

# 02 Value Creation Story

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Global Headquarters and R&D Center

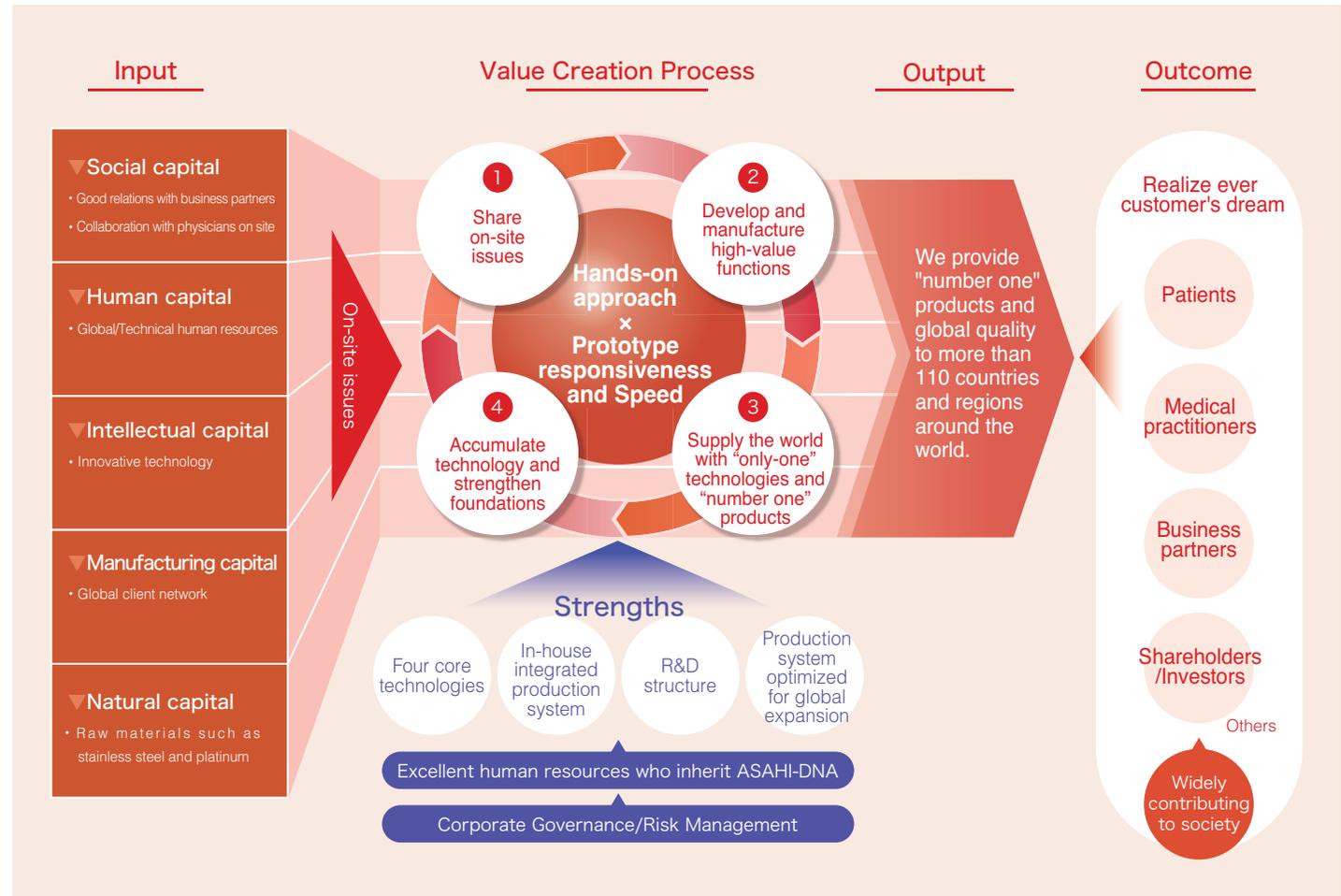
## 2-1 Value Creation Process and Importance of Existence

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.

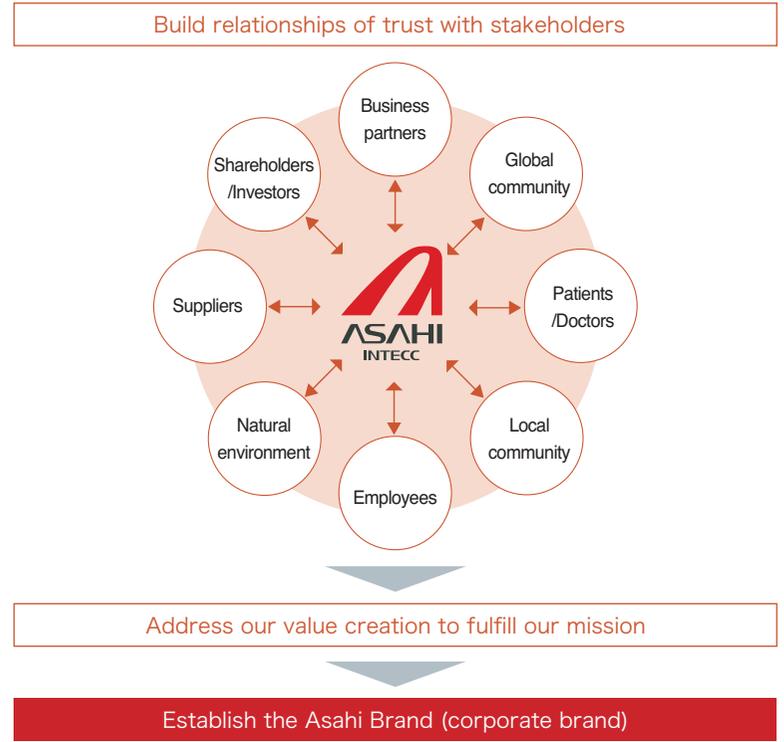
Recent progress in industrial and economic globalization requires proactive engagement of companies to solve global social issues such as the SDGs (the UN Sustainable Development Goals). As an R&D-oriented company, Asahi Intecc Group will continue to contribute to the world’s medical and industrial fields 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.”



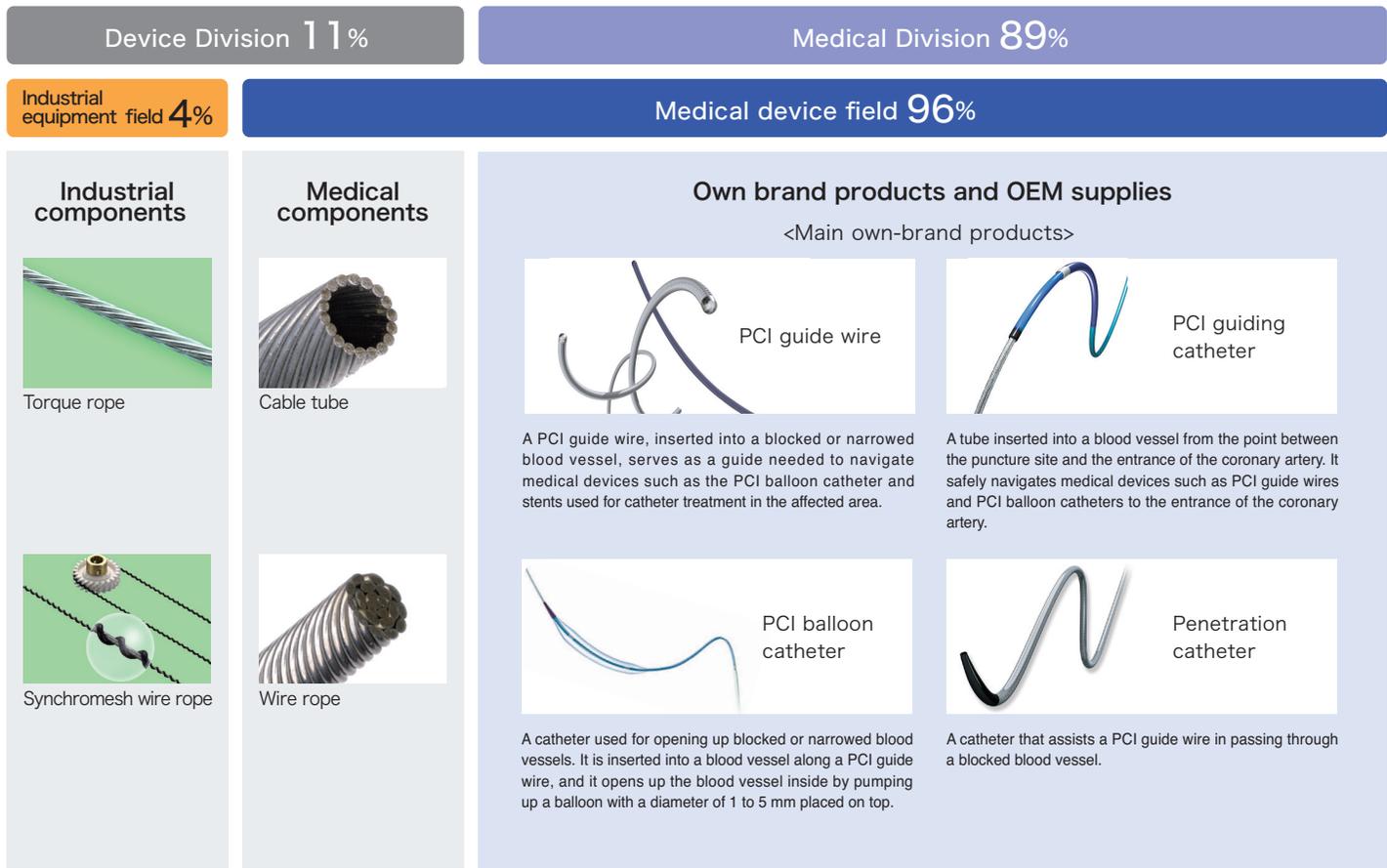
Stakeholders	Our Relationship/Responsibility
Employees	Developing human resources and creating a fulfilling workplace
Patients/Doctors	Sharing on-site issues and co-creating value
Partners/Suppliers	Procuring sustainably
Local community	Supporting local community development as a corporate citizen
Global 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\*.

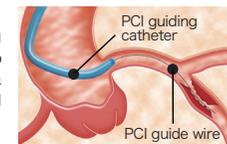
\*Catheter treatment is a method where a small tube called a catheter is inserted through the wrist or groin to treat lesions in blood vessels. It is used for treatment in various fields and diseases because it can provide treatment without surgery such as thoracotomy, which makes it less painful for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



### What is PCI (percutaneous coronary intervention) treatment?

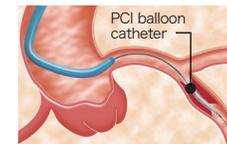
#### 1 Passing through of PCI guide wire

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.



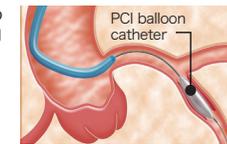
#### 2 Insertion of PCI balloon catheter

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

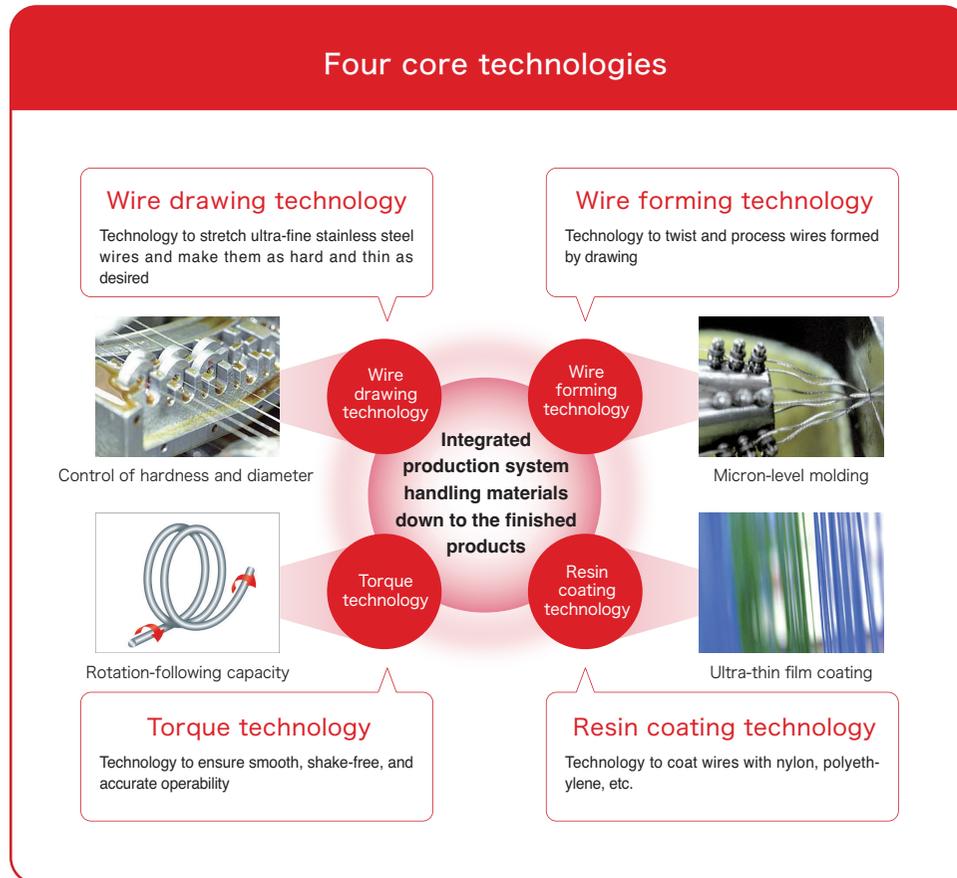


Prototype responsiveness and Speed

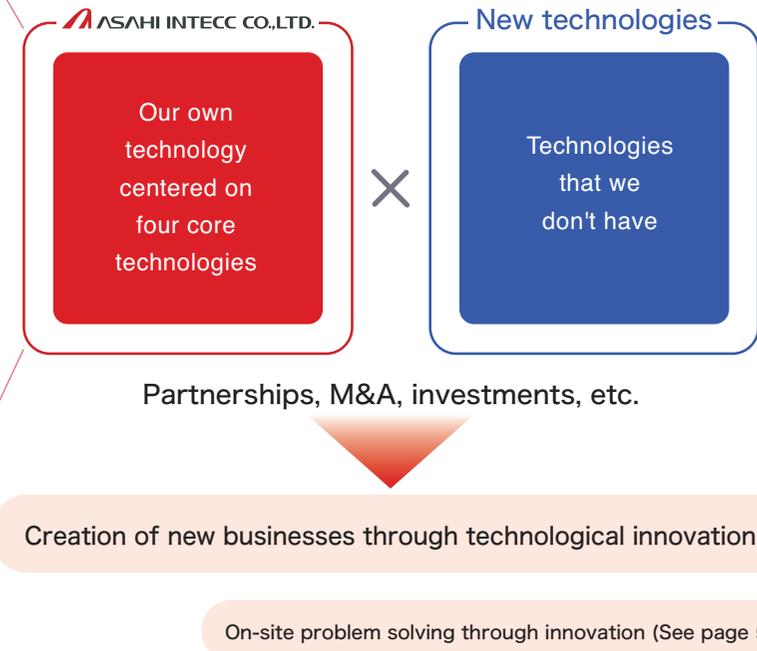
2-3 Source of Competitiveness

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

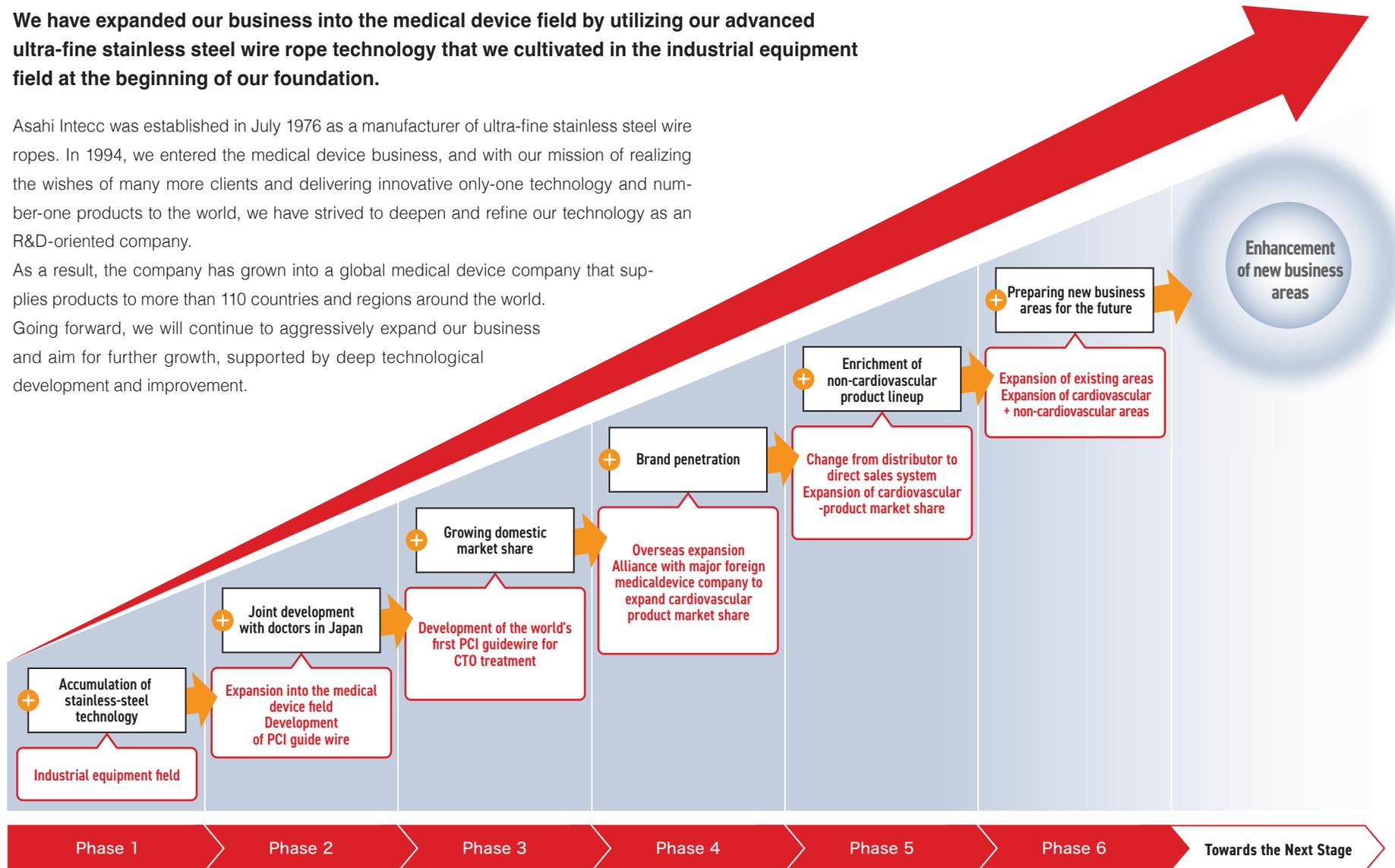
### Our Growth Phase

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.

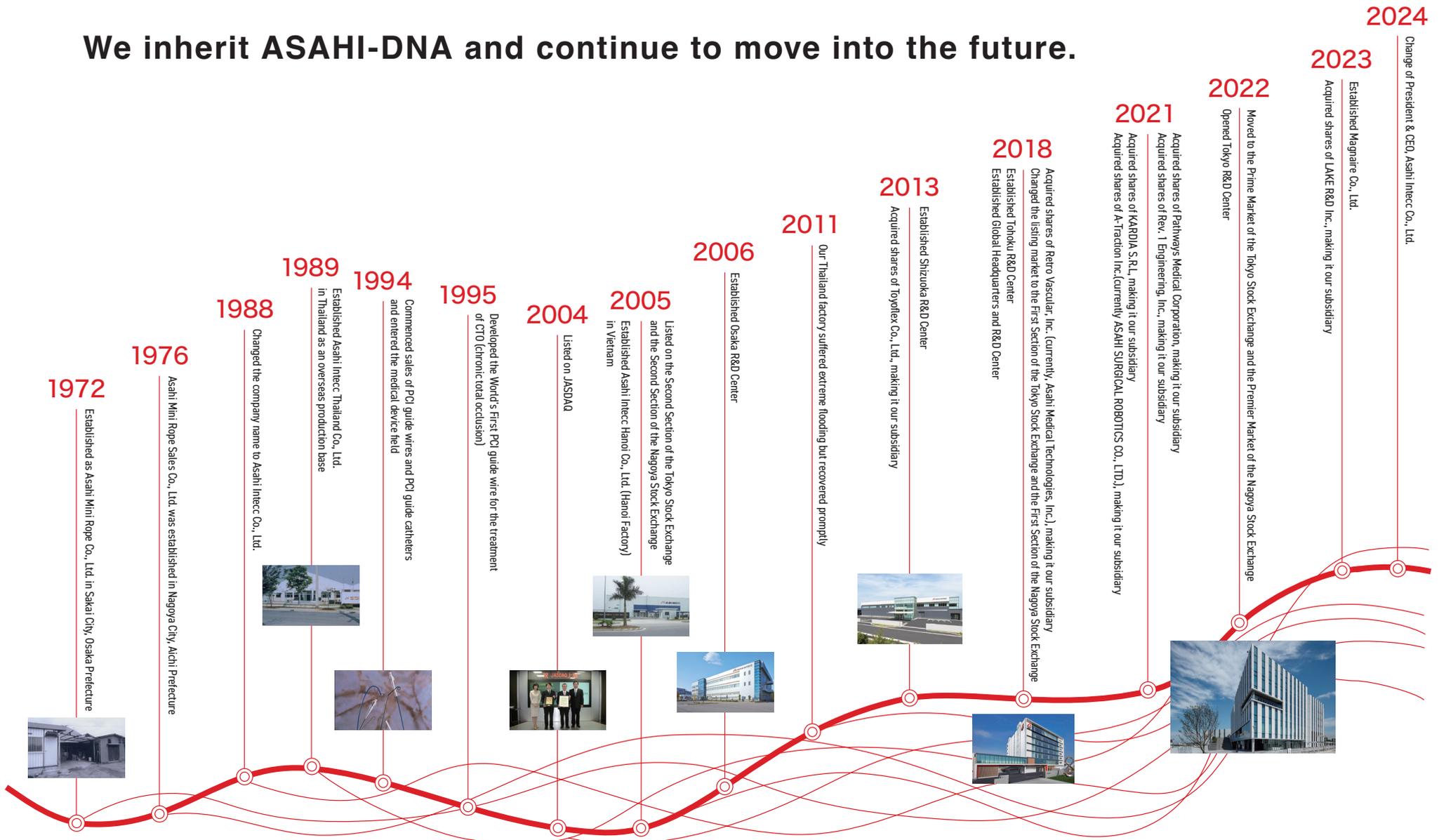
As a result, the company has grown into a global medical device company that supplies products to more than 110 countries and regions around the world.

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



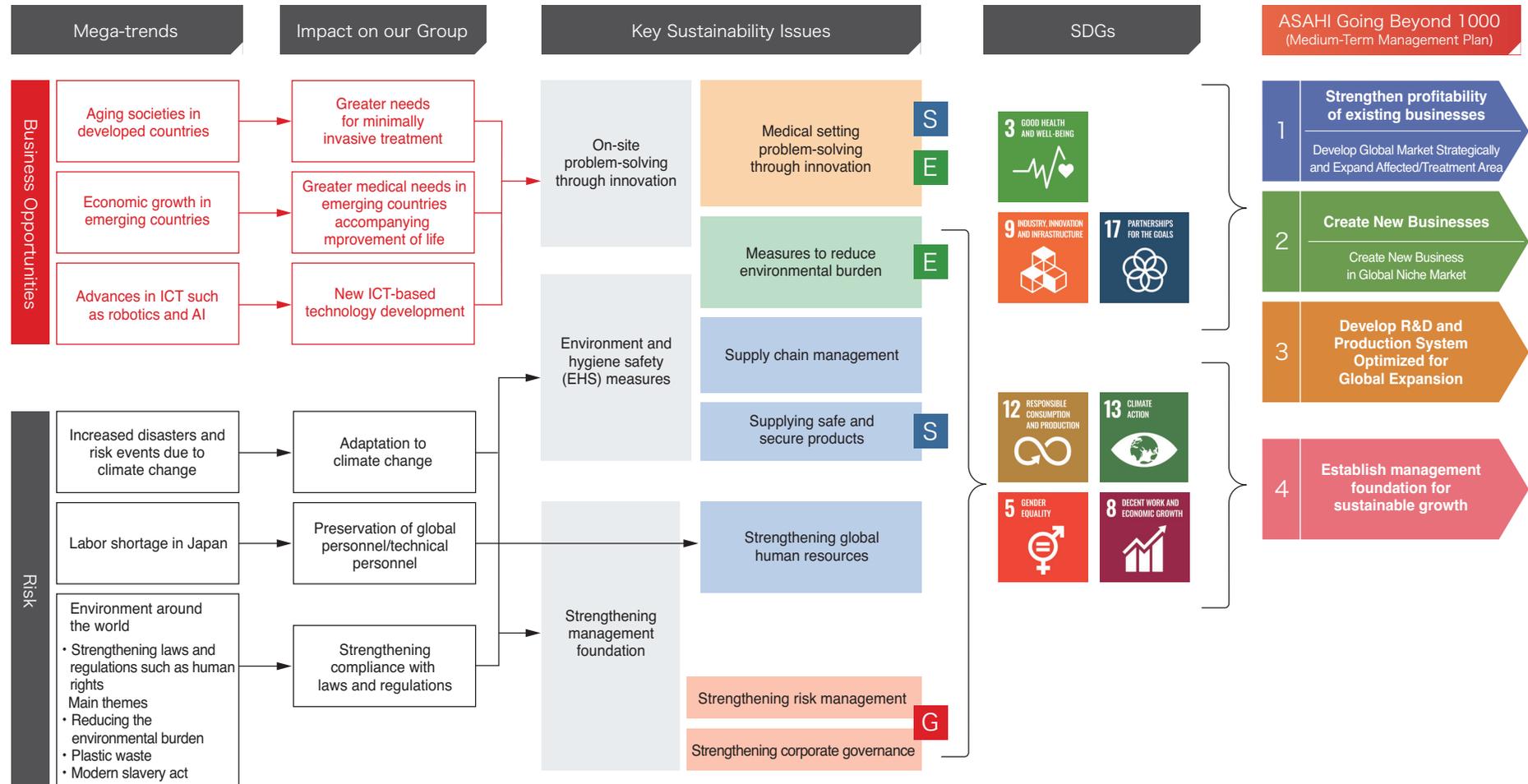
2-4 Our History and Transition

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