense of valuing the frontline. Currently, directors are also in charge of execution, but we are gradually separating execution from supervision. We are working closely with outside directors and have a common understanding. As a result, the division of roles and issues between the Board of Directors and the Management Executive Committee have become clear, and I feel that discussions are more active and deeper than ever before.

- Let me know if you have a favorite phrase or motto.

President: My motto is “human strength.” I think human strength is the ability to show more power than usual when a person is in a desperate situation. Life is not always good. Of course, there will be tough times. That’s when the real strength is tested. The overall ability of a person is human strength, and of course people around us see it. I myself spend my days thinking that I would like to devote myself to improving my human strength.

- In the last year’s integrated report, we discussed plant management. I have heard from people outside the company that the new president’s personality is reflect-

ed in that report, and that it has been helpful in providing a sense of security for the change of president. What is the origin of the culture and philosophy of valuing employees expressed as you expressed it in that discussion?

President: I think that our company’s corporate culture (DNA) of “practical competence (Three Actuals, and hands-on approach)” has a great influence on this. Both the chairman and I have visited clinical sites, academic conferences, and production plants in person to obtain fresh and first-line information because we highly value the frontline. Of course, there are leaders and employees in the field, so the distance between the management and employees is inevitably getting closer in our company. Our company has become a corporate group with approximately 10,000 employees on a consolidated basis, but we cannot expect any further growth unless each and every one of our employees plays an active role. As the management, I would like us to create an environment in which we can maximize our capabilities as an organization.

- Once again, please tell us your ambition and message as President.

President: Our company will fulfill its mission as a medical device manufacturer so that it can achieve the business growth required of our company as a listed company, and save the lives of as many patients as possible with its products. Going forward, our company will not change its speed-oriented and straightforward approach to meeting the needs of doctors and custom-

ers, nor will its underlying technology-and field-oriented DNA change. Taking advantage of these unique characteristics of Asahi Intecc, we will continue to provide products that contribute to the safety of medical care and the future with its unique technology and manufacturing capabilities, and to deliver our unique value and create new value. By this, we will realize our next stage of growth, contribute to society, and achieve sustainable enhancement of the corporate value. We look forward to your continued support. Thank you very much.

Interviewers: Mizuho Ito, Director, Member of Board & CFO, Asahi Intecc Co., Ltd. and Yuki Kuroyanagi, President’s Office, Asahi Intecc Co., Ltd.



02 Value Creation Story

Value Creation Process and Importance of Existence	2-1
Our Business and Products	2-2
Source of Competitiveness	2-3
Our History and Transition	2-4
Environmental Awareness and Key Issues (Materiality)	2-5
Initiatives and Progress on Key Issues (Materiality)	2-6



Global Headquarters and R&D Center

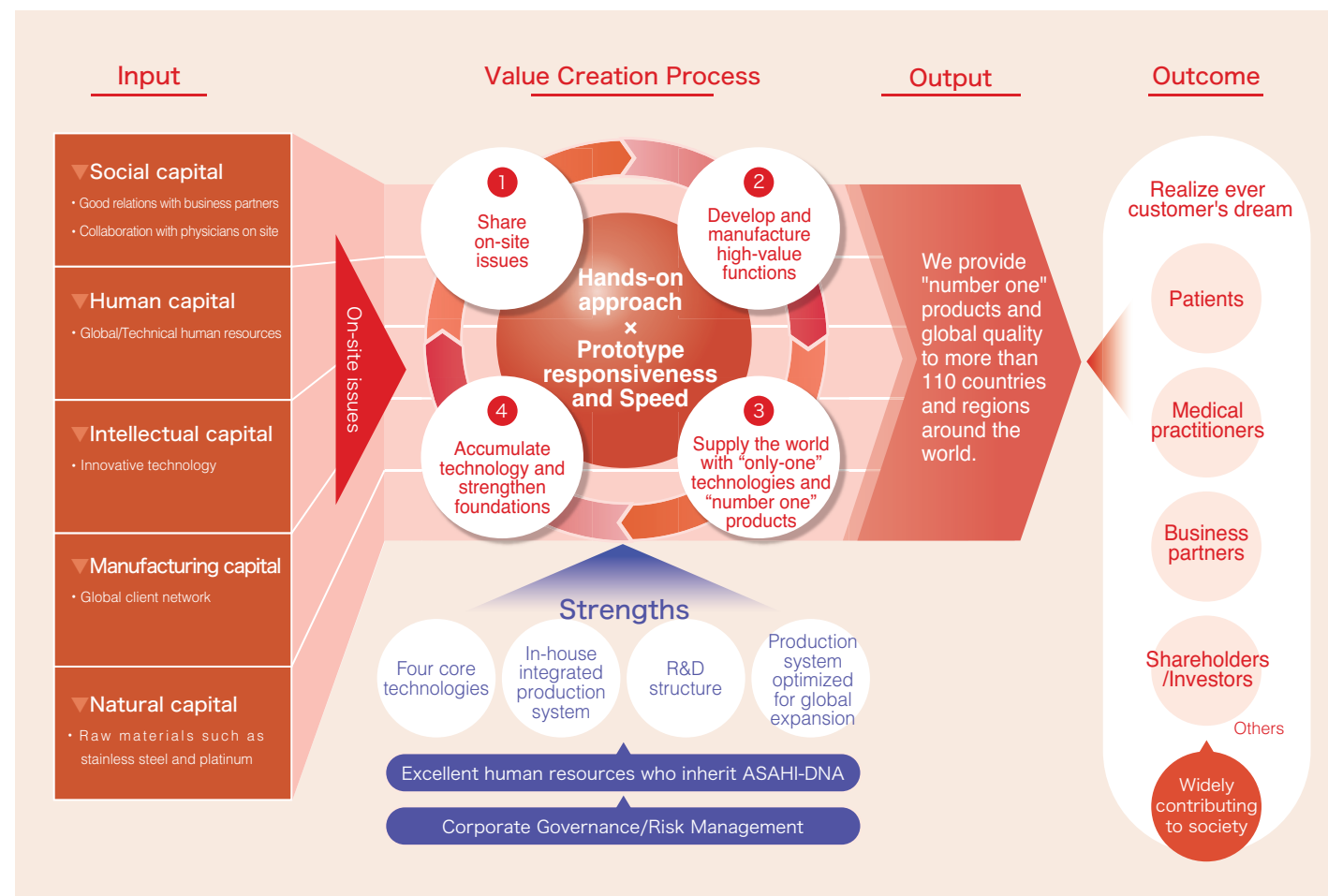
2-1 Value Creation Process and Importance of Existence

By continuing to address the needs of doctors and business partners around the world with our unique technologies, we will provide “number one” products of high added value with global quality and realize the dreams of customers around the world.

The starting point of our value creation is our hands-on approach and prototype responsiveness. We will 1) share an understanding of the people on the ground by diligently listening to doctors and clients, 2) develop and manufacture high value-added functions by repeating a trial-and-error process to the point where we even reevaluate the material being used, and 3) deliver number-one products with one-and-only technologies to the world.

Thus, continuously striving to solve on-site issues creates high-added value and leads to realizing our customers' dreams. And, accumulating new technologies through field-oriented efforts and strengthening technology bases enable us to try to solve new issues.

This series of events is what makes up Asahi Intecc's unique value creation process.



2-1 Value Creation Process and Importance of Existence

We aim to grow our value over the long term by building relationships of trust with our various stakeholders and sharing the fruits of our activities.

» Asahi Intecc's Importance of Existence

Asahi Intecc Group's mission is to supply the world with one-and-only technologies and "number one" products as an R&D-oriented company in the fields of medical devices and industrial components so that, based on safety and reliability, we realize dreams and contribute to society as a whole. In the medical devices field, we develop, manufacture, and sell minimally invasive treatment products that reduce pain by minimizing the size of wounds, which improves the quality of life (QOL) of patients and enables them to leave the hospital earlier, to thereby contribute to solving social issues in relation to people's health and medical care.

Recent progress in industrial and economic globalization requires proactive engagement of companies to solve global social issues such as the SDGs (the UN Sustainable Development Goals). As an R&D-oriented company, Asahi Intecc Group will continue to contribute to the world's medical and industrial fields by honing our unique technological expertise, and also strive to strengthen our management base from the perspective of ESG.

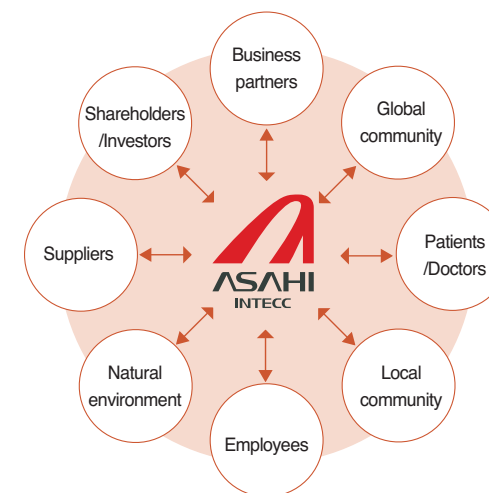
» Asahi Intecc's Stakeholders

We, Asahi Intecc Group, aim to grow our value over the long term by building relationships of trust with our various stakeholders and sharing the fruits of our activities.

» Asahi Intecc's Sustainability

Asahi Intecc Group believes that sustainability involves building relationships of trust with our stakeholders, applying our value creation process (a virtuous cycle of promoting businesses and strengthening foundations) to fulfill our mission, in order to establish our corporate brand, the "Asahi brand."

Build relationships of trust with stakeholders



Address our value creation to fulfill our mission

Establish the Asahi Brand (corporate brand)

Stakeholders	Our Relationship/Responsibility
Employees	Developing human resources and creating a fulfilling workplace
Patients/Doctors	Sharing on-site issues and co-creating value
Partners/Suppliers	Procuring sustainably
Local community	Supporting local community development as a corporate citizen
Global community	Solving social issues through business
Shareholders/Investors	Holding constructive dialogue
Natural environment	Reducing environmental burden

2-2 Our Business and Products

Asahi Intecc has expanded its business into the medical device field, starting with the manufacture of wire ropes for industrial equipment.

Asahi Intecc Group is an R&D-oriented medical device manufacturer that develops, manufactures, and sells mainly medical devices, such as guide wires, which are essential for catheter treatment*.

*Catheter treatment is a method where a small tube called a catheter is inserted through the wrist or groin to treat lesions in blood vessels. It is used for treatment in various fields and diseases because it can provide treatment without surgery such as thoracotomy, which makes it less painful for patients (minimally invasive) and enables them to return to normal social activities early.

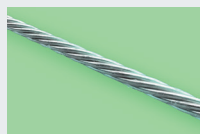
Device Division 11%

Medical Division 89%

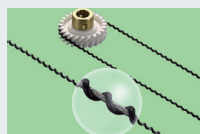
Industrial
equipment field 4%

Medical device field 96%

Industrial components



Torque rope

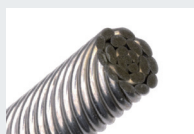


Synchromesh wire rope

Medical components



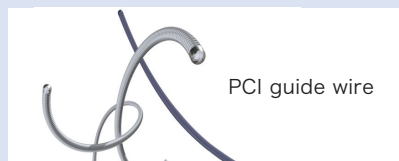
Cable tube



Wire rope

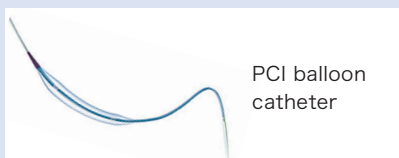
Own brand products and OEM supplies

<Main own-brand products>



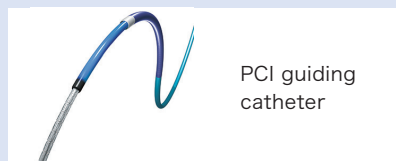
PCI guide wire

A PCI guide wire, inserted into a blocked or narrowed blood vessel, serves as a guide needed to navigate medical devices such as the PCI balloon catheter and stents used for catheter treatment in the affected area.



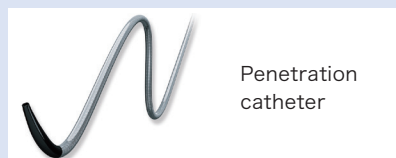
PCI balloon
catheter

A catheter used for opening up blocked or narrowed blood vessels. It is inserted into a blood vessel along a PCI guide wire, and it opens up the blood vessel inside by pumping up a balloon with a diameter of 1 to 5 mm placed on top.



PCI guiding
catheter

A tube inserted into a blood vessel from the point between the puncture site and the entrance of the coronary artery. It safely navigates medical devices such as PCI guide wires and PCI balloon catheters to the entrance of the coronary artery.



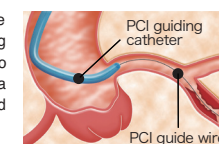
Penetration
catheter

A catheter that assists a PCI guide wire in passing through a blocked blood vessel.

What is PCI (percutaneous coronary intervention) treatment?

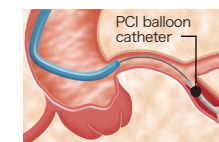
① Passing through of PCI guide wire

A small-sized tube called a PCI guiding catheter is inserted into a blood vessel and a PCI guide wire is fed through this tube.



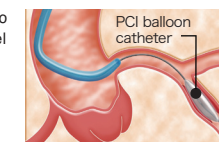
② Insertion of PCI balloon catheter

Along with the PCI guide wire, a PCI balloon catheter is moved through to the point of the narrowed portion of the blood vessel.



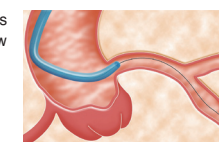
③ Dilation of PCI balloon catheter

The balloon is dilated to push the blood vessel out from the inside.



④ Removal of PCI balloon catheter

The narrowed portion is widened and blood flow improves.



At the time of establishment  Present

2-3 Source of Competitiveness

The source of Asahi Intecc's competitiveness lies in its advanced and highly unique material processing technology based on four core technologies and its integrated production system from materials to finished products. In addition to this, our biggest advantages are the Asahi DNA hands-on approach that has remained unchanged since our founding, and our prototype responsiveness and speed, which cannot be imitated by other companies.

As an R&D-oriented company, Asahi Intecc has always achieved a high level of product manufacturing.

Our basic policy since our founding has been to produce everything from raw materials to finished products in-house. We possess a number of material processing technologies that have been developed and cultivated in the course of meeting the advanced needs of our customers. In particular, the four core technologies of wire drawing technology, wire forming technology, resin coating technology, and torque technology are unique to our company and we combine them to create high-performance products.

Our company, which was originally an industrial compo-

nent manufacturer, entered the medical device business in 1994, starting with the development, manufacture, and sale of PCI guide wire and catheters for vascular treatment as an area where these four core technologies can be utilized. Our advanced torque technology, in particular, provides a significant competitive advantage in faithfully conveying a physician's fingertip sensation to the guide wire.

For our company, the major turning point was a request from a leading catheterization doctor to develop a PCI guide wire that could treat CTO lesions. At that time, it was said that treatment of CTO lesions through catheterization, rather than surgery, was not feasible, but our company continued to challenge that notion with our unique technol-

ogy and, through repeated trial and error, succeeded in developing the world's first PCI guide wire for CTO treatment.

The development of this guide wire product by our company has greatly improved the success rate of catheter treatments, and has triggered a new trend of catheter treatment from Japan in the medical industry led by Europe and America. We have developed our products in line with the voices of doctors at their sites. As a result, our company's products and technologies have become known around the world, thanks to the reports of successful treatment cases at medical conferences by physicians who have used our company products and their success overseas.



Hands-on approach

Advanced and highly unique **material processing technology** based on four core technologies

Integrated production system handling materials down to finished products



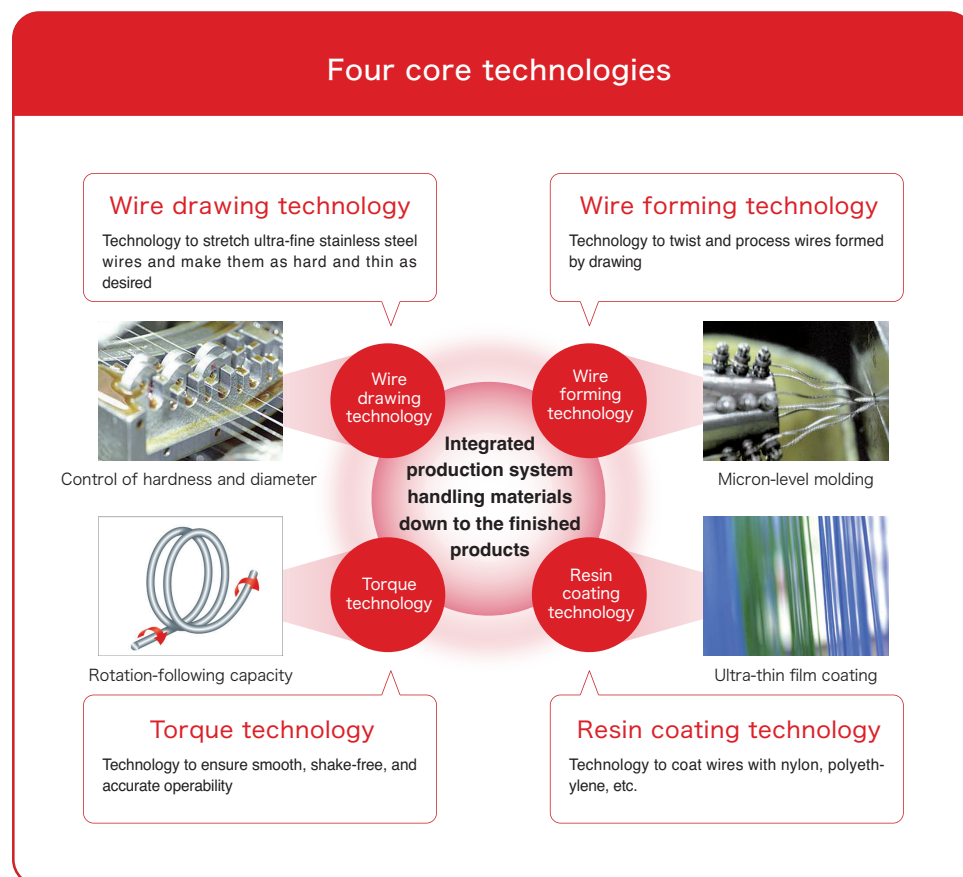
Prototype responsiveness and Speed

2-3 Source of Competitiveness

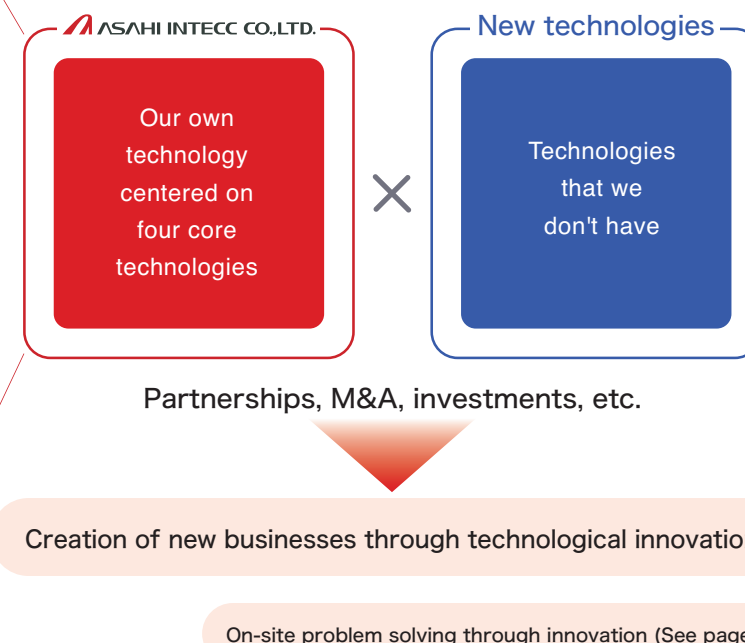
Sources of Competitiveness and Technological Innovation

We combine core technologies to create high-performance products.

As an R&D-oriented company, Asahi Intecc Group has always achieved a high level of product manufacturing. What enables us to do that is a number of unique technologies that we have developed and cultivated in the process of responding to advanced customer needs. We own four core technologies: wire drawing technology, wire forming technology, resin coating technology, and torque technology, and create high-performance products by combining them under a comprehensive production system from materials to products.



We aim to create new businesses through technological innovation by combining new technologies gained from M&A and partnership with partner companies with Asahi Intecc's expertise in core technologies and medical devices.



2-4 Our History and Transition

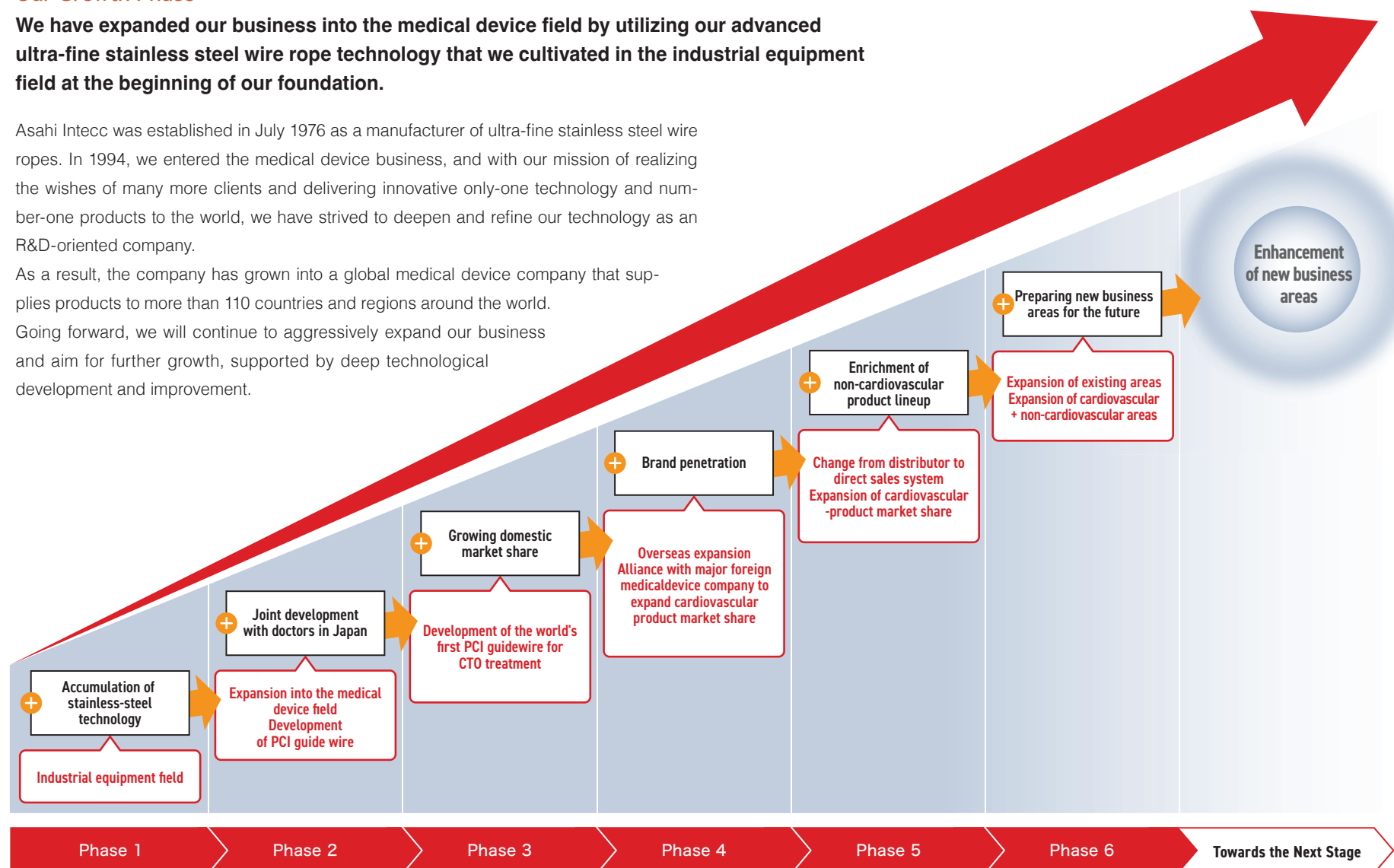
Our Growth Phase

We have expanded our business into the medical device field by utilizing our advanced ultra-fine stainless steel wire rope technology that we cultivated in the industrial equipment field at the beginning of our foundation.

Asahi Intecc was established in July 1976 as a manufacturer of ultra-fine stainless steel wire ropes. In 1994, we entered the medical device business, and with our mission of realizing the wishes of many more clients and delivering innovative only-one technology and number-one products to the world, we have strived to deepen and refine our technology as an R&D-oriented company.

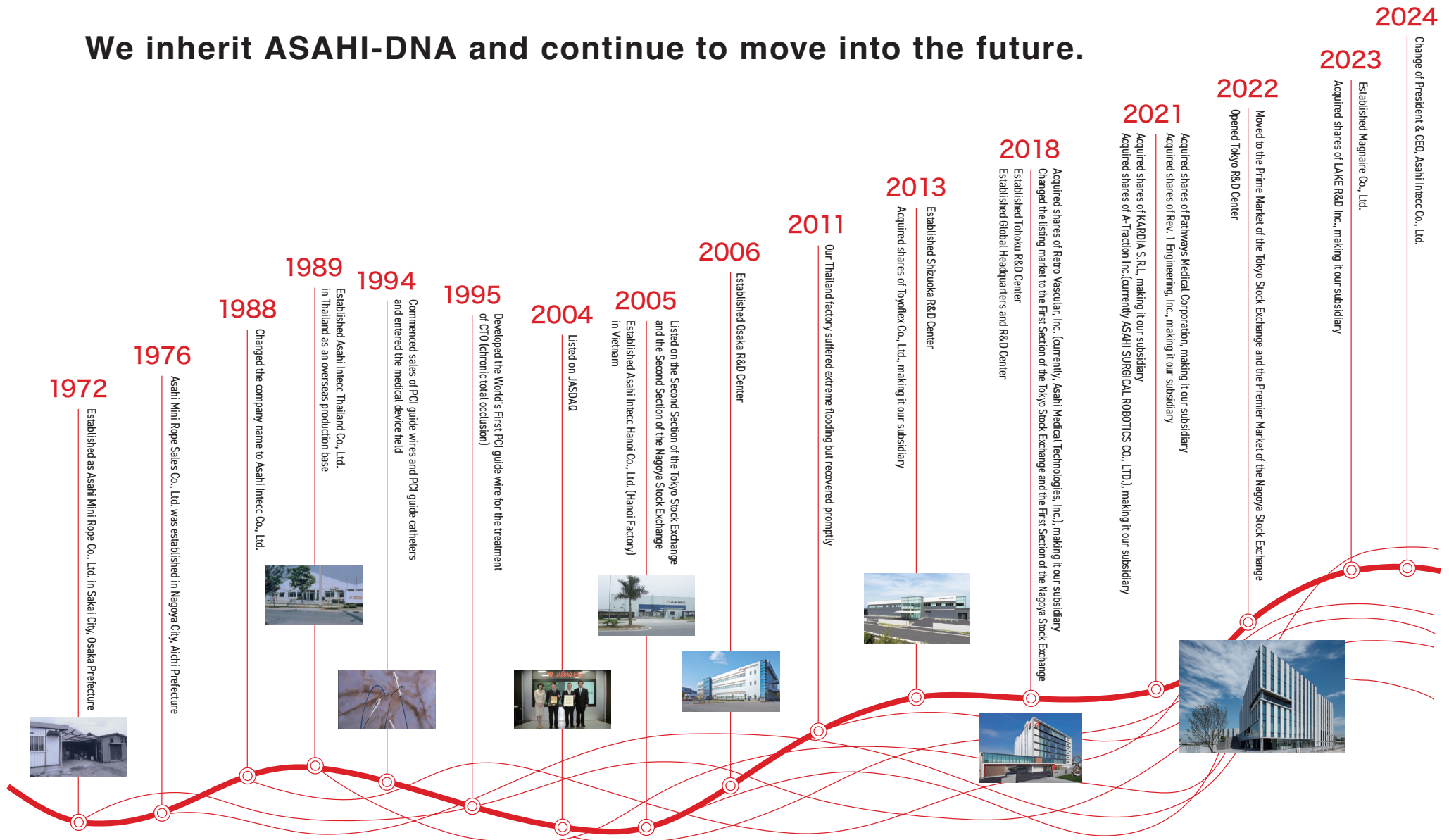
As a result, the company has grown into a global medical device company that supplies products to more than 110 countries and regions around the world.

Going forward, we will continue to aggressively expand our business and aim for further growth, supported by deep technological development and improvement.



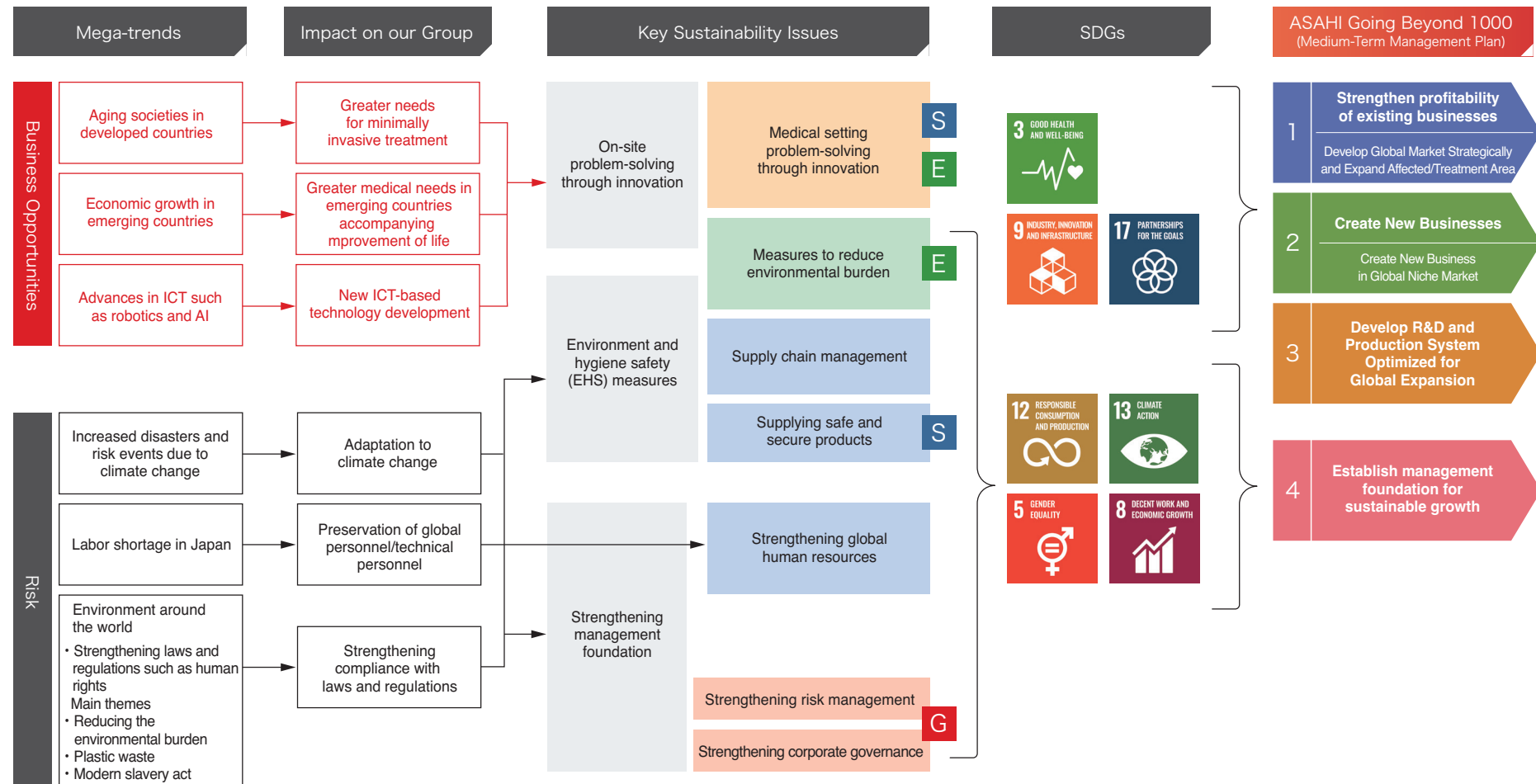
2-4 Our History and Transition

We inherit ASAHI-DNA and continue to move into the future.



2-5 Environmental Awareness and Key Issues (Materiality)

Considering the impact that the business environment may have on Asahi Intecc Group, we have examined key issues regarding sustainability. We aim to realize the sustainability of society and our Group by addressing these key issues in terms of both growth strategy and strengthening of the management base.



2-6 Initiatives and Progress on Key Issues (Materiality)

The following is Asahi Intecc Group's efforts, indicators, and results for each key issue.

Key Issues		Efforts	Indicators and Results
On-site problem solving through innovation	On-site problem solving through innovation (See page 59)	<ul style="list-style-type: none"> ● Developing products that reduce the physical, emotional, and economic burden on patients (Medical Division) ● Developing products to meet customers' needs (Device Division) • Cooperating with sites • Strengthening R&D structure • Improving technical expertise (technical strategy/IP strategy) • Strengthening global production system • Promotion of DX 	<p>Improving healthcare and people's QOL around the world</p> <p>Number of patients saved by Asahi Intecc's products (based on our estimate): 3.62 million a year</p> <ul style="list-style-type: none"> • Ratio of R&D expenses to sales: 10.8% • Number of patents/design rights owned: 938 • Capital investment: 12,570 million yen
Environment and hygiene safety (EHS) measures	E Measures to reduce environmental burden (See page 94)	<ul style="list-style-type: none"> ● Promotion of efforts to reduce CO₂ emissions and use of renewable energy ● Implementing environmental protection activities at each site, including community cleanup activities 	<ul style="list-style-type: none"> • Scope 1 + 2 reduction targets → 30% reduction by 2030 compared to FYE June 2022 • Scope 3 reduction target → Maintain the level of emissions per unit of sales for FYE June 2023
	S Supply chain management (See page 102) Supplying safe and secure products (See page 104)	<ul style="list-style-type: none"> ● Compliance with laws, regulations and social norms based on "Asahi Intecc Group Procurement Policy" ● Auditing suppliers to maintain stable supply and high quality ● Development of quality assurance based on the "Quality Policy" based on the Group's common policy ● Acquisition of quality management system certification and acceptance of external audits 	Establishing a stable global supply system
Strengthening management foundation	Strengthening global human resources (See page 70)	<ul style="list-style-type: none"> ● Human resources management (Penetration of human resources vision and human resource system reform) ● Creating a fulfilling workplace (Health management and diversity promotion) 	<ul style="list-style-type: none"> • Ratio of foreign managers (global)*1 60.5% • Ratio of female managers (global)*1 35.8% • Ratio of female managers (Asahi Intecc only)*2 12.3% • Employment ratio of new female graduates in technical positions 33.3%
	G Strengthening risk management (See page 131)	<ul style="list-style-type: none"> ● Response to large-scale disasters, BCP (Business Continuity Plan) ● Strengthening information security 	Business continuity based on safety and trust
	Strengthening corporate governance (See page 125)	<ul style="list-style-type: none"> ● Improving the effectiveness of the Board of Directors ● Establishment of Nomination and Compensation Advisory Committee 	Enhancing diversity among directors (ratio of female directors: 15.4%)

*1 Calculated based on the managerial position criteria set forth in Asahi Intecc Group's rules and regulations. *2 Calculated by applying the disclosure standards of the Annual Securities Report.

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

Long-Term Management Vision 3-1

Medium-Term Management Plan
『ASAHI Going Beyond 1000』 3-2

- Basic Policy 1
Develop Global Market Strategically and Expand Affected/Treatment Area
- Basic Policy 2
Create New Business in Global Niche Market
- Basic Policy 3
Develop R&D and Production System Optimized for Global Expansion
- Basic Policy 4
Establish management foundation for sustainable growth

Interview with Executive Director
in charge of Research and
Development for Medical Business 3-3

Interview with Senior Executive
Officer in charge of Domestic
Sales for Medical Business 3-4

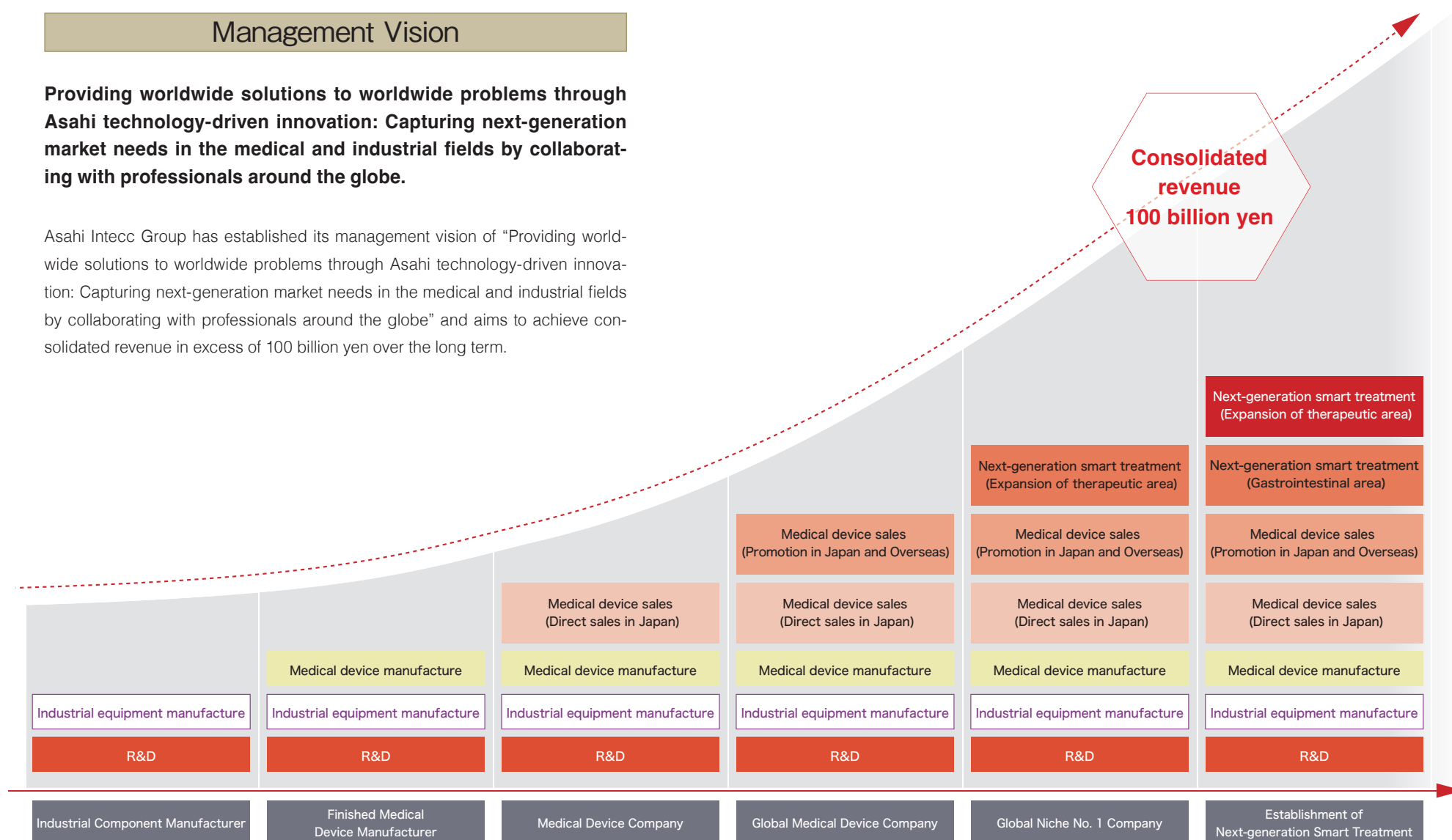


3-1 Long-Term Management Vision

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 revenue in excess of 100 billion yen over the long term.



3-2 Medium-Term Management Plan “ASAHI Going Beyond 1000”

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

We, Asahi Intecc Group, are striving to “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 FYE June 2026. Going forward, we aim to expand our corporate value by steadily advancing our growth strategy. The current medium-term management plan aimed to achieve consolidated revenue of 110 billion yen in the fiscal year ending June 2026, but as of November 2024, we expect to achieve this goal one year ahead of schedule, in the fiscal year ending June 2025.

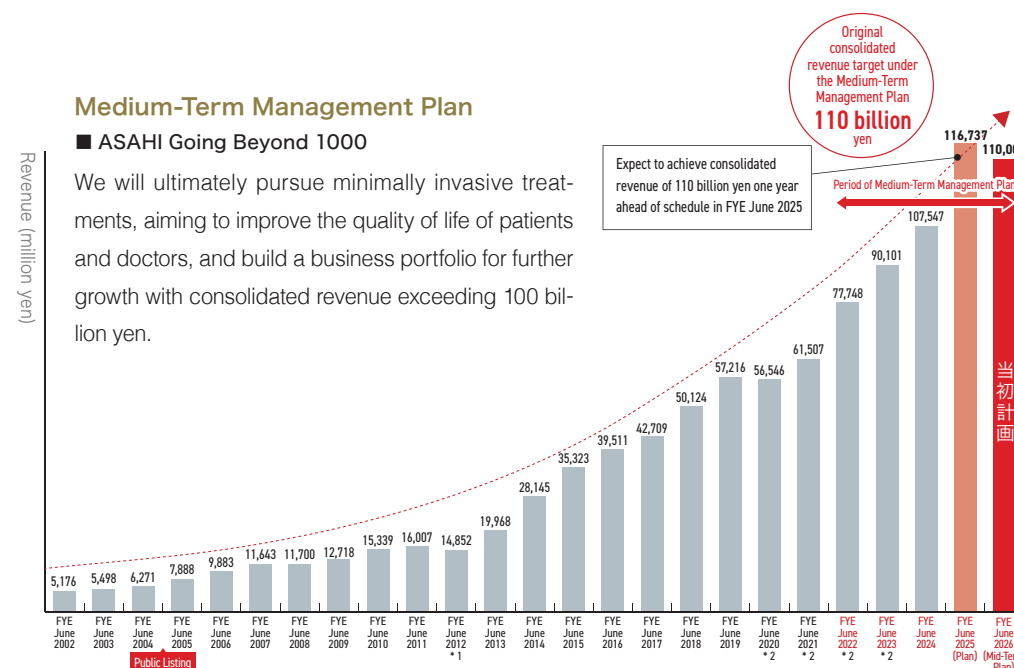
Our basic strategy for achieving further growth in excess of 110 billion yen in consolidated revenue remains largely unchanged from that outlined in the current medium-term management plan.

As for the next medium-term management plan, we will disclose it when we are certain to achieve our goal ahead of schedule.

Medium-Term Management Plan

■ ASAHI Going Beyond 1000

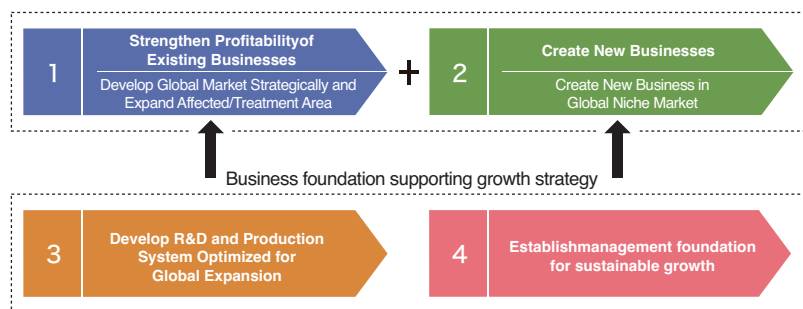
We will ultimately pursue minimally invasive treatments, aiming to improve the quality of life of patients and doctors, and build a business portfolio for further growth with consolidated revenue exceeding 100 billion yen.



*1 In FYE June 2012, revenue 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.

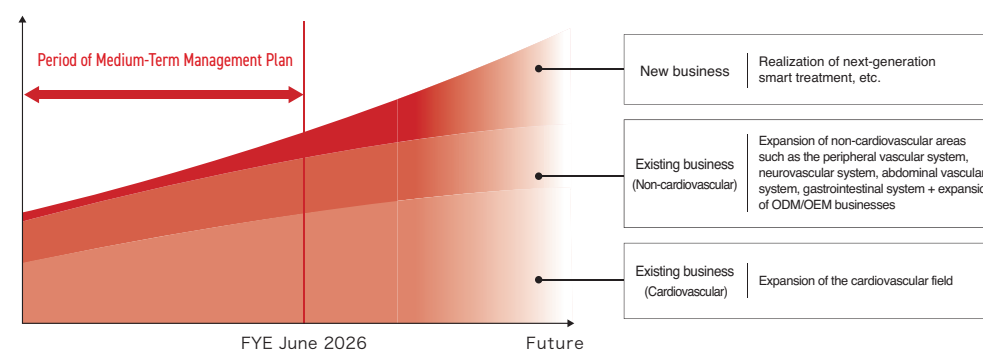
ASAHI Going Beyond 1000

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



ASAHI Going Beyond 1000

Five-Year Plan from FYE June 2022 to FYE June 2026



Basic
Policy

1

Develop Global Market Strategically and Expand Affected/Treatment Area

» Develop Global Market Strategically

Asahi Intecc Group currently sells products to more than 110 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

Actively launch new products despite the impact of falling medical device reimbursement prices / Start selling robotics products

In Japan, we sell our own brand products directly to hospitals and other institutions, and we have a high share in both cardiovascular and non-cardiovascular products. In the non-cardiovascular field, we sell other companies' products through our direct sales system as well as strengthen our own brand products in the gastrointestinal field.

In addition, as our new business, we started selling ANSUR surgery support robots from this fiscal year. We will continue to strive to expand earnings and business domains.

Europe

Gradually shift to direct sales / Gain high market share through direct sales and community-based distributors

In the European market, we sell our own brand products directly and through several community-based distributors, and we have a high share mainly in cardiovascular products. 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.

Going forward, we will strive to further increase profits by expanding our market share.

U.S.

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

We sell our own branded products directly in the U.S. market.

In addition to expanding our business in the cardiovascular field, we have positioned peripheral vascular systems and neurovascular systems in the non-cardiovascular field as priority markets, and 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.

Through these strategies, we will strive to further increase earnings.

China

Number of cases tending to rise after the COVID-19 pandemic
Seek to expand share in the booming Chinese market

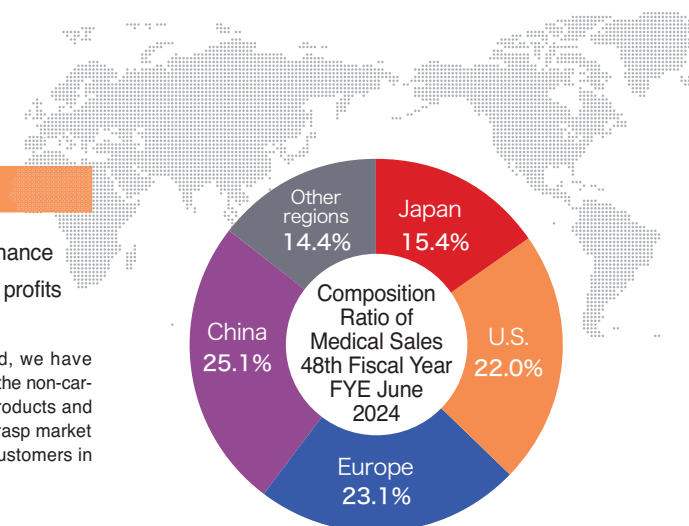
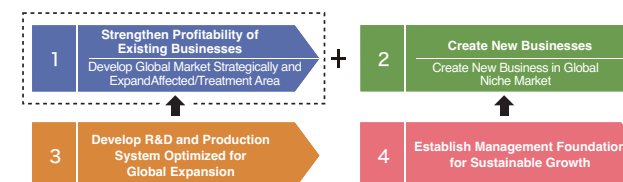
In the Chinese market, we mainly sell our own brand products through local distributors, and we have a high share mainly in cardiovascular products. The number of cases in both cardiovascular and non-cardiovascular fields is increasing steadily, and the China market is expected to experience particularly 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 distributors.

Other Regions

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

Focusing on emerging countries with growth potential in Asia, the Middle East, Oceania, South America, and other regions, we sell our own branded products, mainly through locally based community distributors, and have a high market share in cardiovascular products. We aim to further expand earnings in both the cardiovascular and non-cardiovascular fields.



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.

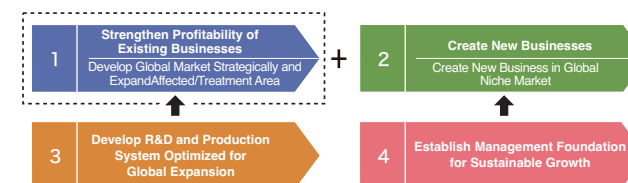
In addition, we will further strengthen and expand our product lineup in the catheter field in order to establish a second and third mainstay product after PCI guide wires. In addition, we will continue to promote measures to strengthen product development not only in the cardiovascular fields but also in non-cardiovascular fields such as the peripheral vascular system, neurovascular system, abdominal vascular system and gastrointestinal 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.

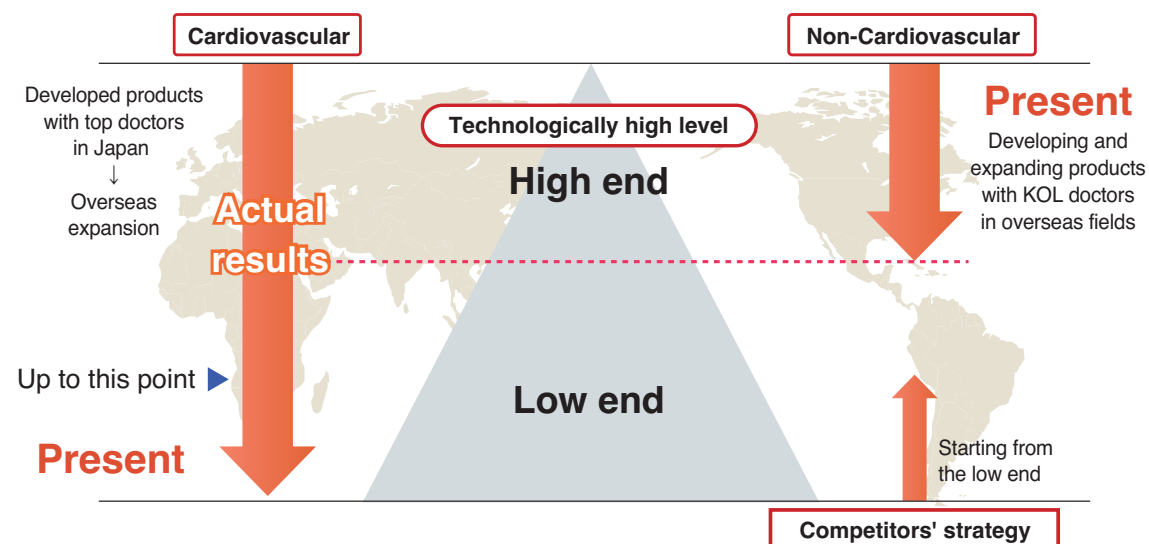
Amid this backdrop, Asahi Intecc Group has developed and marketed products necessary for minimally invasive treatments such as PCI guide wires and penetration catheters, which have a high product advantage unmatched by other companies and are capable of CTO treatment,



and has 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 (neurovascular system), and contribute to the spread and development of minimally invasive treatments.

Guide Wire Strategy



Basic Policy

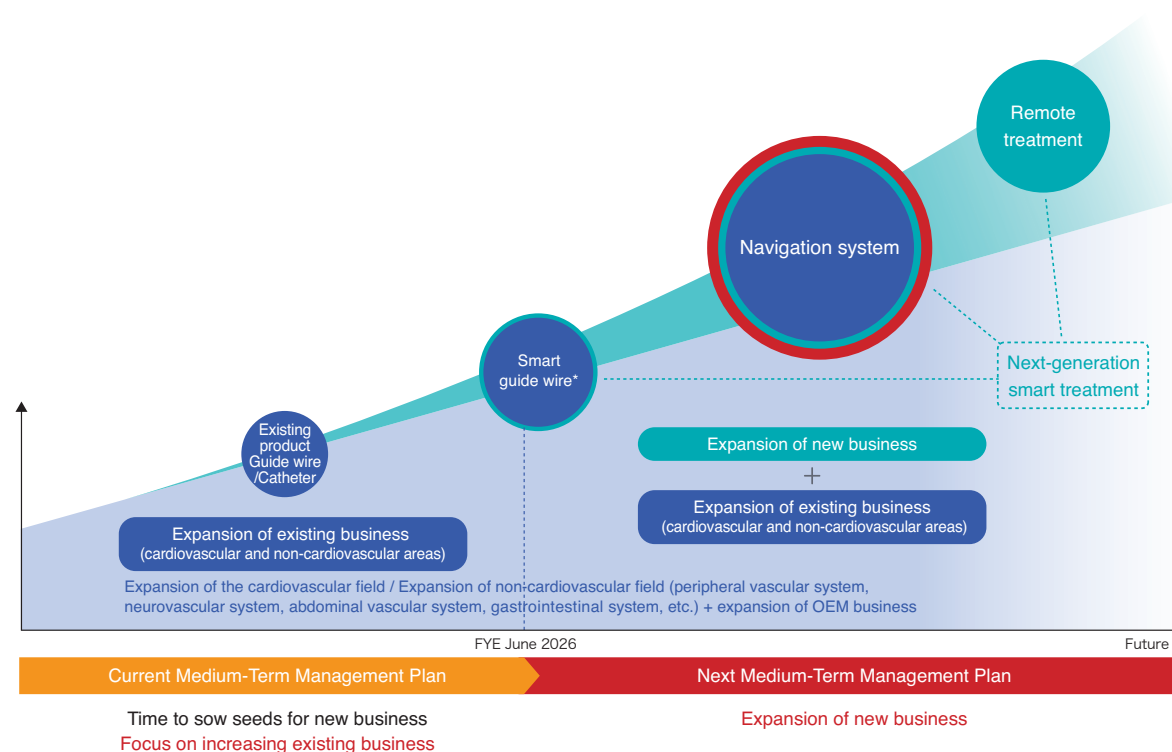
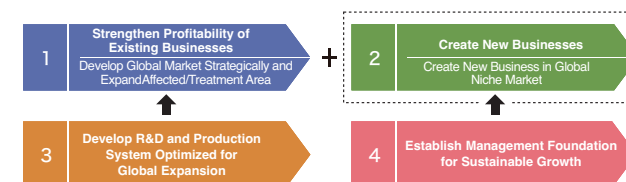
2

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.



*Smart guide wires: A generic term for innovative guide wires with more functional values by adding new technologies to our existing guide wires.

Basic
Policy

3

Develop R&D and Production System Optimized for Global Expansion

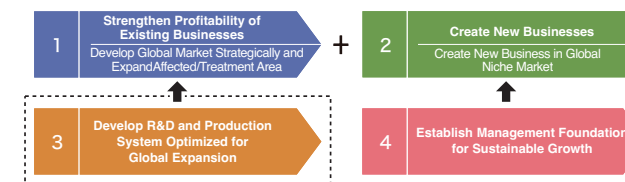
As for the globalization of R&D, at Asahi Intecc USA, Inc., our consolidated subsidiary, which is a direct sales base in the U.S., we have built an R&D structure that is able to reflect the needs and feedback of doctors, our core customers, directly in our products, even at the prototype level. At Asahi Intecc Thailand Co., Ltd., another consolidated subsidiary, we have enhanced the R&D base, enabling more proactive improvement of existing products, including considering product specifications.

In Japan, we develop products under an environment close to clinical sites at our Group's Global Headquarters and R&D Center (Seto City, Aichi Prefecture), which serve as the core of our Group's R&D bases. In addition to expanding the Osaka R&D Center, which is to strengthen the development of core technologies, and the Tokyo R&D Center, which is designed to

develop next-generation medical device technologies, we will further enhance our domestic R&D structure by building a new R&D building (ANNEX Building), which serves as an R&D base centered on new product development, on the premises of the Headquarters.

Currently, while our Group specializes in R&D and prototyping in Japan, mass production is generally transferred to our consolidated subsidiaries overseas such as Asahi Intecc Thailand Co., Ltd. [Thailand factory], Asahi Intecc Hanoi Co., Ltd. [Hanoi factory], and Toyoflex Cebu Corporation [Cebu factory], where a system that enables integrated production from materials to finished product is in place.

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 operations due to local factors or otherwise, another factory can cover the majority of the lost production. In addition to these objectives, we are currently expanding our Hanoi factory in order to build a structure to further increase 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 plan): 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

Japan
Global Headquarters and R&D Center

Global Headquarters and R&D Center
New R&D Building (ANNEX Building)

- Center for R&D
- R&D functions are decentralized in Seto, Osaka, Shizuoka, Tohoku, Tokyo, etc.
- New R&D Building (ANNEX Building) was built in the premises of the Headquarters and started operation

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
- Transfer production to Cebu Factory
- Build a new plant to increase production



TOYOFLEX CEBU CORPORATION

- Accept decentralized production from Hanoi Factory
- Launch mass production of finished products in the medical equipment field in addition to the industrial equipment field

Directly deliver products to customers worldwide

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

Basic
Policy

4

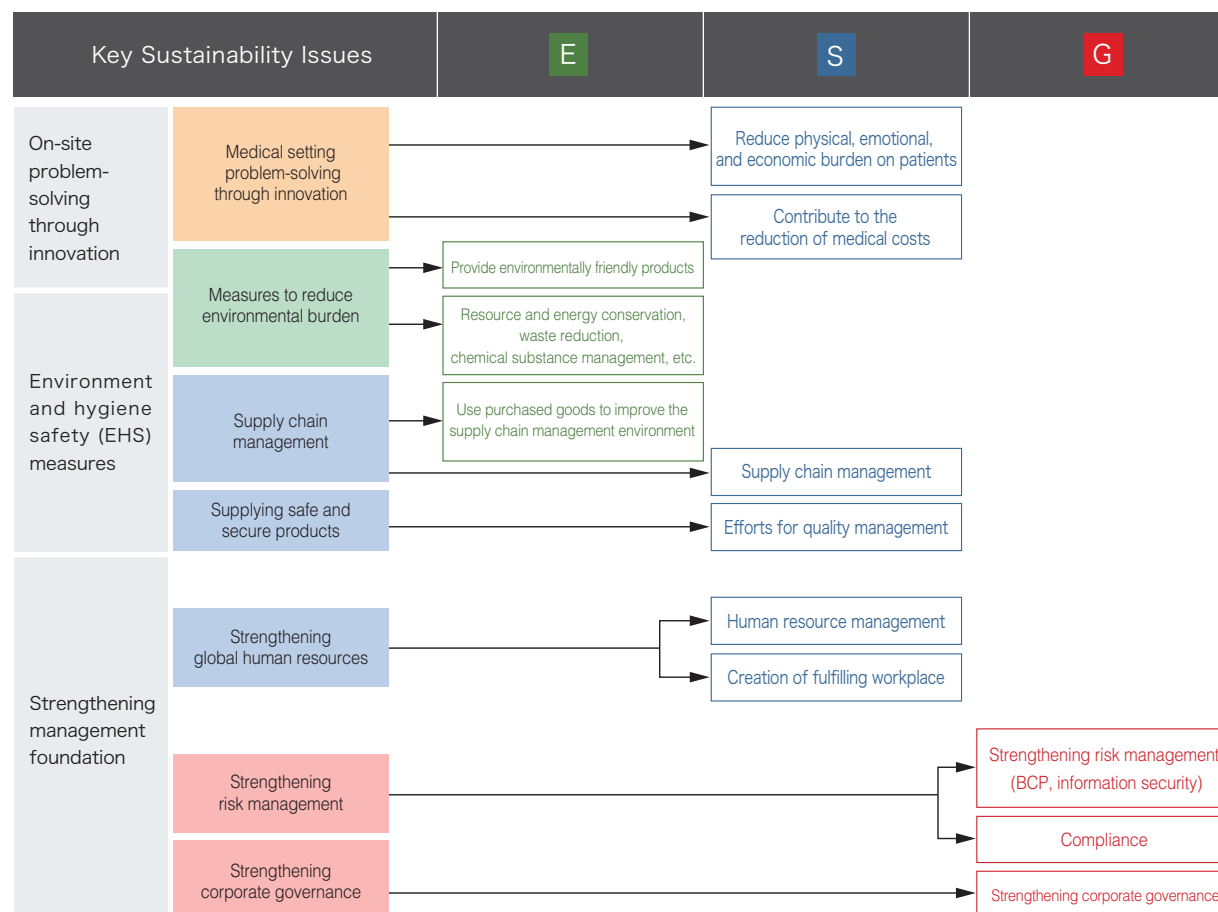
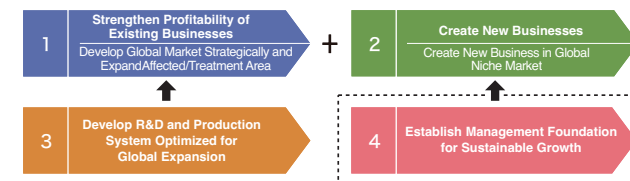
Establish Management Foundation for Sustainable Growth

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.



3-3 Interview with Executive Director in charge of Research and Development for Medical Business

We will strengthen the development of high-value-added products through dialogue with doctors while further promoting existing business.



Makoto Nishiuchi
Executive Director
Asahi Intecc Co., Ltd.

From aircraft industry to Asahi Intecc Contribute to medical industry that is more closely connected to daily life

- Executive Director Nishiuchi joined our company in 2005 from the aircraft industry, which is a different industry from ours and has led our company's medical business as head of the R&D Department. Please tell me why you joined our company and why you changed your career.

Nishiuchi: I was engaged in the development of aircrafts at my previous job. The aircraft industry had a long development period and did not have many opportunities to develop new models. When I felt that the project I was in charge of at that time had come to an end, I decided to change my job because I wanted to work in a workplace where I could experience social contributions more closely and where there were many development opportunities. In addition to this preference, I came to know Asahi Intecc when I was looking for a new job at a manufacturing company where I could utilize my experience in engineering activities. I had the opportunity to meet Advisor Momota, who was the Chief Technical Advisor at that time (he was at the company until 2022), and I was able to hear about how

3-3 Interview with Executive Director in charge of Research and Development for Medical Business

the company connected the needs of doctors based on their sensitivity to manufacturing. Advisor Momota, who had moved to Asahi Intecc from a major medical device company in Japan, was a developer of a test catheter that had become a worldwide sensation in his previous career, and I was greatly inspired by his story about the development process in which he worked with doctors. Me, too, I used to quantify the pilot's sensory evaluation in simulated flight tests carried out on the simulator, and to reflect it in the development in my previous job, so I felt a sense of familiarity with it. I was also interested in the idea of contributing to medical care, which is more closely linked to daily life, so I decided to change career, and that's why I am here today.

- While the company is growing, we have made up for organizational shortfalls with mid-career recruits, and I think the situation is the same in the R&D Department. In the past, many mid-careers came from other industries like you, Mr. Nishiuchi. But in recent years, the number of those who join our company from the same industry, i.e., medical equipment, has been increasing. As a whole, our company seems to have a diverse organizational structure. Can you tell us how this diversity is utilized in the R&D function, which is the core of the company?

Nishiuchi: While it is true that the development of medical devices has certain aspects that are unique to it, there are many common things in thinking processes and approaches regardless of the type of industry.

Those who have worked in different industries, including myself, can see things from a wide range of perspectives that are not limited to medical devices and can broaden the range of perspectives and thoughts on problem solving throughout the organization.

In recent years, as our company became famous, more and more people with experience in medical device development have joined the company. This allows us to add a new perspective that we did not have thus far to the development process, even for the same medical device.

As a result, we believe that by working together with people with various experiences, we are able to face the issues at the development site without being bound by stereotypes, and that we are effectively making the most of our technological strengths, including core technologies.

For the past 15 years or so, we have been able to hire a certain number of new graduates every year, and the flexible thinking skills of young engineers are also a great source of energy. I believe that our current environment, where employees can view the development from a broad perspective, is effective also in terms of human resource development for young engineers.

Product development resulting from direct dialogue with KOL doctors

- Our strengths are that we have an integrated in-house production system, and that we can also handle prototyping in-house during development. I be-

lieve that these bases enables us to quickly respond to the needs of KOL doctors in-house. Do you have a global framework in place for the R&D Department to directly respond to the needs of doctors? Please tell us about it in detail.

Nishiuchi: Both in Japan and all regions of the world, communication with doctors about product development is basically conducted directly by engineers in the development department, not through sales or marketing departments.

Of course, cooperation with the marketing department is essential, but on the other hand, in the manufacturing process, the engineers in the R&D Department hear directly from doctors about their needs, raise questions about them, and discuss with them using prototype samples to more accurately understand and realize the needs of the medical site, so direct dialogue is very important.

More concretely, as is common in any product development, we create prototypes to materialize doctors' requests easily, delve deeper into more specific needs based on this, and share the ideal vision we should aim for. By repeating this process, we develop the concept and then the product specifications. At the same time, in order to verify conformity to the needs of doctors, we are building a verification environment that is closer to actual clinical practice, and we are constantly conducting research and development in consultation with doctors. This is one of our company's significant strengths.

3-3 Interview with Executive Director in charge of Research and Development for Medical Business

Research and development in the medical business What are the enhancement points for the future?

- Please tell us about the collaboration with the Device Division in material processing development. In order to materialize our company's products, I think collaboration is necessary from material processing to product development. What do you think?

Nishiuchi: When developing medical devices, we first collect the requirements for parts and materials with staff who are in charge of processing the materials at each development site to realize the needs of the medical frontline at a high level while making the most of the elemental technologies accumulated in our Group.

With regard to the prototyping, we are also strengthening our response with a sense of speed by involving overseas production bases from an early stage while utilizing the prototype facilities in our new Headquarters.

We have intentionally decentralized our R&D functions, for example, stainless steel materials are developed in Osaka, plastics are in Shizuoka, mold and injection moldings are in Tohoku, trial production and mass production technologies are in Thailand, and medical device products are in the Headquarters in Seto. But we always work closely together, with a sense of unity.

- What will be the key points for strengthening R&D in the medical business? Please tell us what you can disclose.

Nishiuchi: It is strengthening of the non-cardiovascular field, I think. Our current focuses are peripheral vascular, neurovascular, the gastrointestinal system, etc., and we are developing products that take advantage of our strengths to meet the clinical needs of these areas. In the future, we will put more emphasis on development in the non-cardiovascular field, but the cardiovascular field is also the backbone of our company and remains an important axis of R&D. In both the cardiovascular and non-cardiovascular fields, the technical basis is the same, there are many parts in common, and I believe we can horizontally expand the development. So, we promote the product development in each therapeutic area by leveraging technological synergies.

Also, in addition to the development of guidewires, we are considering the development of high-value-added products.

The Medium-Term Management Plan also calls for entering new fields. This is not in enclaves, but in areas where we can leverage our company's core technologies. We will continue to explore and develop products that can create new value by integrating our company's core technologies with new technologies.

- Is there any change in the business activities of the medical business due to the change of president? Many institutional investors also pointed out that this change in top management would result in fewer top sales to overseas doctors, which could be a risk.

Nishiuchi: Our basic policy as a company has not

changed, so there has been no change in the business activities. In the early stages of growth, we had to rely on top sales in some aspects, but as we have grown as a company, we are now making progress in developing our organizational structure and are able to respond to most of these needs as an organization. Top management diplomacy is also effective because the R&D, sales and marketing departments have built trust with doctors on a daily basis. Of course, there are still situations where top management's sales are needed, but in those cases, I myself, as Head of the department, deal with them. As far as I'm concerned, I am, not only in Japan, but also in Europe and the United States, participating in an increasing number of international academic conferences. I try to travel as much as I can in my schedule. I maintain a strong network with doctors from around the world and strive to experience firsthand the voices of people in the field. I would like to promote our business while fully taking into account the thoughts valuing the medical frontlines built by the chairman, who is the former president.

- With regard to medical devices, needs are always coming from the medical frontlines where they are being used, and I believe that new things will be born by meeting these needs. That's why we can say that development never ends. What are the on-site issues you would like to solve in the future?

Nishiuchi: I believe that the premise that medical devices will generate from medical frontlines remains

3-3 Interview with Executive Director in charge of Research and Development for Medical Business

true. An important factor is what challenges exist on-site. They include emerging challenges, chronic potential challenges, and challenges in realizing new treatments.

Among these clinical issues, our company intends to address those existing on a global scale that are not addressed by major competitors, although they are niche issues that are highly demanded by medical sites, which can lead to improvements in the safety and efficacy of treatments, and which can leverage our strengths. I will refrain from explaining the details, but I would like to promote development activities that lead to solving problems at various levels, such as improving the safety of treatments, increasing the success rate of treatments, and making impossible treatments possible.

- The Board of Directors has discussed what the budget should be and the profitability many times. In particular, from the fiscal year ending June 2025, we resolved that the budget should be made under strong guidelines for the entire company rather than the business side. What do you think about the accuracy of budget?

Nishiuchi: Although the accuracy of the budget has improved considerably, there are still many points that need to be improved, and we need to continue efforts to improve accuracy. Sales budgets tend to be conservative and expense budgets tend to be large as we consider too much about the market environment and market information of each site, especially risks. How-

ever, discussions are getting better not only from the viewpoint of the development sites but also from the guidelines for the entire company, and the budgets have shifted a standard level, and I think it is moving in a good direction.

As for the sales budgets, as a matter of course, we are steadily improving its accuracy based on trends of past results, current sales conditions, the future market and its trends, competitors' trends, and the spillover effects of sales promotions from academic conferences and sales activities.

In terms of expenses, I feel that there is a strong tendency for budgets to be based on aggressive action plans that reflect our company's sense of speed. On the other hand, we still have challenges as there are many variable factors such as changes in issues and countermeasures at the development stage, interactions with regulatory authorities at the regulatory application stage, and responses to unexpected problems. We will work to improve the accuracy of the budgets by strengthening the alignment of the action plans among divisions.

New Medium-Term Management Plan for the Medical Division

- We are currently formulating a new Medium-Term Management Plan. As the head of the Medical Division, please tell us what you can about the new Medium-Term Management Plan.



Nishiuchi: We plan to strengthen next-term new business centering on the development of high-value-added products while promoting further expansion of existing business. First of all, it is necessary that existing business, which is our foundation, is solid, and it goes without saying that strengthening existing business will continue to be important. In existing business, there is no change in our current business activities, which focus on the timely introduction of new products. On the other hand, in the next new business, we aim to create new value by integrating new and existing technologies, such as plasma guide wires and PCI treatment support software, which we are currently developing, and we intend to accelerate the shift from products to services.

Asahi Intecc remains a development-oriented manufacturing company. Based on this foundation, I believe that we will accelerate our development.

(Interviewer: Mizuho Ito, Director, CFO, Asahi Intecc Co., Ltd.)

3-4 Interview with Senior Executive Officer in charge of Domestic Sales for Medical Business

As a leading guide wire company based on our unique sales structure, we strategically develop the global market.



Yuichi Iizuka

Senior Executive Officer
Asahi Intecc Co., Ltd.

We expand the global share by switching to direct sales

- Previously, our Group sold products through distributors in all regions, but the proportion of direct sales has gradually increased globally, and currently they account for 50% of our medical business. Japan was the first country in which we switched distributor sales to direct sales. Senior Executive Officer Iizuka joined our company to launch direct sales in Japan and you surely established the first direct sales channel of our company. Could you tell me more about why you joined the company and your background?

Iizuka: Previously, I worked for a foreign company selling medical equipment in Japan and handled medical equipment for cardiovascular diseases in general. Foreign-based companies are often subject to M&As, and on each such occasion their products and corporate policies change. This made it extremely difficult for me to do business while having sufficient talks with doctors on the clinical frontline, and I felt the difficulties in doing activities rooted in the medical frontline. At that time, I was approached by Asahi Intecc to start direct sales. Since I had been dealing with Asahi Intecc's products for nearly 30 years since my previous job, I

3 - 4 Interview with Senior Executive Officer in charge of Domestic Sales for Medical Business

was familiar with them, and so I decided to join the company immediately because I wanted to work from the standpoint of the manufacturer.

- When we switched to direct sales, our market share was around 55%, but it is now over 80%. Many said that it would be difficult for us to sell products directly because we are a manufacturer, but after switching, we were able to keep increasing our market share without ever decreasing it. I think in this process there were various difficulties at the frontlines of sales. Could you tell me if there are any memorable episodes or things you have been conscious of?

lizuka: Immediately after the launch, the number of products we handled was limited. There were six people in charge of sales and our sales amount for the year before the launch started at about 100 million yen. After that, we began to handle the second major line of products such as penetrating catheters, and by handling the products necessary for CTO*¹ procedures, we gained recognition for our direct sales. Five years after the sales company was established, Masahiko Miyata, who was the president at that time, decided to start direct sales of PCI guidewires and asked me to prepare for it. Then what I did first was to change the company's name. We thought it would be better to call ourselves Asahi Intecc if we were to sell its core products, so we changed our name to Asahi Intecc J-sales. At the time, the revenue of the whole company was around 15 billion yen and sales of guidewire products in Japan were around 3 billion yen, so I felt a great sense of tension. After that, as we are a sales company

directly under a manufacturer, sales staff need to be trained so that they have enough product knowledge to talk about product features and benefits. So the product marketing department of the Headquarters trained them for two years. At first, they received detailed training on PCI guidewires for CTO and then received explanations on materials, structures, and features of each product lineup to deepen their knowledge. I was originally in charge of sales in the cardiovascular field, so I had some knowledge about clinical practice and autopsy, but I think I was able to use this opportunity to deepen my understanding of the products.

*¹ CTO (chronic total occlusion): It means a lesion in which the blood vessels are completely blocked and left untreated for a long time. Among catheter treatment cases, it has been considered especially difficult to treat.

- It was very tough work and a burden to supply products to over 1,000 facilities across the country, and I think that was the biggest challenge at that time. How did you deal with that?

lizuka: We made preparations to deliver products to customers in a stable and speedy manner by improving the supply chain and logistics, moving to new warehouses, and improving ordering and receiving operations. At that time, we had only about 10 sales staff, but we realized that we needed at least about 30 sales staff to cover the entire country. We also realized that we needed the operation to set up a base covering all areas in Japan, and to expand our back offices, and we worked on these measures



while discussing them. I thought we couldn't achieve the purpose of the launch if the market share went down, though we became a direct sales company of the manufacturer. At that time, we had already gained an overwhelming share of the market for PCI guidewires for CTOs, so the key point was how to expand our market share of workhorse*² guidewires. I believe that we were able to increase our market share by promoting sales activities unique to a technological manufacturer, under the slogan of "conveying the passion of the manufacturer," and by firmly appealing to doctors with the improved performance that comes from incorporating our company's technology.

*² Workhorse: Guidewires used for general disease cases

3 - 4 Interview with Senior Executive Officer in charge of Domestic Sales for Medical Business

We realize multi-selling to maximize our company's strengths

- I hear that doctors would rather talk to engineers than sales people, but judging from what you said, I think the strength of our company sales people is that they can talk about technology. A high percentage of salespeople are mid-career employees, and many of them moved from other companies in the same industry, but I think they had few opportunities to talk about technology in their previous jobs. Tell me how they have been trained.

lizuka: It was probably a new realization for doctors to learn that the performance of a product that was recognized in the market could also lead to clinical benefits. I heard that when Asahi Intecc entered the PCI guidewire market, American products almost dominated the market and it was difficult to gain market share at first. The reason we were able to increase our market share after the launch of Miracle, a PCI guidewire for CTOs, in 1995 was mainly because doctors recognized there was a right product for treatment while they had compromised and given up on the quality and operability of conventional PCI guidewires until then.

- Our company is currently promoting a strategy to expand our guidewire business beyond the cardiovascular field to peripheral, neurovascular, abdominal, and even gastrointestinal fields. In Japan, we are already gaining a high share in these new fields. In the cardiovascular field, we have come to understand the

needs of KOL (Key Opinion Leader) doctors in Japan and have commercialized the products through joint development. Also, we place importance on product performance and have worked together with doctors to improve the quality of cardiovascular treatment, including on-site education on the use of wires. I think this led to maintaining a high market share. Is there a similar trend in the fields we are going to expand? In the past, it was common understanding in the industry that there were dedicated sales representatives in each field, but in the process of expanding the field, you are now moving forward with a multi-sales system of sales representatives who can cover all fields. Tell me how you have been transforming it?

lizuka: I think that our company's passion for improving the performance of guidewires and our eagerness to make better products are rooted in each product. For example, in the cardiovascular and peripheral vascular fields, we have developed our products upon understanding the required performance. As our sales representatives who understand and believe that our products offer high performance explain it to doctors, I feel that they will be able to understand the features of our guidewires. Our competitors tend to adopt a divisional system, but because our company is a technology seller, each sales representative has the skills to properly explain the features and performance of guidewires that are appropriate to specific lesions and disease conditions in any clinical department. They may need to acquire a high level of knowledge, but in terms of helping customers understand our products,



I think multi-selling is the best way to maximize our company's strengths. As for access devices, for example, in order to sell the same group of products in all departments, I think that we can build a sense of trust when sales representatives promote our company's technology. It is important for each sales staff to acquire knowledge about various clinical departments in order to develop future products. As for guidewires, I think they are common to all fields. I think the fact that we currently hold the top market share proves the reliability of our product performance.

- Currently, we are gradually switching to direct sales overseas, too, and expanding our sales staff, but I feel that having sales representatives understand the technology and sell the products is common around

3 - 4 Interview with Senior Executive Officer in charge of Domestic Sales for Medical Business



enhance the way we approach it.

- I believe that it is the assets of our company that you have established a system to nurture our company's most important human resources and to raise the value of the company. In the medical device industry, there is a tendency that sales representatives are paid relatively high compensation and easily move to other companies. However, many of our sales representatives have worked for the company for a relatively long time, and the ES survey shows that they are highly satisfied. What is the

secret behind our success in realizing a structure and operations that differ from the industry trends?

lizuka: It takes time for them to become full-fledged. When we enter a new clinical department, we employ highly specialized personnel and place one such specialized person in each area to promote advance sales activities. While leaving the mark of our company's entry into this field, we will educate our staff gradually through lectures, role-playing, and on-the-job training so that they are able to cover multi fields. So I think it will take one to two years. I think it will take about three to five years for a department like neuro, which we have entered for the first time, because we need to

the world. For example, in Japan, how long does it take for a sales person to become a full-fledged sales representative?

lizuka: As an R&D-oriented company, we, Asahi Intecc, would like to be committed to contributing to medical care spotlighting our products. Salespeople should be evaluated based on how helpful they are rather than how much they sell. I would like to value the manner in which qualitative aspects lead to high evaluations. Those who want to be evaluated by sales amount will be successful as sales representatives in different industries. I think it's very important to secure human resources who have a sense of fulfillment or accomplishment by contributing to health care, who prefer to engage in a job that benefits

others with a sense of altruism. As a result, they can talk to doctors with a great sense of security and confidence in our product capabilities. I think that kind of satisfaction makes our staff stay longer at the company. The profit structure of the industry changes owing to revised reimbursement prices. And when considering how to invest resulting profits, we need to change the quality of our investments in people. To this end, we balance satisfaction and reward. Recently, we have started hiring new graduates and young people with no experience. Industry practices and structures also need to change in response to changes in society, and our company is beginning to address this.

- You mean the purpose of the organization is gradually penetrated and understood throughout the group companies?

lizuka: It is important to clearly present what we will be working for. I think top management is required to constantly communicate what this company is for and what kind of company it wants to be, so that employees' can adjust and correct their work goals little by little.

Supply chain management changing the industry practices

- In domestic sales, we have adopted a vender managed inventory (VMI) system, which is a unique scheme in which we keep an inventory of our products at clinics or hospitals so that doctors can use them

3 - 4 Interview with Senior Executive Officer in charge of Domestic Sales for Medical Business

whenever necessary and the products used by doctors become our sales. As our products are subject to expiration of sterilization, the management of inventory and distribution is complicated, and operational management is important to avoid write-downs. What improvements have you made so far to make such process more rational and appropriate?

lizuka: As I have worked in sales and marketing functions for a long time, I did not place importance on inventory management, and I had thought that the products with the expiration of sterilization was a necessary promotion cost. However, when I reported a large amount of obsolete products at a meeting, the founder Miyata got angry and yelled at me, saying "You threw away the products we worked so hard on without even opening the seal!" I still remember the shock I felt at that time. I learned firsthand the essence of a manufacturing company. After that, we launched an in-house project to improve on-site capabilities and began working to reduce obsolete products due to expiration of sterilization. We have been working on this problem as a priority issue for more than ten years, and the number of these obsolete products and relevant loss have been less than that time. The system jointly established by the operation group and the sales division has been effective, which allows us to check the consigned inventory on a periodic basis and to relocate facilities to which we place our inventory efficiently. I believe this is a testament to our company's ability to play a role as a sales company under a manufacturing company. Considerable parts of the medical device industry are an-



alog, so I think there are many issues in supply chain management. Going forward, we would like to further advance digitalization and build an industry standard model to become a company that can lead DX in the medical device industry.

We will strengthen the aspect of a sales organization selling technology to cultivate new markets

- Our company will also sell medical robots such as ANSUR. Please tell me how to promote robot sales.

lizuka: This was our first entry into the field of surgery, and it was an entirely new endeavor, in part because it required a budget approval from hospitals for non-consumable products. As in past sales transfers, we needed to hire staff who can serve as a pilot with experience and connections in the relevant field.

Furthermore, in order to ensure the safe use and dissemination of the robots, it is necessary to carry out procedures associated with its introduction, such as conducting prior training for medical professionals and attending surgeries in accordance with rules, so we have formed a team of clinical specialists separate from the sales department. In addition, since surgical societies are organized by organ, we need to coordinate with each society regarding regulations for the qualification of robotic surgery. Therefore, as the ability to work with doctors in important positions such as key persons at academic conferences was necessary, we faced a very high hurdle to lead the surgical business. Currently, our robots are being used for operations for colon, gallbladder, and appendix. We will promote this business in consultation with doctors so that they will use the robots in gynecology and hernia fields. As surgical support robots are attracting attention for their potential to contribute to the Work Style Reform for Doctors introduced in 2024, I would like to carefully promote them to become the next pillar of our company.

- Based on what you've said so far, I think there's a culture ingrained in our company where if there's a need, employees should go beyond their scope without sticking to their area or role. Taking advantage of these strengths, you are now focusing on promoting direct sales from Japan to Asia, especially Korea. Are there any differences in the way you conduct business in each country or region?

3 - 4 Interview with Senior Executive Officer in charge of Domestic Sales for Medical Business



lizuka: Our philosophy of contributing to medical care is universal in all countries and regions. There is no difference in terms of strengthening the aspect of a sales organization that sells technology, but I have the impression that it will take time to gain understanding. In Japan, we have been consistently communicating what we should be and our ideal vision to our employees since we first hired them. We teach and succeed the way of thinking and behavior to them through meetings and accompanying sales activities. This kind of corporate climate cannot be generated overnight. Therefore, we place importance on motivating employees and conveying our company's values to them. In addition, there are differences in business practices and values, so we try to quantify and explain the need

so that our people understand it. First of all, I try to actively accept the culture and customs of their country and region in order to build a relationship of trust and an environment where people can listen to me. In Korea especially, I think there are many opportunities to communicate over meals. The food is delicious and there are many friendly people, which is helpful. In Korea, as for Seoul, our company sales representatives sell directly to hospitals. With regard to regional areas, we are building a hybrid organization that covers the whole country while using distributors to conduct sales activities together. However, we will keep the Asahi-ism for our sales style and promote technology with our products as the main focus.

People are becoming familiar with our approach and finally showing a certain level of understanding. As part of our efforts to develop sales representatives, we have been working to communicate in what situations our products are useful and how to use them through role-playing with the setting of the background of doctors and treatments, and to gain common knowledge. As a result, we feel that our know-how to sell clinically useful and needed products has taken root. In local areas, as we are selling mainly through distributors, we need to exchange opinions on inventory management with them. It is becoming common knowledge at our Korean branch that inventory management is very important not only for direct sales but also for sales through distributors and agents.

- Our company is currently positioning the enhancement of non-cardiovascular areas as one of our major strategies in overseas markets, particularly in the peripheral and neurovascular areas in the United States. Direct selling and the expansion of the therapeutic fields means that you will aim to realize the current trend in Japan overseas. What are your thoughts on this?

lizuka: We need to consider what kind of coverage we plan depending on the country and the number of hospitals. There may be a hybrid type like Korea, and depending on a clinical department, we can think of using a distributor or agency. We need to build a sales organization that focuses on products and increases coverage. We also need to instill in our distributors the awareness that we are a company that sells technology by focusing on products, even if it is direct sales. For example, if we can obtain a high share in the cardiovascular field, we can expect a high share in the peripheral field as well, and I think the same is true for areas other than the neurovascular field. I believe the key is to build a sales structure and an organization that takes advantage of our company's strengths.

- So in that sense, we still need to expand our product lineup, don't we?

lizuka: Our company is developing new product lines by repurposing our proprietary technologies, introducing technologies we don't have, and improving the performance of existing products. In enhancing our

3 - 4 Interview with Senior Executive Officer in charge of Domestic Sales for Medical Business

product portfolio, I think that we will be able to develop better products than those of other companies, improve products that were initially inferior in performance to better ones, and develop products that doctors want. I also believe that we can continue to rotate the cycle of informing our headquarters of the opinions of doctors we have heard at medical frontlines. When our company's value is proven in this way, we, those who are working on-site, can work with confidence in our company's technology. I feel that we are proud that our domestic sales representatives who have worked for us for a long time meet the expectations of doctors and contribute to medical care.

- I think there can be disagreements between marketing and sales departments and development departments because they have different roles, objectives, and expectations. What about cross-sectional relations among departments in our company?

lizuka: At present, there is still room for improvement, and we would like to promote the creation of an environment where development staff can have more contact with medical frontlines. Since the development work is diverse, it is necessary to increase opportunities to directly observe the procedures in the medical field and to ask doctors' opinions on the products. In order for our company to develop better products, it needs to make doctors want us to listen to their requests. It is the responsibility of sales representatives to lay the groundwork for that. And, we would like to

build a cycle in each clinical department in which development staff make better products based on the opinions brought by sales staff. On the sales side, we are increasing the number of clinical departments for which our development staff will accompany the sales visit and the frequency of such visits in order to build a sense of trust in clinical departments in which we have newly entered. In this way, we would like to expand our resources to make better products in the future.

We connect the power of individuals to the power of organizations

- Given the growing importance of human capital, it is imperative that our group moves ahead with the transfer of authority and strengthens its organizational structure. What are your thoughts on nurturing the next generation and strengthening the organization?

lizuka: The issue of nurturing the next generation has been discussed for a long time, partly because what is required is changing owing to the historical background and changes in the environment. In order to create an environment in which young people can work comfortably and play an active role, it may be necessary to make flexible organizational changes and revise the direction. What I've been trying to do was to give the person who is going to be my successor a book that will help him or her understand the nec-



essary knowledge and know-how, to convey what I had experienced, and to make the successor actually experience my work. I will express my expectation to employees who can be the core of the company so that they will aim for important roles and positions. I believe that when they understand the gaps between expectations and their actual situation, they are motivated to make efforts. Once we have accumulated a certain amount of experience, we don't feel difficulties in doing daily tasks, and the job becomes routine, which can slow down the speed of our growth, but I have experienced many times that I can accelerate my growing speed by setting goals and expectations. I feel that raising awareness of meeting expectations will lead to strengthening organizational capabilities. At the same time as enhancing individual capabilities,

3 - 4 Interview with Senior Executive Officer in charge of Domestic Sales for Medical Business

we believe that the synergistic effect of multiplication of capabilities is important for maximizing business performance. Therefore, we have started to make the concept of the development of human resources with abilities to think for themselves and the strengthening of cooperative organizations, which was mentioned in our last Integrated Report, more concrete and have examined how organizational communication should be to increase employee engagement. Companies don't get better on their own. I feel that we can strengthen our organization little by little if each of the employees thinks proactively about what we should do, speaks up, and continues to act without giving up. In that sense, rather than dictating the corporate purpose and importance for existence, it is better for the management to increase opportunities to interact with employees and subordinates so that they will be always conscious of the purpose, etc., which may lead to both human resource development and organizational strengthening.

Toward further enhancing our corporate value

- The other day, the president was replaced on short notice. External people often ask me about how this replacement of the company president will affect the value or advantage of our top sales scheme developed based on the relationship between Mr. Miyata, the former president, and top doctors, and who will assume such role in the future. They also ask about risks and losses. Please tell me the situation regarding those aspects.

Iizuka: It has not been long since the replacement, so I think there are quite a few items that need to be considered. Our company's corporate value has steadily increased thanks to the current chairman's top-level diplomacy. He has devoted his time to sales activities while traveling around the world and leading our company. Watching him doing this for long time, we have learned a great deal from him. The chairman's thoughts and efforts are well known not only to employees in Japan but

also to employees at overseas bases. It's time for us to do what he has taught us. At the same time, the new president has supported our company's strength as a manufacturing company, the company's starting point of "monozukuri (manufacturing)". I am confident that we will be able to make further strides in the future based on a stable foundation for creating better products and the trust that the chairman has built up in his global sales operations. I believe that the establishment of a new



3 - 4 Interview with Senior Executive Officer in charge of Domestic Sales for Medical Business

corporate style by our executives will further enhance the growth of our mid-level employees who are currently active in their respective fields and enhance our corporate value. I feel that we are now at a transition point where technological progress and succession, as well as the growth of our human resources and organization, will take place at a high level so that our company can exist for a long time.

- What do you think the management issues and business risks for further growth of our company are?

lizuka: At present, our strength lies in our small but elite team. But as the company is growing at a rapid pace and the scale of the company is becoming larger, I think there will be a risk that the allocation of personnel and the change of organizational structure will follow behind and that the organization will become more complex. It will become even more important for us as an organization to raise the level of our expertise. I would also like to promote the building of an organization under our jurisdiction with a concrete image of what kind of organizational structure we need in the future and what kind of skill set our employees will have to lead the organization. We will also need to take unprecedented measures to verify product performance and quality when entering new clinical departments. Our successful model is to work with KOL doctors to gather clinical needs and realize specific product performance requirements. In new fields, it is increasingly necessary to expand the

channels of feedback. It is also necessary to build supply chains and complex business processes that are not existing business models. Based on the knowledge and experience we have gained so far, we will continue to develop environments for new medical contributions.

- The key challenge is to systematically strengthen the middle-level employees, isn't it?

lizuka: Our scale is no longer small enough to cover everything. Even in Japan, when we are in the process of moving from an organization having 100 employees and 15 billion yen in sales to that with 100 billion yen in sales, nobody can see everything from start to finish. If we express what we will do, determine the roles of each division, and incorporate them into our operations, I think the synergistic effect will add value to the company. And the level of growth and evolution and collaboration of each department will be more important than ever.

About the future

- Finally, based on your experience and our company's strengths, what are your aspirations for the future?

lizuka: I believe that one of our company's strengths is its sales system, which is close to clinical frontlines. Since the use and combination of access devices affect the results, it is necessary to thoroughly understand the features of each product. I believe that our sales structure is excellent in that we have built a

strong relationship of trust with doctors through the opportunity to exchange specific opinions with them on a case-by-case basis. Based on the strength of our sales structure that we have built to date, I would like to strengthen our global sales capabilities by utilizing my knowledge and experience as a manager of a domestic sales company. As a leading guidewire company, we aim to capture the world's top share of guidewires in every field. I would also be very happy if we could provide innovative therapeutic devices by accumulating our company's technologies. I would like to further increase the value of our company by the synergy effect of the development and marketing departments that never give up on creating better products, and the sales department that can convey our good points to customers.

〈Interviewer: Mizuho Ito, Director, CFO, Asahi Intecc Co., Ltd.〉

04 | Financial Strategy



Dialogue between CFO
and Outside Director

4-1

Financial Strategy

4-2

4-1 Dialogue between CFO and Outside Director

Free cash flow to grow to re-expansion phase

Progress of the management structure toward the new growth stage

Message from the CFO

To enhance corporate value, it is necessary to utilize financial and non-financial capital to achieve sustainable growth in cash flow and improve capital efficiency. In order to achieve this, it is important to improve cash flow and optimize strategic resource allocation, strengthen management mind-of capital cost, and improve management quality and transparency through active dialogue. I will explain these in the Interview Dialogue and the Financial Strategy page below.



Mizuho Ito

Director, CFO
Asahi Intecc Co., Ltd.



Interviewer:

Takahiro Kusakari

Outside Director
Asahi Intecc Co., Ltd.

Achievement of the Medium-Term Management Plan ahead of schedule and factors behind it

Kusakari: Our target was to achieve consolidated revenue of 110 billion yen in the fiscal year ending June 2026, and you expect to achieve that target ahead of schedule in the fiscal year ending June 2025. Let me confirm the factors driving this achievement.

Ito: The basis of the current Medium-Term Management Plan was to expand the global market share of the existing cardiovascular guidewire and catheter business as a basis for growth, to drive business performance by promoting globalization in non-cardiovascular areas such as peripheral vascular, neurovascular, abdominal vascular and gastrointestinal systems, and to lay the foundation for entering various business areas, including the field of robotics, as a seed for long-term growth. This basic strategy remains unchanged.

At the beginning of this Plan, we believed that the COVID-19 pandemic would soon end. In that sense, we faced a difficult period in the middle of the current Medi-

4 - 1 Dialogue between CFO and Outside Director

um-Term Management Plan due to changes in external factors, including the prolonged COVID-19 pandemic. However, in the latter half of the Plan, the COVID-19 pandemic came to an end, and we were able to steadily increase our global market share, and with the support of foreign exchange rates, there was the possibility of achieving our goals ahead of schedule.

Currently, we have some challenges such as sales of non-cardiovascular products, which is one of our key strategies, having been slower than initially planned to penetrate hospitals and other customers, and still being in the middle of entering new business and requiring further evolution. However, I believe that we can continue to expand our business performance as a growing company by leveraging our company's technological capabilities. We will announce the next Medium-Term Management Plan when it is certain that we can achieve the target ahead of schedule.

Improvements in cash flow

Kusakari: I would like to ask about cash flow. Currently, cash flow is finally improving. I understand that the deterioration in cash flow to date has been due to a combination of various factors, in addition to stock-piling for the MDR. Would you please summarize and explain the reasons?

Ito: Certainly the figure of free cash flow plus dividends turned red (see page 57), and our cash flow has been worse over the past several years, owing to an increase in capital investment, including upfront investment, and an increase in irregular inventories.

For these past several years, owing to the COVID-19 pandemic, the number of cases of catheter treatment decreased, and our company had difficulties in selling products and increasing market share because we were limited in our access to medical sites and were not able to conduct sales activities. However, we thought that as the COVID-19 pandemic was temporary, and in the future, the number of cases would recover and increase, and that it would be possible to further increase market share by resuming sales activities, etc. Therefore, even during the COVID-19 pandemic, we intentionally made upfront capital investments and invested various upfront expenses for future growth without restrictions.

In addition, inventories temporarily increased significantly over the last several years owing to a variety of factors, including the securing of safety stocks to respond to distribution concerns caused by the COVID-19 pandemic, increased inventories at EU sales bases and factories that ship directly to the EU in order to prepare for the risk of the EU revised Medical Device Regulations (MDR), and other factors.

I think the combination of these irregular conditions made free cash flow worse.

Kusakari: In the fiscal year ended June 2024, cash flows finally started to improve, and a sense of security spread in the stock market. At the Board of Directors, too, we discussed the fact that even if P/L was good, cash flow was not good, the analysis of the cash conversion cycle,

and what was necessary to solve cash flow issues. I think the voices of institutional investors surely reached the board.

Ito: Yes, that's right. Even if our P/L was good, cash flow has been bad for the last few years. I believe that this deterioration was caused by both temporary factors and structural factors, so we needed to distinguish them, share a common understanding, and properly discuss them. We tend to think that as long as the P/L is good, it is all right, but I think that the Board of Directors has become more aware of the need for improvement of cash flow after discussions on the comparison with other companies, the comparisons with our past figures within the company, and the direction of improvement in light of our company's unique advantages, including the cash conversion cycle. I believe that this has been accelerated also thanks to the



4 - 1 Dialogue between CFO and Outside Director

strong supporting opinions of outside directors such as you, Mr. Kusakari.

From the fiscal year ended June 2024, the figures in free cash flow plus dividend payments improved. This improvement of cash flow resulted from the completion of a series of equipment investments such as the expansion of R&D bases and the establishment of a production plant capable of responding to future revenue goals of up to 150 billion yen, as well as the reduction of excess inventories to an appropriate level at once due to signs of relaxation of the EU MDR.

We revised the content of equipment investments during the fiscal term, so that the amount of the initial plan, which was somewhat excessive, was reduced. Analysis and judgment based not only on P/L but also on B/S and C/F are gradually spreading.

Capital allocation

Our idea for appropriate capital allocation towards sustainable enhancement of corporate value

Kusakari: What do you think as CFO about the strategy and future trends for cash flow, especially free cash flow? We disclose the capital allocation. But I'm afraid that investors' view may change if they become concerned that the company may limit its strategic investments owing to the increase in the dividend payout ratio and the reduction in borrowings.

Ito: While the capital allocation is described on page 54, we think that our highest priority for the use of funds is strategic investment such as equipment investments and

M&A for business growth. Since our company is a growth company, I believe that strategic investment of funds to sustain this policy is of utmost importance. Therefore, there is no idea of narrowing down strategic investments. As for the reduction of borrowings, originally, our company had intentionally increased its foreign currency-denominated liabilities to hedge against foreign exchange. However, owing to the recent rise in interest rates on foreign currency borrowings, we have been working to reduce the foreign currency-denominated liabilities by reviewing and improving foreign exchange exposure. Therefore, it is not intended to reduce strategic investments.

We have a scheme in which if we need to make strategic investments that exceed our cash reserves at hand, we will be able to flexibly increase our yen-denominated interest-bearing debt, so please rest assured.

As for the dividend payout ratio, we decided to raise it in June 2024 because it became more certain that the cash flow for the fiscal years ending June 2024 and 2025 would improve stably. We plan to further raise the dividend payout ratio if we expect continued improvement in cash flow. We think that the financial strategies should not be considered in a uniform way for the present and future, but should always be adapted to the circumstances at the time, while also considering balance and responding flexibly. It is difficult to easily promise to buy back shares or raise the dividend payout ratio when cash flow is deteriorating, and I thought that our first priority would be to clearly demonstrate that we could improve cash flow.

As for the financial strategies, I have realized there are truly diverse opinions through dialogue with investors. This comes from the differences in visions between a short-term perspec-

tive and long-term perspective, differences in perception of whether a company is a growth company or a mature company, and differences in opinions, including comparisons with other companies under portfolio responsibility. I feel investor opinions are very varied.

We will listen carefully to the opinions of our investors, and we will consider what we can do to enhance our corporate value, with the management at the center, and respond accordingly.

About the new management structure

Kusakari: By the way, there was a sudden change in president in September 2024. What was the reaction within the company? What changes have you seen?

Ito: Certainly, it was a sudden change, so I think especially the employees were surprised.

Even from close up, I've seen that the president's job is extremely demanding, so if he's not in perfect health, he can't do it. Also, I believe that the chairman (the former president) himself was concerned about his poor health and made the heart-wrenching suggestion to change the president in order to avoid slowing down the company's growth.

Our employees understand well that both the chairman and the president have discussed various important issues as representative directors, and immediately after the replacement, the president and the chairman (the former president) gave a thorough explanation about the replacement directly at a meeting of management of the entire Group, which I believe employees feel easy about. The new president comes from the founding family and he has not only led the company with strong leadership,

4 - 1 Dialogue between CFO and Outside Director

but also values the organization, I think. As you know, while our group is growing rapidly, it is already too big for the top management to keep track of everything. As we further enhance our corporate value, I believe that such good balance will come into play.

Implementation of a management conscious of capital cost

Kusakari: The Tokyo Stock Exchange announced “Implementing management that is conscious of cost of capital and stock price,” and I believe that this issue has been increasingly discussed at the Board of Directors. Then, let me ask about how you discuss, advance and manage this matter at the Management Executive Committee, etc.?



Ito: First, after the announcement by the TSE, we began to disclose the capital costs on IR and use them in the dialogue with institutional investors. At the Board of Directors, we discuss the status of dialogue with institutional investors, the growth expectations exceeding the cost of capital, and the developments in equity spreads, etc.

At the Management Executive Committee, we mainly discuss the KPI management from the perspective of corporate execution and management. In January 2024, the Management Executive Committee was established with the future separation of management and execution in mind. Up until now, the Board of Directors has been the same as the Executive Committee, but outside directors have pointed out that discussions are too meticulous and that the structure of the Board should be changed so that

the management and execution functions are separated, which would lead to further changes in the organization. However, it is difficult to separate management and execution right away, so I think we are now in a transitional period.

Also about ROIC and ROE, which are KPIs of our company, I understand that they are the indicators that institutional investors place importance on when making investment decisions. I feel that discussions on these KPIs with institutional investors have increased considerably over the last few years. There are elements to improve ROIC and ROE, and we are developing them as ROIC

trees. (See page 54.) Their further breakdown has been discussed at the Management Executive Committee and is one of the matters for consideration. Now it is possible to monitor this on a monthly basis, so we will proceed with deeper analysis. In addition, not only at meetings of the Management Executive Committee, but also on a daily basis, we use the net present value (NPV) method and the internal rate of return (IRR) method and apply the capital cost of every fiscal year to examine profitability. Management that is conscious of capital costs is taking root.

Changes in profit margins and their improvement

Kusakari: As mentioned at the first part of the current Medium-Term Management Plan, the target revenue is already expected to be achieved ahead of schedule. What do you think of the profit margin target? I guess there were certain unexpected situations, including the external environment such as COVID-19 pandemic. Do you expect it will improve in the future?

Ito: Over the last five years, the gross profit margin has been on a downward trend due to an increase in capital investment resulting from upfront investment, the impact of the COVID-19 pandemic, and, most recently, production adjustments to reduce inventory. However, in the fiscal year ending June 2025, these factors finally came to a halt, and the gross profit margin will start to rise.

In addition, the SGA ratio increased owing to upfront investment in sales and the enhancement of the quality assurance system. However, we believe that as these efforts

4-1 Dialogue between CFO and Outside Director

are coming to completion, the SGA ratio will not continue to rise as before.

In our company, the marginal profit ratio is naturally high, and we have a structure in which an increase in revenue tends to have a mass-market effect and the profit margin increases. For the fiscal year ending June 2025, we are forecasting high growth rates of 10% in revenue and 20% in operating profit compared to the previous fiscal year, assuming the same exchange rate as the previous fiscal year. (See page 53.)

As a result, if there are no irregular elements, we believe we can steadily achieve the 23 to 25% operating profit margin of the Medium-Term Management Plan, and we intend to do that.

Kusakari: The new Medium-Term Management Plan was

discussed at the Board of Directors meeting just the other day. Is there anything you can say about it?

Ito: Right now, it is under consideration and various discussions are underway.

We will continue to make upfront investments mainly in development to launch new business, but I believe that earnings from existing business will also grow steadily. In addition, as I mentioned earlier, the upfront investment, including equipment investment, has run its course, and we are already entering the payback period. So, the income amount and rate in existing businesses should improve. We are also considering new business on an ongoing basis. As for the past M&As, too, it is necessary to respond flexibly to various changes in the environment occurring during the PMI process. As a baseline, our company is a growing company, and in order to sustain its growth, it is

important to constantly invest in development and upfront investments. Strategic options that can be implemented using cash on hand, including improving cash flow, are certainly expanding.

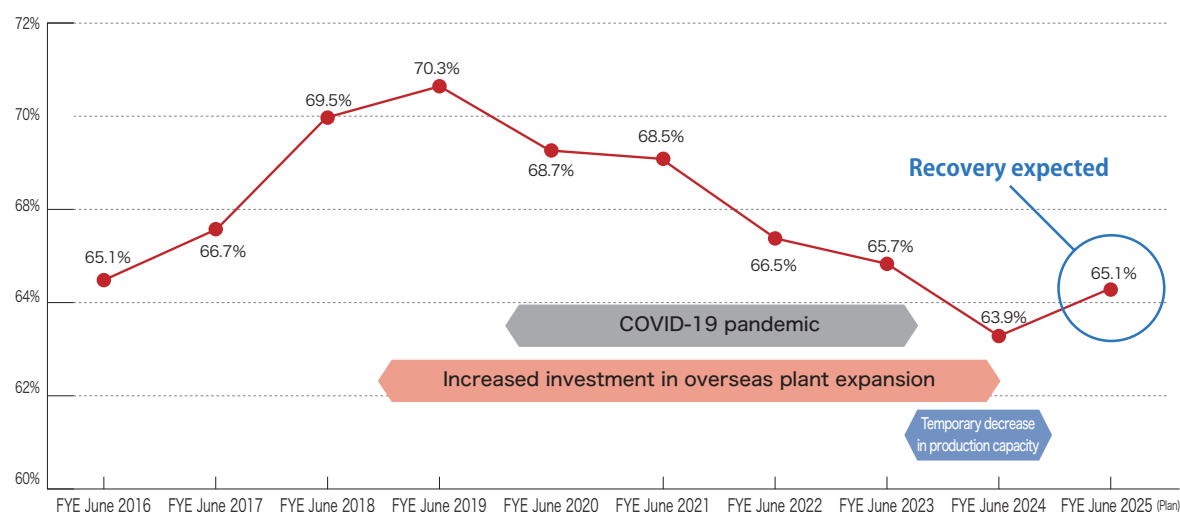
We are thoroughly reviewing various aspects such as sales strategy, production strategy, patent strategy and personnel strategy, led by the new president and executives, including outside directors, so please give us a little more time.

ESG initiatives and governance

Kusakari: What are the challenges of your ESG initiatives?

Ito: Regarding the environmental issues, we have already disclosed Scope 1-2-3 on a global basis, but we are entering the phase of implementing Scope 1-2 in particular in terms of reduction per unit of production. Environmental protection initiatives have become widespread on a daily basis, but strategic decisions will also be required in the future. The EU's CSRD (Corporate Sustainability Reporting Directive) is also a thorny issue. As for society, as the social environment is constantly changing, so I think it is important to keep up with it. The enhancement of diversity, including the participation of women, is an enduring issue, but we are implementing various programs (see page 81) with the aim of increasing the ratio of female managerial positions, mainly in Japan, and will continue to promote them. With regard to governance, although we have received comments from outside directors that the evaluation of the effectiveness of the Board of Directors is appropri-

Changes in gross profit margin over the past 10 years assuming same exchange rates
(using the rate of the FYE June 2025 Plan for all the years)



4-1 Dialogue between CFO and Outside Director

FYE June 2025 Plan and year-on-year change
(using the unified rate same as FYE June 2025 Plan)

	Actual results for FYE June 2024	Plan for FYE June 2025	Year-on-Year		When using the unified rates
			Change	Change rate (%)	Year-on-Year Change rate (%)
Revenue	107,547	116,737	+9,190	+8.5	+10.2
Operating income	22,135	25,210	+3,074	+13.9	+19.1
Operating income margin	20.6	21.6	+1.0	-	-

ate, there are a number of issues that we are improving while flexibly considering, such as the extent to which the separation of management and execution should be advanced, the ideal form of the Nomination and Compensation Committee, and the ideal form of group governance in an expanding company. Since it is not beneficial to increase only the number of systems to hedge against risk, we will have to respond flexibly while identifying essential items and priorities to increase corporate value.

Kusakari: You talked about governance. What are your thoughts on cooperation with outside directors? This is my second year since I became an outside director, and the president and other directors respond sensitively to the opinions of outside directors. So, I feel that there are many opportunities to recognize the value we provide as outside directors.

Ito: I believe that the cooperation between inside

have become increasingly active. To be honest, as the executive side, I sometimes find it difficult, but on the contrary, I think it is because outside directors are functioning. Outside directors have their own specialties and characteristics, so it is important for them to function in a balanced manner, and their balance seems to be well maintained.

In governance, the effectiveness of the Board of Directors is called into question, but I feel that our board is essentially meaningful in the sense that we always exchanging frank opinions rather than making a superficial response to a questionnaire.

However, both outside directors and internal directors on the executive side are keenly aware that there are still many issues to be resolved. Our mutual purpose is how we can provide value to increase corporate value, so we would like to work together without leaving out that common purpose.

directors who are on the executive side of our company and outside directors is deepening every year. As for the decision-making structure, discussions with outside directors have led us to decide to promote the separation of management and execution, and I think the voices of outside directors at the board meetings

Finally, about the Integrated Report

Kusakari: As the general manager who is in charge of compiling the Integrated Report, please tell me the highlights of the Integrated Report 2024.

Ito: Last year, as we were promoting new business development, the previous Integrated Report 2023 was prepared with the aim of providing a better understanding of the strong leadership of the former president and the ideas leading to these strategies. This year's Integrated Report 2024 has been structured in such a way that, in addition to the succession of leadership by the new president, we want to show that we have strong human resources who support the organization in various fields.

In our last two integrated reports, we included frank discussions with investors in the form of interviews, and we received positive responses. We hold more than 200 meetings a year with institutional investors, and we place importance on always having opportunities for dialogue.

Our Integrated Report may be more voluminous than other companies', but our basic policy is to strive to provide comprehensive content that covers all the information which we see investors want to know through the meetings.

We believe that there is still much room for improvement, so we would like you to continuously give us your frank opinions and comments.

We look forward to your continued support.

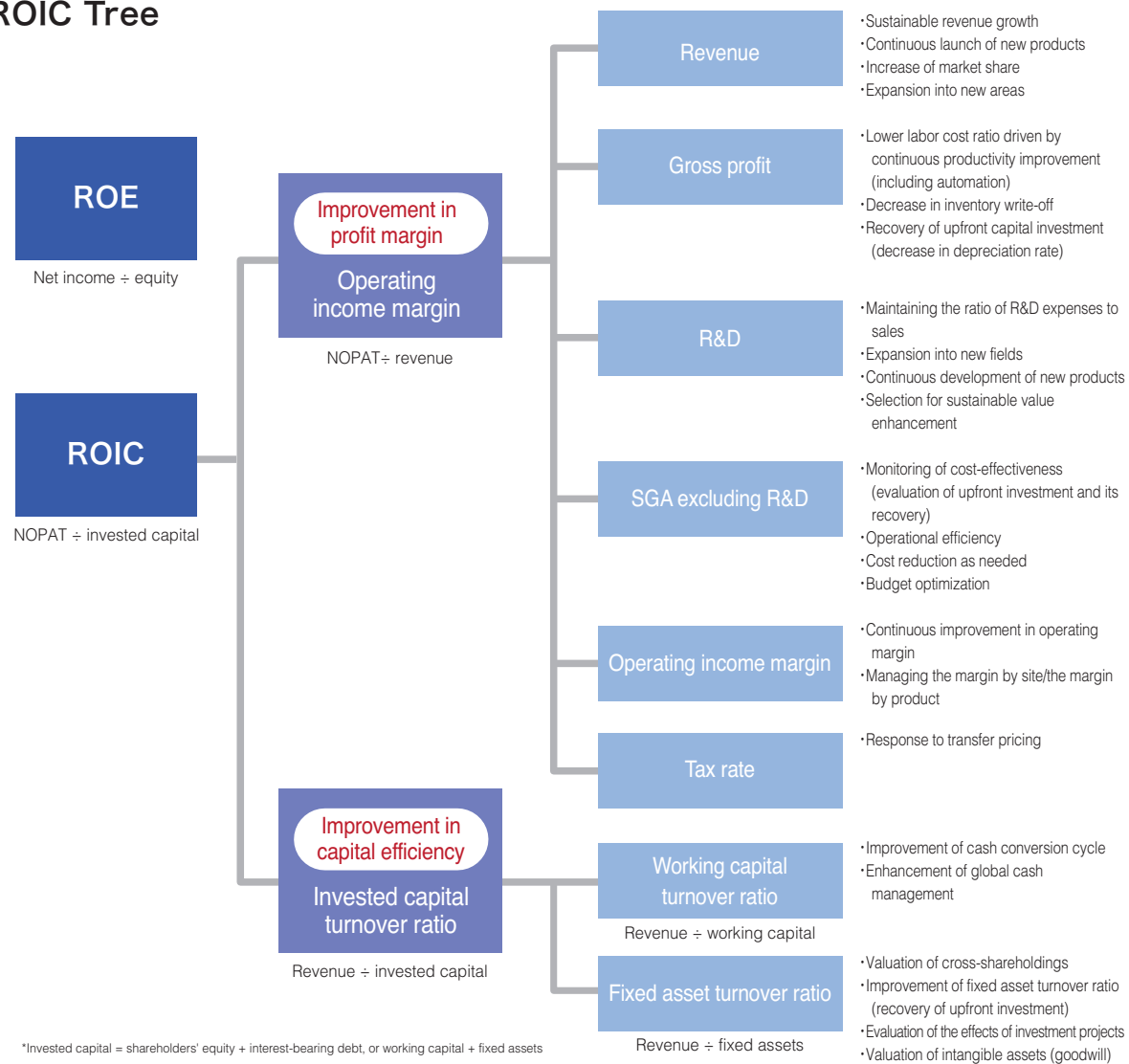
4-2 Financial Strategy

Basic Approach to Financial Strategy

Our Group will further strengthen the financial base by improving capital efficiency, etc., and aim to achieve sustainable growth, secure stable earnings, and increase corporate value by optimally allocating funds to aggressive growth investments and stable and continued shareholder returns.

We will also strive to contribute to all stakeholders by implementing management that is conscious of capital costs and maximizing corporate value. In order to realize returns that exceed the capital costs, we will improve return on capital (ROE and ROIC) using the ROIC tree and strengthen investment decision-making based on the capital costs.

ROIC Tree



*Invested capital = shareholders' equity + interest-bearing debt, or working capital + fixed assets

*Working capital = trade and other receivables + inventories - trade and other payables

4 - 2 Financial Strategy

» Capital allocation

Based on the strategies incorporated in the Medium-Term Management Plan “ASAHI Going Beyond 1000”, in addition to the growth of existing business (cardiovascular and non-cardiovascular fields), we are also promoting the launch of new business and are actively laying the groundwork for further growth, exceeding the final-year target of 110 billion yen in revenue under the Medium-Term Management Plan.

In particular, in the medical device field, which is our strategic business area, we are actively promoting up-front investments such as acquisition of shares and alliances, including

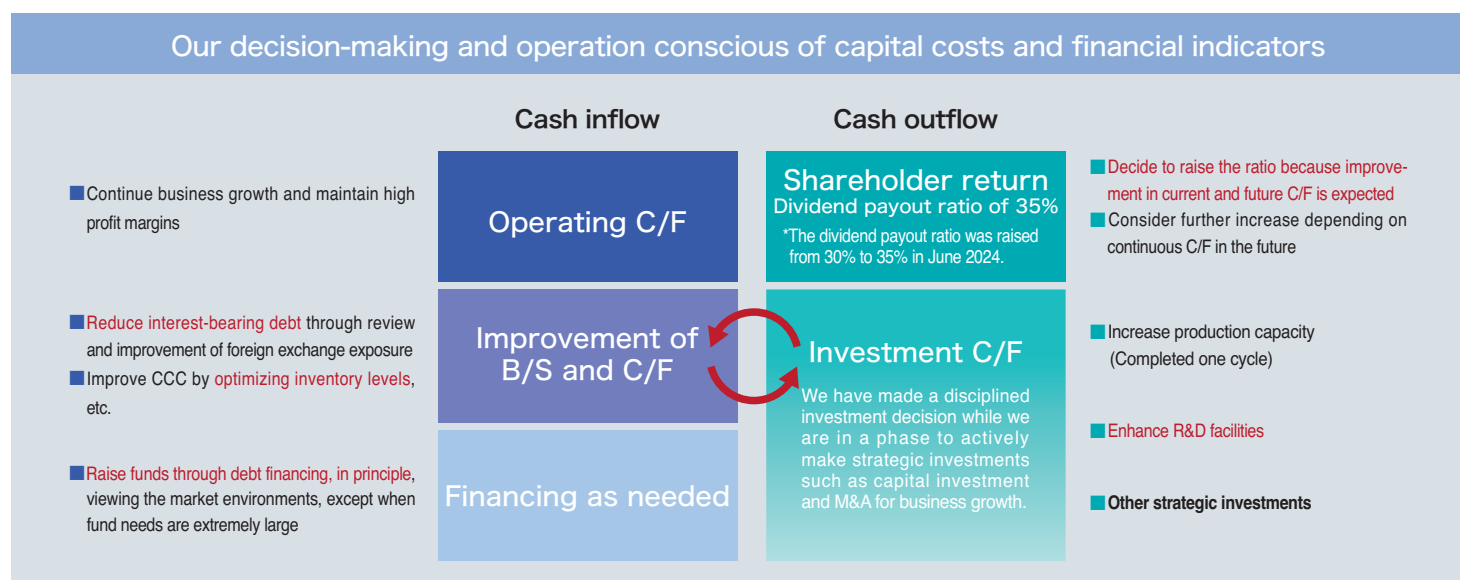
M&A, capital investments, and R&D investments. Amid this backdrop, while emphasizing the balance between growth and financial strategies, we consider capital allocation providing for discipline and distribution of funds for cash flow for growth as follows.

This capital allocation was reviewed flexibly through dialogue with institutional investors.

As the source of funds is cash on hand and operating cash flows, we strive to improve our ability to generate funds and efficiency.

To improve the ability to generate funds, we evaluate major investments and new product and business projects using the evaluation methods with capital cost and cash

flow such as the net present value (NPV) method and the internal rate of return (IRR) method. To improve fund efficiency, we consolidate surplus funds of our Group companies in Japan, the United States and Europe into Asahi Intecc using a global cash management system. In addition, the use of the cash management system enables us to centrally manage assets and liabilities denominated in foreign currencies, thereby reducing exchange rate risks. If we need external financing, we will procure funds through the method we consider most appropriate, such as borrowing from a financial institution, based on various conditions such as the amount, timing, and duration.



4 - 2 Financial Strategy

» Our Group's Key Management Indicators and Capital Costs

Our Group's key management indicators are revenue, operating income, and operating income ratio. The operating income ratio is currently set at 20%, and the EBITDA (operating income + amortization of goodwill + depreciation) ratio, which is the key performance of management, is set at 30%. We intend to improve these ratios and set new targets and to present them at the disclosure stage of the new Medium-Term Management Plan.

As for financial indicators, we have used ROE (return on equity) and ROIC (return on invested capital) as noteworthy indicators. ROE and ROIC (calculated using working capital + fixed assets as invested capital) are both set at

a basic level of over 10% in addition to exceeding the cost of capital, and we aim to improve them. We believed that the use of shareholders' equity plus interest-bearing debt as invested capital did not accurately reflect the actual situation of our Group because our interest-bearing debt increased owing to foreign currency borrowings for the purpose of currency hedging. Therefore, we calculated ROIC using working capital plus fixed assets as invested capital. However, owing to the recent rise in interest rates on foreign currency borrowings, we reviewed our foreign exchange exposure and significantly reduced our foreign currency borrowings. Therefore, for future ROIC, we will apply and disclose the approach using shareholders' equity + interest-bearing debt as invested capital, too, as a closely watched indicator, in addition to the current ap-

proach using working capital + fixed assets.

The weighted average cost of capital (WACC) of our Group is considered to be 6.3% as of FYE June 2024. We have periodically revised the WACC taking into account risk-free rates and stock market trends.

For major investments and new products and business projects, the NPV (net present value) method and IRR (internal rate of return) method using the capital costs are applied.

Our ROIC = NOPAT ÷ (working capital + fixed assets)

NOPAT = Operating profit x (1 - statutory tax rate (currently 30.6%))

Working capital = Current assets - current liabilities
= Trade and other receivables + inventories + accrued income
- trade and other payables - account payables - advances received

Fixed assets = Fixed assets on the balance sheet

Typical ROIC (liability-based ROIC) = NOPAT ÷ (interest-bearing debt + shareholders' equity)

NOPAT = Operating profit x (1 - statutory tax rate (currently 30.6%))

Interest-bearing debt = Total amount of borrowings

Shareholders' equity = Equity (Net assets - non-controlling interests)

Changes in management indicators

	Basic Level	FYE June 2022	FYE June 2023	FYE June 2024	Factors
Operating income margin	-	19.6%	20.0%	20.6%	
EBITDA margin	30% (standard)	29.2%	29.7%	29.6%	
ROE	10% or more	10.2%	10.4%	11.2%	Increased owing to improved profits regardless of increase in equity capital
Asset-based ROIC	10% or more	10.9%	10.7%	12.1%	Increased owing to decrease in inventories and increase in advances received
Liability-based ROIC	-	9.1%	9.0%	10.1%	Increased owing to improved profits
WACC	-	5.0%	5.5%	6.3%	See the below.

Breakdown of capital cost

		FYE June 2022	FYE June 2023	FYE June 2024
Disclosed capital cost		5.0%	5.5%	6.3%
(1) Weighted cost of equity	Share ratio (approx. 99%) x (a + b x c)	4.90%	5.52%	6.28%
Risk-free rate: a	Adjusted 10 year JGB interest rate average for five periods	0.07%	0.14%	0.35%
β value: b	Calculated based on the five-year average of five-year monthly beta and two-year weekly beta, and adjusted for future value calculation	0.824	0.913	1.000
Market risk premium: c	Matching the average cost of equity of Japanese companies with estimates from analyst reports of companies employing them	6%	6%	6%
(2) Weighted cost of debt	Debt ratio (approx. 1%) x cost of debt x (1 - corporate tax rate) Cost of debt: five-period average of SWAP five-year rate + Spread (0.5%)	0.01%	0.01%	0.01%

4-2 Financial Strategy

» International Taxation

As we expand globally, international taxation is becoming increasingly important.

As for the taxation issues, with the support of outside experts such as tax accountants, we work in good faith to address tax issues and ensure transparency and credibility with tax authorities in the countries where we operate. With respect to transfer prices, we strive to manage them appropriately so that they become arm's-length prices by complying with local tax laws and OECD guidelines. For transactions with high transfer price tax risk, we reduce tax risk by utilizing the APA (Advance Pricing Agreement) system.

» Shareholder Return

Our Group is developing its business on a global scale and is constantly striving to increase its corporate value. We recognize that returning profits to shareholders is one of our key issues, and our basic policy is to pay dividends on a stable and continuous basis from a long-term perspective, taking into account consolidated performance and other factors.

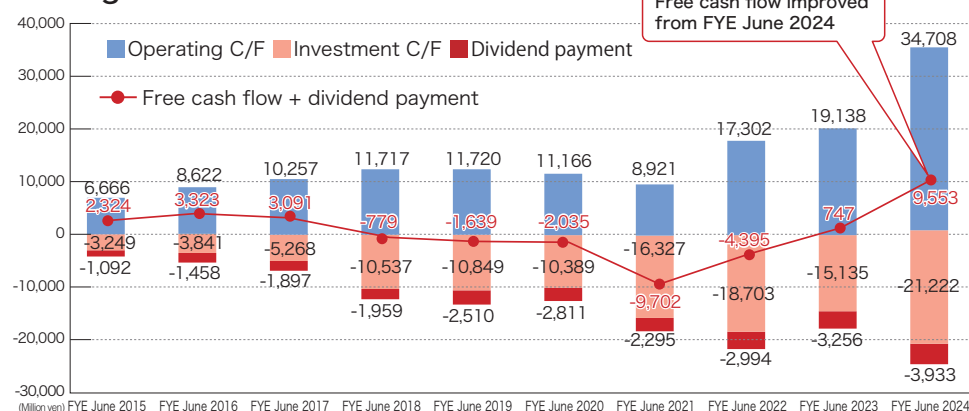
In the past few years, free cash flow temporarily declined owing to active investment in facilities and M&As, as well as an increase in inventories resulting from compliance with the relevant pharmaceutical regulations. However, in view of the fact that the upfront investment in capital investment and the increase in inventories have run their course and that further business expansion will enable cash flow from operating activities to cover the cash flow of investments and the payment of dividends in the future, we reviewed the consolidated dividend payout ratio

considering it is important to further improve the return of profits to shareholders and to expand our shareholder base. From the payment of dividends from retained earnings for the fiscal year ended June 2024, we have decided to raise the consolidated dividend payout ratio from a target of 30% to a target of 35%. If cash flow is expected to remain stable in the future, we will flexibly consider reviewing the dividend payout ratio.

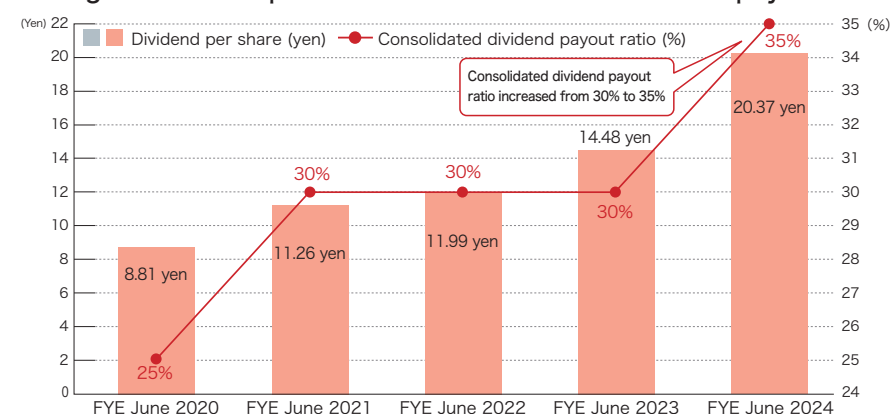
We have determined the amount of the current dividends by comprehensively taking into account the consolidated performance for the current fiscal year, future business prospects, the level of internal reserves, and other factors from a long-term perspective, while aiming for a consolidated dividend payout ratio of 35%. We allocate retained earnings to R&D, capital investments, and business investments, which are essential for future growth. This way, the company will endeavor to improve its business performance and strengthen its financial position.

See page 139 for the financial summary.

Change in free cash flow + dividends



Change in dividend per share and consolidated dividend payout ratio



05 Sustainability Bolstering Non-Financial Capital

On-Site Problem Solving Through Innovation 5-1

- 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 5-2

- Human Resource Management
- Creating Fulfilling Workplace

Roundtable Discussion between Executive Officer in charge of HR Development and Young Employees

5-3



In Tokyo R&D Center

5-1 On-Site Problem Solving Through Innovation

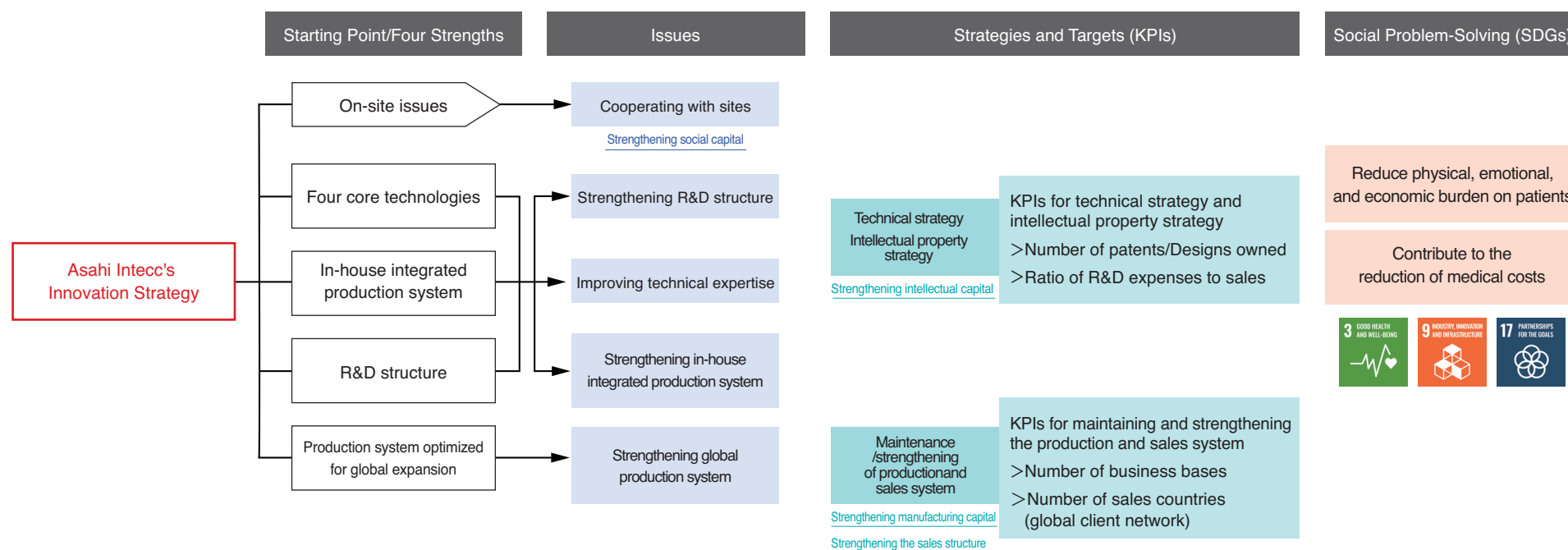
We are working to further create innovation by bolstering non-financial capital.

» 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.



5-1 On-Site Problem Solving Through 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

Contribute to the reduction of 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 guidewires 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. 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 contributing to improvements in treatment success rates and to reductions in treatment durations through 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.

[Medical Division]

One of Asahi Intecc Group's current key strategies is to expand the range of products in the non-cardiovascular field.

In the fiscal year ended June 2024, we are strengthening the commercialization of products in the peripheral vascular and neurovascular fields.

In the peripheral vascular field, we developed and launched the CROSSLEAD PENETRATION 14 and CROSSLEAD PENETRATION 18 with the aim of adding to our lineup of peripheral vascular guide wires in the CROSSLEAD series. CROSSLEAD PENETRATION excels in operability and penetration, enabling it to demonstrate its superiority in hard lesions (CTO lesions).

In the neurovascular field, we strengthened the development of guiding catheters with balloons for use in the event of stroke and guide wires for neurovascular treatment. For guiding catheters with balloons, we have developed the BRANCHOR X as an additional line-up to the BRANCHOR series. This product has been improved in inducibility and stability compared to conventional products and has the potential to contribute to shortening procedure times.

We also developed the CHIKAI X014 as an additional line-up to the CHIKAI series guide wires for neurovascular treatment.

The number of new medical device products launched in FYE June 2024 was four. We will continue to create new medical items. In addition to these guidewire and catheter products, we are also developing software to support catheter treatment, and have completed ESPELUX VIEW. ESPELUX VIEW is software developed for the analysis of angiographic images and the provision of information to support treatment. It has begun being used in a limited number of medical facilities. We also launched the educational software for ESPELUX VIEW.

5-1 On-Site Problem Solving Through Innovation

We have also undertaken multiple innovation initiatives, including the development of guidewires using plasma energy with new added value and the joint R&D project in which overseas startup's sensors are incorporated in the guidewires developed and manufactured by our company for contributing to the evolution of neurovascular treatment.

[Devices Division]

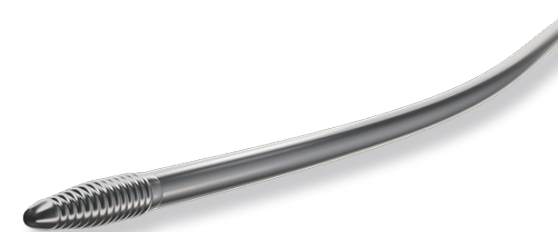
Asahi Intecc also possess high-precision machining technology in the Devices Division to design mechanisms that meet customer needs and to realize products that meet their design philosophy, in addition to metal-based and resin-based medical components, and is working to expand and deepen such technologies.

The technological development capabilities of the Devices Division contributed to the enhancement of our own medical treatment products in Medical Division. We developed metal components for the CROSSLEAD Tracker and CROSSLEAD PENETRATION, guidewires for peripheral vascular treatment, and CHIKAI X 014, guidewires for neurovascular treatment, and resin components for the Branchor X series, guiding catheters with balloons for neurovascular treatment.

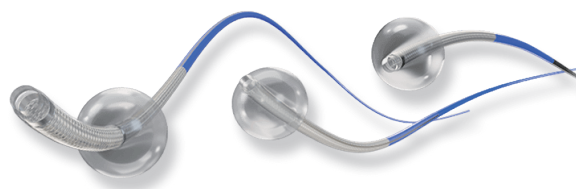
As an R&D-oriented company, we will continue to deepen and expand our company's core technologies and create new value by integrating our company technologies with a variety of new technologies in order to meet diversifying social and customer needs.



Guide wire for peripheral vascular treatment CROSSLEAD



Guide wire for peripheral vascular treatment CROSSLEAD Penetration



Balloon guiding catheter for neurovascular treatment Branchor X Series



Guide wire for neurovascular treatment CHIKAI X 014

5-1 On-Site Problem Solving Through Innovation

③ Entry into New Business

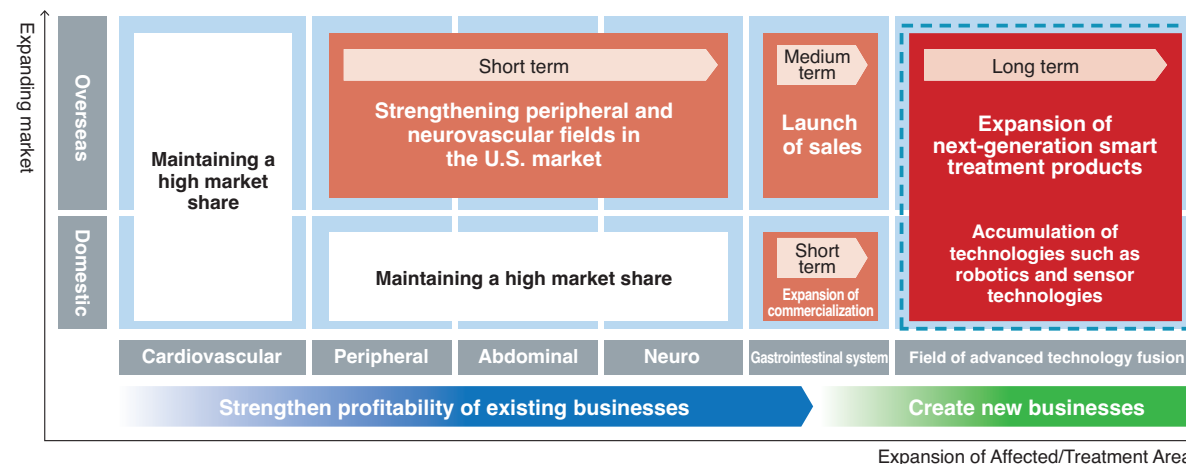
Efforts to realize next-generation smart treatments

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 developing plasma guide wires, entering the field of robotics and developing navigation systems.

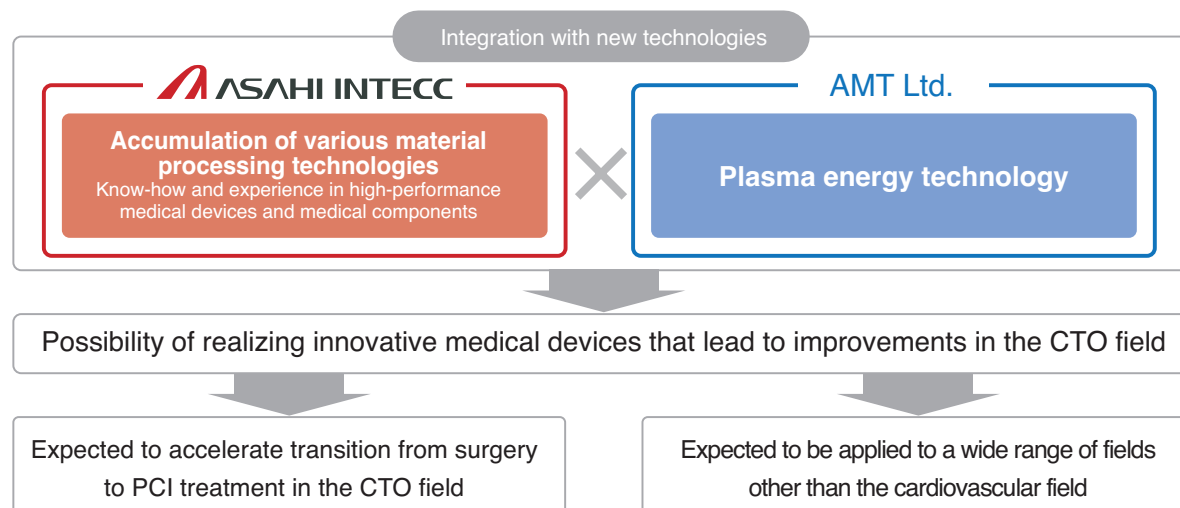
Efforts to develop plasma guide wires

Our company is developing plasma guide wires that use plasma energy to add new value to existing guidewires. With plasma energy, this product can pass through the target part, which is difficult with the conventional guide wire penetration mechanism.

Expansion of Business Portfolio



Development of Plasma Guide Wires



5-1 On-Site Problem Solving Through Innovation

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.



Laparoscopic surgery
support robot
ANSUR

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.

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.



5-1 On-Site Problem Solving Through Innovation

Strengthening Social Capital 1

» 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 vascular, 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 the simulation room located at the Global Headquarters and R&D Center, which recreates an actual operating room, we have top Japanese and foreign doctors try out our Group's technologies and products on proprietary human models that reproduce clinical issues for each developed product, so we can immediately apply their desires and feedback to our product development. We also conduct joint research with several universities, research institutes and hospitals in software research and 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.



5-1 On-Site Problem Solving Through Innovation

Strengthening Social Capital 2

» Cooperating with Sites

Our Group has signed contracts with top doctors and medical institutions in each field, and together we develop products based on the needs we hear about 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



Prof. Dr. med. Kambis Mashayekhi
MEDICLIN Heart Center Lehr



Asahi Intecc understood what was needed for a global company. In addition, the company understood the importance of an approach satisfying the needs of each professional.

This is why they are developing the business in a way that is appropriate for markets around the world.



Lei Ge MD, PhD
Fudan University Zhongshan
Hospital



Without Asahi Intecc's products, it would be impossible to perform complex CTO (chronic total occlusion) treatments. Thanks to its dedicated devices newly launched in China, the success rate and effectiveness of treatment of complex PCI procedures has dramatically improved.

Peripheral Vascular Field



Jihad A. Mustapha, MD, FACC,
FSCAI
Marion Heart Associates,
P.A. Ocala Florida

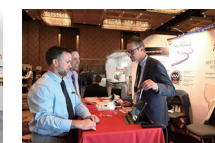


I have seen Asahi Intecc deliver its innovative technologies that defy conventional common sense. Asahi Intecc's unique technologies, such as wires and catheters, have dramatically changed the course and outcome of patients after treatment.

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



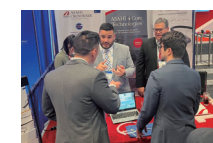
CCT (Japan)



SCAI (USA)



EURO CTO (Europe)



IEST (USA)



JSES (Japan)

Neurovascular Field



Adnan H. Siddiqui, MD, PhD,
FACS, FAHA
Jacobs Institute



The strength of Asahi Intecc's technology lies in the manufacturing of wires. As it controls the entire manufacturing process in house, Asahi Intecc is able to be much more flexible than its competitors in coating, resin, and wire types and shapes.

Abdominal Vascular Field



Daisuke Abo, MD, PhD.
Hokkaido University Hospital



The Veloute19DM (abdominal vascular products) solves the trade-off problem of conventional technology and brings new value to the user by realizing a new concept. We are confident that this is an outcome that can be achieved only because of its advanced technology, and that this product represents Asahi Intecc's innovation and solid capabilities.

Gastrointestinal Field

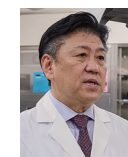


Hirofumi Kogure, MD, PhD.
Nihon University Itabashi Hospital



Since Asahi Intecc has advanced guidewire technology, they have developed several new guidewires since entering the field of endoscopes, which we have experience using. I have the expectation that they make guide wires beyond our imagination.

Surgery Support Robot ANSUR



Masaaki Ito, MD, PhD.
National Cancer Center Hospital East



The major feature of this product is that it enables one surgeon to accurately perform operations performed by three surgeons. In fact, we have already performed over 20 surgeries using surgical robots since it was released. I feel that this technology will surely be used in the future, not only in Japan but all over the world.

5-1 On-Site Problem Solving Through Innovation

Strengthening Intellectual Capital 1

Strengthening R&D Structure

About Our R&D

As an R&D-oriented company, our Group has positioned R&D activities as one of the most important management priorities since its founding. Our group has advanced and highly original material processing technologies based on its four core technologies (wire drawing technology, wire forming technology, coating technology, torque technology). In addition, by establishing an integrated production system from raw materials to finished products, we are able to develop and manufacture products with our own unique materials and functions.

This is an unusual strength specific to our Group, including technology circulation in the medical and industrial equip-

ment fields, and technology collaboration between research and development bases in Japan and overseas production bases, which is rarely seen among our competitors. Taking advantage of these unique capabilities, recently, we have strengthened the collaborative R&D structure with top doctors in various fields with extensive experience at the medical site and developed products closely related to the medical frontlines. This integration is a major factor in differentiating ourselves from competitors in the medical device field and continuing to supply products with competitive advantages.

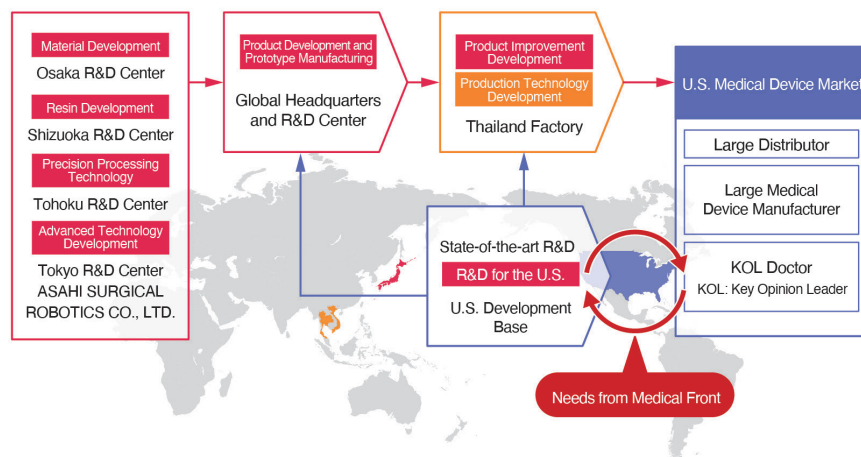
Measures to Strengthen/Improve Our R&D Structure

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.

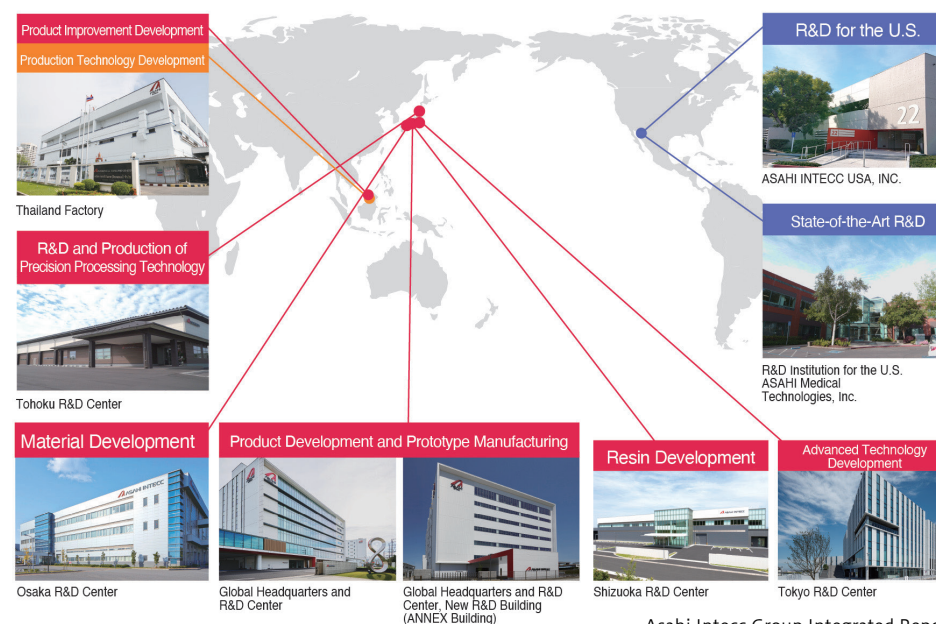
In Japan, which is the main R&D base, we have constructed a new building in the premises of Seto Factory, which is the center of the Group's R&D, and created an R&D environment identical to a clinical setting. In recent years, we have further enhanced our domestic R&D structure by opening the Tokyo R&D Center and building a new R&D building (ANNEX Building) within our Global Headquarters and R&D Center.

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



5-1 On-Site Problem Solving Through Innovation

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 technologies 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. On the other hand, in light of respecting the patent rights of other companies, all of our products are subject to patent clearance before they are put on the market.

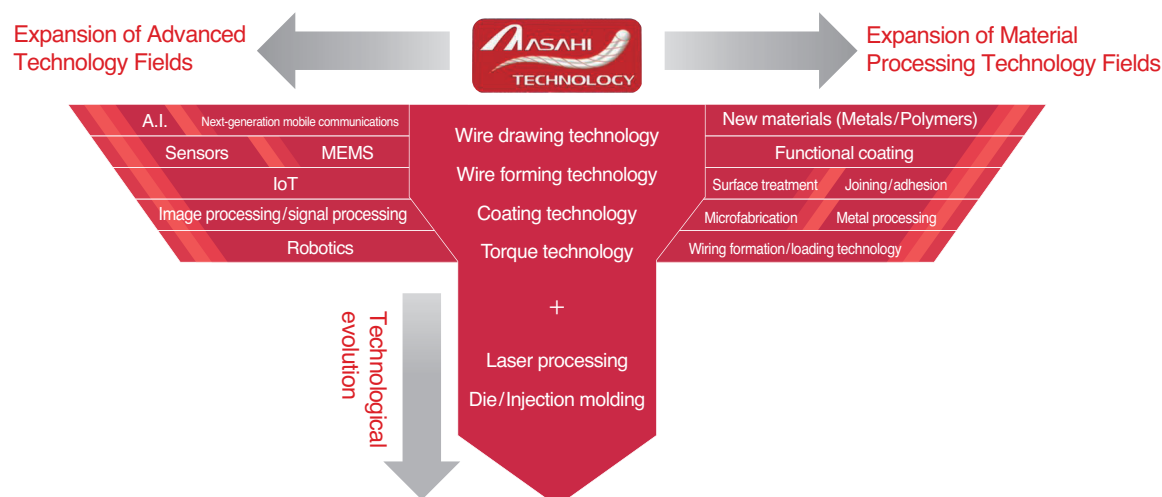
As part of our efforts to strengthen and protect our com-

pany brand, we are actively involved in trademark and design registrations for products and technologies. As of the end of the fiscal year ended June 2024, we held 938 patents and design rights worldwide.

〈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



5-1 On-Site Problem Solving Through Innovation

Strengthening Manufacturing Capital

» Measures to Enhance Production System

Production System

Our Group currently specializes in the 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 (business continuity plan), 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.

■ 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 plat-

form.

In addition, we have enhanced the Cebu factory's mass production system to promote the BCP (business continuity plan). We have transferred production of the products manufactured at the Thailand factory and the Hanoi factory 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 the Hanoi factory, establishing a stable production line.

Develop R&D System Optimized for Global Expansion

Development/Prototyping /Production transfer

Japan

- Expand prototype line for passing on technology
- Focus on R&D, but maintaining a prototype line for technology transfer



Global Headquarters and R&D Center



Global Headquarters and R&D Center, New R&D Building (ANNEX Building)



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
- Construct the new factory for further mass production



Cebu Factory (Philippines)

- Pursue production efficiency as a mass production factory
- Launch mass production of finished products in addition to the industrial equipment field



Medical factory

5-1 On-Site Problem Solving Through Innovation

Promotion of Digital Transformation (DX)

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

Basic Policy for DX Promotion

Our group is promoting DX, internally referred to as AIX (Asahi Intecc Transformation), with the aim of transforming operations, business models, and corporate culture by leveraging data and digital technologies to further enhance the company's competitiveness. This initiative aims to contribute to our group's business growth and solving social issues through the promotion activities 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.



DX internally referred to as "AIX"
Asahi Intecc Transformation

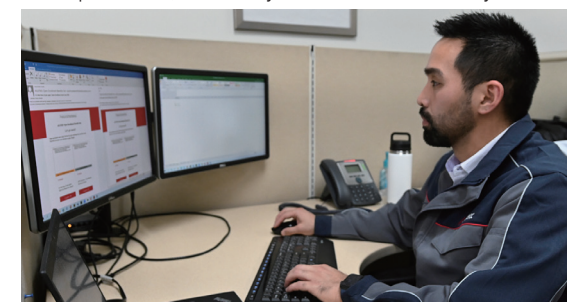
Development of AIX Promotion System

In order to effectively promote AIX, we introduced the position of the Chief Digital Officer (CDO) in the fiscal year ended June 2023, and established the AIX Promotion Office in July 2023 to promote and strengthen company-wide DX initiatives. The AIX Promotion Office works with existing organizations to support the promotion of individual projects, improve the environment, raise awareness within the company, develop human resources, and explore cutting-edge technologies in order to enable each organization to move forward with value creation and problem solving based on the hands-on approach. In addition, the AIX Promotion Committee was established to formulate and promote the basic policy, strategy and action plan for DX for the entire company. The committee shares the status of activities across the Business Divisions once a quarter to make investment decisions and identify issues.

Specific Initiatives to Promote AIX

In the fiscal year ended June 2024, in terms of the CX, we are researching new technologies, developing new products, and conducting commercialization studies, centering on the R&D department. For EX, we are building a company-wide data management infrastructure to promote the use of data. In addition, we are deploying a generated AI application environment at all sites in Japan and using it in business operations. We are also developing a system for retrieval-augmented generation (RAG) and proceeding with trials of extended use of in-house

data. In terms of human resource development, we are working to improve business processes leading to higher productivity by supporting the development and retention of skills in the use of various no-code and low-code tools. With regard to human resource development related to the DX promotion, we consider the succession of "Challenge," "Practical Competence," "Self-Support," "Global Best," and "Creative Manufacturing Group," which are our DNA, as the basic policy and aim of improving DX literacy on a company-wide basis and further acquiring the digital skills of specialists who will be responsible for promoting DX. In the fiscal year ended June 2024, the number of EX projects, including small-scale projects, exceeded 50, with a wide range of initiatives, including in-house data utilization, business use of generated AI, business automation using RPA, business application development, and construction of information dissemination sites. In the future, we plan to develop this beyond our bases in Japan, and through the promotion of AIX, we will continue to bring about innovation from the perspective of sustainability throughout the Group, promote value creation and solve problems, and carry out reforms on a daily basis.



5-2 Strengthening Global Human Resources

We are working to strengthen our human resource base for global business expansion.

Basic Thinking

In 2013, Asahi Intecc Group formulated the AI (Asahi Intecc) Human Resources Vision, and we have been promoting value penetration and human resource development through the basic principles of "Challenge," "Practical Competence," "Self-Support," "Global Best," and "Creative Manufacturing Group," which is our DNA.

In recent years, our Group aims for market expansion and growth on a global scale, and strengthening global human resources based on the AI Human Resources Vision has become

an urgent issue in our international business development.

To address this issue, we have established the issues and KPIs (strategies and indicators) as seen below from the perspectives of human resource management and cultivating a fulfilling workplace, with the aim of building a system that is suitable for a global company. In order to pursue further growth in the future, we will develop human resources that understand diversity and that are capable of viewing things from a wide range of perspectives, thereby enhancing an organizational capacity that is suitable for a global company.

Promotional Structure

To reinforce the initiative to strengthen our global human resources, we have established global human resource functions, thereby strengthening the support and cooperation of organizational development and human resources strategies (such as the establishment of various policies, recruitment, and human resource development), based on the penetration of Asahi Intecc's DNA to Asahi Intecc Group's companies and bases in Japan and abroad.

		Issues	Strategies and Targets (KPIs)		Actual Results for FYE June 2024	Goal
Strengthening global human resources	Human resource management	Penetration of human resources vision	Inheritance of ASAHI-DNA	Human resources for fellow course pesonnel (Asahi Intecc only) (persons)	3	—
			Fostering self-support	Practical competence improvement projects Number of registered groups(global)(groups)	152	—
		Reform of personnel system	Training global human resources	Number of foreign language training participants (Asahi Intecc only) (persons)	8	—
			Forming a creative manufacturing group	Ratio of R&D personnel (Asahi Intecc only) (%)	42.6	—
	Creation of a fulfilling workplace	Creating safe and healthy workplaces	Health management Correcting long working hours	Average monthly overtime (Asahi Intecc only) (hours) Rate of taking paid leave (Asahi Intecc only) (%)	23.9 72.1	— —
		Creating workplaces for a diverse workforce	Promoting the employment of people with disabilities	Employment ratio of people with disabilities (in Japan) (%)	3.05	—
		Promoting diversity	Promoting the success of women	Ratio of female managers (global) (%)*1	35.8	Maintain 30% or more
				Ratio of female managers (Asahi Intecc only) (%)*2	12.3	13% or more as of FYE June 2026
				Employment ratio of new female graduates (Asahi Intecc only) (%)	33.3	Maintain 25% or more
				Employment ratio of new female graduates in technical positions (Asahi Intecc only) (%)	33.3	Maintain 20% or more
		Diversifying human resources		Ratio of foreign employees (global) (%)	84.0	—
				Ratio of foreign managers (global) (%)*1	60.5	—

^{*1} Calculated based on the managerial position criteria set forth in Asahi Intecc Group's rules and regulations.

^{*2} Calculated by applying the disclosure standards of the Annual Securities Report.

5-2 Strengthening Global Human Resources

Human Resource Management

»① Measures for HR Vision Penetration

We are constructing an education and training system to promote value penetration and human resource development through the basic principles of “Challenge,” “Practical Competence,” “Self-Support,” “Global Best,” and “Creative Manufacturing Group,” which is our Group’s DNA.

Position-based training provides staff members with training appropriate for each layer and required roles, and sup-

ports continuous growth of staff members. Particularly as an R&D-oriented company striving for globalization in each field of sales, production, and development, we will focus more on engineer education and global education. The total annual hours of training offered to staff members is 13,718 hours, and the cumulative annual number of staff members receiving training is 1,197 in the FYE June 2024.

① Inheritance of ASAHI-DNA

To constantly manufacture products at a high level as an R&D company, Asahi Intecc Group considers the technologies and skills (know-how) that skilled technicians have cultivated as our assets, transmits them beyond the borders of generations and regions, and has established the AI Technology Academy for fostering human resources and business continuity and helping achieve improvements in added value to pass on these technologies to a wide range of people.

【Results】 28 graduates from the Academy (as of the end of June 2024)

Human Resources Vision

	<div>ASAHI-DNA</div> <ul style="list-style-type: none">• Viewpoint of ASAHI-DNA• Catch the Wave• Speed × Decision × Response × Solidarity• Three Actuals (Actual Place, Actual Material, Actual Situation)• Hands-on approach	<div>Viewpoint of ASAHI-DNA</div>
<div>Global Best</div> <ul style="list-style-type: none">• Contribution to customers• Pursuit of best practice on a global basis• Only One×Number One	<div><div>Challenge</div><div>Challenge</div><div>Passion</div><div>Dream</div><div>Realization of dreams</div><div>Challenge boldly</div></div>	<div>Creative Manufacturing Group</div> <ul style="list-style-type: none">• Pursuit of technical skills and expertise• Meister team• Technological innovation
<div>Asahi-likeness/Viewpoint of Specialized Abilities</div>	<div>Self-support</div> <ul style="list-style-type: none">• Succeed as a self-supporting person• Self-starting and collaborative, capable of work in a team• Pursuit of performance: Contribution to business growth and expansion of business performance	



5-2 Strengthening Global Human Resources

② Fostering Self-Support

With the purpose of encouraging improvement and reform based on employees' own initiatives, various sites around the world have organized their own Practical Competence Improvement Projects, and these small groups independently establish their own activities and work to meet these targets. In addition, we support these activities by annually awarding teams that achieve outstanding results. When this project was launched in FYE June 2011, there were 56 registered groups, and now 152 registered groups are actively involved in this project as of the FYE June 2024. In addition to result-oriented projects, such as newly implementing various methods and know-how in the development process or optimizing and improving the efficiency of inventory management through process improvements in overseas manufacturing departments, projects that are deemed to have a high potential to impact the future have also received many awards, and in recent years, there has been an increase in the number of activities aimed at promoting information sharing by visualizing vast amounts of data and diverse technologies in the value chain such as product development, manufacturing, logistics, and management. In addition, activities aimed not only at improving efficiency and streamlining but also at achieving a balance between quality and the environment have been born, and the intent of the Practical Competence Improvement Projects is steadily expanding. Through these activities, we promote the development of human resources with high levels of ability to think for themselves and the strengthening of cooperative organi-

zations, thereby fostering the self-support set forth in the Human Resources Vision and contributing to the growth of business and the expansion of its performance.

③ Training Global Human Resources

We support smooth transfer overseas by providing language training to those who wish to or are scheduled to be transferred overseas and by strengthening their global communication skills and cross-cultural management. And as part of our efforts to reinforce the development of global human resources, we are working to expand the Global Human Resources Development Program, including management skills for managers of the overseas bases. We offer training on the importance of diversity and how to get along with people from different cultures so that each employee engaged in overseas business

and each employee of our Group who plays an active role at an overseas base can vigorously do his/her work with members with diversified backgrounds in our company.

④ Forming a Creative Manufacturing Group

By promoting product development and manufacturing meetings with participation from all management and the R&D Division where employees can partake in free and easy discussions, we maximize the creativity and ideas of our employees and strengthen the human resources of the R&D Division.

The ratio of employees in Asahi Intecc's Development Division is 42.6% (as of FYE June 2024) globally, and we will strive to further expand the therapeutic area and develop the Company's business by strengthening our R&D capabilities.



ASAHI INTECC EUROPE B.V.

5-2 Strengthening Global Human Resources

② Reform of Personnel System

Asahi Intecc Group puts emphasis on the following three points for human resources strategies toward strategic exploitation in the global market, establishment of our global R&D production development system, creation of new businesses, and establishment of our management foundation for continuous growth.

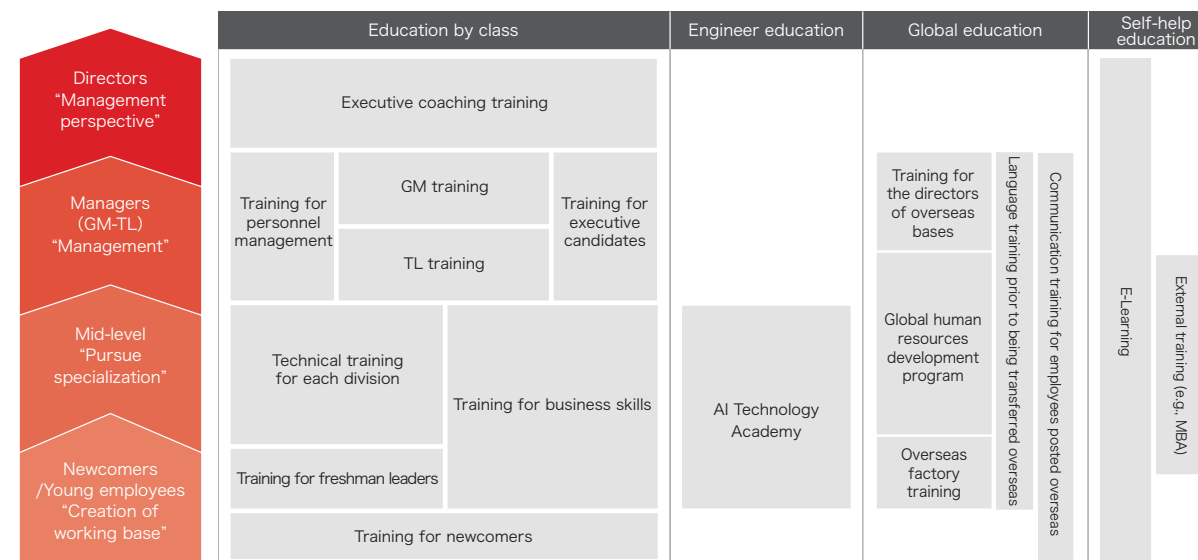
1. Securing the human resources of management leaders to establish a strong management base
2. Securing innovators to create new businesses and human resources with advanced technology and expertise
3. Securing global human resources who can lead diverse human resources

In order to achieve the above policy, we introduced a new personnel evaluation system in June 2020 as a measure to properly evaluate and motivate each employee.

The new personnel evaluation system consists of two evaluation classifications: One is “competency (behavioral characteristics) evaluation” defined in line with the AI Human Resources Vision; employees are evaluated as to how they change their behavior in their role in line with the AI Human Resources Vision. The other is “performance evaluation,” from the perspective of good results; evaluation will be based on target settings according to the role criteria for each class to improve engagement of employees.

③ Development of Next-Generation Managerial Personnel

Since it is urgent for our Group to secure human resources for management leaders in the future, we are promoting the discovery and development of human resources through training for executive candidates. The purpose of this training is to develop executive candidates who will be able to lead our Group in the future. It is not just an input but practical, as it enables selected candidates to challenge stretch tasks such as formulating management strategies.



④ Establishment of AI Career Course: Career Paths for Special Professionals

We established the AI Career Course in July 2023. In addition to the conventional management course aimed at becoming a management leader, we have established the Fellow Course, in which human resources outstanding in terms of skills and knowledge aim to become fellows (special professionals), with the aim of realizing career paths that match the characteristics of human resources. As of June 2024, three technical personnel have been appointed to the Fellow Course to further develop their skills and provide guidance to young human resources.

5-2 Strengthening Global Human Resources

Creating a Fulfilling Workplace

① Creating Safe and Healthy Workplaces (Health Management)

Securing the safety and health of working people is a social responsibility of a company and an important issue to support continuous growth. Our Group is also working to ensure the safety and health of our employees in all business activities and to create a comfortable working environment.

Measures toward Work-Life Balance

As part of our efforts to achieve a better work-life balance, we are working to reduce overtime hours, increase the paid leave utilization rate, and create an environment that allows for flexible work styles.

① Work-at-home System (Teleworking)

The COVID-19 pandemic triggered the introduction of a teleworking system. Upon clarifying the rules for work attendance and treatment, we officially launched the work-at-home system in August 2021.

② Flextime System

The flextime system was introduced in July 2019 to improve the operational efficiency of employees and for work-life balance, except for some bases and departments. We will promote the flextime systems so that employees can do their jobs comfortably.

③ Others

- System for shorter working hours for childcare, slide working system, daycare use system
- Paid leave system that allows people to take paid leave on an hourly basis

Measures toward Work-Life Balance

	FYE June 2022	FYE June 2023	FYE June 2024
Average monthly overtime (Asahi Intecc only) (hours)	24.3	24.4	23.9
Rate of taking paid leave (Asahi Intecc only) (%)	69.2	74.6	72.1
Flextime system/Number of sites with flextime systems (in Japan) (sites)	5	6	6
Voluntary turnover rate of regular employees (Asahi Intecc only) (%)	5.6	6.1	6.5

*Recruitment activities have increased with the end of the COVID-19 pandemic, and the turnover rate has increased. But we recognize that our turnover rate is low compared to other companies' averages.

Support for Balancing Medical Treatment and Jobs

To support employees that need cancer treatment, special work programs have been introduced. 20 employees have used the system to continue working, as of the end of FYE June 2024.

System	Special paid leave for cancer	Work schedule for rehabilitation period	Shorter hours for continued cancer treatment
Overview	Specially granted paid leave for up to 60 days when long-term treatment is necessary	Allows people to work on an hourly basis for up to one month after treatment and before returning to work	Allows people to work on an hourly basis because of continued treatment

Counselling Service

We have introduced a counseling service for employees. In addition to the conventional medical consultation sys-

tem conducted by an industrial physician from a medical perspective, individual employees are now able to easily consult with external specialists about their worries and concerns. There is total freedom with the content of the consultation, including the workplace, family and relationship with friends, and we are promoting mental health care for employees.

Setting up a Training Gym and Distributing Training Videos

We have set up a training gym in our Global Headquarters and R&D Center to provide an environment for employees to use. In addition, we are promoting initiatives to improve employee health by distributing training videos internally by our company employees and fitness trainers to the entire Group.



Cafeteria Operation

The cafeteria established at our Global Headquarters serves not only lunch but also breakfast and dinner. Since our Group has many employees who live alone or live away from home, we have created an environment where those employees can easily eat three nutritious meals. In this way, we are working to improve the health of our employees through food, which is a fundamental aspect of health.



5-2 Strengthening Global Human Resources

》② Creating Workplaces for a Diverse Workforce

Respect for Human Rights

① Basic Thinking

Human rights are the most important and universal rights that every human being has, and at a time when human rights issues are becoming more and more of a concern, we believe that it is difficult to remain as a company that is needed in a global society without respect for human rights.

As a global company contributing to healthcare around the world, Asahi Intecc Group will recognize the importance of respecting human rights in our business activities and earnestly work on preventing the occurrence of human rights issues and resolving them.

Our Group has been taking measures and providing employee training to respect human rights for a long time. In May 2023, with the aim of spreading our view on human rights throughout the Company and enhancing its effectiveness, we have formulated the Asahi Intecc Group Human Rights Policy with the approval of the Board of Directors.

See our website for details of the Human Rights Policy.

[Asahi Intecc Group Human Rights Policy](#)

② Participation in International Initiatives

Asahi Intecc signed the United Nations Global Compact (hereinafter referred to as “UNGC”), which is advocated

by the United Nations, and was registered as a participant on May 15, 2023. We will continue to contribute to the realization of a sustainable society by supporting and practicing the Ten Principles of the UNGC and further strengthening our commitment to sustainability.



③ Education and Enlightenment

Regarding harassment, our Directors and managers have received harassment training from external experts. In this training, all participants have submitted written pledges, and if discovered, harassment will be dealt with strictly in accordance with the rules for disciplinary action.

See pages 78 and 136 for details.

④ Correction and Relief

The ASAHI Group Compliance Hotline has been established as an internal reporting system for internal human rights issues such as harassment. In addition to the inter-

nal contact points for reporting and consultation, we have established an external contact point attended by an attorney, and the name of any whistleblower shall not be disclosed to parties related to the Company without the consent of the whistleblower or reasonable grounds.

See page 135 for details.

⑤ Response to the Modern Slavery Act

Regarding matters related to the Modern Slavery Act, we constantly check legal and regulatory trends, including those overseas. We are working to establish a system that will allow us to respond without delay if implementation becomes mandatory.

⑥ Approaches to Business Partners

Our Group also asks its suppliers and other business partners to respect human rights.

From FYE June 2022, our Group has added items related to compliance with laws and social norms and environmental considerations to its questionnaires that have been conventionally implemented for suppliers. As such, through our entire supply chain, we have been strengthening our efforts to respect human rights. We will continue to steadily implement measures to protect human rights by commanding a view of the entire supply chain.

See pages 76 and 77 for details.

5-2 Strengthening Global Human Resources

⑦ Human Rights Due Diligence

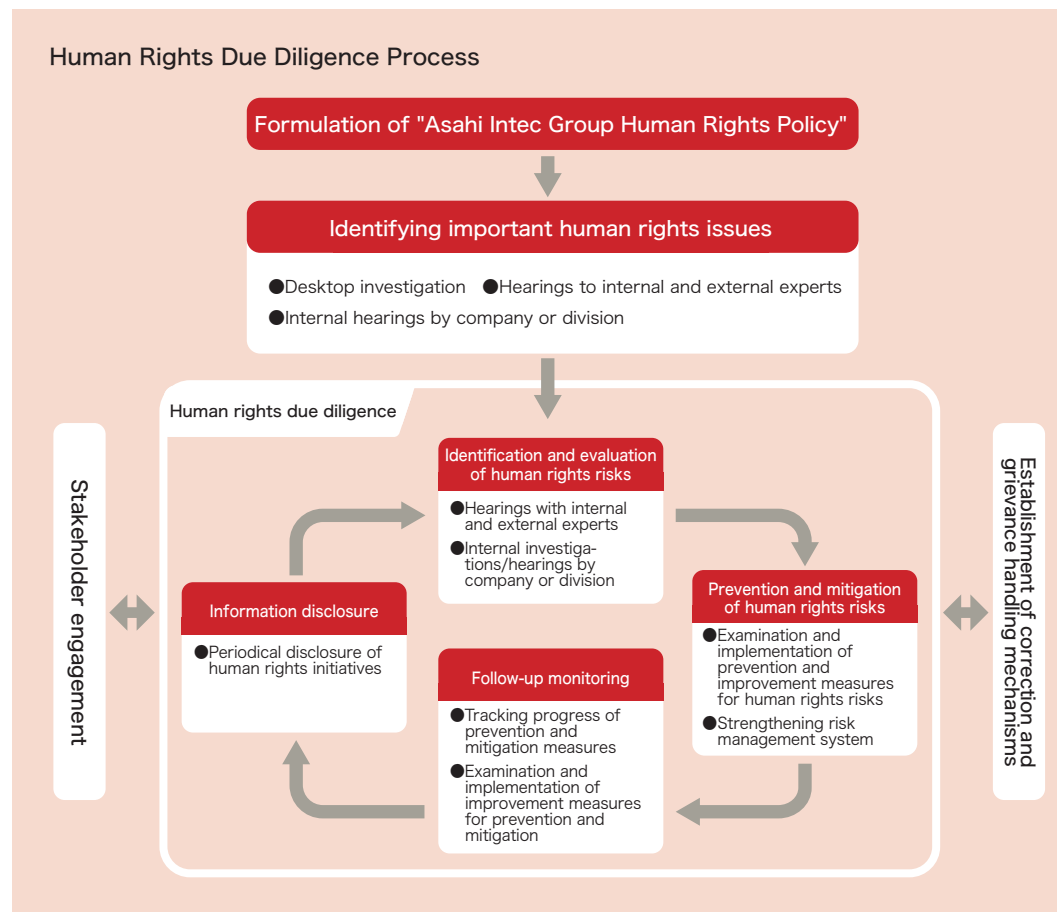
Asahi Intecc Group has established a mechanism for human rights due diligence to prevent or mitigate adverse impacts on human rights, by evaluating and identifying potential or actual risks and setting countermeasures for them.

Regarding the planning and execution of human rights due diligence, we will refer to the procedures outlined in the United Nations Guiding Principles on Business and Human Rights, and proceed in stages from the items with the highest impact on society.

Promotional Structure

In FYE June 2023, Asahi Intecc Group has established the Human Rights Due Diligence Secretariat to strengthen the system for addressing human rights issues throughout the Company. The Secretariat is composed of members from several departments, mainly the Legal Affairs Group, and is directed and supervised by the Director and General Manager of the Administrative Division.

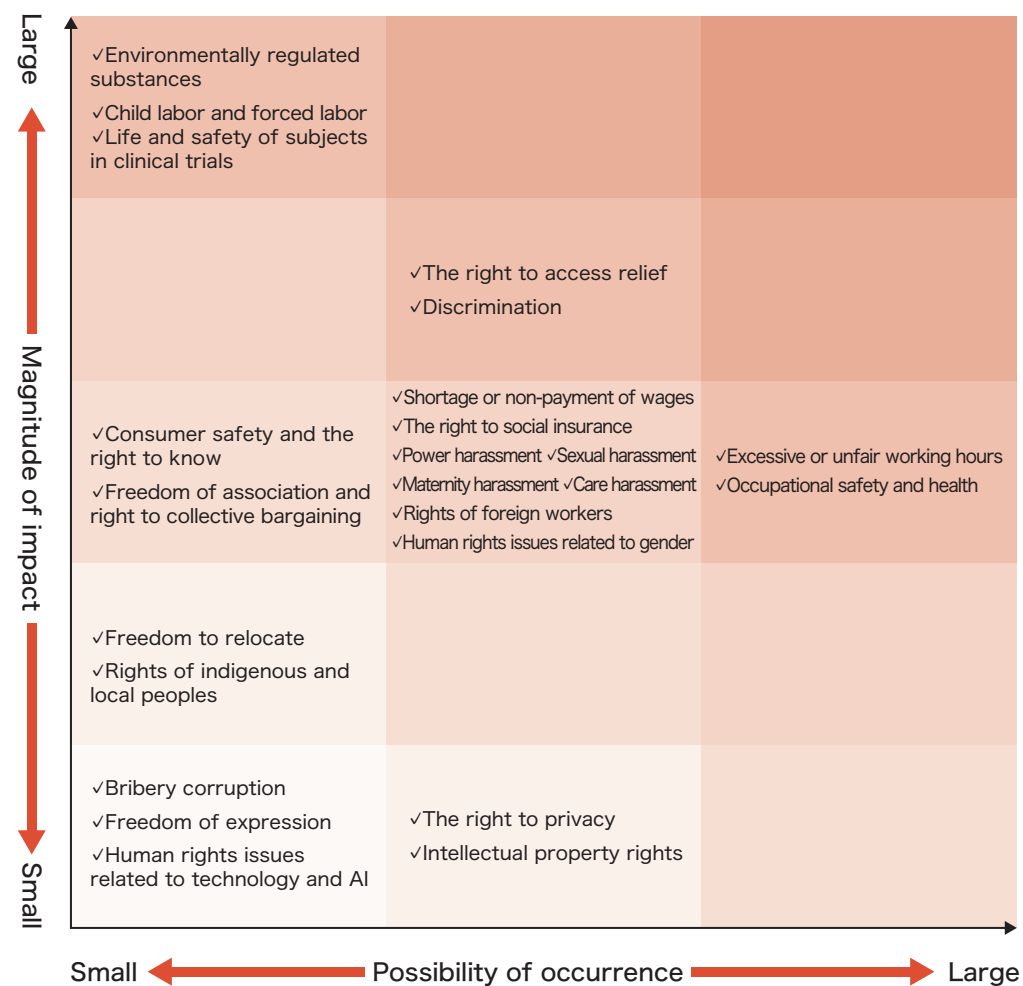
In the event that human rights issues are identified during the due diligence process, they will be addressed in coordination with department heads from relevant companies in Japan and overseas.



5-2 Strengthening Global Human Resources

Risk Assessment

We have implemented the mapping for human rights issues that may be negatively affected by our Group's business activities. We consider these items to be the priority risk items to be dealt with in our Group, and we will implement a detailed risk assessment based on the human rights due diligence process. We will work to solve problems for actual human rights risks and take measures to prevent and mitigate negative impacts on the potential risks.



5-2 Strengthening Global Human Resources

Prevention of Harassment

Asahi Intecc Group has set the Asahi Intecc Harassment Prevention Policy for all employees and workers who work for our Group, including full-time employees, part-time employees and temporary workers. In addition to providing education and implementing measures for harassment prevention on a regular basis, we have also established the internal reporting system.

See page 135 for details on the internal reporting system.



Engagement with Employees

Asahi Intecc Group values opportunities of dialogue between management and employees so that our employees listen to the voices of management and voluntarily take actions to solve management issues. Company-wide meetings are held to convey the details of voting in regular management meetings directly to our employees. And the in-house SNS Asahigram and in-house publication AINET provide information to be shared between employees and upper management.



Promoting the Employment of People with Disabilities

From the perspective of disability welfare, we aim to fulfill our corporate social responsibility and expand our contribution to society. In FYE June 2019, we made Ficus Co., Ltd., which is certified as a Continuous Employment Assistance Type A* company, a wholly owned subsidiary, and by outsourcing a portion of Asahi Intecc Group's operations, we have worked to expand the employment of people with disabilities, and the employment rate of people with disabilities stands at 3.05% (FYE June 2024), ensuring the legally mandated rate of 2.5%. In addition, in July 2023, Ficus Co., Ltd. moved its head office near the station, and is steadily expanding its business scale while contributing to society with it as our unconsolidated subsidiary.

*Continuous Employment Assistance Type A: Support services that conclude employment contracts, etc., to provide opportunities for employment and productive activities, as well as other training necessary for the improvement of knowledge and skills needed for employment to persons who are unable to be employed at ordinary businesses but capable of working under employment contracts.



5-2 Strengthening Global Human Resources

③ Promoting DE&I (Diversity, Equity and Inclusion)

With the aim of increasing corporate value through the diversification of human resources, we, Asahi Intecc Group, are striving to create an environment in which individual employees can fully realize their potential regardless of nationality, race, gender, age, or disability. Moreover, with development on a global scale, we will proactively employ foreign nationals globally, which will lead to increased corporate value through the diversification of human resources.

We have established the Diversity Promotion Project to reform corporate culture and are working on to increase the ratio of foreign nationals, mid-career hires, and women in managerial positions in order to ensure diversity in the recruitment of core human resources. The ratio of foreign nationals and mid-career hires in managerial positions is currently high at over 50% each. Therefore, we have not set any targets, because we have already secured sufficient diversity.

■ Ratio of foreign employees/Ratio of foreign managers

	FYE June 2022	FYE June 2023	FYE June 2024
Ratio of foreign employees (global) (%)	84.5	86.2	84.0
Ratio of foreign managers (global)* (%)	65.3	65.9	60.5

*Calculated based on the managerial position criteria set forth in Asahi Intecc Group's rules and regulations.

■ Ratio of mid-career hires in managerial positions

	FYE June 2022	FYE June 2023	FYE June 2024
Ratio of mid-career hires in managerial positions (global)* (%)	61.4	54.7	57.6

*Calculated based on the managerial position criteria set forth in Asahi Intecc Group's rules and regulations.

Promoting the Success of Women

Asahi Intecc Group proactively promotes the success of women such as recruitment of female employees and appointment to managerial positions. We have arranged a system design where work and childbearing can be easily balanced by introducing a short-time work system, a flex-time system, and a work-at-home system. In the survey of employees' attitudes, these measures have earned a reputation for being a comfortable work place for female employees.

At Asahi Intecc Group, the ratio of women in management positions is relatively high at 35.8%, and we believe that the organizational culture of actively appointing women in managerial positions has taken root globally.

On the other hand, the ratio of women in management positions is 12.3% at Asahi Intecc, which shows that overseas employees have higher motivation to become a manager than Japanese employees. To reform such a corporate culture, we conducted panel discussions in which not only our female managers and employees participated but also female managers from other companies were invited. In the discussions, they talked about their experiences of how those who originally did not aim to become managers have changed since becoming managers, the benefits of becoming managers, and the balance between family and work. By sharing their experiences, we encourage female employees to come into contact with new values and raise their awareness of managers.

The content of the panel discussions is distributed throughout the Company using the internal E-Learning system, and we also conduct surveys and solicit opinions

from employees.

The ratio of women in managerial positions is maintained at 30% or more for the entire Group, and we have set the goal of exceeding 13% at Asahi Intecc.

■ Ratio of female employees/Ratio of female managers

	FYE June 2022	FYE June 2023	FYE June 2024	Goal
Ratio of female employees (global) (%)	77.2	76.2	73.7	—
Ratio of female managers (global)*1 (%)	33.9	36.3	35.8	Maintain 30% or more
Ratio of female managers (Asahi Intecc only)*2 (%)	7.9	12.0	12.3	13% or more as of FYE June 2026

*1 Calculated based on the managerial position criteria set forth in Asahi Intecc Group's rules and regulations.

*2 Calculated by applying the disclosure standards of the Annual Securities Report.

■ Gender pay gap

	FYE June 2022	FYE June 2023	FYE June 2024
Gender pay gap (Asahi Intecc only) (%)	—	61.1	61.2
Gender pay gap of regular workers*1	—	82.0	81.7
Gender pay gap of part-time and fixed-term workers*2	—	24.3	27.3

*1 Although there is no difference in wages between men and women in the wage system and wage structure, the difference is attributable to the small proportion of female workers in the upper level of regular workers and the fact that the average length of service of women is about two years shorter than that of men.

*2 Although there is no difference in wages between men and women in the wage system and wage structure, the difference in the wages of men and women, such as part-time and fixed-term workers, is attributable to differences in employment status based on employment contracts. Treatment of re-employment employees after retirement age is determined based on the job description and qualifications prior to retirement, which is a factor causing differences.

■ Employment ratio of new female graduates/Employment ratio of new female graduates in a technical position

	FYE June 2022	FYE June 2023	FYE June 2024	Goal
Employment ratio of new female graduates (Asahi Intecc only) (%)	14.9	26.5	33.3	Maintain 25% or more
Employment ratio of new female graduates in a technical position (Asahi Intecc only) (%)	12.9	21.9	33.3	Maintain 20% or more

5-2 Strengthening Global Human Resources

Promotion of Taking Childcare Leave

Our Group recommends both male and female employees to take childcare leave.

In order to promote a culture in which both men and women can actively take childcare leave, we hold panel discussions among male and female employees who have taken childcare leave.

During the panel discussions, we encouraged our employees to get in touch with new values and overcome the hurdles of taking childcare leave, regardless of gender, by asking male managers with respect to the new values, knowledge, and experience they have gained through the experience of single childcare leave (a wife returning to work and a husband taking a leave of absence alone to become the full childcare provider), as well as asking female managers to talk about their concerns during their leave of absence and when they return to work, and the support they wish to receive in balancing work and family life.

The content of the panel discussions is distributed throughout the Company using the internal E-Learning system, and we also conduct surveys and solicit opinions from employees. The ratio of men taking childcare leave is currently 57.7%, and we aim to maintain the rate at 50% or higher in the future.

■ Rate of taking childcare leave by male and female employees

	FYE June 2022	FYE June 2023	FYE June 2024	Goal
Rate of taking childcare leave by female employees (Asahi Intecc only) (%)	100.0	100.0	100.0	—
Rate of taking childcare leave by male employees (Asahi Intecc only) (%)	20.7	54.5	57.7	Maintain 50% or more

Measures to Promote Diversity (LGBT)

Asahi Intecc Group respects the diversity of its employees and promotes an environment in which individual employees can work to be themselves. In August 2023, we endorsed the Seto City LGBT Friendly Corporation System, which is being implemented by Seto City, home of our Global Headquarters and R&D Center, and registered with the System.

This system was introduced by Seto City “To contribute to the promotion of understanding of LGBT and other sexual minorities, with the aim of realizing a society in which individuals respect human rights, recognize the diversity of sexuality, live to be themselves and succeed and thrive.” Our Group will continue to develop an environment for a fulfilling workplace while striving to coexist with local communities in the future.



Diversity promotion project



Panel discussion by inviting female managers from major companies



Panel discussion to increase the rate of taking childcare leave by male employees

5-2 Strengthening Global Human Resources

Measures to Promote Diversity (Holding Lectures and Encouraging Overseas Transfer)

At the Osaka R&D Center in June 2024, the “Lecture on Women’s Advancement” was given by a female executive officer from a major company, and a Panel Discussion on Encouraging Overseas Transfer was held, which also included our company employees.

In the lecture on women’s advancement, a female executive officer working at a major company gave a lecture on the concept of career building while taking the balance between family and work as a matter of course, and organizational issues and their solutions, including her real experiences. This helped both men and women to enhance their self-supporting ability to think and act on their own for career advancement.

In addition, in the panel discussion to encourage overseas transfer, both male and female employees with experience of overseas transfer took the stage. They shared their experiences gained from their overseas transfer as well as questions and opinions from young employees who are interested in overseas transfer. This helps to foster a culture that encourages employees to take on the challenge of overseas transfer. Videos of the lecture and panel discussion are posted on the company-wide intranet to promote diversity throughout the entire company. We will continue to strive to increase corporate value by enhancing diversity through various initiatives.



A lecture by a female executive officer from a major company on women’s advancement



Panel discussion to encourage overseas transfer

5-2 Strengthening Global Human Resources

» Internal Interviews

Asahi Intecc Group is striving to create an environment in which individual employees can fully demonstrate their abilities and be duly recognized for their achievements regardless of nationality, race, gender, age, or disability. Although there are many overseas bases in our Group, exchanges between local employees and between local employees and Japanese employees are also taking place proactively, creating a corporate culture in which all employees work together in the same direction regardless of their individual circumstances, such as nationality, race or gender. We will continue to respect diversity and promote the creation of an environment in which individual employees can work as they are, thereby increasing corporate value through the diversification of human resources.



Christian Okamoto

Vice President of Sales Operations
ASAHI INTECC USA, INC.
Board Member
Asahi Intecc Europe B.V.
Board Member
Toyoflex Cebu Corporation (Cebu Factory)

I joined Asahi Intecc (Europe) in 2008, starting out in sales, then moving on to marketing and then to operations. I was seconded to Asahi Intecc USA in 2018, where I am now responsible for its sales operations. My responsibilities include supply chain, customer service, and business planning.

I strongly believe that one of the key reasons of Asahi Intecc's global success is the diversity of its employees with different nationalities and multicultural backgrounds. The company was able to build strong relationships with Key Opinion Leaders and partners worldwide, thanks to a talent pool that could communicate the company's vision effectively to a global audience, and at the same time, able to capture and interpret the market demands.

Asahi Intecc ensures that these diverse talents are nurtured and are well represented within the company by providing career advancement opportunities that do not discriminate between nationality, sexual orientation, religion, or cultural background.

Moreover, the company has always encouraged deep collaboration and strong communication between its Japanese and international employees. This proved to be very

valuable during the COVID-19 pandemic. Even though international travel was severely limited, the strong sense of unity and creative ideas of our team members enabled us to continue collaborating borderless.

I am very proud to be part of a company that is well respected in the world not only because of its superior products, but for its culture. Asahi Intecc is a company that successfully merges its Japanese roots and traditions with the courage and openness to new and diverse ideas, making it a truly global company.

5-2 Strengthening Global Human Resources



Lydia Lin

Deputy General Manager
Taiwan Branch
ASAHI INTECC CO.,LTD.

I have been deeply involved in the establishment of the Taiwan branch since I first joined the company, participating in all important decisions and watching its growth and development. Seeing our Taiwan branch evolve into the vibrant company it is today has been one of the most fulfilling experiences of my career.

At the Taiwan branch, I believe that diversity is not just a corporate value, but a fundamental element of who we are as a team.

I also believe that it is our responsibility to create an environment in which each employee has his or her own unique skills and expertise, can fully utilize their strengths, and can contribute to the company's success to the fullest extent possible. By recognizing and nurturing individual talent, I strive to make everyone feel valued and empowered to excel in their roles.

I would also like to emphasize that diversity goes beyond nationality and gender. I have worked in a traditionally male-dominated Japanese company, but I have always demonstrated my expertise and made great contributions. This experience has deepened my conviction that gender does not limit possibilities at Asahi Intecc, but rather is recognized and admired.

Through our commitment to diversity, we not only enrich our corporate culture, but we also enhance our collective capacity to innovate and succeed. By respecting and embracing the individuality of each employee, we build a stronger and more cohesive team that is better equipped to meet the challenges of an evolving global marketplace.



Bui Thi Bon

Assistant Division Manager
Production Division
ASAHI INTECC HANOI CO.,LTD.

Fortunately for me, I had the opportunity to join ASAHI INTECC HANOI CO., LTD. in early 2008, two years after Asahi Intecc decided to build a new overseas plant in Hanoi and started operations.

Over a period of 16 years since I joined the company, I have worked in various positions. I have been active mainly in two divisions, the Quality Assurance Division and Production Division, and I am currently working as Assistant Division Manager of the Production Division. Asahi Intecc Group, with its many subsidiaries and branches around the world, is a culturally diverse company, and I believe this diversity is the key to our superior technology and sustainable development.

With more than 2,000 employees, the Hanoi Factory is diverse in terms of occupation, experience, age, gender and nationality. Language and cultural differences lead to differences in thinking, perception, and problem-solving approaches, but we've used those differences to drive productivity and quality improvement. In addition, by creating a homely and friendly work environment that is easy to work in, and creating a special corporate culture, we are breaking down barriers between Japanese and Vietnamese, and everyone communicates and interacts with each other, with the goal of making the company feel like a second family. These efforts provide motivation and joy to employees, improve operational efficiency, maintain performance, and improve the position of the Hanoi Factory within the Asahi Intecc Group.

In order to realize our slogan of "Your dreams. Woven together," we will continue to strive even harder and devote ourselves to operations without forgetting our feelings of gratitude.

5-3 Roundtable Discussion between Executive Officer in charge of HR Development and Young Employees

Thinking about working at Asahi Intecc -- Human resource development to enhance organizational capacity --

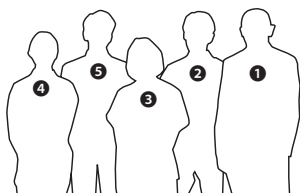


Asahi Intecc Group has been promoting value penetration and human resource development through the basic principles of “Challenge,” “Practical Competence,” “Self-Support,” “Global Best,” and “Creative Manufacturing Group.” By fostering human resources who have diverse perspectives and can think from various angles, we aim to improve organizational capabilities appropriate for a global company. Five employees from different years of employment and positions gathered and talked passionately about their true feelings about working at Asahi Intecc while sharing their specific stories. As we enter a transitional period where we are enhancing our organizational capabilities and as the importance of human capital is growing, we will present the real Asahi Intecc seen by our employees.

Why I Joined the Company

■ Participants

- ① Shinjiro Ootani, Executive Officer
- ② Tomoki Ichikawa
CV Section, Product Development Group
- ③ Mariko Imai
Seconded to walkey Inc.
- ④ Kanako Nishio
EVT Section, Product Development Group
- ⑤ Ryoya Abe
Corporate Strategic Office



Ootani: Today, I invited young employees like you who are currently active in the company to hear various voices and opinions about working at Asahi Intecc. First of all, please introduce yourself and tell us how you joined Asahi Intecc.

Ichikawa: It's been 11 years since I joined the company as a new graduate. I am currently the senior project lead-

er of the plasma project in the CV Section Guide Wire Development Team in the Product Development Group of the Brand Business Unit. I was interested in medical device development because I did research related to medical device development when I was in university. A senior member of the same research laboratory joined Asahi Intecc, and as I learned a lot from him when he occasionally visited the laboratory, I became more interested in the company, which led me to join the company.

5-3 Roundtable Discussion between Executive Officer in charge of HR Development and Young Employees

Imai: I joined the company mid-career and this is my fourth year. I have been seconded to walkey Inc., a subsidiary that provides training services dedicated to walking, which was established as a new business. I am in charge of all back-office operations and lab operations. I am the only mid-career employee among today's young members. Asahi Intecc is my third company after working for a chemical manufacturer and a consulting company after graduating. The reason why I was interested in Asahi Intecc was that when I looked at an environment in which I could grow, I felt that a manufacturer with technological superiority, niche products and a high profit level was attractive. Also, the company's business scale were still in the growth stage, and I thought that I could gain various experiences in addition to routine work.

Nishio: This is the sixth year since I joined the company as a new graduate. As a deputy team leader, I am developing a whole range of guidewires for peripheral vascular therapy. I am close to Mr. Ichikawa in that I was originally interested in medical care. After studying manufacturing in the Faculty of Engineering, I wanted to engage in medical care as a manufacturer, and I became interested in Asahi Intecc, a medical device company. Also, I wanted to join Asahi Intecc because I heard a lot of things from my senior member in the research laboratory at the university who had joined the company.

Abe: It's been three years since I joined the company as a new graduate. In the Corporate Strategic Office, I mainly work on business management, and I work in a

wide range of areas, including the preparation of this integrated report and ESG related work. I wanted to be an administrative worker in the business management field, so I didn't job hunt focusing on a specific industry. I studied accounting when I was in college, so I thought I could be more useful in accounting and numbers, so I pursued a job in fields where I could improve my expertise. The reason I applied to Asahi Intecc was that my father had been working for a medical-related company, and I found Asahi Intecc while researching the industry. I also applied to other companies and received several job offers, but when I received a job offer from Asahi Intecc, I was strongly persuaded that it would be a very valuable experience to work in the Corporate Strategic Office while looking at the entire company. I decided to join the company because I thought it would be a valuable opportunity to be entrusted with such work from a young age.

Ootani: I joined the company mid-career, and this is my 21st year. I used to work in the fund management department, but I was later seconded to overseas plants and the acquired subsidiary Toyoflex. I am currently the head of the Human Resources Development Group.

Difference with Image before Joining the Company

Ootani: Mr. Ichikawa and Ms. Nishio are engineers, you both have university seniors in the company, and you are interested in medical manufacturing. Since joining the company, have there been any differences



compared to the thoughts you had when you were a student?

Ichikawa: I didn't have a clear image of the company, so I have never been shocked. I had heard that I could be entrusted with various tasks from a young age, and consequently, I could report directly to the top management, but I was surprised that it was more than I expected.

Nishio: I thought I was only working on product development, but I was very impressed by the fact that I had a lot of opportunities to meet doctors at the hospital training, and I felt a difference on the positive side. There are many opportunities to actually see the techniques in the hospital, and so I not only manufacture products but am also able to see the way that they are actually used. I thought that if I could imagine the final use scene of the product, I would be able to feel a strong sense of satisfaction in manufacturing.

5-3 Roundtable Discussion between Executive Officer in charge of HR Development and Young Employees

Corporate Culture where Young People Can Take on Challenges

Ootani: Some have said that it is rewarding because you are entrusted with the work from a young age. I think that Asahi Intecc can be summed up in one word: “entrusted.” Mr. Abe and Ms. Imai, how do you feel about that kind of corporate culture?

Abe: Before joining the company, I was told that the office I will belong to is not so large for a rapidly growing company. Because of that, I imagined there would be a lot of work, but my honest first impression was that there was more to do than I had imagined. Doing everything from a young age can be tough, but on the other hand, there are many opportunities to grow while working, and I think it has been a great experience. In other companies, there may be some tasks that young people are not in charge of, but there's no room for such leniency in our company, which, I think, are good and bad points. As for me, I'm glad that I can feel myself growing.

Imai: I heard from various directions that Mr. Abe has been working hard since his first year at the company. There are few people who join the Corporate Strategic Office from the first year.

Abe: The year I joined the company, the company decided to produce the first integrated report, and I was able to be involved in its production. It was the first time for the company to work with the integrated report, and even though I was a new employee, I was able to think on my own and proceed with the work, so

I think I was in a blessed environment.

Imai: When you start from zero, you need to think about the necessary actions and the elements by yourself. I am currently seconded to a newly established subsidiary, but there was no particular manual, so I had to think about what I should do. I was seconded about one year after I joined the company, but I think the characteristic of Asahi Intecc is that it allows you to challenge yourself in a new environment even if you don't have much experience in the company. It's been a little less than two years since the business was launched. Although it's difficult to think by myself every day, consult with others, and figure out what steps I should take to reach the goal, I think it's a rewarding job. After listening to Mr. Abe's story, I thought there was something in common with my own work.



Nishio: In the Development Division, I also feel that I can be entrusted with many things. In fact, from the winter of my first year at the company, I was in charge of a new product, and as I had little clinical knowledge, there were times when I felt like I was fumbling around. Last year, I finally finished the development of the product I was in charge of from the first year, and looking back, I feel that I have grown quite a lot. As a growing company, Asahi Intecc is constantly developing new projects, so there are relatively many opportunities for young employees to take charge of product development. I believe it will lead to the growth of young employees.

Ichikawa: It's true that we can be greatly entrusted with development. There are many young employees. When I joined the company, there were many seniors who were close in age. Even if you are entrusted with your work, you can get sufficient degree of support, so I think you are in an environment where you can consult someone easily when you are in trouble. My seniors who are close in age supported me and I could easily talk to them, which gave me mental support. I feel that it is a great asset that I can collaborate well with my seniors who are now in different departments. Compared to the Development Division, there are not many people in the Corporate Strategic Office where Mr. Abe belongs, and you are young even among young employees.

Abe: Administrative departments have a small number of employees. Recently, young people have joined, but I have the impression that their ages are certainly older

5-3 Roundtable Discussion between Executive Officer in charge of HR Development and Young Employees

compared to the ages of those in the development departments.

Ichikawa: In the case of development work, even if it is a new product, the development process is structured, so it is easy to consult with senior staff to proceed with the work. After listening to Mr. Abe, I thought it was great that you were entrusted with production of the first integrated report for the company in your first year.

Abe: In the first year, my boss, who was responsible for the integrated report, led me, and I started with checking the details and checking the manuscript. Now, I participate from the basic part of the plan and make various proposals, especially in the ESG-related part. As I grow, I can do more things, and as a result, I feel that I am entrusted with various things.

Ootani: I had empathy with Mr. Abe and Ms. Nishio, who said that although it was tough, you could feel that you had grown. As Mr. Ichikawa said, I think an environment with a support system is good also for the company in order for young people to be active. As for HR development, I would like to make it possible for the company and people surrounding young people to support an environment where they can take on challenges.

Learning from Hard Experience

Ootani: I think that there are some difficult parts and some barriers you feel as you challenge new fields and areas. Can you tell us how you have overcome those situations and are you still trying to overcome them?



Imai: Regarding my job, there is a form of lab for personal training, and I find it difficult to work with people who have different business terminology and backgrounds that I had never encountered in my entire career as an office worker. For example, while there is a certain direction that we want to take as an organization, I am struggling to get along with other people, such as sole proprietors and trainers, who have honed their specialties with pride, and to lead them to the same direction we want to take as an organization. What is obvious to one side is not obvious to the other side at all. I think I started to imagine deeply from a broader angle about when I talk to people, such as what I should say to this person to make things work as an organization. After all, work begins with the peo-

ple. Even though I have a hard time communicating with them, I am very happy when I feel that they have grown, as they have come to see the whole, not just the individual. Thinking of the parts that I have helped with, I think that I am in an environment where I can learn a lot even though I sometimes have difficulties in dealing with others.

Nishio: The performance required for product development is determined to some extent, and the main flow of my work is to design to take advantage of that performance. As it is a medical device, safety is also a big issue in addition to performance. It shouldn't be that safety cannot be ensured by focusing on performance. I had a hard time designing the product to be good in terms of performance and safety. When it comes to overcoming barriers, I think the most motivating thing for me personally is imagining the product I made being sold and actually being used to help people. I feel a responsibility, but even more so when I think about how I've helped people by creating a device that saves lives, and it makes me want to try again, even if it's hard.

Ichikawa: I also belong to the Development Division, so I sympathize with Ms. Nishio's words. In the past, there were many things that individuals could do, especially with regard to guide wires, and when times were tough, I could manage it if I worked hard by myself. But as the scale of project and the scale of development expand, I feel that there will be many things that cannot be done by individual efforts. Now, I am blessed with people around me, and with the support of my project

5-3 Roundtable Discussion between Executive Officer in charge of HR Development and Young Employees

members and superiors, I feel that I am able to overcome the difficulties eventually. I think I need to create such an environment for others so that I also can support them.

Abe: The department to which I belong does not manage a specific segment, but has a role of looking at the entire company from a bird's eye view. Therefore, I am conscious of not being too tied to a segment or function, and moving the work around so that it is optimal for the entire company. In addition, I am often directly involved with on-site people in the business departments, but if I proceed with my work without assuming or knowing the information about what on-site people



are doing and how they are acting, I will not be able to close the gap. I would like to start from fostering a culture and building a relationship of trust so that I can understand what others want to say and also make them understand what I want to say. And I want to do work that can complement each other.

Organizational Issues

Ootani: The key words in your talk were “contribution to medical care” and “work is interaction with people around you.” I would like to ask you about “interaction with people around you.” You mentioned earlier about the easiness to consult. If you feel the easiness of collaborating with people around you, or if you feel any issues, please speak frankly.

Abe: Asahi Intecc is my first company, so I don't know much about other companies, but overall I have the impression that there are many kind people in the company. If I may say so myself, I am aware that I am entrusted with important work even though I have only been with the company for a short time. Even if I act on my own initiative, it is acceptable if it is meaningful as a job, and I feel that various people are helping me without being displeased. In a typical company, young people may not be allowed to act on their own initiative. In that sense, I think there is a corporate culture of meritocracy.

Ichikawa: I also feel that it is easy to do things in the Development Division. There are many young people, but no matter what age group you are, people are

willing to listen to you without being rejected. We also report directly to management. Being close to management gives you tension, but it also gives you a sense of responsibility. The issue is that there isn't a place to communicate with the departments that I have little interaction with in my work, so I sometimes feel work barriers and a distance from them in terms of enthusiasm to the product.

Nishio: I interact with various departments in my work, but I think there is a culture where people in charge can communicate directly with each other without being rejected. Speaking of issues, some of the departments involved are so busy that I often lose contact. I also sometimes feel a difference in the sense of distance and temperature.

Ootani: During your talk, I was impressed by the closeness to management. Even if you are young, you probably have experience in reporting, and I think one of the characteristics of our company is its closeness to management with respect to the company's hands-on approach and commitment to manufacturing. Please tell me how it looks from your perspective.

Ichikawa: Personally, I can report what I am individually working hard on as my achievements, so it doesn't bother me. If only the top management reported, I think it would be difficult to see what each person was doing. That's not the case in our company. There is a culture where people who are working hard are evaluated properly, and I feel the gratitude.

Nishio: Like Mr. Ichikawa, I have also many opportunities to report directly to the upper management. By

5 - 3 Roundtable Discussion between Executive Officer in charge of HR Development and Young Employees

doing so, I can be recognized, and it gives me a sense of being in charge of the project. When I talk to people in the upper management, I feel that management has a deep understanding of development. When I get a precise and pointed question, I feel that I am being listened to after the management understand the details to some extent.

Ootani: It means that young employees can feel that the management is also practicing the hands-on approach advocated by the company.

Abe: As you both said, because we are close to management, I feel that they understand us and we are properly evaluated not only as a team but also as individuals. I have many opportunities to learn what management thinks and what they care about, and I feel that this has led to my growth. On the other hand, an organization has a pyramid-like structure, so if interactions are too direct and too close, there is a danger that the organizational structure will collapse. In order to operate the company successfully, I think that it is important for management to seek the results as a whole organization while looking at each individual.

Imai: I communicate directly with the president of the parent company in the form of reporting from a subsidiary I am seconded to. In addition to the fact that there are no black boxes in which we cannot tell what is going on, I can assure that there is no discrepancy between the two parties' perceptions, which makes it easier for me to report as a reporter.

Ootani: Thank you very much. I think the sense of

distance or direction of the organization is one of the issues for the company to grow further. As a company, there are various things we need to think about in order not to lose our current strength. Next, please let us know about other keywords, "contribution to medical care," especially from the two of you involved in development. Is contribution to medical care a significant driving force in doing development work?

Nishio: Personally, that's the biggest thing. Even though it is indirect, I feel strongly that I am involved in the treatment. I feel that my contribution to medical care is that doctors use our products and it leads to the treatment of patients. It is also a great motivator to receive direct praise from a doctor, saying, "It's a good wire."

Ichikawa: I completely agree with Ms. Nishio. When I participate in academic conferences or hospital training, I feel pleased when our products are used to treat patients successfully. If it is a product that I have developed, I feel more strongly about it. When things don't work out, or when it looks like something can be improved, I feel a sense of responsibility to make it better.

Ootani: What about those who are not directly involved in product development? Is working at a medical device manufacturer that contributes to medical care rewarding?

Imai: Even if you are not directly involved in the manufacturing field, if you believe that working at a company that makes the products that help save people's lives is beneficial to people and the world, you can take pride



in your work, even if it is an administrative job. I sometimes feel envious of those who are directly involved in development, but I hope that we, who support such people, can have the same feeling.

Work-Life Balance and Ease of Working

Ootani: That means you all can work with a sense of satisfaction. Then, in terms of work-life balance and ease of working, are there still areas that are lacking?

Nishio: Because I work flextime, I feel that it is easy to maintain a good work-life balance because I can go home early even if I have a fixed schedule. I can also take summer vacation flexibly and freely, so I can take long consecutive holidays when I like.

Ichikawa: I also use the flextime system. I think it's

5-3 Roundtable Discussion between Executive Officer in charge of HR Development and Young Employees

very easy to work because I can adjust my working hours according to my private life. I can also commute to work avoiding the morning rush. In addition, many of my colleagues are taking childcare or maternity leave, and even after taking the leave, they return to work as usual, which gives me a sense of security.

Abe: As both mentioned, I think it is a comfortable working environment. Lunch at the company cafeteria is delicious, there is a gym at the company, and flexible working is also possible, so I think an environment where we can work healthily is in place.

Education and Training System

Ootani: I think that our company has currently less education and training than other major companies. On the other hand, since our employees can take on various challenges even when they are young, I think, unlike training, there is a place for experience through so-called OJT. If you have any opinions or requests for company education and training, please let us know.

Abe: The official company training is certainly less than other major companies. However, the company has set up e-learning as a place where in-house training is possible, so there is an action of preparing and developing the necessary items by ourselves. There are various programs on the development side, aren't there?

Nishio: Yes, there are various technical programs.

Abe: I believe that each department internally prepares content that they think is necessary as knowledge and

education of each department, and the voluntary deployment of such content in the form of e-learning is in line with our hands-on approach. In response to the instruction to raise the management accounting level especially for sales managers, I created e-learning content on the basics of management accounting and deployed it throughout the company.

Imai: I think major companies offer a lot of training for employees in their first or second year and for managers in their first year, but I don't think our company offers that much training yet. However, I have the impression that the company invests in their employees sufficiently. I felt that the training I took the other day was rich in content. Regarding uniform training programs offered by major companies, they often offer such opportunities, but some of their content is not so rich. I have the impression that our company makes substantial investment in the training programs.

Nishio: I feel that the company invests in employees sufficiently in the fact that all new employees are trained at overseas factories. I went to the Thai Factory for three days of training last month. I think it was very fulfilling with a solid schedule so that I could see everything in the large factory and various facilities. I think it is beneficial that all new employees at Asahi Intecc, including those in management and sales as well as development, go to overseas factories for training and have the opportunity to learn about important production sites for a manufacturer.

Ootani: Even pushing the hands-on approach, it would be nothing but talk without such a corporate culture

and system. Factory tours were not held for three years owing to the COVID-19 pandemic, but were finally resumed. Including the new employees who couldn't go before, we are now doing the on-site training step by step. It will take about two more years to catch up with the regular schedule, but we will deal with it as necessary training.

Abe: Because employees of the administrative departments do not have many opportunities to come into contact with products in their daily work, there are some employees who wonder what a guide wire is or what the core technologies are. As I felt this way too, many of our employees have finally come to understand what the products are like by actually visiting a local factory and seeing the products and the manufacturing process. I believe that overseas factory training is a valuable opportunity also for employees of administrative departments to deepen their understanding of the company and to become motivated.

Ichikawa: Even though there is not so much training, I feel that the merit of getting into the field earlier is very large. I believe the best thing is to be able to learn from the front line earlier. I went on overseas training before it was cancelled owing to COVID-19. I was very grateful that the training period was set up not immediately after joining the company but at different times when necessary. When it comes to products, there was also hospital training. There are relatively many training programs that can be taken actively besides passive training, so I have almost no problems with the training.

Ootani: I think there are two types of education and

5-3 Roundtable Discussion between Executive Officer in charge of HR Development and Young Employees

training. One is training for trainees to make them understand the basics that become a foundation for them, and the other is training for trainees to actively and voluntarily receive training opportunities to provide them with growth opportunities. I think that both are necessary. As mentioned earlier, compared to other major companies, we cannot yet say that our training system is fully in place, but we would like to assess what is necessary and develop it. As long as the personnel system and education and training are carried out as they are in textbooks, the company does not need the HR Development Division. I believe we have an HR Development Division internally to do what our company needs. As HR Development Division, I think it is necessary to listen to the opinions of people, determine the direction the company should take, and implement the training that is truly necessary. I hope that you will continue to express your frank opinions, not limited to opportunities like this.

Issues for the Future

Ootani: Lastly, I would like to ask you about the issues of the company, what you expect from the company, and your thoughts on how you would like to play an active role in making the company one you wish it to be like.

Abe: As far as the administrative departments are concerned, I feel that the system is still insufficient in various aspects. It may be because the company is growing rapidly, but there is a chronic labor shortage,

and the organization and people are not catching up. I feel that there have been quite a few situations in which specialists in each department have managed to work as hard as possible. However, at the current scale, there are many areas that cannot be addressed, and I think they are becoming organizational issues. As for myself, I would like to contribute to the improvement.

Nishio: Development often needs to collaborate with other departments such as pharmaceutical affairs and quality assurance. In doing so, I sometimes feel a sense of distance arising from differences in roles. Before I joined the company, there was a project system in which several people from various departments participated and were in charge of one product. Currently, however, development is divided vertically into development, process, pharmaceutical affairs, and intellectual property, so I feel that communication takes a little longer. If we have systems and mechanisms that allow us to work more closely with related departments, and if we can change the way we work, we will be able to do development work more smoothly.

Ichikawa: I sometimes feel the same way. There are things that cannot be done by development alone in order to do and create new things, so I think it would be good to have a company-wide system to deal with them as well as a system and mechanism that everyone can work together in for that purpose. Also, technology sometimes precedes from the desire of creating better products. So I would like to ensure that all employees have a common understanding of what product should be created, and that all employees have a

firm grasp of various needs, not just technologies and seeds, so that they can work strategically.

Imai: It may be associated with what we have talked about so far, but one thing I feel is that things are made up of key persons rather than an organization, so I think that organizational development and individual growth are essential for the future. Second, I have the opportunity to work with people in charge in various departments, such as development, production technology, and quality control, but the opinions of departments are emphasized instead of the overall optimization, and the final goal is sometimes blurred. I think it is a problem and difficulty due to the increase in scale, but I think people who manage properly will become more necessary.

Ootani: As Asahi Intecc alone has grown to a scale of more than 1,000 employees and revenue has exceeded 100 billion yen, our organizational structure and capabilities are lagging behind. I felt this from today's discussions with you and this is one of the challenges we are facing. I believe that we are in a transitional period to change that, and I would like to respond to areas that can be improved as HR development. Today, there were the key words "contribution to medical care" in your talks. As we can see in our company's corporate philosophy and purpose, we are conducting our business on the basis of contributing to society by meeting the required needs with our unique technological capabilities, including medical and industrial equipment. Not only the people involved in product development and production, but also the company

5-3 Roundtable Discussion between Executive Officer in charge of HR Development and Young Employees

as a whole, including indirect departments, can work in unison to realize the needs of suppliers and doctors around the world and contribute to them. This roundtable discussion made me realize once again that it is linked to our commitment to technology. As Asahi Intecc continues to grow further, I believe you are the people who will play an important role for the company. I expect you to continue to become more actively engaged in your work for the company.



06 Sustainability Environmental and Social

Measures to Reduce Environmental Burden	6-1
Supply Chain Management	6-2
Providing Safe and Secure Products	6-3
Social Contribution	6-4



6-1 Measures to Reduce Environmental Burden

We will promote measures to reduce the environmental burden and contribute to a sustainable society.

» Basic Thinking

Our Group contributes to society by working proactively to conserve the environment, aiming to harmonize our corporate activities, mainly in the design, manufacturing, and sale of medical devices and industrial equipment, with the global environment.

» Promotional Structure

■ Top-down Promotion of Environmental Activities

Our Group understands the importance of reducing our environmental burden and works proactively to conserve and improve the environment company-wide, including agreement with TCFD Recommendations.

■ Bottom-up Promotion of Environmental Activities

All of our Group's employees understand the importance of reducing our environmental burden and work proactively to conserve and improve the environment.

» Promotion of Company-wide Environmental Activities

Asahi Intecc Group has launched "Company-wide Environmental Activities" as a global environmental initiative with the participation of all our Group employees, with the aim of raising environmental awareness among all employees by setting "continuous company-wide promotion

and penetration of ESG centered on the environment" in our management policy. In addition to raising employees' awareness for the environment through company-wide participation, we intend to accumulate ideas and know-

how that are effective in reducing the environmental burden by sharing excellent activities, and to strengthen company-wide response capabilities to environmental problems.

» Environmental Policy

Our Group has established the following policy with the aim of contributing to society by promoting environmentally conscious production activities and environmental conservation and protection in our business activities, which are mainly the design, manufacturing, and sale of stainless steel wire ropes, design and manufacturing of catheters and guide wires, and manufacturing and sales of metal wire rope processing equipment.

1	We will comply with relevant laws, regulations, and other agreed-to requirements.
2	<p>We will accurately understand the impact of our business activities on the environment, perpetually set appropriate environmental objectives and targets, continually improve our impact on the environment, and engage in the following key activities to prevent environmental pollution and assure environmental protection.</p> <ul style="list-style-type: none"> • We will promote resource saving and energy conservation. • We will reduce, separate, and recycle waste. • We will provide products that take environmental conservation and protection into consideration. • We will thoroughly manage chemical substances. • We will utilize purchased goods useful for environmental improvement.
3	Through environmental education, we will raise the awareness of and support each employee in taking responsibility for environmental conservation and protection activities.
4	We will inform everyone who works for us of this environmental policy and share it publicly.

6-1 Measures to Reduce Environmental Burden

Obtaining ISO 14001 Certification

Environment Management System

Our Group has established an environmental policy for each major base of the device business and obtained the international environment management system standard ISO 14001.

We have not obtained ISO 14001 in our medical division. Medical devices require strict conformity to requirements and safety in raw materials, packaging materials, secondary materials, and manufacturing processes according to the relevant regulations of each sales country. That said, we consider limitations and prohibitions on use of environmentally harmful substances from our product design stage.

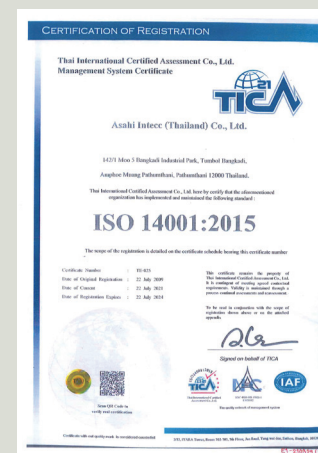
Examples of Providing Environmentally Conscious Products

Asahi Intecc's products consider the impact on the environment and select more environmentally friendly materials and processes from the design stage. In addition, our Group's guide wires use a proprietary construction based on our Group's core technologies to improve durability during treatment (resistance to deformation that hinders maneuverability). This reduces the number of guide wires used in a single operation; in other words, the amount of medical waste produced. Moreover, our Group's penetration catheters use a proprietary metal structure, Act One (multi-wire coil), to achieve a higher metal volume ratio than competitor catheters, reducing the amount of resin – and therefore microplastics – used.

Status of ISO 14001 Certification (as of the end of FYE June 2024)



Osaka R&D Center,
Asahi Intecc Co., Ltd.



ASAHI INTECC
THAILAND CO., LTD.



TOYOFLEX CEBU
CORPORATION

6-1 Measures to Reduce Environmental Burden



Climate Change Adaptation Measures

» Information Disclosure based on TCFD Recommendations

As the impact of climate change intensifies year by year and public concern grows, companies are also required to take proactive measures.

The Task Force on Climate-related Financial Disclosures (TCFD), established by the Financial Stability Board (FSB), requires companies to disclose information about climate change-related risks and opportunities in its final report released in 2017.

Based on our experience with past flood damage in Thailand and typhoon damage in Philippines, Asahi Intecc Group recognizes that addressing environmental issues, including climate change, is one of the critical challenges. Our Group declared our endorsement for TCFD Recommendations in August 2022. We will actively promote disclosure of information on climate change in accordance with the four themes (governance, strategy, risk management, and metrics and targets) defined by the TCFD.

» Governance

Our Group's basic policy is to actively engage in environmental conservation and to contribute to a sustainable society through our corporate activities in general, aiming to harmonize our corporate activities, mainly in design, manufacturing, and sale of medical devices and industrial equipment, with the global environment. In addition, our environmental efforts including climate change adaptation

measures are set as one of the important issues of establishing management structure for sustainable growth in our Medium-Term Management Plan.

Our Group has established a system for the Board of Directors to appropriately supervise important issues related to sustainability, such as climate change. In particular, important matters related to management risks and opportunities are reported by the Director in charge of Environmental Affairs and the Director in charge of ESG to all Directors, including outside directors, and are reflected in our Group's management strategy after discussion at the Board of Directors.

» Strategy

As the environmental burden on the earth increases, we believe that it is impossible to carry out corporate activities without realizing a sustainable society. In particular, for life-saving medical devices, we believe that disruptions to the supply chain and a decline in the ability to supply due to the intensification of global disasters are not only business risks but also social risks.

Our Group's business activities may also be affected by future tightening of environmental regulations and increased risks of natural disasters caused by rising temperatures. Based on such environmental awareness, we conducted scenario analysis in accordance with the 1.5°C scenario (NZE 2050)* presented by the IEA (International Energy Agency), the 2°C (and less than 2°C) scenario (SDS)*, and the 4°C scenario (RCP 8.5)* presented by the

IPCC (Intergovernmental Panel on Climate Change), etc. See page 97 for details on scenario analysis.

» Risk Management

Concerning the matters that have a significant impact on our Group's management, including climate change-related risks, the Board of Directors will discuss and examine risk assessment, countermeasures, and preventive measures, and manage the climate change-related risks that are assessed and identified. For risk management, each department implements measures to respond to risks. Climate change-related risks are recognized by the Corporate Strategic Office, and important risks are reported to the Board of Directors. We will continue to follow up on climate-related risks based on the TCFD Recommendations and will continue the establishment of a management system of climate-related risks, including collaboration with company-wide risk management.



*Scenarios for limiting the global average temperature to around 1.5°C/2°C (and less than 2°C)/4°C above compared with levels prior to the industrial revolution.

6-1 Measures to Reduce Environmental Burden

Analysis of Impacts on Climate Change

In the 1.5°C scenario and the 2°C (and less than 2°C) scenario, transition risks are assumed such as tighter energy conservation regulations, introduction of carbon taxes and emissions trading, environmental regulations and price increases for key materials. In the 4°C scenario, physical risks such as supply chain disruptions and suspension of operations at manufacturing sites due to disasters such as floods and typhoons are assumed to be particularly increased. On the other hand, the increased risk of developing intravascular diseases associated with higher average temperatures could be an opportunity for our Group to supply products that can contribute to improving the efficiency of medical workplaces.

In order to deepen the analysis of the impact of climate change on our Group's business and to further study countermeasures, we conduct a quantitative assessment of the financial impact (estimated value) of climate change on our Group relative to FYE June 2023. There is no major change in this situation for FYE June 2024. Based on these predictions, each Group company conducts risk and opportunity analysis for each business field and shares it with the Board of Directors.

Risks/ opportunities	Important risks	Risks and opportunities in our Group	Impact (period in which impact becomes obvious /financial impact/importance)			Countermeasures
Transition risks	Strengthened decarbonization policies and regulations	Risks of increased costs due to tighter regulations on greenhouse gas emissions and the introduction of carbon taxes and emissions trading	Medium term	1.5°C scenario: Approx. -900million yen(2030) 2°C scenario: Approx.-900million yen(2030)	Large	・Promotion of initiatives to reduce CO ₂ emissions ・Use of renewable energy
		1.5°C scenario: Approx. -700 million yen (2030)				
	Reduction of plastics, shift to materials with low environmental burden, and increase in material prices	Risks of rising prices of key raw materials	Medium term	1.5°C scenario: Approx.+600 million yen (2030) 2°C scenario: Approx.+100 million yen (2030)	Medium	・Switching to low-carbon alternatives ・Weight reduction of packaging ・Globalization of pharmaceutical organization ・Strengthening research on new materials
		Risks of increased R&D and SG&A expenses due to the search for new materials, changes in product design, and response to pharmaceutical issues		—		
Physical risks	Increased frequency and scale of meteorological disasters (heavy rain, floods, typhoons)	Risks that supply chain disruptions could disrupt the procurement of raw materials from suppliers and disrupt the supply from manufacturing subsidiaries to sales destinations	Long term	4°C scenario: Approx. -200 million yen	Small	・Climate change risk assessment for suppliers ・Conducting questionnaire for suppliers ・Examination of alternative purchasing methods ・Examination of alternative production and sales routes
		Risks of inundation of the factory and equipment due to river flooding around the manufacturing site, resulting in temporary difficulties in operation	Long term	4°C scenario: Approx. -2.1 billion yen	Large	・Climate change risk assessment at production bases ・Diversification of production bases ・Examination of measures for bases where large-scale inundation is expected
		Risks of submergence and incapacity of manufacturing sites due to rising sea levels associated with rising temperatures		4°C scenario: Approx. -30.3 billion yen		
	Rise in temperature	Risks of increased maintenance and management costs for production facilities due to higher average temperatures	Long term	—	Small	・Replacement of air conditioning equipment, etc.
Opportunities	Increased risks of developing intravascular diseases	Opportunities to supply products that can contribute to increased efficiency at the medical workplace	Long term	4°C scenario: Approx. +3.3 billion yen (2050)	Large	・Strengthened R&D

The impact shown on the above is calculated value for FYE June 2023. In calculating the impact, we referred to the materials available from the IEA, IPCC and the materials disclosed by the Ministry of Land, Infrastructure, Transport and Tourism, etc. at the time of calculation, and made calculations using a reasonable method. However, research results, information, and data that serve as sources of information for each scenario are based on the time of calculation, and the impact estimates analyzed and calculated based on these scenarios are inherently uncertain.

The medium-term forecast is for about 10 years and the long-term forecast is for about 30 years. In terms of importance, those estimated to have a financial impact (an absolute value) of less than 500 million yen on our Group are considered small, those estimated to have an impact of 500 million yen or more are considered medium, and those estimated to have an impact of 1 billion yen or more are considered large.

6-1 Measures to Reduce Environmental Burden



Metrics and Targets

In line with SBTi's 1.5°C-level reduction target*, our Group has formulated a medium-term CO₂ emissions reduction target of reducing CO₂ emissions (Scope 1 + 2) from our Group's business activities by 30% from FYE June 2022 by 2030.

As for CO₂ emissions from the supply chain (Scope 3), we aim to maintain the level of FYE June 2023 by basic sales unit. In Scope 3, the majority are emissions in Category 1 (purchased products and services). However, since our Group's main business is the manufacturing and sale of medical devices, it is more difficult than in other industries to make changes to purchased products. Therefore, we believe that it will be difficult to significantly reduce emissions. On the other hand, reducing CO₂ emissions is also an important issue for our Group to address, so we are working on the reduction not only in our Group, but also in cooperation with our suppliers throughout the entire supply chain.

*A target, consistent with the Paris Agreement, to limit the global average temperature increase due to climate change to less than 1.5°C compared with levels prior to the industrial revolution.

Scope1+Scope2

CO₂ emissions from our Group's business activities increase by 2.4% year on year for our Group as a whole owing to an increase in production volume. However, emissions decreased by 14.2% by basic sales unit, owing to an increase in sales.

We believe that the volume of CO₂ emissions from our Group's business activities is relatively small compared to the scale of its sales. However, in addition to improving the efficiency of manufacturing processes and energy conservation activities such as diligently saving electricity, we will consider and implement comprehensive initiatives, including the conversion to renewable energy in the future.

CO₂ emissions (Scope 1 + Scope 2)

	FYE June 2022	FYE June 2023	FYE June 2024	Goal
Scope1 (t-CO ₂)	2,349	2,367	2,490	—
Scope2* (t-CO ₂)	44,385	46,929	48,009	—
Total	46,734	49,296	50,499	30% reduction by 2030 compared to FYE June 2022
Emissions by basic sales unit (t-CO ₂ /1 million yen)	0.60	0.55	0.47	—

*The calculation method for Scope 2 has been revised from FYE June 2022, including the past fiscal years.

Scope3

Our Group is working to reduce CO₂ emissions throughout its entire supply chain by, for example, conducting a questionnaire regarding environmental considerations for major suppliers and selecting more environmentally friendly materials after considering the impact on the environment from the design stage.

Scope 3 CO₂ emissions increased by 22.4% year on year and emissions per unit of sales also increased 2.5% year on year. The main reason for this increase was a large increase in emissions for Category 2 due to the construction of the Research and Development Building (ANNEX Building) in FYE June 2024.

CO₂ emissions (Scope 3)

	FYE June 2022	FYE June 2023	FYE June 2024	Goal
Scope3(t-CO ₂)**	74,715*	140,915	172,463	—
Emissions by basic sales unit (t-CO ₂ /1 million yen)	—	1.56	1.60	Maintain the level of FYE June 2023

*Asahi Intecc only

**As it was discovered that there were some errors in the past tabulation for some of Scope 3 (Category 3), the calculations of previous fiscal years have been reviewed. Our company responds based on the advice of external experts. However, as a result of a review of the tabulation process, it was found that there were differences in the understanding of the scope of Category 3, and we have revised the tabulation process accordingly.
Magnitude of impact: FYE June 2022: +670t-CO₂
FYE June 2023: +6,467t-CO₂ Emissions by basic sales unit +0.07

See Non-Financial Summary (page 144) for data by category.

6-1 Measures to Reduce Environmental Burden

Efforts for Biodiversity

» Policy and Basic Thinking

Our group enjoys ecosystem services through its business activities and may also affect various impacts on biodiversity. We recognize that considering, maintaining, and conserving biodiversity that supports ecosystem services is an important environmental issue, and we will work to conserve biodiversity through our business activities and social contribution activities.

» Governance

Our Group's basic policy is to actively engage in environmental conservation and to contribute to a sustainable society through our corporate activities in general, aiming to harmonize our corporate activities, mainly in design, manufacturing, and sale of medical devices and industrial equipment, with the global environment. In addition, our environmental efforts, including biodiversity adaptation measures, are set as one of the important issues of establishing management foundation for sustainable growth in our Medium-Term Management Plan.

Our Group has established a system for the Board of Directors to appropriately supervise important issues related to sustainability, such as climate change. In particular, important matters related to management risks and opportunities are reported by the Director in charge of Environmental Affairs and the Director in charge of ESG to all Directors, including outside directors, and are reflected in our Group's management strategy after discussion at the Board of Directors.

» Main Initiatives

As part of its efforts to reduce the environmental burden, our company is actively participating in environmental protection activities closely linked to the area, including seashore cleanup activities and mangrove planting activities at Cebu Factory; and marigold planting activities and cleanup activities by Asahi Intecc Loveledge Nagoya around their home ground in Seto City where Global Headquarters and R&D Center is located. We will continue to carry out environmental protection activities rooted in local communities.



Seashore cleanup activities
(Cebu Factory)



Activities for planting mangroves
(Cebu Factory)



Marigold planting activities by Asahi Intecc Loveledge Nagoya and cleanup activities around their home ground (Global Headquarters and R&D Center)



Donation to the Keidanren Nature Conservation Fund (KNCF)

We have donated to the Keidanren Nature Conservation Fund. The fund is used not only in Japan but also in various countries and regions, including the Asia-Pacific region, to support projects conducted by NGOs, etc. in various countries, such as natural resource management, environmental education, tree planting, and protection of rare animals. Through this donation, we will strive to realize a society that coexists with the natural environment and conserves biodiversity.



6-1 Measures to Reduce Environmental Burden

Measures to Reduce Greenhouse Gas Emissions

Although our Group's business structure does not require the use of large amounts of greenhouse gases or energy, all of our business sites view the reduction of greenhouse gas emissions and energy consumption associated with their business activities as a challenge and are working to reduce greenhouse gas and energy consumption with the aim of contributing to solving climate change issues.

» Promoting Energy Conservation

Our Group recognizes the importance of energy optimization and climate change measures, such as reducing our energy consumption and CO₂ emissions associated with business activities, and promotes these measures across the entire Group.

■ Specific Measures

Installing solar panels on the factory roof (Cebu Factory)/Introducing machinery and equipment for automated power-saving (Hanoi Factory)/Sending products from overseas manufacturing bases directly to clients and agents, and reducing logistics fuel consumed by domestic relays/Using low fuel consumption vehicles such as hybrids for company cars/Replacing conventional lights with LEDs at factories and offices and being sure to turn them off/Turning off office lights during daytime break (Global Headquarters and R&D Center, Filmecc Headquarters)/Reducing lit time with human sensors and timers/Encouraging cooler clothing in the summer and monitoring HVAC temperatures (winter: 20°C, summer: 26°C)/Reducing power consumption through process improvement

» Participation in Environmental Protection Activities



Seashore cleanup activities (Cebu Factory)



Activities for planting mangroves (Cebu Factory)



Marigold planting activities by Asahi Intecc Loveledge Nagoya and cleanup activities around their home ground (Global Headquarters and R&D Center)



» Reducing, Separating, and Recycling Waste

Our Group works to reuse resources and reduce waste in the following ways:

Thoroughly separating garbage/Limiting printed distribution of meeting materials, etc./Promoting digitalization of internal documents using IT systems/Recycling manufacturing materials (metals)/Reduction of food loss/Reduction of microplastics by promoting the use of personal reusable bottles
Because the majority of the medical devices our Group handles come into direct contact with patients' blood and other bodily fluids, they are all legally required to be disposed of as medical waste after use to prevent infection, making resource recycling and reuse difficult.

» Provide Environmentally Friendly Products

Our Group makes its products as environment-, people- and safety-conscious as possible through the following measures:

Assessing risk during product design/Monitoring information on substances subject to environmental regulations (RoHS Directive, REACH, Chemical Substances Control Law, etc.)/Limiting use of restricted substances in raw materials, secondary materials, and product manufacturing processes

» Managing Chemical Substances

■ Management Structure/Process

Based on relevant regulations (the Fire Service Act, Industrial Safety and Health Act, Poisonous and Deleterious Substances Control Act, etc.), our Group carefully manages its use and storage of chemical substances that impact people and the environment in the following ways:

Monitoring storage amounts and facilities/Putting people in charge of management/Assessing risks related to use of chemical substances and formulating management procedures/Regularly measuring working environments/Emergency response education and training

6-1 Measures to Reduce Environmental Burden

Utilizing Purchased Goods Useful for Environmental Improvement

Our group is promoting the introduction of energy-saving boilers and the use of green procurement office supplies at its production factories, installing solar panels at its production factories, and planning to install solar panels at the new building of the Global Headquarters and R&D Center ANNEX Building. In addition, we are replacing existing equipment and introducing new equipment in consideration of energy consumption and energy optimization.



Installing solar panels at the new building of the Global Headquarters and R&D Center ANNEX Building



Installation of solar panels at Thailand Factory



Installation of solar panels at Cebu Factory



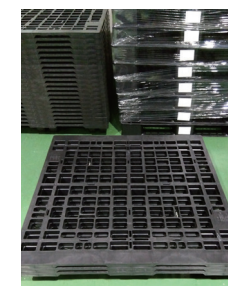
Installation of energy-saving chillers



Water-saving dishwashers installed at cafeteria



Promoting returnable bobbins and their reuse



Using recycled pallets

Measures for Water Resources

In the production process of our Group, there are no processes that use large amounts of water, and water is used for limited purposes such as parts cleaning and water cooling. In addition to proactively reducing water consumption and discharge at sites that use a large amount of water, we are thoroughly managing the quality of wastewater at our sites in accordance with local laws and regulations. Each manufacturing site is located in an area with a low risk of drought, etc., and we use tap water, industrial water, and groundwater as appropriate depending on the situation in each region.

Tap water consumption

	FYE June 2022	FYE June 2023	FYE June 2024
Tap water consumption (1000 m ³)	354	362	364

*Excluding sales sites, because water consumption of such sites is extremely limited and cannot be individually identified.

6-2 Supply Chain Management

Promoting measures for sustainable procurement with business partners all over the world

» Basic Policy

Our Group aims to strengthen supply chain management (SCM) looking ahead to business continuity and sustainable value creation in the global market. In addition, our Group determined the “Asahi Intecc Group’s Procurement Policy” and has been strengthening compliance with laws and social norms. We value the partnerships we have built with our business partners and aim to strengthen our relationships further based on fair, impartial, and transparent transactions.

Part of our Group’s social responsibility is the stable provision of high-quality medical care achieved by continuing to supply the world with one-and-only technologies and number one products. To fulfill this role, we are engaged in measures for sustainable procurement in cooperation with business partners all over the world according to the Rules of Purchase Policy of Asahi Intecc.



① Asahi Intecc Group’s Procurement Policy

In August 2024, Asahi Intecc Group revised the Asahi Intecc Group’s Procurement Policy with the approval of the Board of Directors in order to value partnerships with suppliers and continue to provide superior products in the global market. The revised policy is published on the Asahi Intecc website together with the Requests to Our Suppliers, which contains specific requests to suppliers. Our group will work with suppliers to resolve sustainability issues throughout the entire supply chain. See our websites for details of Asahi Intecc Group’s Procurement Policy and Requests to Our Suppliers.

[Asahi Intecc Group’s Procurement Policy](#) 

[Requests to Our Suppliers](#) 



② Policy-Sharing Explanation for Suppliers

We ask our business partners for compliance with laws and social norms, and fair and impartial transactions, as well as quality control. The status of these matters constitutes a part of the selection criteria of new suppliers.

We strive for stability in our product delivery by sharing short-term procurement information with major partners on a monthly basis and medium- to long-term procurement information with partners as needed for them to construct a secure delivery system.

< Major requests >

- Compliance with laws and social norms (e.g., respect for human rights such as prevention of forced labor and child labor, corruption prevention)
- Sound management system and impartial corporate activities
- Securing quality and safety, and a stable delivery system
- Adherence to delivery schedule and reasonable price, etc.



6-2 Supply Chain Management

③ Questionnaire and Audit for Suppliers

We regularly conduct our Forecast Questionnaire (Stable Delivery) for major partners to realize the quality and stable delivery required by medical facilities. Also, from FYE June 2022, we newly added items related to compliance with laws and social norms and environmental considerations to the Questionnaire. As stated in its Chapter of Corporate Behavior, our Group has been engaging in business activities that take human rights into consideration, such as the prevention of forced labor and child labor. Through communication with our business partners, we are striving to make them understand our Group's production and procurement policies.

We survey our business partners concerning the production plan and the status of quality control for components delivered to our Group, and ask them for cooperation in an audit if a risk, etc. occurs. We also conduct an on-site audit regularly and systematically for our partners that manufacture quality-relevant components according to the rules of purchase control. An on-site audit specifically checks the details of regulations and standards, quality control systems, and the quality assurance process, frequency of and responses to defects, and preventive measures from the two aspects of quality control system and product quality.

④ BCP (Business Continuity Plan) of Procurement

Our Group, procuring many valuable metals and reagents, puts efforts into the BCP (Business Continuity Plan) of procurement for stable delivery of our products to our customers even amid large-scale disasters and pandemic. We constantly strengthen and improve the supply chain, optimize our inventory, etc. for stable procurement activities in any case by purchase from multiple sources of procurement for each product item, and insourcing for materials that are difficult to purchase from multiple sources, or components that are at high risk.

In addition, we started a new measure in FYE June 2021, a questionnaire for our major partners "Requests for Cooperation for Survey of Business Continuity System." We will use it to construct a BCP system for the entire supply chain.



⑤ Employee Education

The purchasing department attends classes by the Japan Fair Trade Commission (JFTC) and the Small and Medium Enterprise Agency to deepen their knowledge and understanding of the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors, as well as to comply with laws and regulations.

In-house education also covers this Act and the JFTC's 11 prohibitions for all related departments, including purchasing, delivery, payment, orders, and quality assurance.

6-3 Providing Safe and Secure Products

» Basic Policy

In order to supply our customers with safe and secure products in a consistent manner, our Group has established a quality policy that is shared across all of our bases. By striving to improve quality every single day, we aim for ever better global quality.

» Promotional Structure

(1) Structure to Supply Safe and Secure Products

Our Group has established a quality management system that applies the international standards framework of ISO 9001 and ISO 13485 in order to reliably provide our customers with high-quality products and medical devices, and we have developed a structure to assure uniform quality across research, design and development, production, and sales based on the Quality Policy set out by top management. In addition, we regularly undergo rigorous screenings by third-party certification bodies to obtain and maintain certifications such as ISO 9001 and ISO 13485. Furthermore, by complying with the stringent regulations in more than 110 countries and regions to which our Group provides products, we have built a structure that ensures the quality products our customers require.

(2) Thinking on Quality Assurance Structure and Quality Management

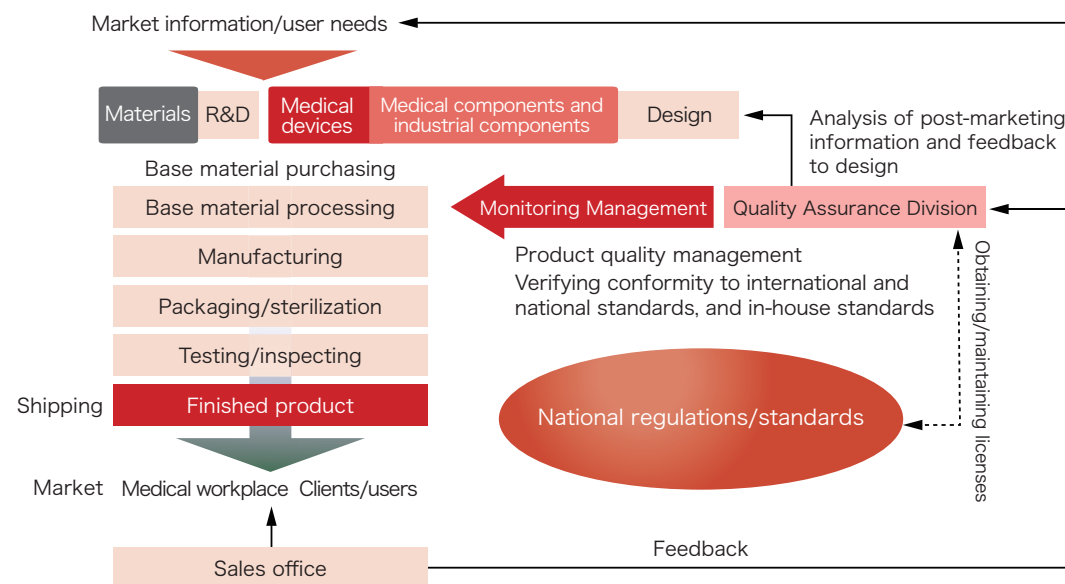
Based on our four core technologies, our Group has developed an integrated production system from raw materials to finished products. Medical devices in particular re-

quire precise specifications and quality in their materials, and the number of raw material manufacturers capable of steadily supplying materials that meet these standards is limited even on a global scale. Therefore, our Group purchases base materials as far upstream as possible and manufactures them in-house into near-ideal materials, components and, ultimately, the finished products.

Moreover, in order to manage and ensure product quality, our Group has a quality assurance division separate from the research, and design and development departments, production bases, and sales offices. This division inspects and tests our manufactured products to confirm that they conform to the required international, national, and in-

house standards, and only the high-quality products that pass these inspections are shipped to market. In addition, an internal quality auditor certified by our rigorous internal certification system conducts internal and intra-Group quality audits to regularly monitor the appropriateness of this manufacturing management and quality assurance structure, striving for continuous improvement.

We have also established a dedicated department to constantly collect and evaluate the latest post-marketing information. We collect and evaluate a wide range of product information after launch and provide feedback on improvements to improve quality and new product designs.



6-3 Providing Safe and Secure Products

» Base Certification

Our Group has obtained quality management system certifications by third-party certification bodies as shown in the table below.

(Certification status as of the end of June 2024. For the latest information, see "Information on Certifications" in "ABOUT US" on our website.)

» Quality Regulations

Our Group has set documented quality regulations of the quality management system according to the quality policy (shared policy) of Asahi Intecc Group. Operations based on these quality regulations aim to promote high-level quality assurance, and to deliver products beyond the needs and expectations of customers in order to make contributions to society.

» Control of Quality Targets

We conduct activities to achieve the quality targets for each fiscal year according to the quality policy. Opportunities of periodic review involving upper management are made for the set targets to achieve improvements.

» Quality Reporting Structure

Our Group appropriately monitors product quality by tracking all information on quality in the manufacturing process, from raw material manufacturing to final product

shipping, in a timely fashion. The Quality Assurance Division also collects all customer feedback on quality for survey and analysis. By conveying this information to upper management as well as the manufacturing, research, and design and development bases in a timely manner for use in process and product improvement, we have established a structure for supplying safe and secure products.

» Measures to Improve Quality

In our Group, the quality assurance division and each manufacturing base screen the material and product R&D and design processes from the very first stage, taking a third-party perspective. Doing R&D and design with a perpetual awareness of the manufacturing process and

use as a marketed finished product helps solve problems with existing products, resulting in development and manufacturing of higher-quality materials and products.

» Reception and Conduct of Quality Audit

Production business sites handling medical devices and the Quality Assurance Division in our Group undergo regular audits by ISO, the administrative authority, and our customers. In addition, internal auditors conduct periodic and irregular audits; in FYE June 2024 we underwent 97 external audits and conducted 28 internal audits.

■ Status of Quality Management System Certification (as of the end of June 2024)

Base	Quality management system certification
ASAHI INTECC CO.,LTD.	Medical Division • ISO 13485 / EN ISO 13485 • MDSAP
	Device Division • EN ISO 13485 / ISO 13485
ASAHI INTECC THAILAND CO.,LTD.	• ISO 13485 / EN ISO 13485 • ISO9001 • MDSAP
ASAHI INTECC HANOI CO.,LTD.	• ISO 13485 / EN ISO 13485 • MDSAP
TOYOFLEX CEBU CORPORATION	• EN ISO 13485 / ISO 13485 • MDSAP • ISO9001
Filmecc Co., Ltd.	• EN ISO 13485
ASAHI INTECC USA, INC.	• ISO 13485

6-3 Providing Safe and Secure Products

» Respect for Bioethics in Research and Development

In the research and development of medical devices, animal experiments may be necessary to confirm the efficacy and safety. From the viewpoint of animal welfare and environmental conservation, our Group strives to apply alternative methods unless animal experiments are absolutely necessary.

Our Group does not conduct animal experiments in-house, and outsources them to an external organization. However, when outsourcing animal experiments, we do so after confirming that relevant laws, regulations and guidelines have been established by the outsourcee from the viewpoints of animal welfare and environmental conservation, as well as from the viewpoint of ensuring the safety of testers who conduct animal experiments.

Cleanliness Level of Medical Division

Our Group is manufacturing the medical devices for our medical division in controlled areas in accordance with Class 7/8 of ISO 14644 series as international standards, etc. (Cleanrooms and associated controlled environments).

Education/Training of Employees and Suppliers

Our Group is building a proprietary system to manage employee skills and qualifications based on applicable regulations, standards, and in-house standards. We thoroughly ensure that only trained employees whose skills and qualifications have been confirmed are involved in de-

veloping, manufacturing, inspecting, and all other work on products for customers. Our Group recommends that our base material providers also use such a skill/qualification management system, and regularly review and verify them. The number of in-house certified auditors who are allowed to conduct internal audits and supplier audits in our Group is 208 as of the end of June 2024.

Instruction on Product Use

In interventional radiology (IVR) such as PCI, sophisticated skills of medical workers to maneuver guide wires, catheters, and other equipment as well as catheters and guide wires which deliver operation at the proximal end to the distal end accurately are needed to reduce the burden on patients while maintaining the treatment's efficacy. Choosing the right products from among many options for the patient and body part to be treated is also important.

Our Group provides detailed explanations on product use, selection, and care to distribution agents and medical workers in each country to help them use the products safely and effectively. We educate on IVR and use of our products through case studies and demonstrations by KOL doctors at academic conferences and seminars around the world on a day-to-day basis.

At our Global Headquarters and R&D Center, our Group provides medical workers with training in an environment almost identical to a clinical setting using our simulation system and human models recreating an actual operating room.



Quality Assurance through the Value Chain (Measures During Development, Design [Testing], Sale, Use, and Manufacture)

From the research and development of material to the manufacture of final products, our Group's focus is being relevant and realistic about the setting, product, and situation (Three Actuals). Furthermore, having developed an optimal sales structure for over 110 countries and regions, we can rapidly collect feedback from the market, actively collect and analyze post-marketing safety information, and apply it to improve our processes and products, which enables us to surpass market needs with our product development and reliable supply throughout the entire value chain.

As a result of implementing these measures throughout the entire value chain, our Group has been recognized for high-spec products and a large global market share based on unique technology. In 2020, we were chosen as one of the Global Niche Top 100 Companies (selected by the Ministry of Economy, Trade and Industry) for our indispensable role in the global supply chain.

6-4 Social Contribution

Asahi Intecc's Social Contribution

» Thinking on Social Contribution

Asahi Intecc Group believes that sustainability involves building relationships of trust with our stakeholders, applying our value creation process (a virtuous cycle of promoting businesses and strengthening foundations) to fulfill our mission, in order to establish our corporate brand, the "Asahi Brand."

Our Group believes that both local and global communities are valuable stakeholders. As a member of society, we will build relationships of trust with our stakeholders by supporting the development of local communities and society at all times.

» Contributing to Society Through Sports

Our Group promotes initiatives that contribute to society at large, such as with sports to improve the quality of life of people and revitalize communities. Furthermore, by supporting athletes that perform on the world stage, our Group also invigorates our organizational climate.

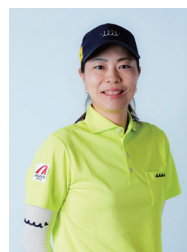
Concluded Affiliation Agreement and Sponsorship Agreement with Professional Golfers

As part of our CSR activities, our Group engages in sponsorships to support athletes.

We concluded an affiliation agreement with professional

golfer Mayu Hattori from Nagoya as an athlete affiliated with Asahi Intecc and a sponsorship agreement with two professional golfers: Hiromu Ono from Gifu and Lala Anai from Okazaki City in Aichi Prefecture.

We leverage our strengths, and this is one aspect of our CSR activities which aim to revitalize the community by supporting local athletes. We hope to contribute to the community by supporting these athletes.



Mayu Hattori



Hiromu Ono



Lala Anai

Agreement for Naming Rights and Partnership with Asahi Intecc Loveledge Nagoya/Japan Women's Football League

In February 2022, we concluded the Agreement for Naming Rights and Partnership with the women's soccer team in Nagoya City Asahi Intecc Loveledge Nagoya, which belongs to the Japan Women's Football League (Nadeshiko League), to support their activities. We also hire team members as our employees to support their activities as a player.

The team of Asahi Intecc Loveledge Nagoya was estab-

lished as Nagoya Grampus Junior Ladies in 1995, the name was changed to Nagoya FC Ladies in 1998, and the team was then promoted from the Aichi Prefecture League to the Tokai League in 2004. In 2017, the name was changed to the NGU Loveledge Nagoya, in 2014, it was promoted to the Japan Women's Soccer League (Nadeshiko League) Third Challenge League, and then to the first division of the Japan Women's Football League (Nadeshiko League) in 2021. The team name was changed to Asahi Intecc Loveledge Nagoya in 2022. In 2023, the team recorded second place in the league, the highest ranking of the team, and is now working toward the league championship.



Aina Kakiuchi



Momo Miura



Ayumi Natsume



Fumina Shibayama

6 - 4 Social Contribution

Utilizing Professional Soccer Player Maya Yoshida for Our Advertisements



We have been utilizing Maya Yoshida as a character for our advertisements since 2018.

Maya Yoshida is Chairman of the Pro-Footballers Association of Japan and was Japan National Team member and captain of Japan Team at the FIFA World

Cup Qatar 2022. By using this world-renowned player for our advertisements, we hope that we will have more opportunities to have many people understand our philosophy of promoting minimally invasive treatment from Japan to the world.

We also believe that Mr. Yoshida, as a player who performs on the world stage, not only gets people excited, but also serves to encourage others. Mr. Yoshida spent his junior high and high school years in and around Toyota City, Aichi Prefecture, and after a time in the Nagoya Grampus Junior Youth team, played with Nagoya Grampus until 2009, so he has a deep connection with Aichi Prefecture, where Asahi Intecc is located. Please stay tuned as we will be communicating our philosophy and corporate information through Mr. Yoshida in the future.

» Contributing to Local Communities

Donation to the Fund for Children's Now and Future in Seto City

We have donated to the Fund for Children's Now and Future in Seto City (Seto City in Aichi Prefecture) every year since 2021. The Fund for Children's Now and Future in Seto City was established by Seto City to promote measures to enable each child and young person to grow up healthily toward his/her dream or independence by receiving seamless support.

The donation will be used to purchase daily necessities such as disposable diapers and food for families with child-rearing difficulties, to pay for transportation and custody of children, and to support young people's continued learning. We will continue to support this initiative of Seto City.



Publishing Regional Information Magazine INTE-LLIGENCE

Since January 2022, we have published INTE-LLIGENCE, a regional magazine that provides information on the area of Seto City. Based on the concept of "rediscovering Seto's charms," this magazine is created with the hope of contributing to local revitalization, focusing on deep information that only our company employees who work in Seto City and live near Seto City know.

This magazine has been placed at public facilities in Seto City, financial institutions in Seto City, and railway stations (Owari-Seto Station, Shin-Seto Station, Seto-shi Station, Ozone Station, and Sakaemachi Station).

We plan to continue publishing INTE-LLIGENCE every six months to contribute to the development of the community.



6 - 4 Social Contribution

Donation and Sale of Picture Book***Don't Worry, I'm with You: Catheter Is Performing Outstandingly!***

In February 2022, as part of our 45th year anniversary celebrations, we published a picture book on catheter treatment titled *Don't Worry, I'm with You: Catheter Is Performing Outstandingly!* and donated it to the following donation recipients. In addition, we commenced sales of the book from April of the same year and plan to donate a portion of the proceeds.

This book was created to spread the use of minimally invasive treatment and to make more children aware of what catheter treatment is. By reading this book, we hope that people who receive catheter treatment and their families will understand that catheter treatment is less burdensome for patients and that this book will be useful also for their psychological care.



The original drawings of this book were created by an employee of Ficus Co., Ltd.(*) in our Group.

*Ficus Co., Ltd. is a company certified as a Continuous Employment Assistance Type A company that provides employment opportunities to people with disabilities who have difficulty finding employment in companies, etc., and provides training necessary to improve their knowledge and abilities through production activities, etc.

【Donation recipients】

University hospitals and major hospitals nationwide; kindergartens, daycare centers, and children's centers in the three prefectures of Tokai; public libraries in the three prefectures of Tokai; the prefectural government of Aichi; municipal offices in Aichi Prefecture, etc.

Writer: Shingo Okada

Supervision: Asahi Intecc Co., Ltd.

Production of original drawings: Ficus Co., Ltd.

Planning and creation: CBC Creation Co., Ltd.

Number of pages: 28 pages

ISBN: 978-4-86693-585-0

List price: 1,320 yen (main unit 1,200 yen + tax)

Binding of Picture Book***A Day in the Life of Yuki: Inner Voice of a Child with Selective Mutism***

Asahi Intecc was asked from Seto City to bind and reprint a picture book titled *A Day in the Life of Yuki: Inner Voice of a Child with Selective Mutism*. The picture book was originally produced as a graduation project of the author, Ms. Ichikawa, at Seto High School of Technology and Engineering in Aichi Prefecture. Two hundred and forty copies were reprinted and donated to Seto City. The donated picture books were distributed to elementary, junior high and senior high schools in Seto City and used to raise awareness of selective mutism.

The book is also given to families living outside Seto City who have children with selective mutism and wish to use the book to help them understand their feelings at home and school.



6-4 Social Contribution

Ground Construction on the Site of Former Koseto Elementary School

We constructed the Asahi Intecc WOVEN FIELD for the training ground of Asahi Intecc Loveledge Nagoya at the site of former Koseto Elementary School in Seto City.

This facility will be used as a training base for Asahi Intecc Loveledge Nagoya and welfare facility for our employees and will also be rented out to local residents to promote sports in the region. We also plan to use this facility as a base for various community contribution activities through sports, in cooperation with Seto City.

Moreover, In June 2024, Seto City, Asahi Intecc Loveledge Nagoya and our company concluded a comprehensive partnership agreement and an agreement on the use of facilities in the event of a disaster. When natural disasters such as earthquakes, heavy rains and typhoons occur or

are predicted to occur, the facility is planned to be used as a temporary evacuation site for nearby residents. We will use this agreement as an opportunity to further promote community contribution activities.

**Environmental Promotion Activities with Asahi Intecc Loveledge Nagoya****● Cleanup Activities**

As part of our environmental promotion activities, about 40 people, including Seto citizens, our company employees, and Asahi Intecc Loveledge players and staff, cleaned up the area around the former Koseto Elementary School before the completion of the training ground (completed in June 2024).

**● Planting Activities with Seto City Flower and Green Community Development Promotion Liaison Council**

People from Seto City Flower and Green Community Development Promotion Liaison Council, which engages in activities for realizing sustainable flower and green community development in Seto City, and players from Asahi Intecc Loveledge Nagoya planted 1400 daffodil bulbs in 12 cases along the banks of the Seto River. Twelve is the number of wins by Loveledge Nagoya in Division 1 of the 2023 Plenus Nadeshiko League.



6 - 4 Social Contribution

Cosponsoring BALL PARK LAND in SETO 2024

We cosponsored BALL PARK LAND in SETO 2024 (venue: Seto SOLAN Elementary School) sponsored by Fingers Crossed.

We will contribute to the promotion of health and the spread of sports in the region and the sound development of youth by cosponsoring the events of this organization, which plans and manages events such as the management of games that give playing opportunities for local players who are not fortunate enough to participate in games as well as the experience of new sports.

In the future, we plan to cooperate with this organization by holding events at Asahi Intecc WOVEN FIELD and other activities.



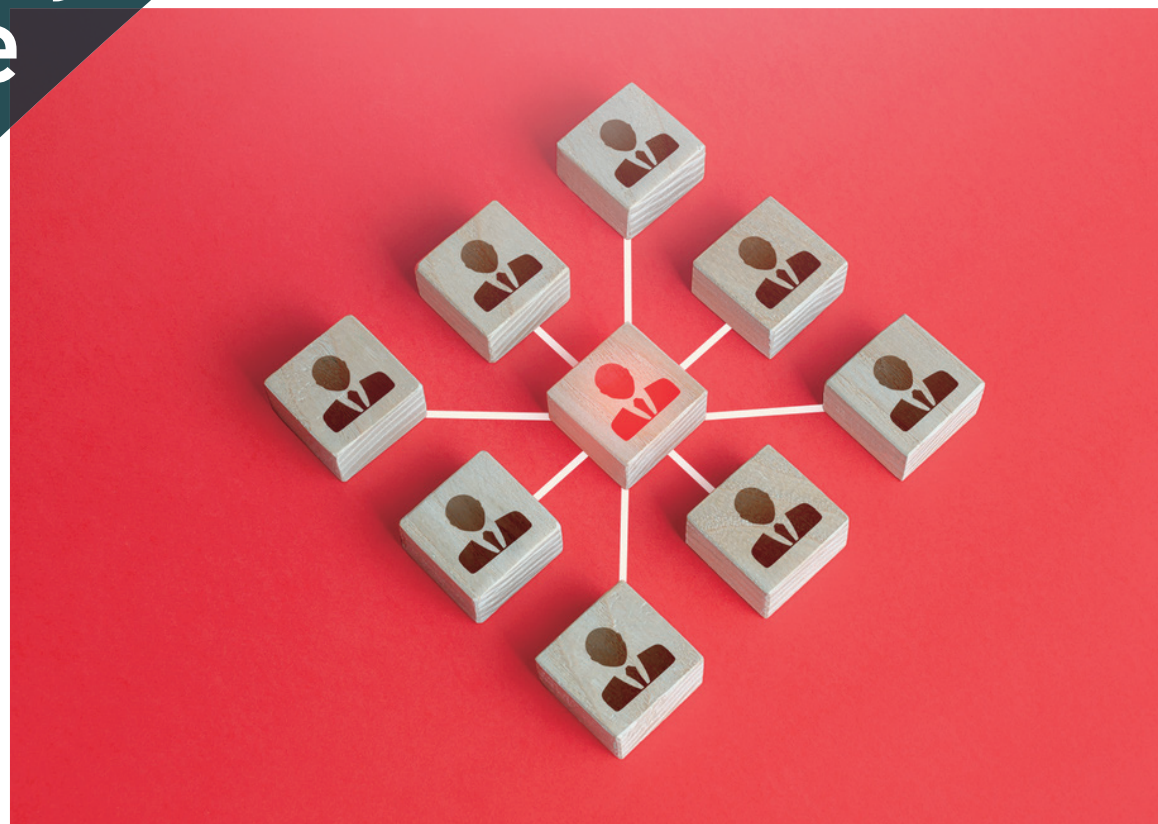
Sponsorship of the GIGI Project

Asahi Intecc supports the activities of gigi, a general incorporated association that carries out a project, led by singer Yo Hitoto, to deliver live songs in hospitals to energize people fighting illness and medical professionals who support patients.

In August 2024, a live performance was held at Nagoya City University Hospital, where songs were delivered to about 200 hospitalized patients and medical professionals.



07 Sustainability - Governance



Interview with Outside Director	7-1
Corporate Governance	7-2
Risk Management	7-3
Compliance	7-4

7-1 Interview with Outside Director

Measures to enhance the loyalty of all employees are necessary to strengthen corporate governance.

Asahi Intecc Governance Role as Outside Director

Please tell us about the background of your appointment.

Tomida: At that time, I think that Asahi Intecc was looking for a specialist with knowledge of legal affairs, with a view to being a candidate to replace the lawyer who had served as corporate auditor. I was approached by the company since I am a lawyer, and I was elected as a substitute Audit and Supervisory Committee member at the Annual General Meeting of Shareholders held in September 2016. This is how I came to have a connection with the company. Subsequently, I was elected as an Audit and Supervisory Committee member at the Annual General Meeting held in September 2018.

From what point of view do you give your comments and advice at the Board of Directors meetings? Please let us know if you have any policies.

Tomida: I always strive to reflect the views of minority shareholders and other stakeholders in the Board of Directors so that I can fulfill my fiduciary responsibilities to general shareholders from a position independent from management and controlling shareholders.

As a lawyer and an Audit and Supervisory Committee



Ryuji Tomida

Outside Director (Audit and
Supervisory Committee Member)
Asahi Intecc Co., Ltd.

7-1 Interview with Outside Director

member in our company, I try to express my opinions from a legal perspective and in accordance with the perspective of auditing Directors' execution of duties on whether the Board of Directors is making appropriate decisions with the principles of management judgment.

Moreover, I would like to pay attention to employees who are also stakeholders, and play a role of conveying to the Board of Directors their opinions I have heard during my visiting audits as an Audit and Supervisory Committee member. After all, people are the source of the company's growth and vitality, so I strive to contribute to improving employee engagement.

How do you feel about the changes made at Asahi Intecc since you were appointed as an Audit and Supervisory Committee member?



Tomida: The first time I was elected as a substitute Audit and Supervisory Committee member was when the founder retired from the position of Chairman and Representative Director and a system of two Representative Directors, consisting of Chairman (then President) and President (then Vice President), started. I have witnessed the continuous steady growth of the company under the new management structure.

Although the momentum of growth has not changed since I was elected as an Audit and Supervisory Committee member in September 2018, I feel that the phase has changed a little now. While maintaining an aggressive growth strategy, I feel that the company has come to recognize the importance of and implement securing human resources in a timely manner and changing and strengthening the organizational structure in order to avoid the risk

that the organization may not be able to keep up with growth, which is typical of a rapidly growing company. If an organization fails to keep pace with growth, it may begin to collapse internally even if it appears to be continuing to grow. Therefore, I believe that strengthening the organizational structure is essential for sustainable growth. In a society where the labor force will fluidize more in the

future, how to secure human resources and maintain the organizational structure will be a challenge.

Functions and Effectiveness of Directors

How do you feel about the effectiveness of the Board of Directors?

Tomida: There have been frank discussions to improve effectiveness, and as a result, changes to the organizational design of the Management Committee were considered, and as a specific change, the Management Executive Committee has recently been established. I believe we are now in a major transitional period as we aim to further separate management and execution in the future.

In terms of effectiveness, do you feel that it has been achieved anyway, and what are the issues for further improvement?

Tomida: After I assumed the position of an Audit and Supervisory Committee member, we expanded the functions of the past Remuneration Advisory Committee and established the Nomination and Compensation Advisory Committee in June 2020. I believe that this can be evaluated as an initiative for improving the effectiveness of the Board of Directors. With the involvement of Outside Directors, discussions became possible on the abilities and qualities required for Directors. In addition, in preparation for the Annual General Meeting of Shareholders in September 2021, the Board of Directors discussed the skills matrix of the Board of Directors, which, I believe, also contributed to improving the effectiveness. I think it was of great significance for the Direc-

7-1 Interview with Outside Director

tors themselves to have discussions and create a matrix on what skills the Board of Directors needs for the company's growth.

And I believe the establishment of the Management Executive Committee is the most important achievement. In the course of the realization, there were opportunities for internal and Outside Directors to exchange opinions, and as a preliminary step, there were ongoing meetings for the exchange of opinions among Outside Directors only. In the exchange of opinions, all Directors actively expressed their opinions, and there was ample discussion about the roles and responsibilities of the Board of Directors as well as the direction the company should take.

It can be said that our company's Board of Directors originally engaged in more productive discussions than those of other companies because the Board of Directors had been designed under a management structure in which the Board of Directors discusses thoroughly and clarifies the roles of each committee. Therefore, each Director is now more able to appropriately demonstrate his/her expected abilities than ever before and actively express his/her opinions for discussion. I am confident that this will greatly contribute to the company.

In the future, I believe that the effectiveness of the Board of Directors will be further enhanced if the division of roles between the Board of Directors and the Management Executive Committee is further deepened and if the Board of Directors becomes a venue where substantive and productive discussions can be held in order to formulate management principles and strategies and to realize the medium-term management plan. To this end, when formulating a medi-

um-term management plan, for example, it is necessary to have discussions while involving Outside Directors. I also believe it is important to constantly review the division of roles between the Board of Directors and management.

Please tell us about any of the discussions that you had at the Board of Directors meetings last year that left an impression on you.

Tomida: It may be a discussion about KPIs. Although I myself recognized the importance of setting KPIs and monitoring the management situation, I did not think it was appropriate to place too much emphasis on it. However, through discussions at the Board of Directors on the assumption of setting KPIs, and through listening to explanations and asking questions about the concept of KPIs and the reasons for setting them, I think my understanding of the Managing Directors' thinking about our company and our company's business as a whole has deepened. I hope that the Board of Directors will continue to have constructive discussions based on KPIs.

What role do you think Outside Directors should play for Asahi Intecc to realize sustainable growth?

Tomida: I believe that the most important thing is to reflect the opinions of stakeholders, including minority shareholders, on the Board of Directors, based on the common sense of society and the common sense of corporate management, on the back of career and expertise of each Outside Director and independent from management and controlling shareholders. In addition, Outside Directors need to deepen their understanding of the com-

pany's various business areas, organizations, and people, and accurately understand and analyze the company's current stage in the process of growth, its position in the global market, and the role that society expects of the company. I think we need to constantly review the roles of Directors and the Board of Directors required for the company and continue to show the ideal form to management.

Please tell us about your evaluation of Outside Directors, including other Outside Directors, and their issues.

Tomida: Overall, I think our company's Outside Directors have a very well-balanced composition, with members who sufficiently satisfy the skills required for the current Board of Directors in our company. I have felt that Outside Directors of our company have been, not limited to the present, well balanced in terms of the necessary human resources in place.



7-1 Interview with Outside Director



Going forward, however, we need to discuss and clarify the capabilities and roles that our company expects of Outside Directors at the Board of Directors and the Nomination and Compensation Advisory Committee, and all Directors should address the measures of securing human resources consciously.

As an evaluation of individual Outside Directors, I think they contribute greatly to the effectiveness of the Board of Directors because they express their opinions very actively based on their extensive experience in their respective positions. As far as future issues are concerned, I would like to ask the company to prepare and devise ways for each Outside Director to be able to understand more and discuss the proposals submitted to the Board of Directors, although it may be difficult to do so because each Outside Director has different knowledge about the company and

differs in the range of accumulation of such knowledge. I would also like to receive more information on the status of discussions and the judgment criteria employed up to the point of submission of the proposal, such as opinions at the Management Executive Committee. In addition, it would be good to create an environment in which Internal Directors who are not in charge of the agenda proposed at the Board of Directors can express their opinions more actively from a semi-external standpoint. In this way, Outside Directors would deepen their understanding.

Succession Plan and Authority Transfer Expectations for the New Management System

As an urgent matter, the management system was revised with the change of president on September 1, 2024. What kind of discussions were made at the Nomination and Compensation Advisory Committee? Also, as the chairperson of the Nomination and Compensation Advisory Committee, what is your view on this matter? Do you have any expectations for the new management system?

Tomida: It was a sudden change, but the committee did not feel rushed because the change was made after the succession plan had been thoroughly discussed and prepared. The committee confirmed the division of roles between Chairman and President and the future management system, and discussed governance under the new system. In addition, we discussed a new succession plan and formulated a plan that is sustainable in the medium to long term.

As chairperson of the Nomination and Compensation Advisory Committee, I renewed my recognition for the importance of formulating a succession plan. However, I believe that the change this time had little impact on the management system because the Executive Vice President, who had been serving as Representative Director, succeeded as President. The future succession plan will enter a new phase that is different from this time, and we are bracing ourselves that further preparation is necessary.

Over the 15 years since the current Chairman assumed the post of President in 2009, the company has grown from about 12 billion yen in sales to over 100 billion yen under his strong leadership. I hope that the Chairman will continue to play an active role in the Board of Directors, and that the new President will provide strong leadership as well. I also hope that he will mobilize the capabilities of all Directors, enhance their comprehensive strengths, and lead the company to achieve stable and sustainable growth. I also hope that Internal Directors, who are Managing Directors, will make full use of their capabilities and strive for further growth and development of the company under the new management system.

Sustainability Risk Management as a Global Company

We conduct executive training every year. The other day, we conducted training on risk management as we received advice from Mr. Tomida that we should do so. What do you think are the issues related to risk management? Also, what do you think the risks in our company are?

7-1 Interview with Outside Director

Tomida: This is a very difficult question, but a risk management system is very important also in an internal control system that is established based on the basic policies of the internal control system to be decided by the Board of Directors. For a company that has grown significantly on a global scale, the risks are whether the management philosophy and strategies decided by the Board of Directors and the intention of the management have reached every corner of the organization, and whether there is a system in place to ensure that the front-line information necessary for the next management decision is accurately and promptly shared with the Board of Directors.

I believe that it is also necessary to constantly review the system so that risks specific to each region of the world can be collected in a timely and accurate manner, and necessary actions can be taken with sufficient time to make the first move. With regard to BCP, our company has experienced damage to its main plant due to floods in Thailand in 2011, and more recently typhoon damage at its Cebu Plant. We have also experienced and overcome IT incidents, so I think it would be a good idea to record these experiences, share them throughout the company and pass them on.

Importance of Human Capital

Human capital is becoming increasingly important on a global scale. Mr. Tomida, you are in a position of specializing in labor. We would like to hear your opinion on the company. We would like to hear your views extensively on strengthening our company's corporate governance.

Tomida: First of all, I think it is important to actively incorpo-

rate overseas transfers throughout the company as a career path for Japanese employees. Also, objectivity and transparency of evaluation are also important. Especially for those who have experience working in other companies, such as mid-career hires, they strongly demand that their evaluations be conducted appropriately. If an evaluation system is conducted in a way that they feel is arbitrary, their loyalty to the company will be lost, and it will be difficult to secure global human resources. I think the objectivity and transparency of this evaluation system are the same for foreign employees.

I also believe that it is necessary to actively promote foreign employees to senior management and to create a system and corporate culture that make it easy for foreign employees to draw up their career plans. If foreign employees at overseas subsidiaries and branches cannot believe that they can move up if they work hard at this company, I am afraid that they will walk away, and the development of overseas subsidiaries will not be possible. I believe that measures to increase the loyalty of all employees to the company will also strengthen our company's corporate governance.

What are your expectations of Directors on the execution side?

Tomida: It is to offer opinions in an active way at meetings of the Board of Directors. In particular, I would like Internal Directors who are not in charge of business related to an agenda or proposals to speak more actively in the future. The Board of Directors meetings tend to be question-and-answer sessions by Outside Directors. However, in order to enhance the quality of discussions at the Board of Directors meetings and to conduct deliberations that further contribute to the enhancement of corporate value,

I believe it is important for Internal Directors to participate in discussions based on their knowledge and experience, which differ from those of Outside Directors, even if the agenda or proposals are not those for which they are responsible in their own duties. It is only through such discussions that the opinions of Outside Directors become more accurate and substantive, resulting in constructive discussions as a whole and contributing to the development of our company.

Please tell us about your future aspirations.

Tomida: This is my seventh year as an Audit and Supervisory Committee member. In the company where there is no Full-Time Audit and Supervisory Committee members, in order for the Audit and Supervisory Committee to collect necessary and sufficient information, I believe my responsibility is grave as someone whose understanding of the company has deepened. Together with the Audit and Supervisory Committee members in their third and first years, I would like to contribute to the sustainable development of the company. I will also actively fulfill my responsibilities as an Outside Director. In order to do so, I myself must grow further, so I would like to study to deepen my general knowledge of society and of corporate management, as well as to gain experience as a lawyer, which is my main job, in order to further enhance my expertise. I would also like to increase communication with other Outside Directors and Internal Directors and exchange more opinions with them about the company. With a new president and a new management system, I truly would like to do my best to help our company develop further in the future.

(Interviewer: Mizuho Ito, Director, CFO, Asahi Intecc Co., Ltd.)

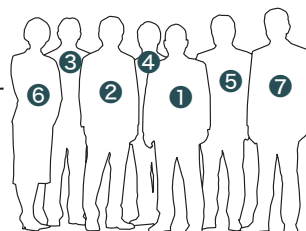
7-2 Corporate Governance

List of Officers

» Internal Directors



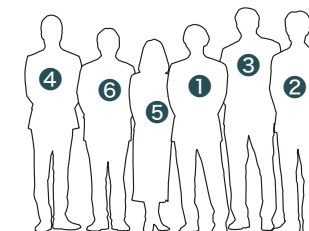
- ① Kenji Miyata, President & CEO
- ② Masahiko Miyata, Chairman and Director
- ③ Munechika Matsumoto, Executive Director
- ④ Makoto Nishiuchi, Executive Director
- ⑤ Yoshinori Terai, Director
- ⑥ Mizuho Ito, Director
- ⑦ Kazuhito Ishihara, Director



» Outside Directors



- ① Kiyomichi Ito, Outside Director
- ② Takahiro Kusakari, Outside Director
- ③ Akihiro Taguchi, Outside Director
- ④ Ryuji Tomida, Outside Director
(Audit and Supervisory Committee Member)
- ⑤ Ryoko Fukaya, Outside Director
(Audit and Supervisory Committee Member)
- ⑥ Shigeki Moriguchi, Outside Director
(Audit and Supervisory Committee Member)



7-2 Corporate Governance

List of Directors and Executive Officers (after resolution at General Meeting of Shareholders held on September 26, 2024)

Chairman and Director
Masahiko Miyata

Having served as President & CEO since 2009, Mr. Masahiko Miyata has driven the Company's Group management and appropriately fulfilled the role of enhancing the Company's corporate value with his global management perspective, speedy decision-making, and good relationships built with medical professionals, partners, and other stakeholders. He has been elected as Director in expectation of his further contributions going forward, given his oversight of the Group's entire business and his promotion of balanced management.

November 1994 Joined the Company
General Manager of Planning Office, Supervisory Division
December 1995 Director
General Manager of Corporate Planning Department
March 1999 Executive Director
Assistant to General Manager of Medical Division
General Manager of Production Engineering Department
July 2000 General Manager of Medical Division
September 2001 Senior Executive Director
September 2003 Director of ASAHI INTECC HANOI CO., LTD. (current position)

March 2004 Executive Vice President and Representative Director
March 2006 President & CEO of CompassMed Integration Co., Ltd.
August 2006 Director of ASAHI INTECC HANOI CO., LTD. (current position)
June 2007 CEO of ASAHI INTECC THAILAND CO., LTD.
September 2009 President & CEO
President & CEO of Filmecc Co., Ltd.
July 2016 Director of Filmecc Co., Ltd.
April 2023 President & CEO of Magnaire Co., Ltd. (current position)
September 2024 Chairman and Director (current position)

President & CEO
Kenji Miyata

Mr. Kenji Miyata is well versed in production technology for stainless steel processing, the source of the Company's technology, for many years. He has assisted the President & CEO in overall management as Executive Vice President and COO as well as promoted the reconstruction of acquired companies and shown leadership in the Medical Division in recent years. He assumed the position of President & CEO on September 1, 2024. He has been elected as Director in expectation of his further contributions going forward.

April 1993 Joined the Company
January 1997 Executive Vice President and Director of ASAHI INTECC THAILAND CO., LTD.
July 1997 Director
August 2002 Deputy General Manager of Device Division
General Manager of Quality Assurance Department
October 2004 Director of ASAHI INTECC THAILAND CO., LTD.
July 2006 General Manager of Device Division
July 2009 Director of GMA Co., Ltd.
September 2010 Executive Director
July 2011 President & CEO of ASAHI INTECC GMA Co., Ltd.
September 2013 President & CEO of TOYOFLEX Corporation
President & CEO of TOYOFLEX CEBU CORPORATION
January 2015 Director of ASAHI INTECC THAILAND CO., LTD. (current position)
Director of ASAHI INTECC HANOI CO., LTD.

July 2015 President and Director of ASAHI INTECC HANOI CO., LTD.
September 2015 Executive Vice President and Director
July 2016 General Manager of Quality Assurance Division
Chairperson and Director of ASAHI INTECC HANOI CO., LTD. (current position)
September 2016 Executive Vice President and COO
July 2017 Director of TOYOFLEX CEBU CORPORATION (current position)
July 2018 Director of FICUS Co., Ltd.
July 2020 General Manager of Device Business Division
May 2022 Director of walkley Inc. (current position)
September 2022 Director of Filmecc Co., Ltd.
Director of Nihon Chemical Coat Co., Ltd.
January 2023 President & CEO of LAKE R&D Inc.
July 2024 General Manager of Production Division
September 2024 President & CEO (current position)

Executive Director
Munechika Matsumoto

Since joining the Company, Mr. Munechika Matsumoto has consistently been engaged in the Device Division and contributed to the development of stainless-steel components, the Company's core technology. He is currently serving as General Manager of the Research Division and is appropriately fulfilling the role of enhancing the Company's corporate value. He has been elected as Director in expectation of his further contributions going forward.

June 1979 Joined the Company
July 2000 Head of Takashi Factory, Industrial Device Division
May 2003 Group Head of Development Group III supervising Osaka area, Device Division
July 2006 Group Manager of Development Group, Device Division
July 2009 Deputy General Manager of Device Division
July 2011 Executive Officer
July 2013 General Manager of Device Division
September 2016 Director
July 2020 General Manager of Research Division (current position)
July 2021 Director of A-Traction Inc. (currently ASAHI SURGICAL ROBOTICS CO., LTD.) (current position)
September 2021 Executive Director (current position)
September 2022 Director of FICUS Co., Ltd. (current position)

Executive Director
Makoto Nishiuchi

Since joining the Company, Mr. Makoto Nishiuchi has consistently been engaged in the Medical Division and contributed to the development of medical devices. With his abundant experience and track record in the R&D and technology-related fields, he currently works as Deputy General Manager of the Medical Division and is appropriately fulfilling the role of enhancing the Company's corporate value. He has been elected as Director in expectation of his further contributions going forward.

October 2005 Joined the Company
July 2008 Deputy Group Manager of Medical Research and Development Group, Medical Division
May 2010 Group Manager of Research and Development Group, Medical Division
July 2015 Executive Officer
July 2016 Director of ASAHI INTECC USA, INC. (current position)
January 2017 Chief Research and Development Officer, Medical Division
October 2017 Senior Executive Officer
July 2018 Director of RetroVascular, Inc. (currently ASAHI Medical Technologies, Inc.) (current position)
September 2018 Director (current position)
July 2019 General Manager of Medical Brand Business Unit of Medical Division (current position)
July 2022 Chief Digital Officer (current position)
July 2024 Deputy General Manager of Medical Division
September 2024 Executive Director (current position)
General Manager of Medical Business Division (current position)

Director
Yoshinori Terai

Mr. Yoshinori Terai has been engaged in the Overseas Sales Unit for medical devices for many years and has contributed to the Company's global development. Leveraging his broad perspective and extensive network, he currently serves as General Manager of the New Business Development Division and is appropriately fulfilling the role of enhancing the Company's corporate value. He has been elected as Director in expectation of his further contributions going forward.

October 1998 Joined the Company
July 2004 President & CEO of ASAHI INTECC USA, INC. (current position)
November 2006 Director of RetroVascular, Inc. (currently ASAHI Medical Technologies, Inc.)
September 2008 Executive Officer
September 2013 Director (current position)
July 2019 General Manager of New Business Development Division (current position)
February 2020 Director of ASAHI INTECC EUROPE B.V. (current position)
July 2020 Supervisor of Global Sales and Marketing of Medical Brand Business Unit of Medical Division
Director of ASAHI INTECC Deutschland GmbH (current position)
June 2021 President & CEO of Filmecc USA, Inc. (current position)
July 2021 President & CEO of Pathways Medical Corporation (current position)
Director of Rev.1 Engineering, Inc. (current position)
April 2023 Director of Magnaire Co., Ltd. (current position)
December 2023 President & CEO of ASAHI Medical Technologies, Inc. (current position)

Director
Mizuho Ito

As General Manager of the Corporate Strategic Office, Ms. Mizuho Ito has been engaged in finance, accounting, IR, and M&A projects for many years. She is currently serving as General Manager of the Administration Division, leading efforts to strengthen the function of the Head Office as head of the Company's Corporate unit, and is appropriately fulfilling the role of enhancing the Company's corporate value. She has been elected as Director in expectation of her further contributions going forward.

May 2003 Joined the Company
May 2005 Deputy General Manager of Corporate Strategic Office
September 2008 General Manager of Corporate Strategic Office (current position)
April 2012 Auditor of ASAHI INTECC SCIENTIFIC (Beijing) Co., Ltd. (current position)
December 2013 Group Manager of Accounting Group, Administration Division
July 2015 Executive Officer
July 2016 General Manager of Administration Division (current position)
Auditor of ASAHI INTECC J-sales, INC. (current position)
September 2016 Director and CFO (current position)
July 2021 Director of A-Traction Inc. (currently ASAHI SURGICAL ROBOTICS CO., LTD.) (current position)
April 2023 Director of Magnaire Co., Ltd. (current position)

7-2 Corporate Governance

List of Directors and Executive Officers (after resolution at General Meeting of Shareholders held on September 26, 2024)



Director
Kazuhito Ishihara

Since joining the Company, Mr. Kazuhito Ishihara has consistently been engaged in the Medical Division and has contributed to the development of medical devices. With his abundant experience and track record in the R&D and technology-related fields, he currently works as Executive Officer and Deputy Supervisor of Research and Development of the Medical Brand Business Unit of Medical Division and is appropriately fulfilling the role of enhancing the Company's corporate value. He has been elected as Director in expectation of his further contributions going forward.

February 2018 Joined the Company
February 2018 Supervisor of Medical Research and Development, Medical Division
September 2018 Executive Officer
September 2019 Deputy Supervisor of Research and Development of Medical Brand Business Unit of Medical Division (current position)
September 2019 General Manager of Clinical Development Office of Medical Division
July 2024 Deputy General Manager of Research Division (current position)
September 2024 Director (current position)



Director (Outside)
Kiyomichi Ito

Mr. Kiyomichi Ito has reflected his extensive knowledge gained through many years of experience in corporate management and as a professor of business management at a university and has been strengthening corporate governance. He has been elected as Director in expectation of his further contributions to strengthening the supervision of business execution through accurate advice based on his extensive experience in corporate management going forward.

April 1974 Joined Toyota Motor Sales Co., Ltd. (currently TOYOTA MOTOR CORPORATION)
August 1985 Section Head of Engineering Section, Overseas Planning Department and Section Chief of System Planning Section of TOYOTA MOTOR CORPORATION
January 1994 Secretary seconded to Toyota Motor Manufacturing Canada, Inc.
January 1999 Chief of Marine Business Division of TOYOTA MOTOR CORPORATION
July 2000 Chief of Americas Sales Department of TOYOTA MOTOR CORPORATION
July 2002 President of Toyota Kirloskar Auto Parts Pvt. Ltd.
March 2008 Professor at School of Management, Chukyo University
September 2013 Outside Director of the Company (current position)
April 2015 Visiting Professor at School of World Englishes, Chukyo University
April 2023 Senior Adviser to the CEO of YUKEN INDIA, LTD.



Director (Outside)
Takahiro Kusakari

He has served as a Fund Manager and Chief Investment Officer at an investment trust management firm, and his experience in corporate analysis through dialogue with numerous companies has led him to make recommendations for improving our company's corporate value. He has been elected as Outside Director in expectation of his further contributions to strengthening the supervision of business execution through accurate advice based on his extensive experience in corporate analysis going forward.

July 2007 Joined SBI Real Marketing Co., Ltd.
October 2008 Joined Sawakami Asset Management Inc.
November 2010 Fund Manager of Sawakami Asset Management Inc.
January 2013 Chief Investment Officer of Sawakami Asset Management Inc.
June 2015 Director and Chief Investment Officer of Sawakami Asset Management Inc.
July 2022 Joined Sawakami Holdings, Inc.
September 2022 Outside Director of the Company (current position)
March 2023 Joined Japan Catalyst, Inc.
June 2023 Director and Co-President of Japan Catalyst, Inc. (current position)



Director (Outside)
Akihiro Taguchi

Mr. Akihiro Taguchi has supervised the management of the Company and offered suggestions for improving the Company's corporate value, based on his ample experience and broad insight of the medical industry, including serving as President and Representative Director of Olympus Medical Systems Corp. He has been elected as Outside Director in expectation of his further contributions to strengthening the supervision of business execution through accurate advice based on his extensive experience in corporate management going forward.

April 1980 Joined Olympus Optical Co., Ltd. (currently Olympus Corporation)
June 2010 Corporate Executive Officer of Olympus Corporation
April 2012 Senior Corporate Managing Officer of Olympus Corporation
President and Representative Director, Olympus Medical Systems Corp.
April 2013 Outside Director of Sony Olympus Medical Solutions Inc.
April 2015 Head of Sales & Marketing Group and Business Management Officer of Medical Business of Olympus Corporation
June 2015 Director and Senior Corporate Managing Officer of Olympus Corporation
April 2019 Executive Officer and COO of Olympus Corporation
April 2020 Executive Officer and CTO of Olympus Corporation
July 2022 Adviser of HCL JAPAN LTD. (current position)
August 2022 Independent Director of SATORI ELECTRIC CO., LTD. (current position)
September 2023 Outside Director of the Company (current position)

Directors Who are Audit and Supervisory Committee Members



Audit and Supervisory
Committee Member (Outside)
Ryuji Tomida

Mr. Ryuji Tomida has expertise and ample experience as a lawyer and appropriately fulfills the duties of an outside director who is an Audit and Supervisory Committee member by providing advice for and checking on the Company's business execution from the perspective of a legal expert. He has been elected as Director in expectation of his further contributions going forward.

October 2001 Registered with Nagoya Bar Association (currently Aichi Bar Association)
Joined Higashi Sakura Law Firm
April 2006 Part-Time Lecturer at Law Department, Nagoya University of Economics
December 2006 Nagoya Municipal Advisor (current position)
October 2007 Opened Tomida & Yamauchi Law Firm (currently Yomei Law Office)
April 2010 Member of Research Office of Aichi Bar Association
April 2011 Part-Time Lecturer at Aichi Law School
May 2011 Member of Japan Federation of Bar Associations Inquiry System Committee (current position)
April 2013 Member of Kasugai City Information Disclosure & Personal Information Protection Committee
April 2016 Vice President of Aichi Bar Association
September 2018 Outside Director of the Company (Audit and Supervisory Committee Member) (current position)
April 2020 General Manager of Aichi Bar Association Inquiry Research Office
December 2021 Public Interests Member of Aichi Prefectural Labour Relations Commission (current position)
June 2024 Member of Aichi Prefectural Land Expropriation Commission (current position)



Audit and Supervisory
Committee Member (Outside)
Ryoko Fukaya

Ms. Ryoko Fukaya appropriately fulfills the duties of an Outside Director who is an Audit and Supervisory Committee Member such as monitoring the Company's overall management using her expertise and ample experience as a certified public accountant and providing advice for and checking on the Company's business execution. She has been elected as an Outside Director who is an Audit and Supervisory Committee member in expectation of her further contributions going forward.

October 1999 Joined Chuo Audit Corporation
April 2003 Registered as a Certified Public Accountant
August 2007 Joined KPMG AZSA LLC
April 2011 Opened Ryoko Fukaya Accounting Office
June 2016 Secretary of Tokai Association, the Japanese Institute of Certified Public Accountants
March 2017 Registered as a Certified Tax Accountant
June 2019 Chairwoman of the Public Relations Committee of the Japanese Institute of Certified Public Accountants Tokai Association
November 2021 Auditor of Fuji Logitech Holdings, Inc. (current position)
September 2022 Outside Director of the Company (Audit and Supervisory Committee Member) (current position)
April 2023 Auditor of Incorporated Educational Institution Sugiyama Jogakuen (current position)
July 2023 Part-Time Lecturer at Graduate School of Management, Kyoto University (current position)
August 2023 Member of The Specialist Committee of Investigation and Research Committee, Japanese Institute of Certified Public Accountants (current position)



Audit and Supervisor
Committee Member (Outside)
Shigeki Moriguchi

Mr. Shigeki Moriguchi is deemed appropriate to fulfill the duties of an Outside Director who is an Audit and Supervisory Committee Member such as providing advice for and checking on the Company's business execution, using his wide-ranging knowledge of overall corporate management based on ample experience at financial institutions, think tanks, and consulting firms. Accordingly, he has been elected as an Outside Director who is an Audit and Supervisory Committee Member.

April 1981 Joined The Tokai Bank, Ltd. (currently MUFG Bank, Ltd.)
March 2001 Deputy General Manager of Operations Planning Division of Mitsubishi Tokyo Financial Group, Inc. (currently Mitsubishi UFJ Financial Group, Inc.)
November 2006 Member of the Board, General Manager of ShinNagoya Ekimae Branch of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (currently MUFG Bank, Ltd.)
June 2011 Managing Executive Officer of Mitsubishi UFJ Research and Consulting Co., Ltd.
April 2019 Managing Director of Aichi-ken Credit Guarantee Corporation
June 2021 Part-time Audit & Supervisory Board Member of Credit Guarantee Service Inc.
April 2022 Advisor of Aichi-ken Credit Guarantee Corporation
September 2022 Substitute Audit and Supervisory Committee Member of the Company
September 2024 Outside Director of the Company (Audit and Supervisory Committee Member) (current position)

List of Executive Officers
(as of October 1, 2024)

Tadakazu Kato, Senior Executive Officer

Yuichi Iizuka, Senior Executive Officer

Yo Nobuta, Senior Executive Officer

Ippei Yugawa, Executive Officer

Toshiya Osawa, Executive Officer

Kazuo Chiba, Executive Officer

Yasuyuki Kawahara, Executive Officer

Hideki Tamura, Executive Officer

Tomoya Eguchi, Executive Officer

Gen Nakashima, Executive Officer

Shinjiro Ootani, Executive Officer

Tatsuji Higashi, Executive Officer

Kazuaki Inukai, Executive Officer

7-2 Corporate Governance

■ Skills Matrix

Name	Position in the Company		Management	R&D Clinical development	Manufacturing technology	Global expansion	Industry knowledge - medical devices	Industry knowledge - industrial devices	Quality assurance pharmaceutical affairs	Finance & accounting	Risk management & legal affairs	Personnel management Human resource development	DX/IT	M&A	Equity market IR	ESG	Nomination and Compensation Advisory Committee	Gender
Masahiko Miyata	Chairman and Director		●	●		●	●						●		●		●	Male
Kenji Miyata	President & CEO		●	●	●			●	●		●	●			●		●	Male
Munehika Matsumoto	Executive Director			●	●			●								●		Male
Makoto Nishiuchi	Executive Director			●			●		●				●					Male
Yoshinori Terai	Director					●	●							●				Male
Mizuho Ito	Director									●	●			●	●	●		Female
Kazuhiro Ishihara	Director			●	●		●		●									Male
Kiyomichi Ito	Outside Director	Independent (Outside)	●			●												Male
Takahiro Kusakari	Outside Director	Independent (Outside)	●												●	●	●	Male
Akihiro Taguchi	Outside Director	Independent (Outside)	●				●		●									Male
Ryuji Tomida	Outside Director (Audit and Supervisory Committee Member)	Independent (Outside)									●	●		●			●	Male
Ryoko Fukaya	Outside Director (Audit and Supervisory Committee Member)	Independent (Outside)								●	●			●			●	Female
Shigeki Moriguchi	Outside Director (Audit and Supervisory Committee Member)	Independent (Outside)	●							●	●	●						Male

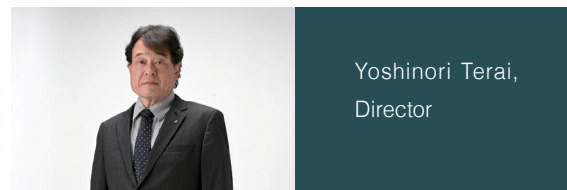
7-2 Corporate Governance

Message from Officers



Munechika Matsumoto,
Executive Director

Since its founding, Asahi Intecc has been committed to integrated in-house production. The Company's founding began with the manufacture of ultra-fine stainless steel wire ropes for driving used in OA equipment and the automobile market, but by incorporating technologies, such as wire drawing and twisting of stainless steel, extrusion molding of resin, and torque processing, into the Company, it is still able to manufacture highly reliable, high-quality products with higher technological capabilities and high added value. These processing technologies have also led to the development of highly functional, safe, and high-quality products for our company's mainstay medical devices such as guide wires. With regard to market needs, in addition to the demand for products with higher functions, safety, and high quality, environmental regulations have recently become stricter, and manufacturing that meets these regulations is also required. We would like to continue the in-house development of materials to meet increasingly stringent environmental regulations and the development of elemental technologies for high-performance, safe, and high-quality products demanded by the market. By doing so, we will maintain our strength in integrated in-house production that has been handed down since our foundation and continue to manufacture products that meet market needs.



Yoshinori Terai,
Director

I am in charge of new business development, and I am responsible for discovering new business opportunities to promote the growth of our company and developing business based on those opportunities. Focusing on new markets and technologies that are expected to grow in the future, we plan and promote the introduction of technologies and new business that will bring sustainable growth. By discovering new business development that will become the future pillar of our company, and by introducing innovative technologies of other companies through alliances and technology acquisitions and merging them into our company's core technologies, we will develop higher value-added products and create new business. Among the different types of business, I believe that the smart medical device* business will play an important role in the future development of medical care. Asahi Intecc has a deep-rooted DNA that values technological exploration and challenge, and this is the source of our growth. I would like to contribute to the future of medical care by continuing to respect the Company's culture, passing it on to the next generation, and challenging new fields and technologies to develop new businesses unique to Asahi Intecc.

*Smart medical devices: A generic term for innovative products that add functional value to our guidewires, catheters, and other products by adding new technologies such as sensors.



Kazuhito Ishihara,
Director

I really like Asahi Intecc as a manufacturer. The reason for this is that the Company's technologies and products continue to help patients around the world and help medical professionals. I feel very fortunate to be in a position where I can actually feel it. I have been involved in the medical equipment industry for about 40 years in all. While medical care itself is patient-friendly and medical technology continues to advance, the environment surrounding the industry is far from flat. Medical economics are in question, regulations are being tightened worldwide, and major issues and burdens, such as material restrictions and environmental measures, must continue to be resolved. Our company needs the strength to boldly confront and overcome these challenges. The Company will continue to take measures not only to grow but also to become a truly strong company, including the search for unmet medical needs, speedy development that accurately captures the essence of clinical needs, strengthening clinical development to obtain evidence, and a global production and stable supply system. I want to fulfill my responsibility of saving patients and increasing our corporate value so that we can enjoy the pleasure of working with pride as a manufacturer and as a tough but warm company.

7-2 Corporate Governance

Message from Officers



Kiyomichi Ito,
Outside Director

Asahi Intecc is a company whose primary mission is to reduce the burden on patients as much as possible through the use of catheter technology. Based on this technology, the Company also contributes to the provision of robotics and industrial materials. The remarkable growth in sales in recent years is proof that the Company is operating properly.

On the other hand, we must not forget that the rapid expansion of the scope and scale of our organization and operations through sharp growth has also created the new challenge of further evolution of management. In order to sustain the growth of Asahi Intecc, I recognize that Outside Directors, who are in a position of monitoring the Company's management from an objective standpoint independent from business executors, are also required to evolve management supervision commensurate with the new scope and scale. I hope I can make a contribution to this realization, if only a little, by taking advantage of my experience in teaching and researching at a university and experience in working in the automotive industry.



Takahiro Kusakari,
Outside Director

As an Outside Director representing minority shareholders, I discuss capital efficiency and competitive strategies to improve corporate value at our company's Board of Directors. I also raise issues regarding response to risks and succession plans, and discuss ways to continue sustainable growth.

Asahi Intecc is one of the few companies that have continued to grow nonlinearly amid concerns about the Japanese economy and the deterioration of competitiveness of manufacturing companies. We have also been praised for our active use of the capital market. Looking at stock prices in terms of earnings per share (EPS) and price earnings ratio (PER) shows that expectations for the Company are high. In order to meet these expectations, further sales and profit growth are required. We need to strengthen the cardiovascular field of our core business and expand the fields into peripheral, abdominal, neuro and gastrointestinal products, and steadily expand our market share there. To this end, R&D expenditures and investment in facilities and human resources are essential, and it is important to improve the return on capital and upgrade capital raising. I will devote myself to making the Company capable of steady growth even in times of uncertainty.



Akihiro Taguchi,
Outside Director

One year has passed since I assumed the position of Outside Director in September 2023. Asahi Intecc has achieved remarkable growth by leveraging its outstanding manufacturing capabilities to take on the challenge of developing medical devices, particularly guide wires. Medical devices now account for 90% of our sales, making us one of the few global medical device manufacturers in Japan.

I have been engaged in the medical business for Olympus Corporation for the past 42 years. In the medical equipment business, I believe it is important to meet the needs of medical professionals, develop unique products, and make those products the de facto standard in the field. In order to achieve this, it is necessary to strengthen not only development and manufacturing but also marketing, quality, sales, and other comprehensive capabilities of the entire company. In addition, because the development of medical devices takes a long time, a strategic roadmap for allocating management resources is extremely important.

In order to achieve sustainable growth in a rapidly changing environment, we need to further advance these areas. As an Outside Director, I will utilize my experience in the medical business to contribute to a part of our company's sustainable growth and increase corporate value.

7-2 Corporate Governance

Message from Officers



Ryuji Tomida,
Outside Director
(Audit and Supervisory
Committee Member)

In September 2018, I was newly elected as an Outside Director serving as an Audit and Supervisory Committee member, and this is my seventh year. I think our company has continued to grow and change during this time. This attitude of not being afraid of change seems to be the key to continued growth.

Speaking of changes, two years ago the Audit and Supervisory Committee decided not to appoint full-time Audit and Supervisory Committee members to enhance their independence. I think this was also a drastic change. I believe that my role in our company, where there is no full-time Audit and Supervisory Committee members, is important because my career at the company has become longer and my understanding of the company has deepened.

Human resources are essential to the growth of the company, and I think the attractiveness of Asahi Intecc is its wealth of human resources. In order to value this wealth of human resources, I will continue to listen to the voices of the employees, knowing that it is also the duty of Audit and Supervisory Committee members to protect their comfortable working environment. In the face of change, compliance is a value that must not be changed. As a lawyer, I will fulfill my duties with high ethical standards.



Ryoko Fukaya,
Outside Director
(Audit and Supervisory
Committee Member)

In September 2022, I was elected as an Outside Director serving as Audit and Supervisory Committee member, and this is my third year in the position. Using my career working as a certified public accountant and my knowledge of corporate finance in academia, I am carrying out my duties.

As a member of the Audit and Supervisory Committee, I had many opportunities to learn about the Company's corporate culture and tacit knowledge. Our company's employees draw on their extensive knowledge and experience in their respective fields of expertise to constantly take on new challenges and pursue higher results. I feel our company's seriousness and relentless pursuit of technology. On the other hand, high technological capabilities and in-house R&D may sometimes lead to the risk of a slow response to change. However, Asahi Intecc continues to grow by maintaining an excellent balance among high technological capabilities, the challenge of innovation, and a sense of speed. As an Audit and Supervisory Committee member, I will continue to make efforts to enhance corporate value by monitoring the balance among the deepening of existing business, the creation of new business, and the sense of speed in business.



Shigeki Moriguchi,
Outside Director
(Audit and Supervisory
Committee Member)

I was elected as an Audit and Supervisory Committee member (Outside Director) in September 2024. Having worked at a financial institution and a consulting firm, I have gained experience in areas such as sales, planning, human resources, and management. In recent years, I have played a part in management.

In the course of executing my duties, I have worked with many companies and public institutions, and for the past 10 years or so, I have been involved in exchanges among business executives, marketing work, and the management of various organizations focused on supporting startup companies.

Going forward, I will fully utilize the experience and knowledge I have gained through these operations and activities to fulfill my duties as an Outside Director serving as an Audit and Supervisory Committee member. I will also pay close attention to social trends and changes in industry and the economy, and strive to live up to the trust of our stakeholders.

7-2 Corporate Governance

Corporate Governance Policy and Structure

» Basic Policy

In order to achieve continuous stable growth and expand corporate value, we believe that it is necessary to speed up decision-making and increase the transparency of management. As such, management has placed the enhancement of corporate governance as a priority issue and is working to improve corporate governance by focusing on the development of internal control systems, complying with laws, regulations, and the Articles of Incorporation, strengthening risk management, ensuring the timely and fair disclosure of information, and enhancing the executive officer system.

» Promotional Structure

Asahi Intecc has adopted a system of a company with an audit and supervisory committee to further strengthen its corporate governance starting with the enhancement of the supervisory and monitoring functions of the Board of Directors and members of the Board as well as to increase corporate value over the medium to long term through these efforts. By appointing a number of Outside Directors and granting voting rights at the Board of Directors' meetings to Directors that are Audit and Supervisory Committee members, including multiple Outside Directors, we have determined that supervisory and monitoring functions have been strengthened, that this will further enhance and strengthen the corporate governance structure, and that it will contribute to the improvement of our corporate value. Our Board of Directors consists of ten

Directors (excluding Directors who are Audit and Supervisory Committee members) and three Directors who are Audit and Supervisory Committee members, and of the 13 Directors, six Directors (46.2% of the total Directors) are Outside Directors who are considered independent Directors that have no conflict of interests with general shareholders as required by the Tokyo Stock Exchange.

» Board of Directors

Asahi Intecc's Board of Directors consists of a total of 13 members, including ten Directors excluding Directors who are Audit and Supervisory Committee members (Chairperson/President & CEO Kenji Miyata, Chairman and Director Masahiko Miyata, Executive Director Munechika Matsumoto, Executive Director Makoto Nishiuchi, Director Yoshinori Terai, Director Mizuho Ito, Director Kazuhito Ishihara, Outside Director Kiyomichi Ito, Outside Director Takahiro Kusakari and Outside Director Akihiro Taguchi) and three Directors who are Audit and Supervisory Committee members (Outside Director Ryuji Tomida, Outside Director Ryoko Fukaya, and Outside Director Shigeki Moriguchi). The Board of Directors has the function of deliberating and deciding on important matters such as management policies and supervising the execution of operations, with emphasis on speediness, efficiency, and transparency in management. The Board of Directors meetings are held once a month as a regular meeting and extraordinary meetings are held flexibly as necessary.

» Audit and Supervisory Committee

Asahi Intecc has an Audit and Supervisory Committee as it is a company with an audit and supervisory committee. The Audit and Supervisory Committee consists of three Audit and Supervisory Committee members, who are Outside Directors (Chairperson/Outside Director Ryuji Tomida, Outside Director Ryoko Fukaya, and Outside Director Shigeki Moriguchi), which audits the legality and appropriateness of decision-making by Directors regarding the execution of their duties, the establishment and operation of internal control systems, and the methods and results of audits by accounting auditors, and evaluates and decides whether or not to appoint or dismiss accounting auditors. In order to further enhance the independence of the Audit and Supervisory Committee, all members of the Audit and Supervisory Committee were appointed from independent Outside Directors. In addition, in case the statutory number of Directors who are Audit and Supervisory Committee members is insufficient, one Director who is a substitute Audit and Supervisory Committee member was appointed.

» Nomination and Compensation Advisory Committee

Our company has a Nomination and Compensation Advisory Committee.

The structure of the Nomination and Compensation Advisory Committee shall be composed of three or more

7-2 Corporate Governance

members who are Directors selected through resolution by the Board of Directors and the majority of the members shall be selected from among independent Outside Directors, and such independent Outside Directors shall include at least one Director who is an Audit and Supervisory Committee member. The Nomination and Compensation Advisory Committee consists of a total of five members: Chairperson/Outside Director Ryuji Tomida, Chairman and Director Masahiko Miyata, President & CEO Kenji Miyata, Outside Director Takahiro Kusakari and Outside Director Ryoko Fukaya. The Nomination and Compensation Advisory Committee deliberates on the composition of the Board of Directors, policies and standards for the selection and dismissal of Directors, and basic policies and compensation amounts for Directors (excluding Directors who are Audit and Supervisory Committee members) in response to the Board of Directors' consultation, and reports the results of its deliberations to the Board of Directors.

» Management Executive Committee

Our company has introduced an executive officer system to clarify responsibilities for business execution and speed up the decision-making process. The Management Executive Committee, which consists of Managing Directors (Chairman and Director Masahiko Miyata, President & CEO Kenji Miyata, Executive Director Munechika Matsumoto, Executive Director Makoto Nishiuchi, Director

Yoshinori Terai, Director Mizuho Ito, and Director Kazuhito Ishihara), and executive officers (Ippei Yugawa, Tadakazu Kato, Yuichi Iizuka, Toshiya Osawa, Yo Nobuta, Kazuo Chiba, Yasuyuki Kawahara, Hideki Tamura, Tomoya Eguchi, Gen Nakashima, Shinjiro Ootani, Tatsuji Higashi and Kazuaki Inukai), holds a monthly meeting in order to deliberate on important matters related to business operations, report on execution results, and share information across the Company.

General Manager of the Internal Audit Office attends the Management Executive Committee as an assistant to the Audit and Supervisory Committee, and collects information necessary for the audit duties by the Audit and Supervisory Committee and shares it with the Audit and Supervisory Committee.



7-2 Corporate Governance

Status of Election of Directors

In accordance with Asahi Intecc's rules and regulations, the Nomination and Compensation Advisory Committee shall deliberate on the matters requested by the Board of Directors, have a discussion based on the report to the Board of Directors, and then the Directors shall be determined at the General Meeting of Shareholders upon the nomination of candidates by the Board of Directors. The nomination of Directors shall be based on their performance in their respective areas of responsibility, their ample expertise and insight into corporate management, and their specializations. In accordance with Asahi Intecc's rules and regulations, the election or dismissal of executive directors and Directors shall be decided at Board of Directors' meetings. Of these, the election or dismissal of executive directors shall be examined and decided based on the report of the Nomination and Compensation Advisory Committee. Furthermore, in the unlikely event that the dismissal of a Director is objectively deemed appropriate owing to violation of laws, regulations, and the Articles of Incorporation, etc. or owing to significant damage to Asahi Intecc's corporate value, the Nomination and Compensation Advisory Committee shall deliberate on the matter requested by the Board of Directors. Thereafter, the matter shall be sufficiently deliberated at a Board of Director's meeting and then be proposed to the General Meeting of Shareholders, where the matter shall be settled.

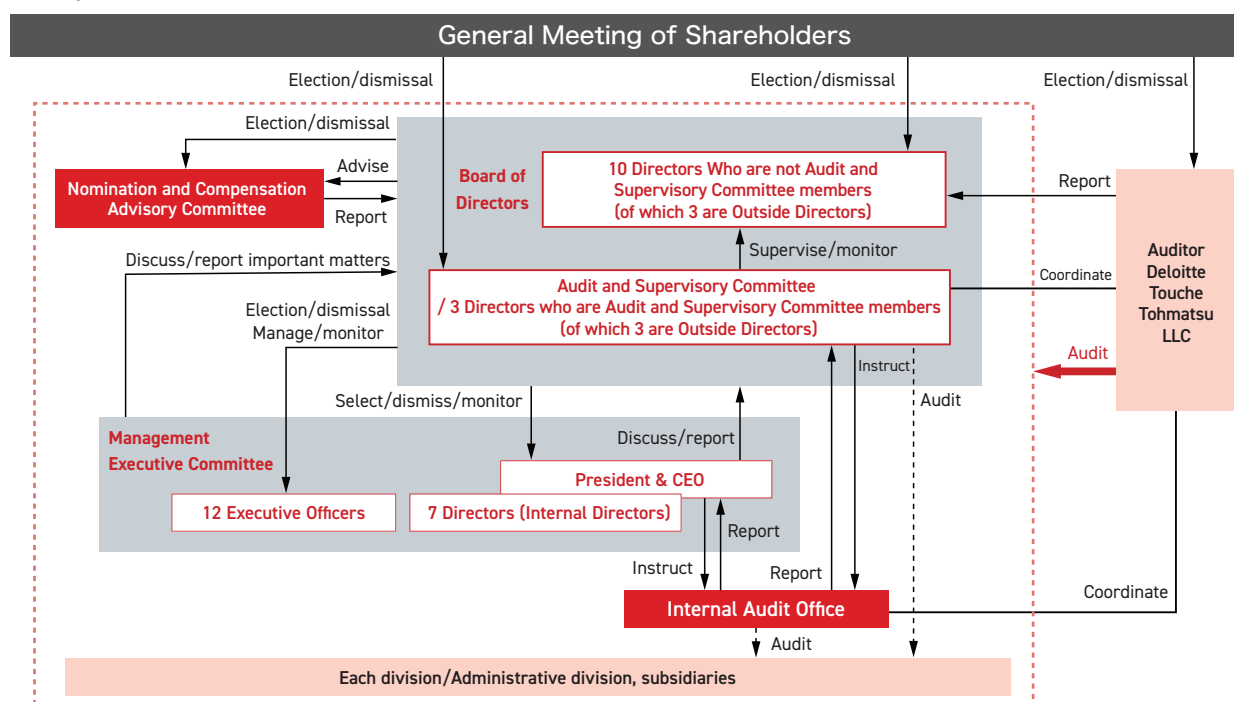
Status of Evaluating the Effectiveness of the Board of Directors

Asahi Intecc believes that the Board of Directors as a whole has been effective because its Directors, who have diverse experience and knowledge, examine each proposal from a variety of perspectives, and because the structure ensures that matters pointed out by Outside Directors, which includes Audit and Supervisory Committee members, are reflected in the resolutions. In terms of analyzing and evaluating the effectiveness of Board of

Directors' meetings, from the perspective of improving the functions of the Board of Directors, the operations and proceedings of the Board of Directors are discussed when necessary at Board of Directors' meetings and among Directors, and improvements are made to the operations, etc., of the Board of Directors and other matters as appropriate, and Asahi Intecc has confirmed that the Board of Directors is effective in its current form and operations.

Corporate Governance Structure

As of September 2024



7-2 Corporate Governance

Remuneration of Directors

Details of the Policy for Determining the Amounts of Remuneration of Officers or the Method of Calculating the Amounts, and the Method of Determining Said Policy

At the 40th Annual General Meeting of Shareholders held on September 28, 2016, the total annual amount of Director remuneration was determined to be a maximum of ¥1,000 million (including not more than ¥100 million for Outside Directors) for Directors (excluding Directors who are Audit and Supervisory Committee members), and a maximum of ¥40 million for Directors who are Audit and Supervisory Committee members, and each Director's remuneration is determined pursuant to the following policy within the limits of this total amount. The Board of Directors of the Company has passed a resolution on the following policy. The Board of Directors of the Company has confirmed that the method of determining the details of individual remuneration of Directors (excluding Directors who are Audit and Supervisory Committee members) pertaining to the fiscal year under review, as well as the content of the determined remuneration, are in line with the following policy.

1) Policy on Determining the Overall Remuneration of Directors (excluding Directors Who Are Audit and

Supervisory Committee Members)

The remuneration of Directors (excluding Directors who are Audit and Supervisory Committee members) shall be determined by the Board of Directors upon receiving reports from the Nomination and Compensation Advisory Committee (composed of three or more members who are Directors selected through resolution by the Board of Directors and the majority of the members shall be selected from among independent Outside Directors, and such independent Outside Directors shall include at least one Director who is an Audit and Supervisory Committee member) so that the total amounts of the base remuneration, the portion of performance-linked remuneration (director bonuses commensurate with short-term results), and the portion of remuneration for share purchase (linked to improvements in long-term performance) fall within the total amount of remuneration determined by a General Meeting of Shareholders resolution. In FYE June 2024, the Board of Directors requested the above to the Nomination

and Compensation Advisory Committee and received the report on the result deliberated at the committee.

2) Policy on Determining the Amounts of the Portion of Base Remuneration and the Portion of Remuneration for Share Purchase (Linked to Improvements in Long-Term Performance), Which Are Components of Remuneration of Directors (excluding Directors Who Are Audit and Supervisory Committee Members)

As for the portion of base remuneration and the portion of remuneration for a share purchase (linked to improvements in long-term performance), the payment amount shall be determined in consideration of Director's position, duties, tenure, and the state of the Asahi Intecc Group.

3) Policy on Determining the Amount of Portion of Performance-Linked Remuneration (Director Bonuses Commensurate with Short-Term Results), Which Is a Component of Remuneration of Directors (excluding Directors Who Are Audit and Supervisory Committee Members)

■ Director remuneration Total amount of remuneration, etc., by type of Director, total amount of remuneration, etc., by type of remuneration, and number of eligible Directors

Type of Director	Total amount of remuneration, etc. (million yen)	Portion of base remuneration	Portion of remuneration for share purchase	Portion of performance-linked remuneration	Number of eligible Directors (person)
Director (excluding Audit and Supervisory Committee members and Outside Directors)	658	381	36	240	7
Director (Audit and Supervisory Committee members) (excluding Outside Directors)	—	—	—	—	—
Outside Directors	49	39	3	6	6
Total	707	421	40	246	13

(Note 1) Portion of remuneration for share purchase is remuneration which is linked to improvement in long-term performance.

(Note 2) Portion of performance-linked remuneration is director bonuses commensurate with short-term results.

7-2 Corporate Governance

The portion of performance-linked remuneration (director bonuses commensurate with short-term results) is paid in consideration of each Director's position, duties, and tenure, provided that the consolidated performance of Asahi Intecc is expected to significantly exceed the sales and profit plans disclosed to the public, using a portion of the excess as the source of remuneration.

4) Policy on Determining the Timing of Remuneration of Directors (excluding Directors Who Are Audit and Supervisory Committee Members)

The portion of base remuneration and the portion of remuneration for a share purchase (linked to improvements in long-term performance) are paid monthly. If the portion of performance-linked remuneration (director bonuses commensurate with short-term results) is to be paid, the payment is made once a year within three months from the end of the fiscal year.

5) Policy on Determining the Ratio of Portion of Base Remuneration, Portion of Remuneration for Share Purchase (Linked to Improvements in Long-Term Performance), and Portion of Performance-Linked Remuneration (Director Bonuses Commensurate with Short-Term Results), Which Are Components of Remuneration of Directors (excluding Directors Who Are Audit and Supervisory Committee Members), in Individual Remuneration of Directors

The ratio of remuneration is determined by the Board of Directors (President and Representative Director, who has been delegated in accordance with 6) below) upon

receiving reports from the Nomination and Compensation Advisory Committee. In FYE June 2024, the Board of Directors requested the above to the Nomination and Compensation Advisory Committee and received the report on the result deliberated at the committee.

6) Policy on Determining the Content of Individual Remuneration of Directors (excluding Directors Who Are Audit and Supervisory Committee Members)

The President & CEO, who has been delegated the authority by the Board of Directors, determines the amounts of the portion of base remuneration, the portion of remuneration for share purchase (linked to improvements in long-term performance) and the portion of performance-linked remuneration (director bonuses commensurate with short-term results) paid to each individual, in compliance with the basic policy passed by a resolution of the Board of Directors upon receiving reports from the Nomination and Compensation Advisory Committee. The reason for the delegation to the President & CEO is because the President & CEO, who is in a position to oversee the business execution of the entire Company and maintain a complete picture of the Company's performance, is best suited to evaluate each Director. In FYE June 2024, the resolution of the above basic policy was made based on the report of the committee in response to a request from the Board of Directors.

7) Remuneration of Directors Who Are Audit and Supervisory Committee Members

Remuneration for Directors who are Audit and Supervisory

Committee members is determined through negotiations by Directors who are Audit and Supervisory Committee members, within the limits of total amount of remuneration determined by a General Meeting of Shareholders resolution.

7-2 Corporate Governance

Director Training (Internal and Outside Directors)

Asahi Intecc provides appropriate opportunities to attend seminars required for Directors (excluding those who are Audit and Supervisory Committee members) to perform their duties. In addition, if there are important legal amendments, systemic changes, etc., the relevant departments will provide them with appropriate information while opportunities to attend external seminars will also be provided at the expense of Asahi Intecc. Directors who are Audit and Supervisory Committee Members endeavor to acquire knowledge continuously by becoming members of the Japan Audit & Supervisory Board Members Association, etc. Moreover, at meetings, etc., where all Directors are present, training and discussions take place on Asahi Intecc's management, human resource system, compliance, ESG, insider trading policies, risk management, etc.

Successor Training (Succession Plan)

Concerning matters related to the succession plan, the Nomination and Compensation Advisory Committee deliberates on the appropriateness of the plan and periodically reviews candidates, etc., and reports the deliberation results to the Board of Directors and submits opinions when necessary. In September 2024, a successor candidate who had been nurtured through a succession plan was appointed as the new President of our company. We are continuing to nurture new successor candidates.

Governance of Asahi Intecc Group

Our Group is composed of Asahi Intecc, eight domestic subsidiaries (three consolidated subsidiaries and five non-consolidated subsidiaries), and fifteen overseas subsidiaries (fourteen consolidated subsidiaries and one non-consolidated subsidiary).

In accordance with Asahi Intecc's and its subsidiaries' regulations on administrative authority and rules for managing related parties, each subsidiary is required to, depending on the content, receive Asahi Intecc's approval or report on matters, including matters related to management policies and management strategies, budgets, business performance, important decisions, litigations, other necessary matters, etc. In addition, Asahi Intecc promotes an integrated approach to risk management and compliance management by dispatching Asahi Intecc's Directors or employees to subsidiaries as Directors, to ensure compliance with laws, regulations, and other rules, and each subsidiary's Director reports monthly to Asahi Intecc's Director and General Manager of the Administration Division concerning the existence and details of any matters causing significant damage to subsidiaries, any violations of laws, regulations, or the Articles of Incorporation, or any other important matters concerning compliance, as well as the existence and details of disputes and administrative actions, and further, important matters discussed at the subsidiaries' Board of Directors' meetings are reported monthly to Asahi Intecc's Board of Directors.

7-3 Risk Management

» Basic Policy

In order to ensure the continuation of operations based on safety and reliability, our Group has established a company-wide risk management system that correctly identifies risk factors related to our Group's business activities, and continuously examines and implements measures to reduce the likelihood of occurrence of such risks and to minimize losses in the event of occurrence of such risks.

» Promotional Structure

Asahi Intecc's Board of Directors has established various rules and regulation such as crisis management rules and rules for managing related parties, etc., in order to prevent risks that could significantly impact our Group's operations and to manage losses that have occurred, and it has also established a risk management system that spans across the entire Group.

Regular risk management concerning our Group's day-to-day operations are carried out appropriately within the scope granted to each department in accordance with the regulations on administrative authority. In addition, each department in the Administration Division verifies and confirms the risk management status of each division of our Group based on their expertise and knowledge of each business process. Each department is supposed to report any problems to the Board of Directors.

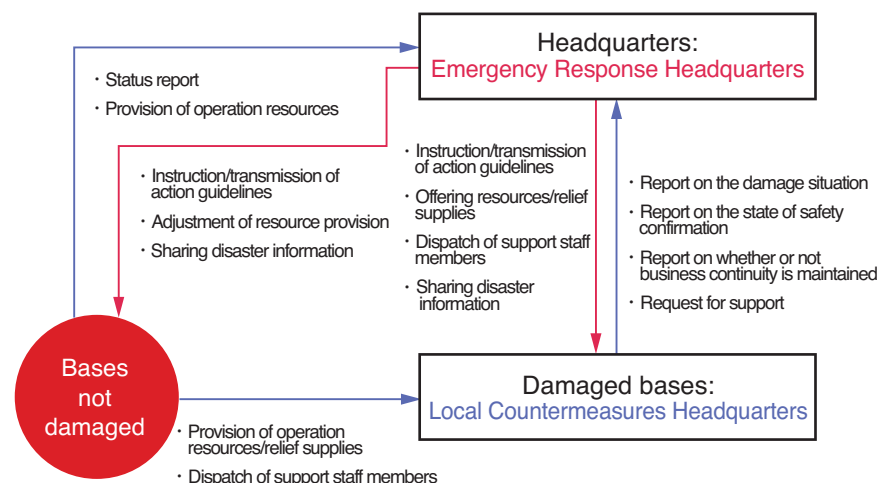
» Response to Large-Scale Disasters

Basic Thinking

Our Group aims to rapidly become an international company by developing and stably supplying products that consistently exceed the expectations and the needs of the market by establishing the highest levels of reliability and safety and by contributing to medical care around the world.

In normal times, our Group will plan and implement countermeasures against risks such as large-scale disasters and pandemics. In the event of an emergency, the highest priority will be given to ensuring human lives and safety, and we will continue to provide relief and support in the affected areas and supply products stably.

■ Roles of Emergency Response Headquarters



Emergency Response Headquarters

In the event of an emergency, such as a disaster, in our Group, the emergency response headquarters headed by the President & CEO shall be responsible for crisis management in accordance with the crisis management rules, in order to ensure quick and appropriate response. By establishing a centralized information communication system, etc., we will protect the safety of the employees and the local community while endeavoring to stably supply products.

7-3 Risk Management

» BCP (Business Continuity Plan)

Our Group is proceeding with formulating the Asahi Intecc Group BCP (Business Continuity Planning) with the aim of continuity/early restoration of our business activities and the system of delivery of our products to our customers in case of emergency. We define tasks to realize continuity/early restoration of priority operations and essential tasks for corporate operations for each group, and take measures in the case of emergency based on this planning.

BCP Basic Policy

1. Give top priority to securing the safety of each person.
2. Assess the damage situation and strive for early restoration to normal operation activities of the corporation to minimize the effects on our customers.

» BCP (Business Continuity Plan) for Production Bases

As part of our Group's BCP (Business Continuity Plan), production diversification is underway at the Thailand Factory, the Hanoi Factory, and the Cebu Factory.

In addition to moving forward with the production transfer from the Thailand Factory to the Hanoi Factory, production transfer is also underway from the Hanoi Factory to the Cebu Factory. Concerning the transfer, manufacturing facilities, equipment, and jigs designed and manufactured at the Thailand Factory and the Hanoi Factory will be introduced to the Cebu Factory, establishing a stable production line.

Our Group is required to build a system for stable delivery of our products under any circumstances as a duty of a medical device manufacturer, which brings products involved in the lives of patients to society.

Disaster Prevention Handbook



7-3 Risk Management

Information Security Basic Policy

(1) Basic Policy

In order to deal with the information security risks that are becoming increasingly serious day by day, in addition to complying with laws and regulations, guidelines, and other societal norms concerning information security, we have implemented information security measures necessary to protect Asahi Intecc's clients and business operation based on the perspectives outlined below.

(2) Information Security Risk Management System

Our Group has appointed a Chief Security Officer to promote an information security system, manage risks concerning information security, and ensure the organization-wide implementation of various measures, and the entire company works towards information security.

Initiatives to Strengthen Information Security

Implementation of Information Security Measures

Our Group has established its Information Security Regulations and implements human, organizational, and technical measures to reduce the risk of information asset leakage, alteration, loss, and information system outages due to cyber-attacks, damage to facilities, and communication problems. To respond to increasingly sophisticated and diverse information security risks in recent years, we

periodically review our measures, appropriately prioritize the risks that could occur, and continue to implement security measures.

Information Security Training

As part of information security training, our Group provides group training when employees join the Company and distributes regular security education content utilizing E-learning, with the purpose of fostering a sense of ethics and security awareness. Furthermore, we aim to maintain and improve security awareness by implementing targeted attack email training and regularly disseminating information about incidents that have occurred either inside or outside of the Company that could serve as lessons, as well as the latest trends in suspicious emails and viruses that are mainstream in the public domain. Going forward, we will continuously add security training content and expand types and frequencies of training to enhance the content of the information security training that our Group has provided to date.

Incident Response

In addition to introducing a mechanism to monitor and block the occurrence of cyber-attacks, ransomware, information leaks, etc., we have developed the necessary systems for incident response (CSIRT) in advance, such as the reception of incident occurrence, support for response, and consideration of measures to prevent recurrences. In order to limit the spread of damage and the occurrence of secondary damage, our Group continually reviews the necessary systems and procedures to enable prompt and effective incident response, and continuously enhances its ability to respond to incidents.

Internal Audit

Internal audits are conducted regularly to ensure information security. We specifically emphasize audit results concerning the handling of personal and confidential information, and we have a system in place to follow up on the completion of improvement measures when improvement is deemed necessary.

Human measures

● Establish a system for responding to information security incidents (accidents)

Establish a CSIRT (Computer Security Incident Response Team) system to collect and analyze vulnerability information, respond to incidents, and share information and collaborate with internal and external organizations

● Implementation of information security training

Implement company-wide targeted attack email training and training in anticipation of incidents

Technical measures

● Enhancing PC/server security

- Measures against computer viruses: Introduce a mechanism to constantly monitor all servers and PCs for suspicious activities and immediately shut them down if detected
- Development of backup environment: Establish an environment to recover data for important servers in the event that data is erased or encrypted

● Enhancing internet security

- Web filtering: Develop a mechanism to block access to suspicious and malicious websites such as fraudulent websites
- E-mail countermeasures: Develop a mechanism to detect and reject suspicious and fraudulent e-mails

● Enhancing network security

- Develop a mechanism to restrict access to the internal network

7-3 Risk Management

Reference: Risk Model

Examples of Possible Risks

The chart to the right shows a wide range of risks, including risks that could impact investor decisions. Statements about the future in the text are based on the judgments made by our Group as of the end of FYE June 2024 and can be associated with the seven key issues of sustainability.



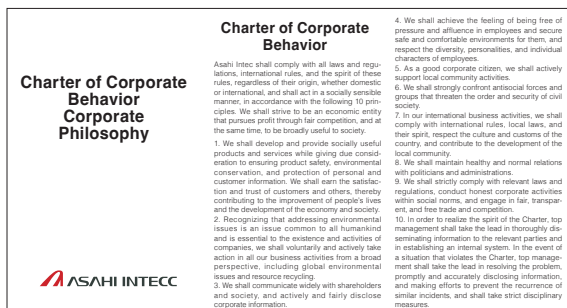
7-4 Compliance

» Basic Policy and Action Guidelines

In order to realize sustainable contributions to society over the long run through the delivery of our one-and-only technologies and number one products, which are found in our Group's mission, we believe that it is essential to have the trust of society and all stakeholders, including clients, business partners, development partners, employees, and shareholders, regarding compliance with laws and other rules. This is indicated in the Charter of Corporate Behavior: "Asahi Intecc shall comply with all laws and regulations, international rules, and the spirit of these rules, regardless of their origin, whether domestic or international, and shall act in a socially sensible manner."

» Promotional Structure

Under the supervision of the Director and General Manager of the Administration Division, the Legal, General Affairs, and Human Resource Divisions are responsible for understanding the information contained in laws and regulations, considering the impact that these could have on business operations, reflecting this upon internal regulations, disclosure items, and operational procedures, and implementing company-wide awareness and education.



» Internal Reporting System

The ASAHI Intecc Group Compliance Hotline has been established as a reporting mechanism to report violations of laws and regulations, the Articles of Incorporation, the Charter of Corporate Behavior, and other internal rules or harassments. In addition to the internal contact points for reporting and consultation, we have established an external contact point attended by an attorney, and the name of any whistleblower shall not be disclosed to parties related to the Company without the consent of the whistleblower or reasonable grounds. Based on the internal reporting regulations, the Compliance Committee, headed by the Director and General Manager of the Administration Division, shall fairly investigate the content of the reports without prejudice against the whistleblower, and if it is clear that an infraction has taken place, it will promptly implement corrective measures. In addition, when the subject of reporting is a matter involving a Director or an executive officer, the Compliance Committee shall respond to the matter while being monitored by outside directors and Outside Audit and Supervisory Committee members. At overseas bases, we have established a contact point for receiving consultation and reports at each base.

» Compliance Training

We provide training to new graduates and mid-career hires that are joining the Company to ensure compliance with regulations on personal information, corporate se-

crets, and insider trading. We also provide training to business personnel on specific topics such as the basics of contracts, subcontracting laws, laws and regulations concerning sales, debt collection, and confidentiality agreements. In addition, we provide group training to those involved in operations regarding specific topics that require special attention, such as EU competition laws and compensation rules for health care professionals. For all employees, we also distribute E-learning content in which explanations are provided on basic knowledge of contract, procedures until conclusion of contract, and compliance and control with regulations on insider trading.

» Appropriate Relations with Healthcare Professionals

We have established internal rules on payments to medical institutions, etc. that clarify standards in accordance with relevant laws and regulations, such as the Fair Competition Code Concerning Restriction on Premium Offers in the Medical Devices Industry and the National Public Service Ethics Code, and the Legal Division ensures compliance with these internal rules prior to all payments to healthcare professionals, etc. In addition, in accordance with the Japan Federation of Medical Devices Associations' Transparency Guidelines for the Medical Device Industry and its Relationships with Medical Institutions and Other Organizations, we publicly disclose payments to healthcare professionals. With regards to overseas payments to medical professionals, etc., we follow industry rules such as the MedTech Europe Code of Ethical Busi-

7-4 Compliance

ness Practice, Mecomed Code of Ethical Business Practice, ApacMed Code of Ethical Conduct for Interactions with Health Care Professionals, and the AdvaMed Code of Ethics on Interactions with Health Care Professionals, and disclose payments in accordance with the United States' Physician Payments Sunshine Act and France's Bertrand Law.

» Monitoring of Domestic and Overseas Related Companies

Asahi Intecc's Directors or employees are dispatched to subsidiaries as Directors to ensure compliance with laws, regulations, and other rules, and each subsidiary's Director reports monthly to Asahi Intecc's Director and General Manager of the Administration Division concerning the existence and details of any violations of laws, regulations, or the Articles of Incorporation, or any other important matters concerning compliance, and the existence of disputes or administrative dispositions. In addition, planned visiting audits to subsidiaries by Directors who are Audit and Supervisory Committee members and visiting audits by the Internal Audit Office are conducted systematically.

» Respect for Human Rights ①

Harassment/Discrimination Prevention

Our Group advocates in the Charter of Corporate Behavior that "We shall achieve the feeling in our employees of being free of pressure and affluence, secure safe and comfortable environments for them, and respect the diversity, personali-

ties, and individual characters of employees," and we respect the human rights of each employee and prevent discrimination and harassment.

As harassment and discrimination are socially impermissible acts of unjustly harming an individual's dignity, we are working to prevent them. Regarding harassment, our Directors and managers have received harassment training from external experts, all participants have submitted written pledges, and when discovered, it will be dealt with in accordance with the rules for disciplinary action. In addition, since June 1, 2022, the contact point established in the Human Resources Division has been integrated in the ASAHI Intecc Group Compliance Hotline that is an internal reporting contact point, in order to create a contact point system that makes it easier for users to understand as a contact point for all forms of harassment.

» Respect for Human Rights ②

Prevention of Forced Labor and Child Labor

Our Charter of Corporate Behavior states that "In our international business activities, we shall comply with international rules, local laws, and their spirit, respect the culture and customs of the country, and contribute to the development of the local community," and we are committed to business activities that take human rights into consideration, including the prevention of forced labor and child labor.

From FYE June 2022, our Group has added items related to compliance with laws and social norms to its questionnaires that have been conventionally implemented

for suppliers. As such, we, through our entire corporate activities, are taking measures that take human rights into consideration, such as the prevention of forced labor and child labor.

» Respect for Human Rights ③

Formulation of Human Rights Policy

Our Group formulated the Asahi Intecc Group Human Rights Policy in May 2023 with the approval of the Board of Directors. This policy was formulated in order for the Asahi Intecc Group to respect human rights in its business activities and fulfill its responsibilities in society. As a company concerned with human life and safety, we support and respect the United Nations Guiding Principles on Business and Human Rights, and strive to investigate and prevent important human rights issues to be addressed, such as the prohibition of modern slavery, prevention of discrimination and harassment, appropriate management of employee working conditions, occupational health and safety, compliance with laws and regulations concerning environmentally controlled substances and hazardous substances, and protection of the rights of human subjects in clinical trials. We also ask our business partners to respect human rights. In accordance with the Human Rights Policy, we have also begun conducting human rights due diligence (efforts to identify, prevent and mitigate negative impacts on human rights) on the above issues.

*See our websites for details of the Asahi Intecc Group Human Rights Policy.

[Asahi Intecc Group Human Rights Policy](#)

7-4 Compliance

» Dealing with Antisocial Forces

Our Group's Charter of Corporate Behavior clearly states that compliance with laws and regulations is fundamental to our activities. In accordance with this Charter, Asahi Intecc's basic policy is not to have any relationship with antisocial forces that pose a threat to social order and safety, and all Directors and employees are informed of this through public awareness. As part of this policy, as a basic rule, all contracts with new business partners in Japan include an article regarding the elimination of antisocial forces, and memorandums of understanding on the elimination of antisocial forces are concluded with long-standing business partners. In addition, the General Affairs Group oversees the collection of information concerning measures against antisocial forces and takes appropriate measures in a resolute manner by consulting with experts such as attorneys and the police as needed.

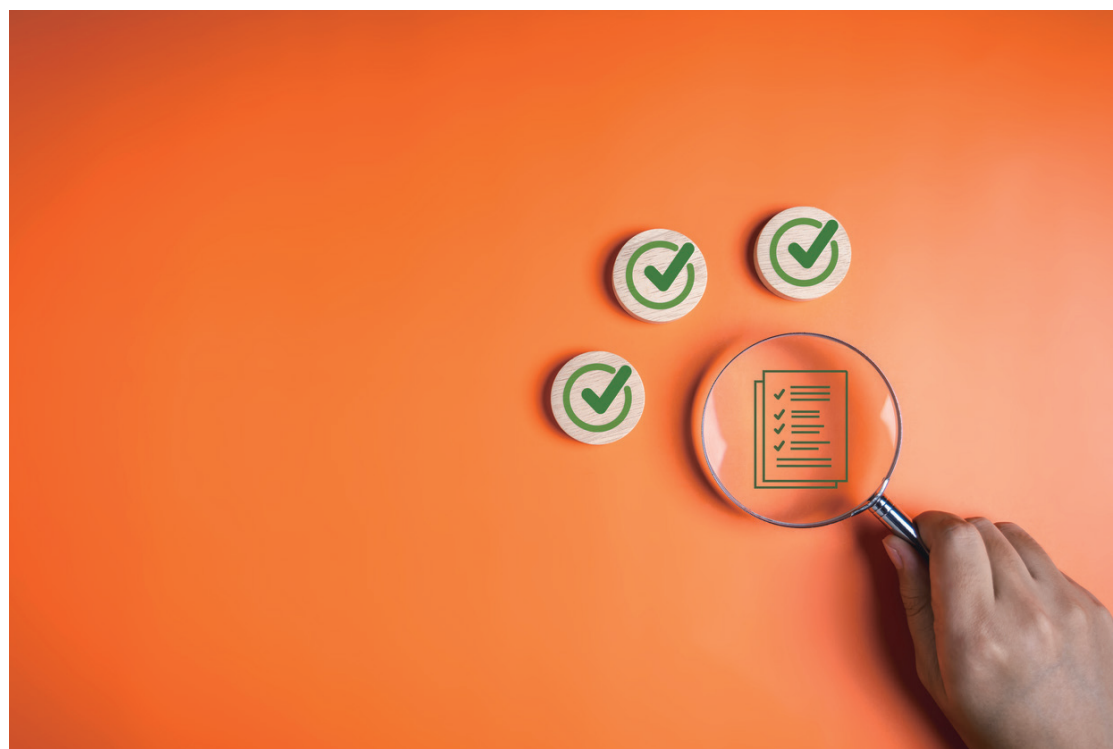
requests or contracts to obtain permission. In addition, we have also obtained anti-bribery pledges from its overseas distributors.

See our websites for details of the Asahi Intecc Group Anti-Bribery Policy.

[Asahi Intecc Group Anti-Bribery Policy](#) 

» Corruption Prevention

Our Group formulated the Asahi Intecc Group Anti-Bribery Policy in May 2024 with the approval of the Board of Directors. This policy was formulated to comply with the laws and regulations of each country and to conduct fair, transparent, and free trade and competition while corporate activities are conducted worldwide. In order to implement this policy, while bribery is obviously prohibited, we also examine and confirm that this is the case to ensure that inappropriate payments are not made, such as payments to public or quasi-public servants based upon



08 | Performance and Corporate Information



Global Headquarters and R&D center

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

8-1 Financial Summary

(Consolidated)

	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	48th Fiscal Year FYE June 2024 (Current Consolidated Fiscal Year)
Revenue (million yen)	35,323	39,511	42,709	50,124	57,216	56,546	61,507	77,748	90,101	107,547
Operating income excluding goodwill amortization, etc. (million yen)	8,034	10,004	10,797	13,774	15,317	12,595	12,944	16,893	19,934	24,168
EBITDA (million yen)	9,994	12,291	13,350	16,660	18,778	16,794	17,764	22,712	26,742	31,856
Operating income (million yen)	7,976	10,002	10,795	13,773	15,168	12,445	12,795	15,239	18,030	22,135
Operating income margin (%)	22.6	25.3	25.3	27.5	26.5	22.0	20.8	19.6	20.0	20.6
Ordinary income (million yen)	8,399	9,521	10,941	13,740	14,833	12,310	13,196	16,326	17,635	21,968
Net income attributable to parent company shareholders (million yen)	5,828	6,907	7,725	10,042	11,237	9,178	9,984	10,857	13,106	15,808
Comprehensive income (million yen)	7,940	4,126	9,490	10,623	11,335	9,251	10,753	17,297	16,280	22,873
Total assets (million yen)	51,049	50,286	63,246	72,104	84,358	93,729	115,427	155,127	172,644	191,614
Net assets (million yen)	32,592	32,263	44,659	53,599	65,450	71,975	92,938	121,130	134,300	151,961
Equipment investment (million yen)	3,784	3,836	5,169	8,183	9,702	11,361	11,764	8,933	14,456	12,570
Depreciation and goodwill amortization (million yen)	1,959	2,286	2,552	2,886	3,460	4,198	4,819	6,439	7,513	8,464
R&D expenses (million yen)	3,230	3,886	4,496	5,052	6,036	6,579	7,524	8,869	9,723	11,662
Net assets per share (yen)	126.97	127.47	173.11	207.34	251.37	276.13	349.18	439.80	487.12	556.71
Earnings per share (yen)	22.73	27.31	30.43	38.88	43.29	35.25	38.25	40.01	48.25	58.20
Equity ratio (%)	63.8	64.1	70.6	74.3	77.6	76.8	80.5	77.0	76.6	78.9
ROE (Return On Equity) (%)	20.0	21.3	20.1	20.4	18.9	13.4	12.1	10.2	10.4	11.2
ROIC (Return On Invested Capital) (%)	-	-	-	-	20.0	13.5	11.7	10.9	10.7	12.1
Price earnings ratio (x)	46.1	45.5	42.0	53.9	61.3	87.0	69.4	51.2	58.3	38.8
Cash flows from operating activities (million yen)	6,666	8,622	10,257	11,717	11,720	11,166	8,920	17,302	19,138	34,708
Cash flows from investing activities (million yen)	-3,249	-3,841	-5,268	-10,537	-10,849	-10,389	-16,327	-18,703	-15,135	-21,222
Cash flows from financing activities (million yen)	-1,311	-4,552	1,598	-3,749	267	-850	10,110	11,368	-2,342	-13,878
Cash and equivalents, end of period (million yen)	13,344	12,935	19,992	17,494	18,777	18,554	21,358	32,321	34,884	35,658
(Reference) Consolidated dividend payout ratio (%)	25.0	27.5	25.0	25.0	25.0	25.0	30.0	30.0	30.0	35.0
Number of employees/consolidated (persons)	5,233	5,545	6,220	6,998	7,810	8,761	9,409	10,435	10,187	9,371

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

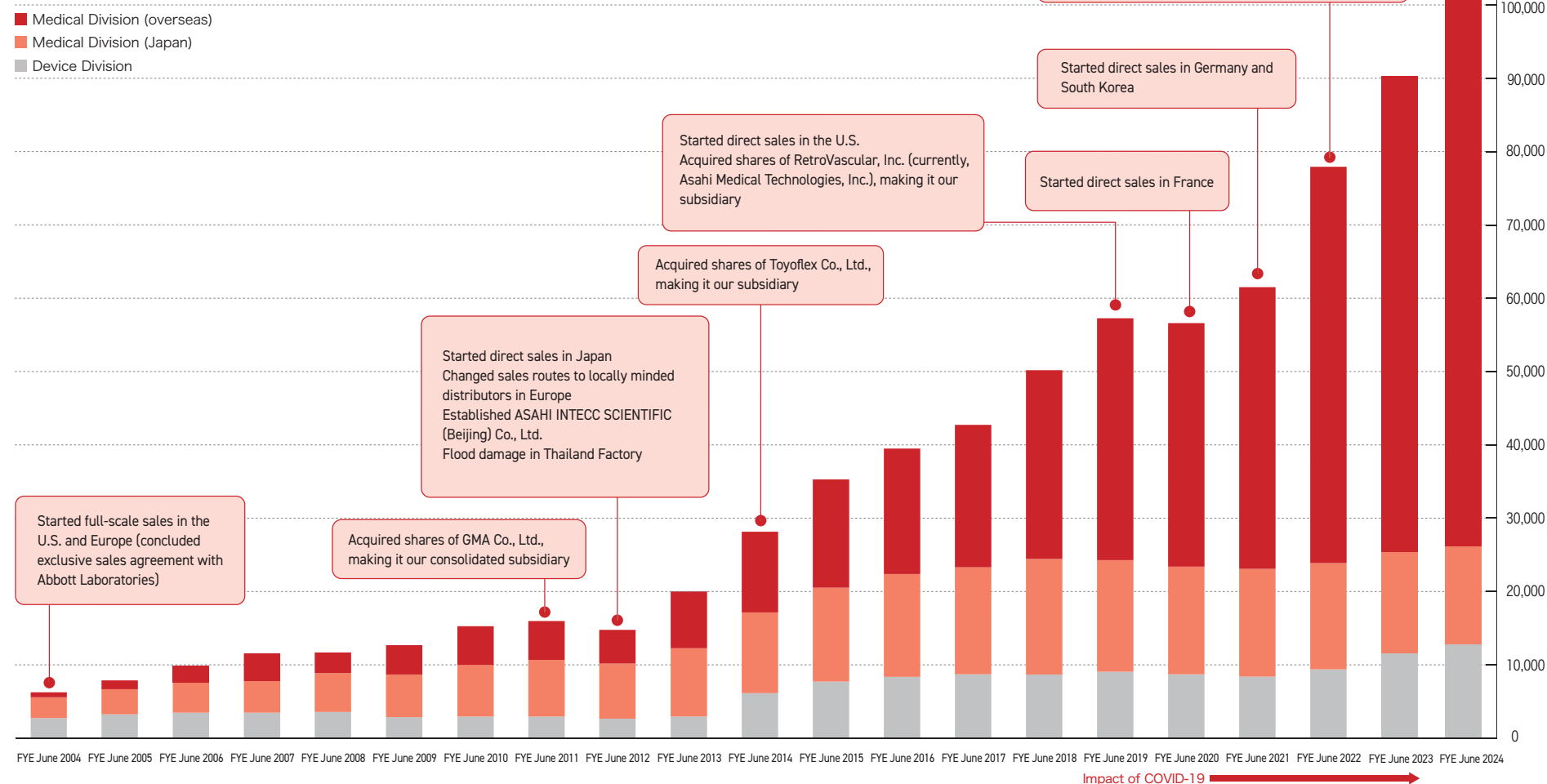
2. ROIC (Return On Invested Capital) is calculated based on the following formula. ROIC is not disclosed for the 42nd fiscal year or earlier.

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

8-1 Financial Summary

Trend of Revenue by Segment

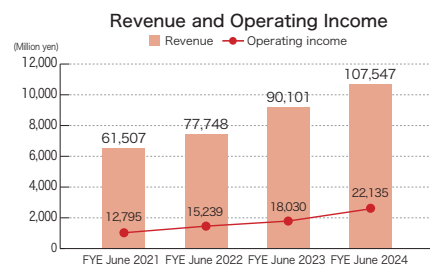
The Medical Division has grown significantly owing to improved performance in the overseas market.



8-1 Financial Summary

» Revenue and Operating Income

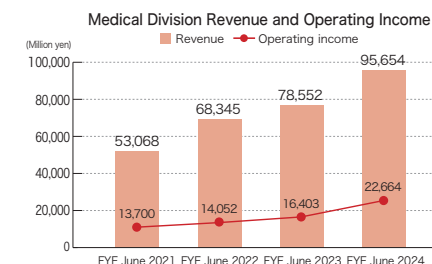
Revenue of our Group for the fiscal year under review amounted to 107,547 million yen (an increase of 19.4% year on year), thanks to our efforts to keep pace with the increase in the number of cases following the recovery from the COVID-19 pandemic and advance market share expansion, as well as the exchange rate impact of stronger foreign currencies, which significantly increased overseas revenue. Gross profit totaled 69,053 million yen (an increase of 17.4% year on year), owing to the increase in revenue. Operating profit was 22,135 million yen (an increase of 22.8% year on year), despite an increase in selling, general and administrative expenses, such as an increase in sales-related expenses, including expenses for sales promotion primarily in the overseas market and expenses associated with net sales growth, as well as an increase in R&D expenses for reinforcing development and performance-based bonus payments. Ordinary income was 21,968 million yen (an increase of 24.6% year on year) mainly due to an increase in foreign exchange losses. Profit attributable to parent company shareholders was 15,808 million yen (an increase of 20.6% year on year), despite a decrease in disaster insurance income.



» Revenue by Business Segment

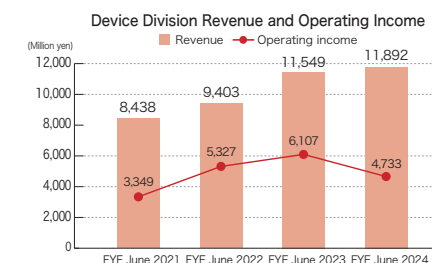
① Medical Division

In the Medical Division, revenue increased, thanks to our efforts to keep pace with the increase in the number of cases following the recovery from the COVID-19 pandemic and advance market share expansion, as well as the exchange rate impact of stronger foreign currencies, which significantly increased overseas revenue. In the domestic market, revenue increased mainly owing to increased sales in the non-cardiovascular field, including peripheral vascular products and gastrointestinal products, and OEM transactions, in addition to strong results, particularly for PCI guide wires, in the cardiovascular field. Additionally, we achieved deliveries of two ANSUR surgery support robots as our new initiatives. In the overseas market, revenue increased in all fields of cardiovascular, non-cardiovascular, and OEM transactions. In the cardiovascular field, revenue performed strongly in all regions, primarily for PCI guide wires and penetration catheters. In the non-cardiovascular field, revenue increased in all regions mainly owing to the effects of the launch of new peripheral vascular products such as "CROSSLEAD" in the U.S. market and an increase of abdominal products in the U.S. and Chinese markets. Revenue from OEM transactions slightly increased, mainly owing to the exchange rate impact of stronger foreign currencies and the growth of new transactions in the U.S., despite a decrease in transactions with China in the cardiovascular field. As a result, revenue totaled 95,654 million yen (an increase of 21.8% year on year). Segment profit amounted to 22,664 million yen (an increase of 38.2% year on year).



② Device Division

In the Device Division, revenue increased primarily for medical components. As for medical components, revenue increased mainly owing to an increase in endoscope-related components transactions in the domestic market, and the exchange rate impact of stronger foreign currencies and an increase in transactions with China in the overseas market. As for industrial components, revenue increased mainly owing to the exchange rate impact of stronger foreign currencies and an increase in OA equipment-related transactions in the overseas market, despite a decrease in construction-related transactions mainly in the domestic market. As a result, revenue totaled 11,892 million yen (an increase of 3.0% year on year). Segment profit amounted to 4,733 million yen (a decrease of 22.5% year on year) due to a decrease in intersegment transactions and trends in operating rates.



8-1 Financial Summary

■ Consolidated Balance Sheet

(Million yen)

	Previous Consolidated Fiscal Year (FYE June 2023)	Current Consolidated Fiscal Year (FYE June 2024)
Assets		
Current assets		
Cash and deposit	34,884	35,658
Bills/accounts receivable	14,678	17,676
Electronically recorded monetary claims – operating	1,728	1,913
Securities	2,000	3,000
Merchandise and finished goods	10,077	9,282
Work in process	13,473	12,298
Raw materials and supplies	7,807	7,763
Others	5,842	7,609
Allowance for doubtful accounts	–231	–505
Total current assets	90,261	94,696
Fixed Assets		
Tangible fixed assets		
Buildings and structures	33,678	46,109
Accumulated depreciation	–12,054	–14,523
Buildings and structures, net	21,623	31,585
Machinery, equipment and vehicles	31,830	36,239
Accumulated depreciation	–21,330	–25,683
Machinery, equipment, and vehicles, net	10,500	10,555
Land	6,678	7,257
Construction in progress	8,472	4,207
Others	13,168	14,463
Accumulated depreciation	–6,761	–7,940
Others, net	6,407	6,523
Total tangible fixed assets	53,683	60,129
Intangible assets		
Goodwill	7,737	6,910
Others	10,632	10,048
Total intangible assets	18,369	16,959
Investments and other assets		
Investment securities	6,177	15,185
Shares of subsidiaries and associates	220	220
Deferred tax assets	929	989
Others	3,096	3,538
Allowance for doubtful accounts	–93	–105
Total investments and other assets	10,329	19,828
Total fixed assets	82,383	96,917
Total assets	172,644	191,614

(Million yen)

	Previous Consolidated Fiscal Year (FYE June 2023)	Current Consolidated Fiscal Year (FYE June 2024)
Liabilities		
Current liabilities		
Bills payable/accounts payable	2,856	2,289
Electronically recorded obligations – operating	883	625
Short-term debt	10,361	5,615
Account payable – other	2,043	4,038
Accrued corporate tax, etc.	2,309	2,683
Provision for bonuses	1,784	2,700
Others	6,076	11,542
Total current liabilities	26,316	29,494
Fixed liabilities		
Long-term debt	3,892	1,087
Deferred tax liabilities	3,921	4,643
Provision for retirement benefits for Directors (and other officers)	19	19
Retirement benefit liability	2,496	2,851
Asset retirement obligations	15	17
Others	1,683	1,539
Total fixed liabilities	12,028	10,157
Total liabilities	38,344	39,652
Net assets		
Shareholders' equity		
Capital stock	18,860	18,860
Capital surplus	21,727	21,779
Retained earnings	78,867	90,742
Treasury stock	–7	–7
Total shareholders' equity	119,448	131,375
Accumulated other comprehensive income		
Valuation difference on available for-sale securities	2,033	2,689
Foreign currency translation adjustment	10,867	17,142
Re-measurements of defined benefit plans	–36	9
Total accumulated other comprehensive income	12,864	19,841
Noncontrolling interests	1,987	744
Total net assets	134,300	151,961
Total liabilities and net assets	172,644	191,614

■ Consolidated Statements of Income

(Million yen)

	Previous Consolidated Fiscal Year (FYE June 2023)	Current Consolidated Fiscal Year (FYE June 2024)
Revenue	90,101	107,547
Cost of sales	31,268	38,494
Gross profit	58,832	69,053
Selling, general, and administrative expenses		
Freight-out	3,027	2,748
Provision of allowance for doubtful accounts	43	169
Salaries and bonuses	9,407	11,280
Director remuneration	779	767
Bonuses for Directors (and other officers)	—	246
Provision of allowance for bonuses	882	1,291
Retirement benefit expenses	308	479
Depreciation	2,578	2,943
R&D expenses	9,723	11,662
Others	14,050	15,329
Total selling, general, and administrative expenses	40,802	46,917
Operating income	18,030	22,135
Non-operating income		
Interest income	50	102
Dividend income	73	91
Subsidy income	7	79
Others	177	242
Total non-operating income	308	515
Non-operating expense		
Interest expenses	308	226
Foreign exchange loss	298	379
Others	96	77
Total non-operating expense	703	683
Ordinary income	17,635	21,968
Extraordinary gain		
Gain on sale of investment securities	—	21
Disaster insurance income	305	—
Total extraordinary gain	305	21
Extraordinary loss		
Loss on valuation of investment securities	196	99
Provision of allowance for doubtful accounts	—	100
Others	1	0
Total extraordinary loss	197	199
Profit before income taxes and others	17,743	21,789
Income taxes – current	4,715	5,630
Income taxes – deferred	–248	263
Total income taxes	4,467	5,893
Net income	13,276	15,895
Profit attributable to noncontrolling interests	170	87
Profit attributable to parent company shareholders	13,106	15,808

8-1 Financial Summary

■ Consolidated Statement of Comprehensive Income (Million yen)

	Previous Consolidated Fiscal Year (FYE June 2023)	Current Consolidated Fiscal Year (FYE June 2024)
Net income	13,276	15,895
Other comprehensive income		
Valuation difference on available-for-sale securities	161	656
Foreign currency translation adjustment	2,968	6,274
Re-measurements of defined benefit plans	-126	45
Total other comprehensive income	3,003	6,977
Comprehensive income	16,280	22,873
(Breakdown)		
Comprehensive income attributable to parent company shareholders	16,015	22,684
Profit attributable to non-controlling interests	264	188

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

	Shareholders' equity					Accumulated other comprehensive income				Noncontrolling interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Re-measurements 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											
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 end 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 Changes in Shareholders' Equity (Current Consolidated Fiscal Year) (Million yen)

	Shareholders' equity					Accumulated other comprehensive income				Noncontrolling interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Re-measurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	18,860	21,727	78,867	-7	119,448	2,033	10,867	-36	12,864	1,987	134,300
Changes during the period											
Dividends of surplus			-3,933		-3,933						-3,933
Profit attributable to parent company shareholders			15,808		15,808						15,808
Acquisition of treasury stock				-0	-0						-0
Purchase of shares of consolidated subsidiaries		52			52						52
Net changes in items other than shareholders' equity						656	6,274	45	6,977	-1,243	5,733
Total changes during the period	—	52	11,874	-0	11,927	656	6,274	45	6,977	-1,243	17,660
Balance at the end of the period	18,860	21,779	90,742	-7	131,375	2,689	17,142	9	19,841	744	151,961

■ Consolidated Statements of Cash flows (Million yen)

	Previous Consolidated Fiscal Year (FYE June 2023)	Current Consolidated Fiscal Year (FYE June 2024)
Cash flows from operating activities		
Profit before income taxes and others	17,743	21,789
Depreciation	7,513	8,464
Increase (decrease) in allowance for doubtful accounts	33	273
Increase (decrease) in provision for bonuses	383	837
Increase (decrease) in retirement benefit liability	145	261
Interest income and dividend income	-124	-193
Interest expenses	308	226
Amortization of goodwill	1,198	1,255
Loss (gain) on valuation of investment securities	196	99
Disaster insurance income received	-305	—
Increase (decrease) in trade and other receivables	-340	-2,345
Increase (decrease) in inventories	-2,793	4,456
Increase (decrease) in trade and other payables	-256	-973
Increase (decrease) in accounts payable	291	563
Increase (decrease) in advances received	741	4,346
Increase (decrease) in accrued income	254	-337
Others	-1,088	1,289
Subtotal	23,902	40,014
Interest and dividends received	95	185
Interest paid	-261	-167
Insurance income received	305	—
Income taxes paid	-4,903	-5,323
Cash flows from operating activities	19,138	34,708
Cash flows from investing activities		
Purchase of securities	—	-3,000
Proceeds from redemption of securities	—	2,000
Purchase of investment securities	-1,123	-8,334
Purchase of tangible fixed assets	-12,291	-9,877
Purchase of intangible assets	-422	-667
Others	-1,298	-1,342
Cash flows from investing activities	-15,135	-21,222
Cash flows from financing activities		
Net increase (decrease) in short-term debt	5,165	-6,500
Proceeds from long-term loans payable	—	1,500
Repayment of long-term loans payable	-3,927	-3,202
Dividends paid	-3,256	-3,933
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	-1,355
Repayments of lease obligations	-322	-385
Others	0	0
Cash flows from financing activities	-2,342	-13,878
Effect of exchange rate change on cash and cash equivalents	902	1,164
Increase (decrease) in cash and cash equivalents	2,563	773
Cash and cash equivalents at beginning of period	32,321	34,884
Cash and cash equivalents at end of period	34,884	35,658

8-2 Non-Financial Summary

■CO₂ emissions (Scope 1 + Scope 2)

	FYE June 2022	FYE June 2023	FYE June 2024	Goal
Scope1 (t-CO ₂)	2,349	2,367	2,490	—
Scope2 (t-CO ₂)	44,385	46,929	48,009	—
Total	46,734	49,296	50,499	30% reduction by 2030 compared to FYE June 2022
Emissions by basic sales unit (t-CO ₂ /1 million yen)	0.60	0.55	0.47	—

*Reduction target based on 1.5°C level of SBTi

■CO₂ emissions (Scope 3)

	FYE June 2022	FYE June 2023	FYE June 2024	Goal
Scope3 (t-CO ₂)**	74,715*	140,915	172,463	—
Emissions by basic sales unit (t-CO ₂ /1 million yen)	—	1.56	1.60	Maintain the level of FYE June 2023

*Asahi Intecc only

**As it was discovered that there were some errors in the past calculations for some of Scope 3 (Category 3), the calculations of previous fiscal years have been reviewed. Our company responded based on the advice of external experts. However, as a result of a review of the accounting process, it was found that there were differences in the understanding of the scope of Category 3, and the Company revised the accounting process accordingly.

Magnitude of impact: FYE June 2022: +670t-CO₂

FYE June 2023: +6,467t-CO₂ emissions by basic sales unit +0.07

■Tap water consumption

	FYE June 2022	FYE June 2023	FYE June 2024
Tap water consumption (1000 m ³)	354	362	364

*Excluding sales sites, because water consumption of such sites is extremely limited and cannot be individually identified.

■CO₂ emissions (Scope 3)

	Contents	FYE June 2023	FYE June 2024	Calculation method
Category 1	Purchased goods and services	92,610	95,762	Calculated by multiplying the amount of materials and services purchased by each emission intensity.
Category 2	Capital goods	22,034	50,119	Calculated by multiplying the amount of capital goods purchased by the emission intensity
Category 3	Fuel-and-energy-related activities not included in Scope 1 or 2	6,467**	6,516	Calculated by multiplying the amount of fuel purchased and energy consumption by each emission intensity.
Category 4	Upstream transportation and distribution*	3,836	2,700	Calculated by multiplying the transportation ton-km of purchased materials and other logistics costs borne by the Company by emission intensity for each transportation method
Category 5	Waste generated in operations	—	—	Calculated by multiplying the consignment amount of waste treatment by the emission intensity for each type of waste
Category 6	Business travel	213	233	Calculated by multiplying the number of employees by the emission intensity
Category 7	Employee commuting	4,590	4,175	Calculated by multiplying the number of commuters divided by work type and city group by each emission intensity
Category 8	Upstream leased assets	—	—	Not to be calculated because the Company does not hold applicable leased assets
Category 9	Downstream transportation and distribution*	10,897	12,642	Calculated by multiplying the transportation ton-km of sold products, etc. (those not covered by the Company's own expenses) by the emission intensity for each transportation method.
Category 10	Processing of sold products	36	81	Calculated by multiplying each type of sold intermediate product weight by the emission intensity
Category 11	Use of sold products	—	—	Not to be calculated because there are no applicable products
Category 12	Disposal of sold products	233	235	Calculated by multiplying the consignment weight of waste treatment in sold products by the emission intensity
Category 13	Downstream leased assets	—	—	Not to be calculated because the Company does not hold applicable leased assets
Category 14	Franchises	—	—	Not to be calculated owing to lack of franchise agreement
Category 15	Investments	—	—	Not to be calculated, because there are no applicable investments
Total		140,915	172,463	

*From the calculation this time, we have defined the upstream as the delivery to the production plant and the downstream as the product shipment from the production plant, and the past portions have also been revised.

**As it was discovered that there were some errors in the past calculations for some of Scope 3 (Category 3), the calculations of previous fiscal years have been reviewed. Our company responded based on the advice of external experts. However, as a result of a review of the accounting process, it was found that there were differences in the understanding of the scope of Category 3, and the Company revised the accounting process accordingly.

Magnitude of impact: FYE June 2023: +6,467t-CO₂ emissions by basic sales unit +0.07

8-2 Non-Financial Summary

■ Employee Data

	FYE June 2022	FYE June 2023	FYE June 2024
Number of employees/consolidated (global) (persons)	10,435	10,187	9,371
Female	8,052	7,762	7,020
Male	2,383	2,425	2,351
Medical Division	6,482	6,188	5,773
Device Division	3,400	3,425	3,062
Company-wide (common)	553	574	536
Number of employees (Asahi Intecc only) (persons)	1,041	1,016	1,088
Female	282	291	329
Male	759	725	759
Medical Division	639	607	646
Device Division	285	293	314
Company-wide (common)	117	116	128
Length of service (Asahi Intecc only) (years)*	7.3	7.3	7.2
Female	6.0	6.0	5.8
Male	7.7	7.8	7.9
Average age (Asahi Intecc only) (years old)	36.6	36.7	36.9
Average annual salary (Asahi Intecc only) (10,000 Yen)	616	628	650

*The short length of service is due to the large number of mid-career hires.

■ Indicators regarding Work-Life Balance

	FYE June 2022	FYE June 2023	FYE June 2024
Average monthly overtime (Asahi Intecc only) (hours)	24.3	24.4	23.9
Rate of taking paid leave (Asahi Intecc only) (%)	69.2	74.6	72.1
Voluntary turnover rate of regular employees (Asahi Intecc only) (%)	5.6	6.1	6.5
Number of sites with flextime systems (sites)	5	6	6

*Recruitment activities have increased with the end of the COVID-19 pandemic, and the turnover rate has increased. But we recognize that the turnover rate is very low compared to other companies' averages.

▶ Technology-related Data

■ Number of patents/designs owned

	FYE June 2022	FYE June 2023	FYE June 2024
Number of patents/designs owned (global)	731	806	938

■ Indicators regarding diversity promotion

	FYE June 2022	FYE June 2023	FYE June 2024	Goal
Ratio of female employees (global) (%)	77.2	76.2	73.7	—
Ratio of female managers (global)*1 (%)	33.9	36.3	35.8	Maintain 30% or more
Ratio of female managers (Asahi Intecc only)*2 (%)	7.9	12.0	12.3	13% or more as of FYE June 2026
Employment ratio of new female graduates (Asahi Intecc only) (%)	14.9	26.5	33.3	Maintain 25% or more
Employment ratio of new female graduates in technical positions (Asahi Intecc only) (%)	12.9	21.9	33.3	Maintain 20% or more
Gender pay gap (Asahi Intecc only) (%)	-	61.1	61.2	—
Gender pay gap of regular workers*3	-	82.0	81.7	—
Gender pay gap of part-time and fixed-term workers*4	-	24.3	27.3	—
Rate of taking childcare leave by female employees (Asahi Intecc only) (%)	100.0	100.0	100.0	—
Rate of taking childcare leave by male employees (Asahi Intecc only) (%)	20.7	54.5	57.7	Maintain 50% or more
Ratio of foreign employees (global)*1 (%)	84.5	86.2	84.0	—
Ratio of foreign managers (global)*1 (%)	65.3	65.9	60.5	—
Ratio of mid-career hires in managerial positions (global)*1 (%)	61.4	54.7	57.6	—
Employment ratio of people with disabilities (in Japan) (%)	2.33	2.57	3.05	—

*1 Calculated based on the managerial position criteria set forth in Asahi Intecc Group's rules and regulations.

*2 Calculated by applying the disclosure standards of the Annual Securities Report.

*3 Although there is no difference in wages between men and women in the wage system and wage structure, the difference is attributable to the small proportion of female workers in the upper level of regular workers and the fact that the average length of service of women is about two years shorter than that of men.

*4 Although there is no difference in wages between men and women in the wage system and wage structure, the difference in the wages of men and women, such as part-time and fixed-term workers, is attributable to differences in employment status based on employment contracts. Treatment of re-employment employees after retirement age is determined based on the job description and qualifications prior to retirement, which is a factor causing differences.

■ Ratio of Male and Female Employees by Type of Employment (as of the End of FYE June 2024)

	Male	Female	Total
Ratio of male and female employees by type of employment (Asahi Intecc only) (%)	64.5	35.5	100.0
Regular workers	61.1	21.4	82.5
Reemployment after retirement age	2.8	0.4	3.2
Fixed-term contract employees	0.3	0.5	0.7
Part-timers	0.3	13.3	13.6

■ Indicators regarding Human Resources Vision

	FYE June 2022	FYE June 2023	FYE June 2024
Number of Meisters (Asahi Intecc only) (persons)	5	5	5
Number of registered groups for practical competence improvement projects	152	155	152
Number of foreign language training participants (Asahi Intecc only) (persons)	10	10	8
Ratio of R&D personnel (Asahi Intecc only) (%)	47.9	43.5	42.6

■ R&D expenses

	FYE June 2022	FYE June 2023	FYE June 2024
R&D expenses (million yen)	8,869	9,723	11,662
Ratio of R&D expenses	11.4	10.8	10.8

8-3 Company and Stock Information

» Company Profile

- **Trade Name** Asahi Intecc Co., Ltd.
(ASAHI INTECC CO., LTD.)
- **Date of Establishment** July 8, 1976
- **Capital stock** 18,860.79 million yen (as of end of June 30, 2024)
- **Number of Employees** Consolidated: 9,371 persons
/ Asahi Intecc Co., Ltd.: 1,088 persons (as of June 30, 2024)
- **Stock Listing** Tokyo Stock Exchange Prime Market
Nagoya Stock Exchange Premier Market

■ Contents of Main Business

- ① Development, manufacturing, and sale of minimally invasive treatment products used mainly in intravascular treatment (guide wire, catheter)
- ② Development, manufacturing and sale of components in medical field and industrial field

» Matters regarding Shares of Asahi Intecc (as of June 30, 2024)

- **Total number of authorized shares** 800,000,000 shares
- **Total number of issued shares** 271,633,600 shares (including 7,955 shares of treasury stock)
- **Number of shareholders** 19,539 persons

■ Major shareholders (Top 10)

Name of shareholder	Number of shares held (shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	37,935,400	13.96
Bo-en Holdings Co., Ltd.	23,084,032	8.49
Custody Bank of Japan, Ltd. (trust account)	20,968,300	7.71
JP MORGAN CHASE BANK 385632	11,209,361	4.12
SSBTC CLIENT OMNIBUS ACCOUNT	8,413,197	3.09
THE CHASE MANHATTAN BANK, N.A. LONDON	8,022,929	2.95
HI-LEX Corporation	7,385,900	2.71
Y. K. ICSP	7,200,000	2.65
Masahiko Miyata	5,817,300	2.14
Kenji Miyata	5,269,900	1.94

*Shareholding ratio is calculated after deducting treasury stock (7,955 shares).

