

05

Sustainability Bolstering Non-financial Capital

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On-site problem-solving through innovation

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- Strengthening Social Capital
- Strengthening Intellectual Capital
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- Promotion of Digital Transformation (DX)

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- Human Resource Management
- Creating Fulfilling Workplace



ASAHI INTECC USA, INC.

On-site problem-solving through innovation

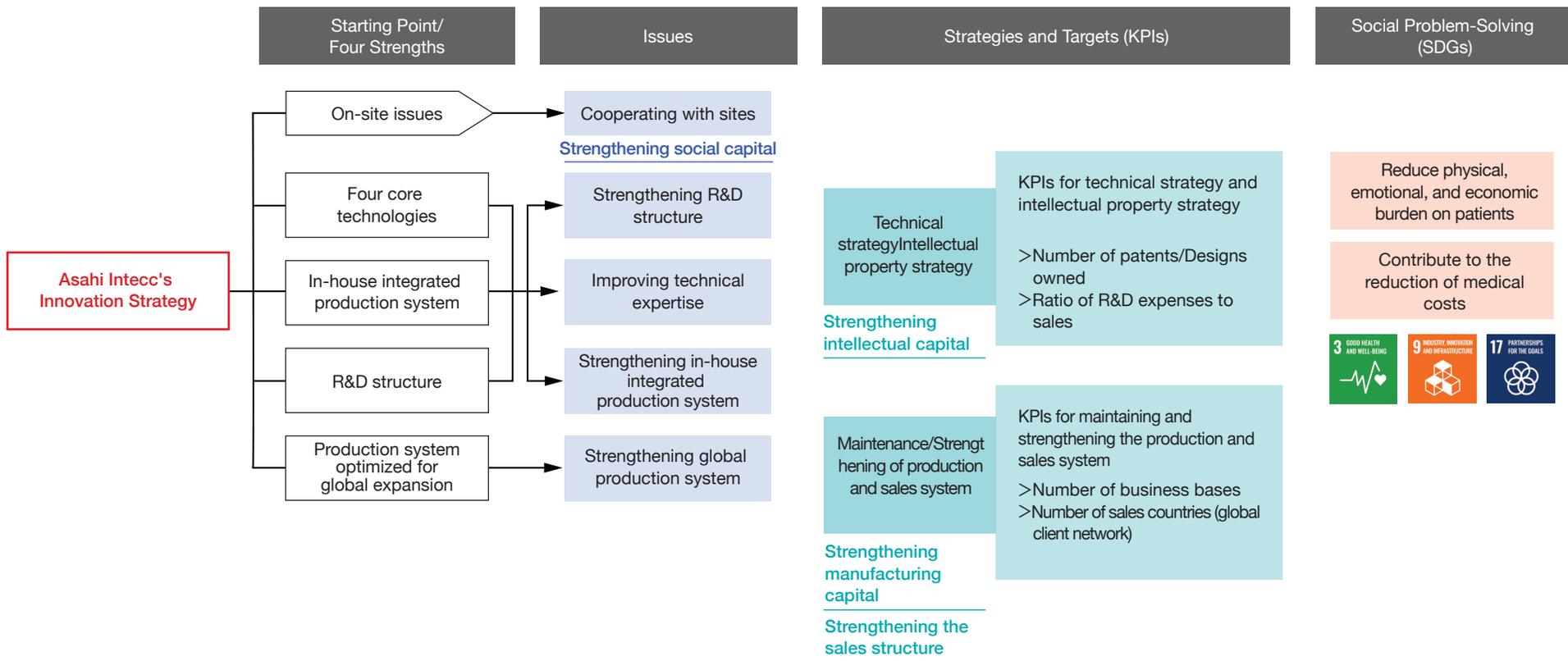
We are working to further create innovation by bolstering non-financial capital.

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.



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 Help reduce medical costs

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

New Products and Technologies

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

the potential to reduce treatment time and medical costs. The number of new medical device products launched in FYE June 2023 was two. We continue to create new medical items every term. In recent years, in addition to developing conventional devices for treatment and testing, we have also developed software to support catheter treatment. Besides the treatment using plasma guide wire, which is currently undergoing clinical trials, we are also developing the product with a view to using it alone. We also undertook multiple innovation initiatives, including applying an overseas startup's sensors to our guide wires in a joint R&D project contributing to the evolution of cerebrovascular therapy. As an R&D-oriented company, we will continue to deepen and expand our company's core technologies and create new value by integrating our company technologies with a variety of new technologies in order to meet diversifying social and customer needs.

2 Specific Measures

Developing Products That Reduce the Physical, Emotional, and Economic Burden on Patients

(Medical Division)

Developing Products to Meet Customers' Needs

(Device Division)

Our Group has developed and marketed products such as PCI guide wires and penetration catheters, which have a high product advantage unmatched by other companies and are capable of CTO treatment, and have contributed



On-site problem-solving through innovation

Social Issues to be Solved and Measures

3 Entry into New Businesses

■ Efforts to realize next-generation smart treatments

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

Efforts in Robotics

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

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

Efforts to Develop Navigation Systems

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



WATSON EVUS guide system

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

■ Efforts for preventive medicine

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



On-site problem-solving through innovation

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Strengthening social capital

Cooperating with sites

Medical Division

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

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

Device Division

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

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



On-site problem-solving through innovation

Strengthening social capital

Cooperating with sites

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

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

Cardiovascular Field



William L. Lombardi, M.D.
Clinical Professor, Medicine, Division of Cardiology, Director, Complex Coronary Artery Disease Therapies, University of Washington Medical Center



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



Prof. Junbo Ge
Academician of Chinese Academy of Sciences, Director of Department of Cardiology Zongshan Hospital, Fudan University



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

Neurovascular Field



Demetrius K. Lopes, M.D.
Surgical Director, Director of Cerebrovascular Surgery and the Comprehensive Stroke Program Advocate Health Care



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



Prof. Dr. René Chapot
Head of Department of Neuroradiology and Radiology, Alfried Krupp Hospital



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

Peripheral Vascular Field

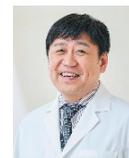


Craig Walker, M.D.
Founder and President, Cardiovascular Institute of the South, Founder and Chairman, New Cardiovascular Horizons (NCVH)



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

Gastrointestinal Field



Masaaki Ito, MD, PhD.
Deputy Director, National Cancer Center Hospital East, Head of the Department of Colorectal Surgery and the Department of Medical Device Development and Promotion



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

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



CCT (Japan)



SCAI (USA)



EURO CTO (Europe)



CIT (China)



IEST (USA)



JSES (Japan)



Kei Ito, MD, PhD.
Director of Center of Gastroenterology, Sendai City Medical Center Sendai Open Hospital



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

On-site problem-solving through innovation

Strengthening Intellectual Capital 1

Strengthening R&D structure

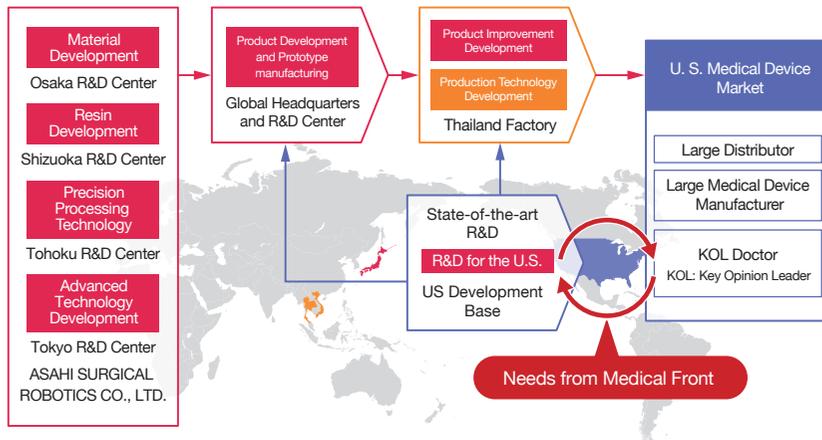
Measures to Strengthen/Improve Our R&D Structure

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

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

R&D System Covering Product Development from Upstream to Downstream

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



Develop R&D System Optimized for Global Expansion



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

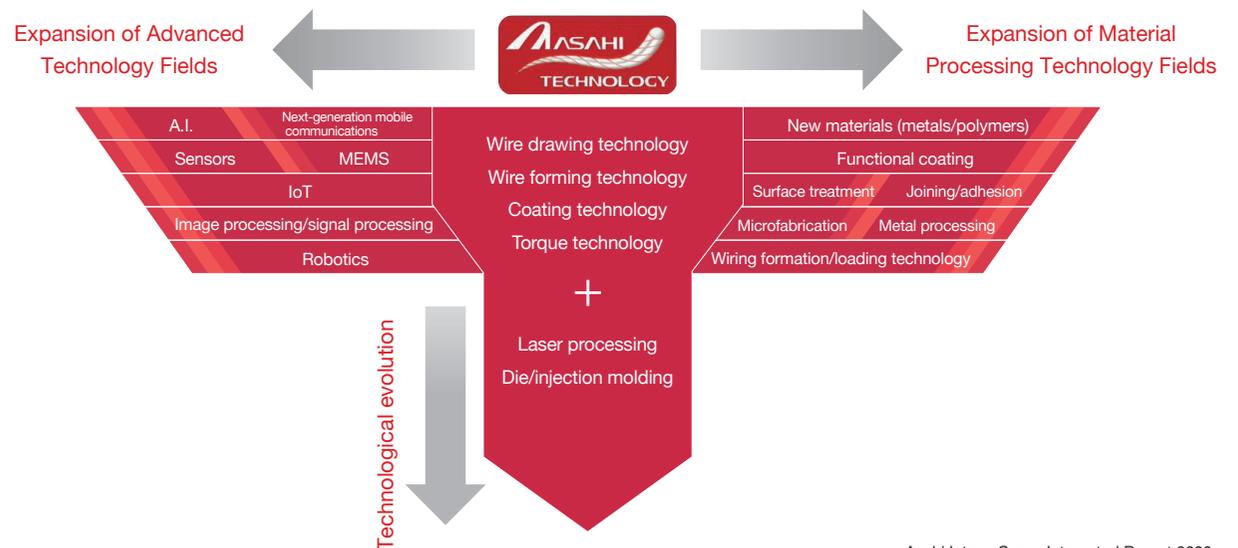
Asahi Intecc Group has established the intellectual property management rules to manage intellectual property. We protect the fruits of our new technology obtained by technical development as the foundation of our Group's activities by applying for and obtaining patents. However, to avoid disclosing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

and technologies.

< Actions for patent infringement and lawsuits >

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

Evolution and Expansion of Our Group's Technology



On-site problem-solving through innovation

Strengthening manufacturing capital

Measures to Enhance Production System

Production System

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

From the perspectives of risk management and BCP, we are working to establish a system that enables all three factories to manufacture the same products so that in the event of one or more factories ceasing operation due to local factors or otherwise, another factory can cover the majority of the lost production. In addition, at our production base in Japan (Asahi Intecc Co., Ltd.), which currently does not have a mass-production function, we plan to secure mass-production facilities at our new R&D building (scheduled to be completed in June 2024), which will allow us to substitute some products in the event of an emergency.

Measures to Strengthen/Improve Our Technical Expertise

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

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

Measures to Enhance Production Platform

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

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

Development of Production System Optimized for Global Expansion

Development/Prototyping/Product on transfer

Japan

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




Global Headquarters and R&D Center Tohoku R&D Center

Thailand Factory

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




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

Mass production/Increase production efficiency

Hanoi Factory (Vietnam)

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

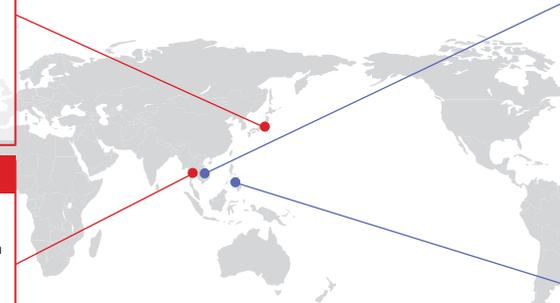


Cebu Factory (Philippines)

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




Medical Plant



On-site problem-solving through innovation

Promotion of Digital Transformation (DX)

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

Launch of DX Promotion Project

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

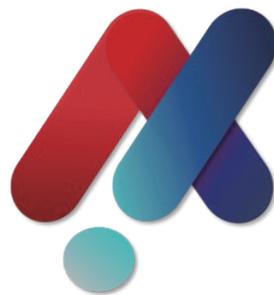
company-wide expansion.

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

promote DX.

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

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



DX internally referred to as "AIX"

Asahi Intecc Transformation



AIX Promotion Portal Site

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 to build 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 2023	Goal		
Strengthening global human resources	Human resource management	Penetration of human resources vision	Inheritance of ASAHI-DNA	Number of Meisters (Asahi Intecc only) (persons)	5	-	
			Fostering self-support	Practical competence improvement projects Number of registered groups (global) (groups)	155	-	
			Training global human resources	Number of foreign language training participants (Asahi Intecc only) (persons)	10	-	
		Reform of personnel system	Forming a creative manufacturing group	Ratio of R&D personnel (Asahi Intecc only) (%)	43.5	-	
			Creating safe and healthy workplaces	Health management Correcting long working hours	Average monthly overtime (Asahi Intecc only) (hours)	24.4	-
				Rate of taking paid leave (Asahi Intecc only) (%)	74.6	-	
	Creation of fulfilling workplace	Creating workplaces for a diverse workforce	Promoting the employment of people with disabilities	Employment ratio of people with disabilities (Asahi Intecc only) (%)	25.7	-	
			Promoting diversity	Promoting the success of women	Ratio of female managers (global) (%) ^{*1}	36.3	Maintain 30% or more
		Ratio of female managers (Asahi Intecc only) (%) ^{*2}		12.0	13% or more as of FYE June 2026		
		Employment ratio of new female graduates (Asahi Intecc only) (%)		26.5	Maintain 25% or more		
		Diversifying human resources	Employment ratio of new female graduates in technical positions (Asahi Intecc only) (%)	21.9	Maintain 20% or more		
			Ratio of foreign employees (global) (%)	86.2	-		
Ratio of foreign managers (global) (%) ^{*1}	65.9		-				

*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.

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 supports 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 12,211 hours, and the cumulative annual number of staff members receiving training is 901 in FYE June 2023.

① Inheritance of ASAHI-DNA

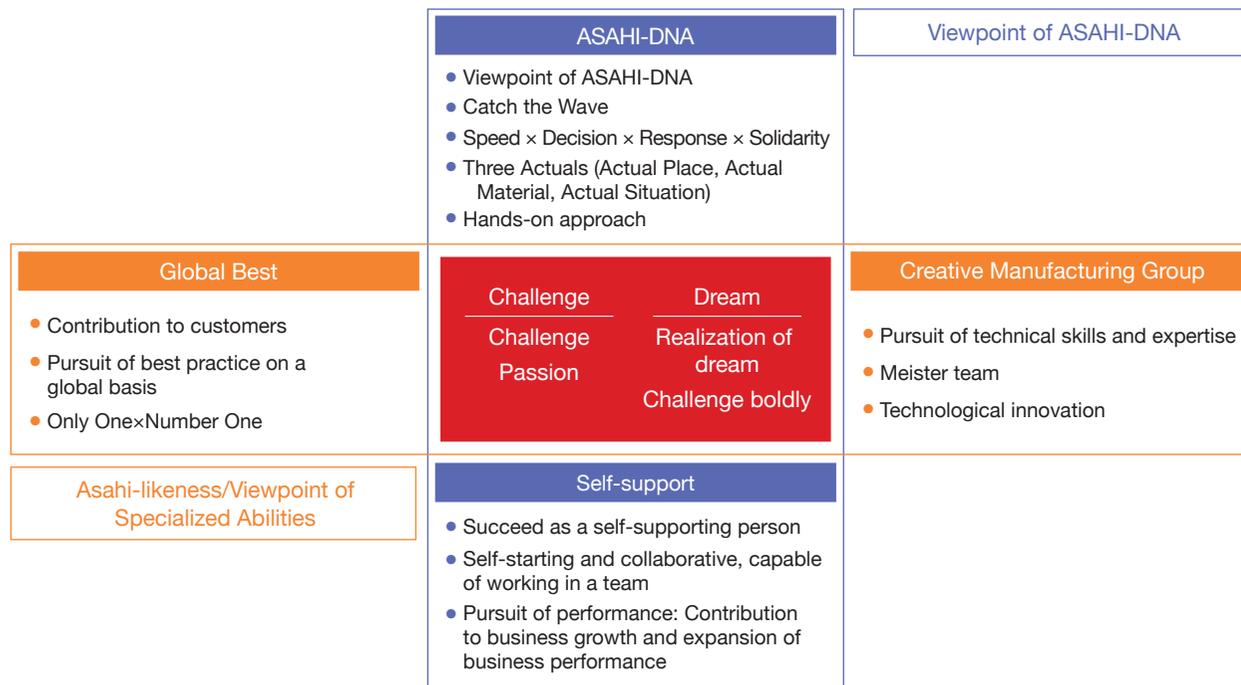
To constantly manufacture products at a high level as an R&D company, Asahi Intecc Group considers the technologies and skills (know-how) that skilled technicians have cultivated as our assets, transmits them beyond the borders of generations and regions, and has established the AI Technology Academy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

Employees who have advanced core skills in manufacturing and production are designated as Meisters, and are responsible for improving skills and human resource development at each site. Meisters then train apprentices who eventually become Meisters themselves, ensuring the succession of skills.

[Results]

- 28 graduates from Academy (as of the end of June 2023)
- Five employees became certified Meisters (as of the end of June 2023)

Human Resources Vision



Strengthening global human resources

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Human resource management

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, but the project has gained steam year by year as shown by the number of registered groups increasing to 155 groups as of the FYE June 2023. 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

organizations, 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 a smooth transfer overseas by providing language training to those who wish to, or those who are scheduled to, be transferred overseas and strengthening their global communication skills.

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 for the directors of overseas bases. We will 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 has expanded to 43.5% (as of FYE June 2023) globally, and we will further enhance our development capacity in order to realize the Mid-Term Management Plan "Asahi Going Beyond 1000."



ASAHI INTECC EUROPE B.V.

Strengthening global human resources

Human resource management

2 Reform of Personnel System

Asahi Intecc Group puts emphasis on the following three points about 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 base for continuous growth.

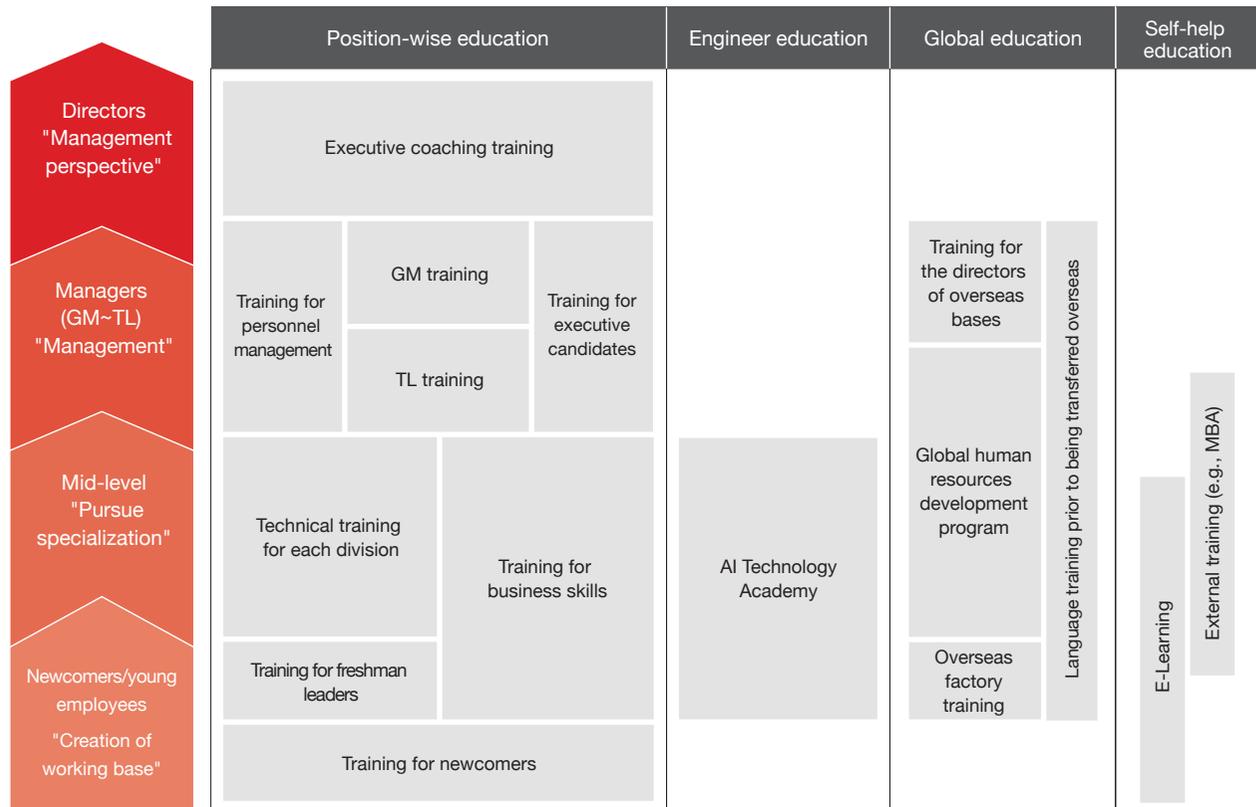
1. Securing the human resources of management leaders to establish a strong management base
2. Securing innovators to create new businesses and human resources with advanced technology and expertise
3. Securing global human resources who can lead diverse human resources

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.



Strengthening global human resources

Creating 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 a paid leave on an hourly basis

Measures toward Work-Life Balance

	FYE June 2021	FYE June 2022	FYE June 2023
Average monthly overtime (Asahi Intecc only) (hours)	23.5	24.3	24.4
Rate of taking paid leave (Asahi Intecc only) (%)	65.3	69.2	74.6
Flextime system Number of sites with flextime systems (in Japan) (sites)	4	5	6
Voluntary turnover rate of regular employees (Asahi Intecc only)* (%)	3.0	5.6	6.1

*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 very low compared to other companies' averages.

Support for Balancing Medical Treatments and Jobs

To support employees that need cancer treatment, special work programs have been introduced. 18 employees have used the system to continue working, as of the end of FYE June 2023.

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

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.



Strengthening global human resources

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Creating Fulfilling Workplace

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. Now, with the aim of spreading our view on human rights throughout the Company and enhancing its effectiveness, we have formulated "Asahi Intecc Group Human Rights Policy" with the approval of the Board of Directors.

*See our websites for details of 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.

WE SUPPORT



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 74 and 119 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 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.

See page 118 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 is required.

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 86 and 87 for details.

Strengthening global human resources

Creating Fulfilling Workplace

2 Creating Workplaces for a Diverse Workforce

7 Human Rights Due Diligence

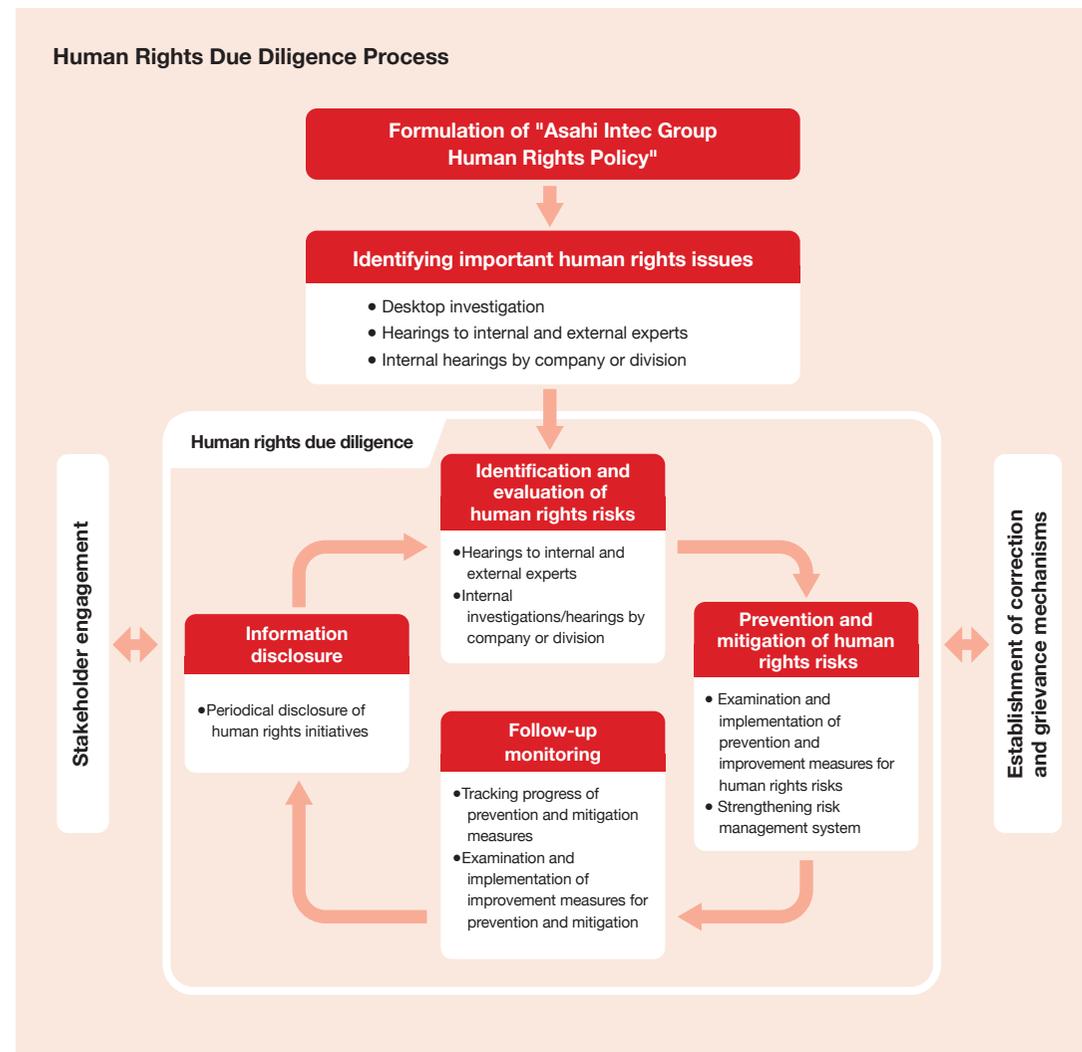
Asahi Intecc Group has established a mechanism for human rights due diligence to prevent or mitigate adverse impacts on human rights, by evaluating and identifying potential or actual risks and setting countermeasures for them.

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 Administration 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.



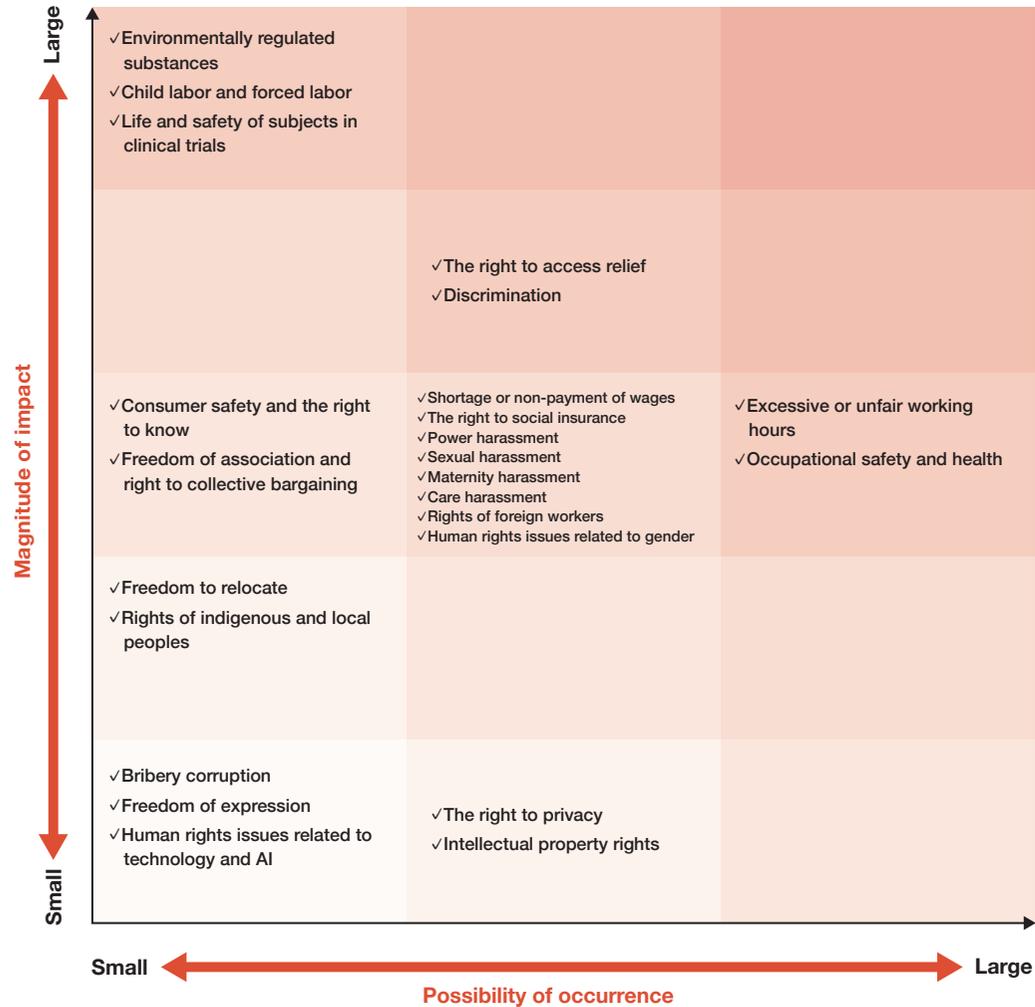
Strengthening global human resources

Creating Fulfilling Workplace

2 Creating Workplaces for a Diverse Workforce

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.



Strengthening global human resources

Creating Fulfilling Workplace

② Creating Workplaces for a Diverse Workforce

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, and deploys education and measures for harassment prevention.



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 contributions 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 employment of people with disabilities, and the employment rate of people with disabilities stands at 2.57% (FYE June 2023), maintaining the legally mandated rate of 2.3%. In addition, July 2023, Ficus Co., Ltd. moved its head office, 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.



I Strengthening global human resources

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Creating Fulfilling Workplace

③ Promoting Diversity

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 2021	FYE June 2022	FYE June 2023
Ratio of foreign employees (global) (%)	87.7	84.5	86.2
Ratio of foreign managers (global)* (%)	64.3	65.3	65.9

*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 2021	FYE June 2022	FYE June 202
Ratio of mid-career hires in managerial positions (global)* (%)	59.9	61.4	54.7

*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 flextime 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."

In Asahi Intecc Group, the ratio of women in management positions is relatively high at 36.3%, 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 12.0% 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 2021	FYE June 2022	FYE June 2023	Goal
Ratio of female employees (global) (%)	77.1	77.2	76.2	–
Ratio of female managers (global)*1 (%)	32.5	33.9	36.3	Maintain 30% or more
Ratio of female managers (Asahi Intecc only)*2 (%)	7.7	7.9	12.0	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 2021	FYE June 2022	FYE June 2023
Gender pay gap (Asahi Intecc only) (%)	–	–	61.1
Gender pay gap of regular workers*1	–	–	82.0
Gender pay gap of part-time and fixed-term workers*2	–	–	24.3

*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 technical positions

	FYE June 2021	FYE June 2022	FYE June 2023	Goal
Employment ratio of new female graduates (Asahi Intecc only) (%)	24.5	14.9	26.5	Maintain 25% or more
Employment ratio of new female graduates in technical positions (Asahi Intecc only) (%)	18.2	12.9	21.9	Maintain 20% or more

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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 54.5%, 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 2021	FYE June 2022	FYE June 2023	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) (%)	7.4	20.7	54.5	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.

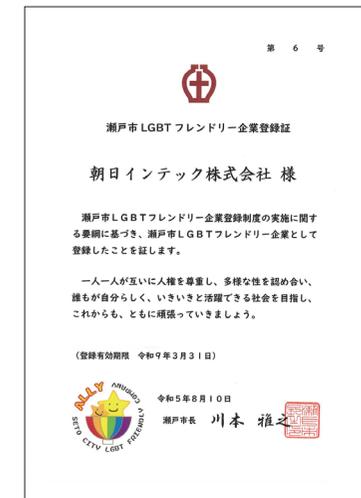
Diversity promotion project



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



Panel discussion to further promote the advancement of women by inviting female managers from other companies



Seto City LGBT Friendly Company Registration Certificate

Strengthening global human resources

Creating Fulfilling Workplace

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.



Mr. Kriengkrai Prasongsukarn
 ASAHI INTECC THAILAND CO., LTD.
 (Thailand Factory)
 Executive Vice President and Director

I have been deeply involved in the management of Asahi Intecc's Thailand Factory since its inception, including the establishment of its overall corporate functions such as the establishment of organizational structures and regulations, and coordination with the Thai government and related organizations.

Regarding diversity, I believe that different cultural backgrounds lead to different approaches to problem solving. In addition, I believe that foreign employees are important in providing valuable and diverse perspectives when solving problems. I think that by promoting cross-cultural exchange and collaboration, companies can solve problems from a broader perspective and foster a culture of innovation. The Thailand Factory ensures that there is no unreasonable discrimination in recruitment, employee retention, training, or employee capability development based on age, disability, gender (including transsexuals), or other non-work-related issues. I feel that society and the work environment can grow and prosper when all employees have mutual understanding, trust and respect.



Ms. Sarunrat Chayatavaj
 ASAHI INTECC THAILAND CO., LTD.
 (Thailand Factory)
 Junior Board

As a member of the Junior Board, I have participated in the creation of a transparent procurement system, and in order to ensure a smooth business operation system in the company, including tax incentives, I have established a management system while coordinating with the Thai government and related organizations.

I believe that creating a culturally diverse workplace is not just about being "right," but also about being better for business. In some industries, there may be a shortage of human resources with expertise domestically, but recruiting from a global human resources pool can help fill this gap. By leveraging the skills and knowledge of global human resources regardless of nationality or race, companies can gain a competitive advantage and drive organizational growth. At the Thai Factory, we always promote creativity and respect diversity among our employees, and I feel that the variety of solutions created by the various experiences of our employees has led to an increase in productivity throughout the company.



Ms. Simona Bruni
 KARDIA S.R.L (Kardia)
 Account Manager

I joined Kardia, which was an Italian distributor at the time of the M&A, and as an Account Manager, I have been deeply involved in the smooth integration of management and the establishment of the management system after the integration.

When I joined Kardia, it had just entered the Asahi Intecc Group, giving me the opportunity to meet wonderful new colleagues from multiple organizations and countries around the world. On the one side, I could absorb the best of what each person and each culture had to offer. On the other side, I entered a diverse, stimulating, and harmonious environment where I feel safe and appreciated, regardless of any gender barriers. Being part of such a dynamic and challenging reality empowers me to contribute to a healthier future for all, ensuring quality, innovation, and patient safety woven together.