

05 Sustainability Bolstering Non-Financial Capital

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In Tokyo R&D Center

5-1 On-Site Problem Solving Through Innovation

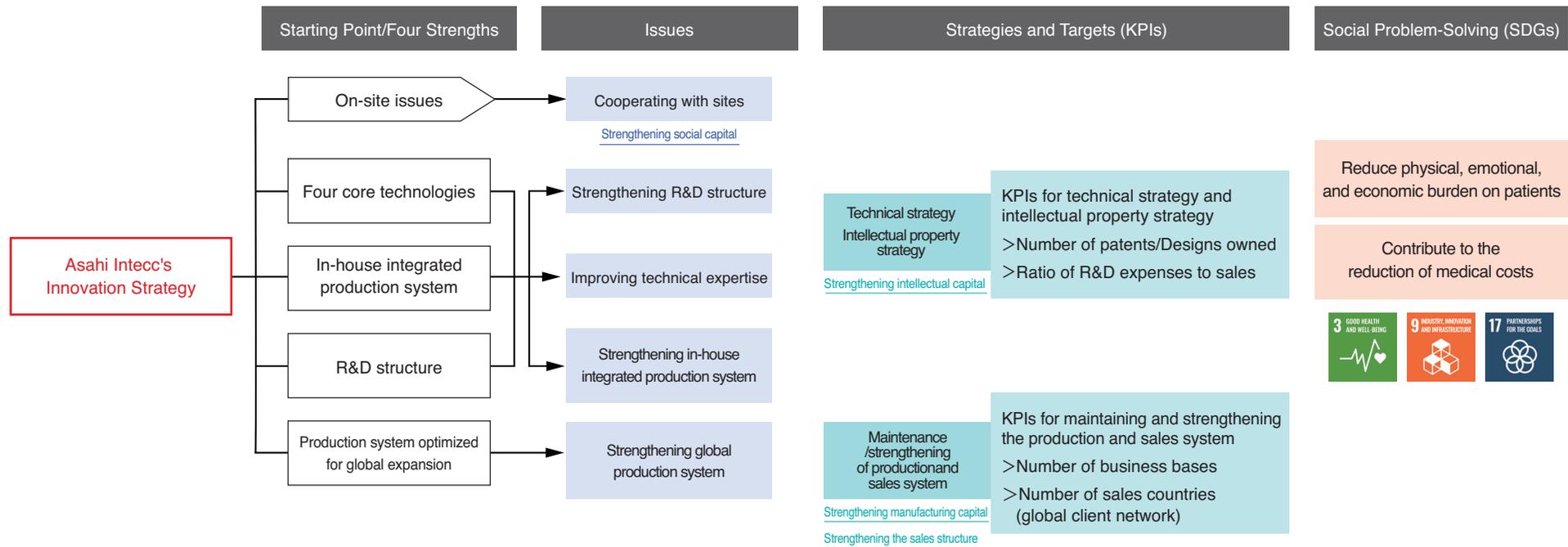
We are working to further create innovation by bolstering non-financial capital.

» 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

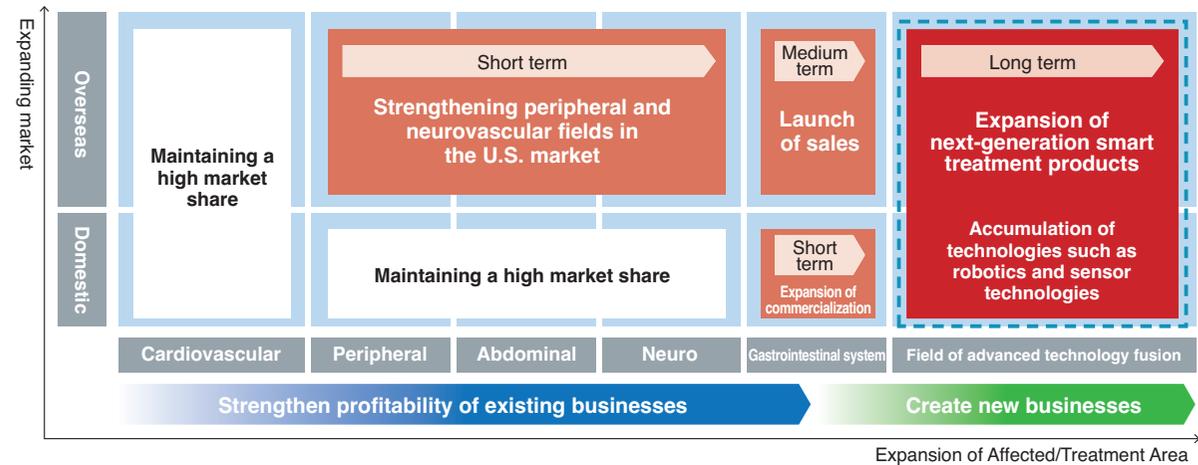
Efforts to realize next-generation smart treatments

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.

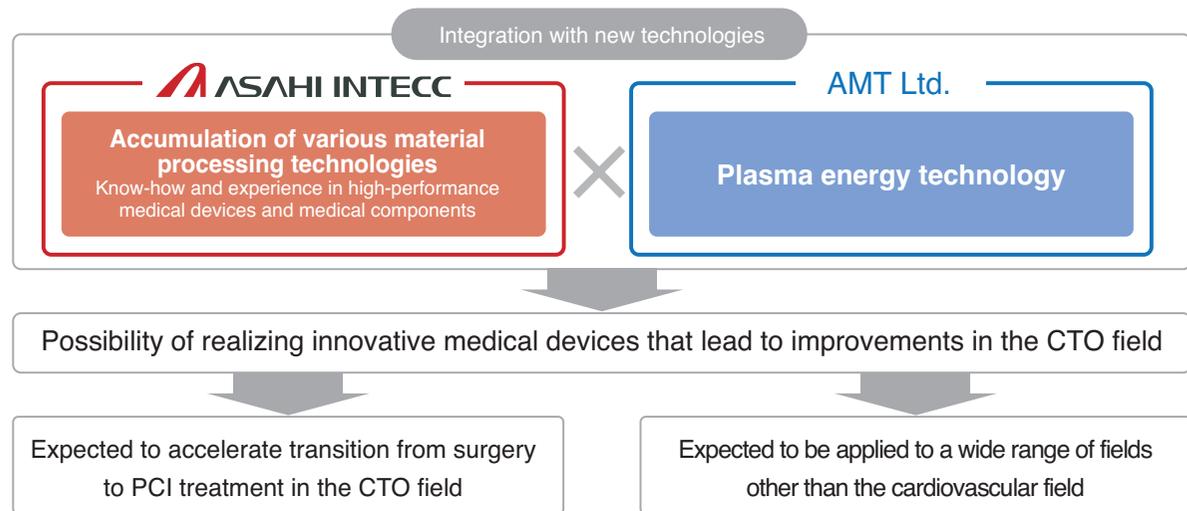
Efforts to develop plasma guide wires

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.

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.



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.

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.

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.

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



CCT (Japan)



SCAI (USA)



EURO CTO (Europe)

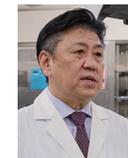


IEST (USA)



JSES (Japan)

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.

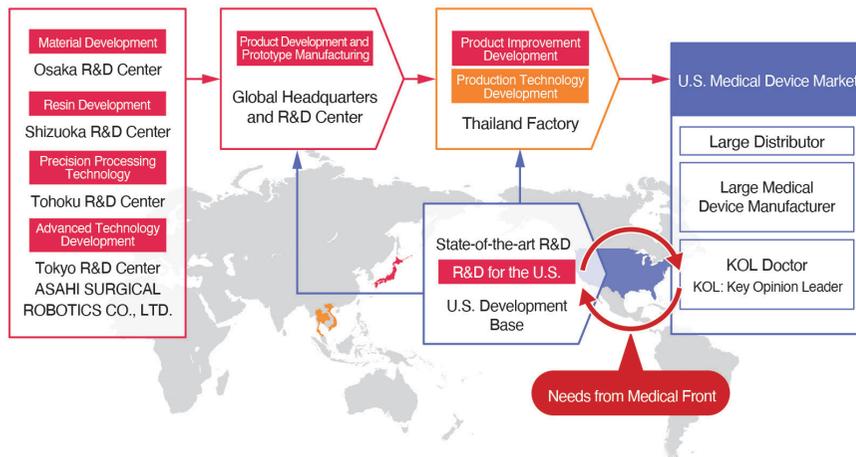
Measures to Strengthen/Improve Our R&D Structure

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.

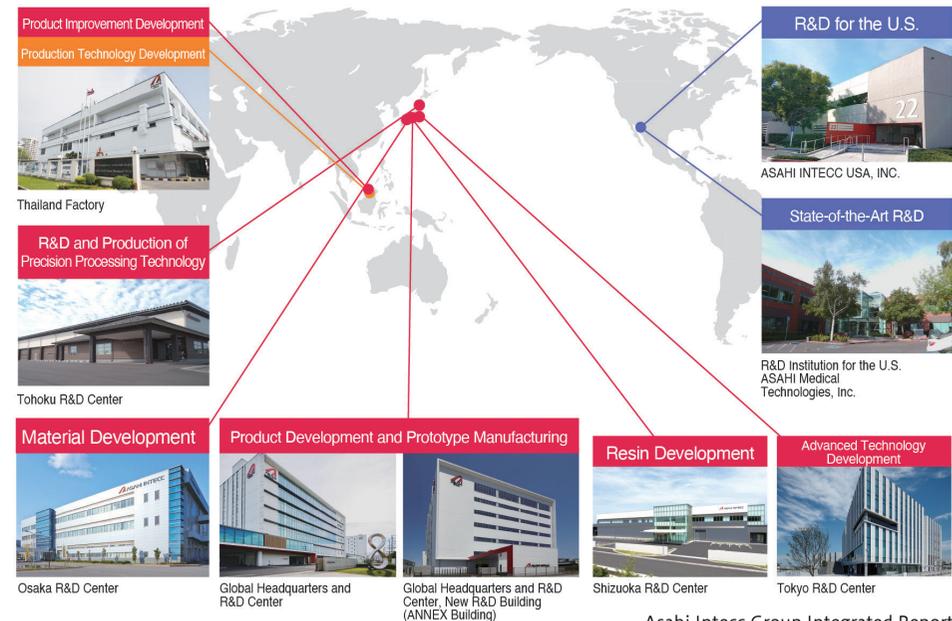
In Japan, which is the main R&D base, we have constructed a new building in the premises of Seto Factory, which is the center of the Group's R&D, and created an R&D environment identical to a clinical setting. In recent years, we have further enhanced our domestic R&D structure by opening the Tokyo R&D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

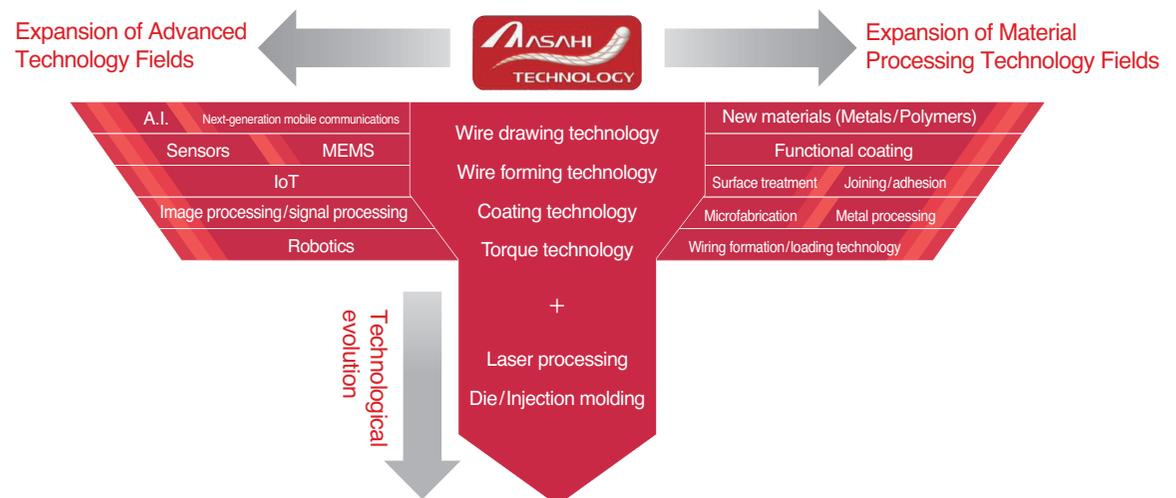
As part of our efforts to strengthen and protect our com-

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.

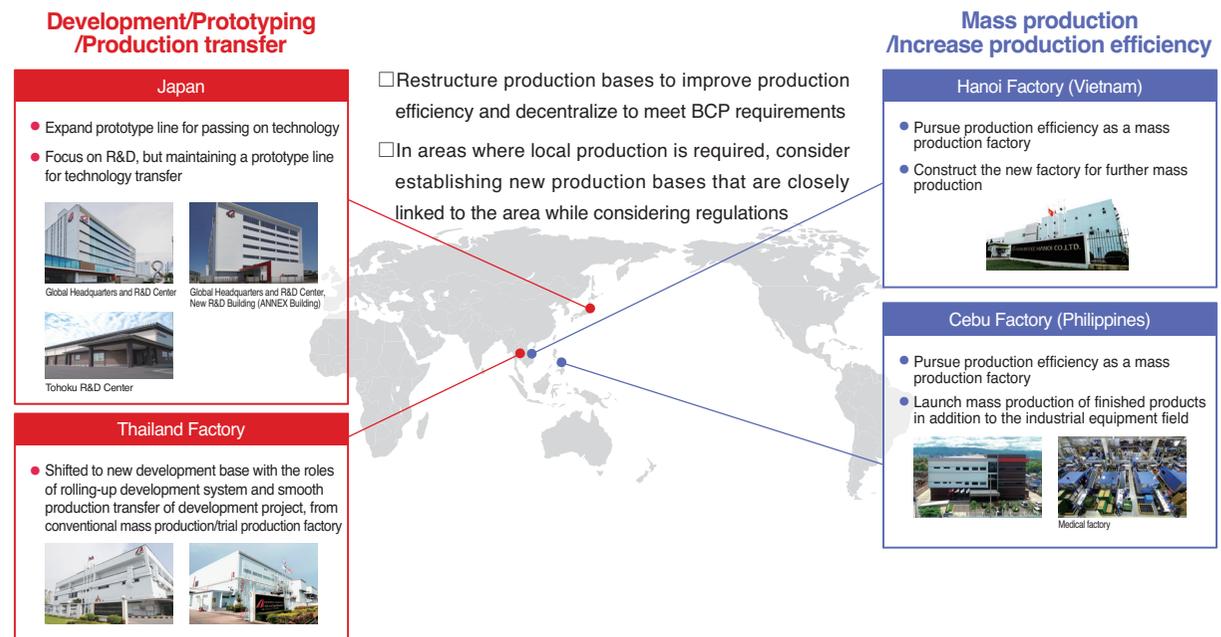
Measures to Enhance Production Platform

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



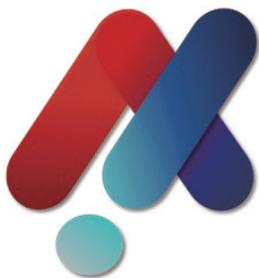
5-1 On-Site Problem Solving Through Innovation

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

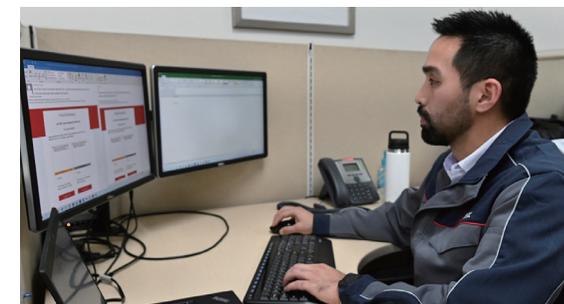
Development of AIX Promotion System

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	Inheritance of ASAHI-DNA	Human resources for fellow course personnel (Asahi Intecc only) (persons)	3	—	
		Penetration of human resources vision	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	—
		Creating safe and healthy workplaces	Forming a creative manufacturing group	Ratio of R&D personnel (Asahi Intecc only) (%)	42.6	—
		Creating workplaces for a diverse workforce	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	—
	Creation of a fulfilling workplace	Promoting diversity	Promoting the employment of people with disabilities	Employment ratio of people with disabilities (in Japan) (%)	3.05	—
			Promoting the success of women	Ratio of female managers (global) (%)*1 Ratio of female managers (Asahi Intecc only) (%)*2 Employment ratio of new female graduates (Asahi Intecc only) (%) Employment ratio of new female graduates in technical positions (Asahi Intecc only) (%)	35.8 12.3 33.3 33.3	Maintain 30% or more 13% or more as of FYE June 2026 Maintain 25% or more Maintain 20% or more
		Diversifying human resources	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-

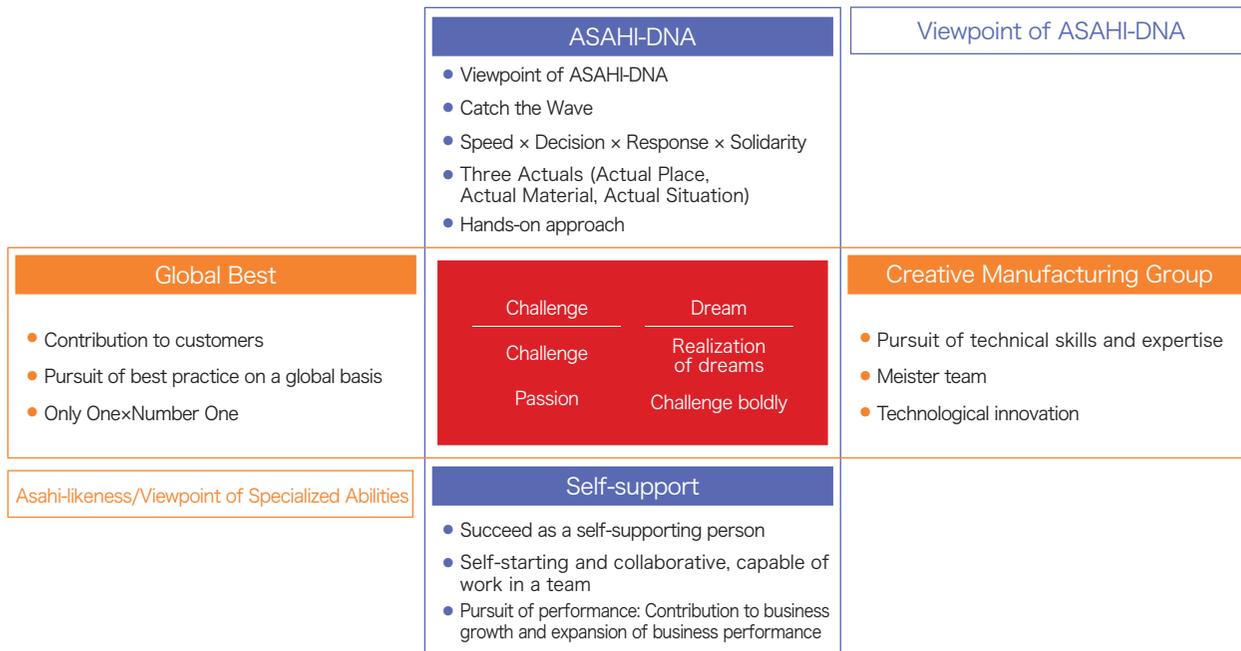
ports continuous growth of staff members. Particularly as an R&D-oriented company striving for globalization in each field of sales, production, and development, we will focus more on engineer education and global education. The total annual hours of training offered to staff members is 13,718 hours,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



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.



Education by class	Engineer education	Global education	Self-help education
Executive coaching training			
Training for personnel management GM training TL training Training for executive candidates		Training for the directors of overseas bases Language training prior to being transferred overseas Communication training for employees posted overseas	
Technical training for each division Training for business skills	AI Technology Academy	Global human resources development program Overseas factory training	E-Learning
Training for freshman leaders Training for newcomers			External training (e.g., MBA)

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
Over view	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.

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 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

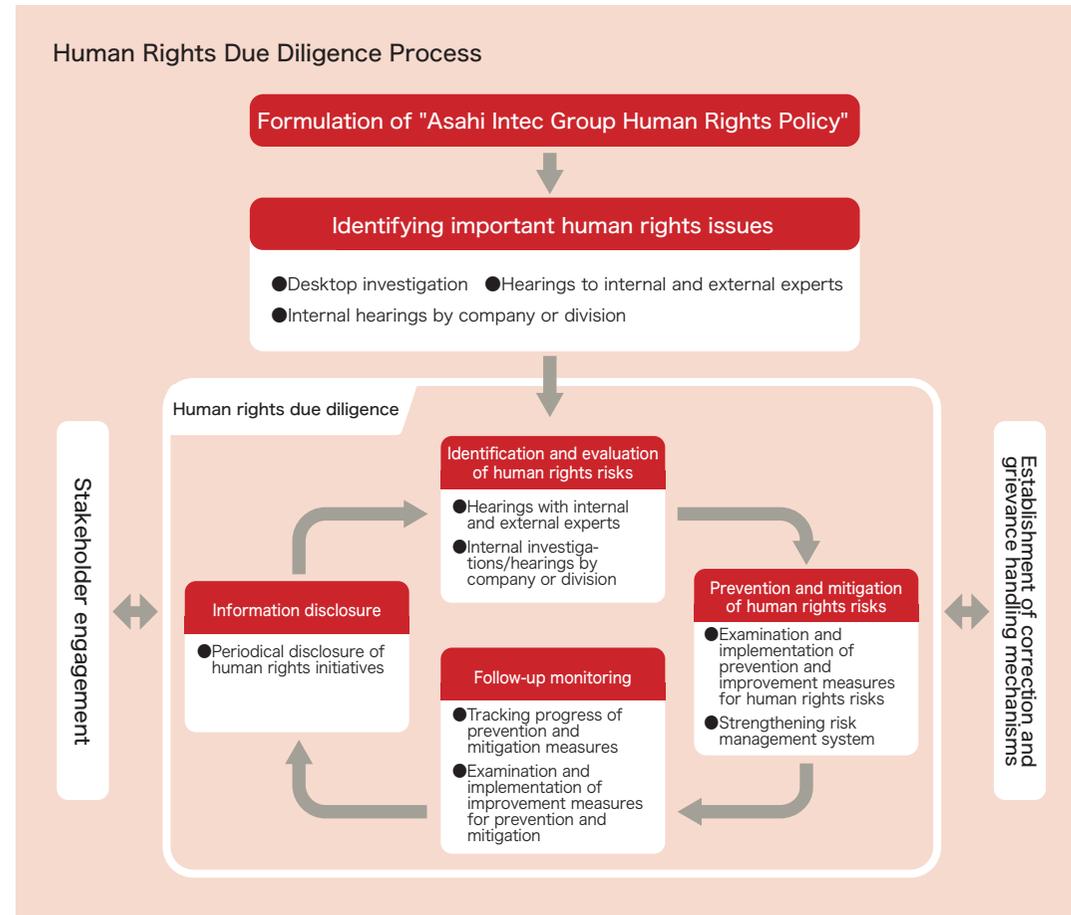
Asahi Intecc Group has established a mechanism for human rights due diligence to prevent or mitigate adverse impacts on human rights, by evaluating and identifying potential or actual risks and setting countermeasures for them.

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.

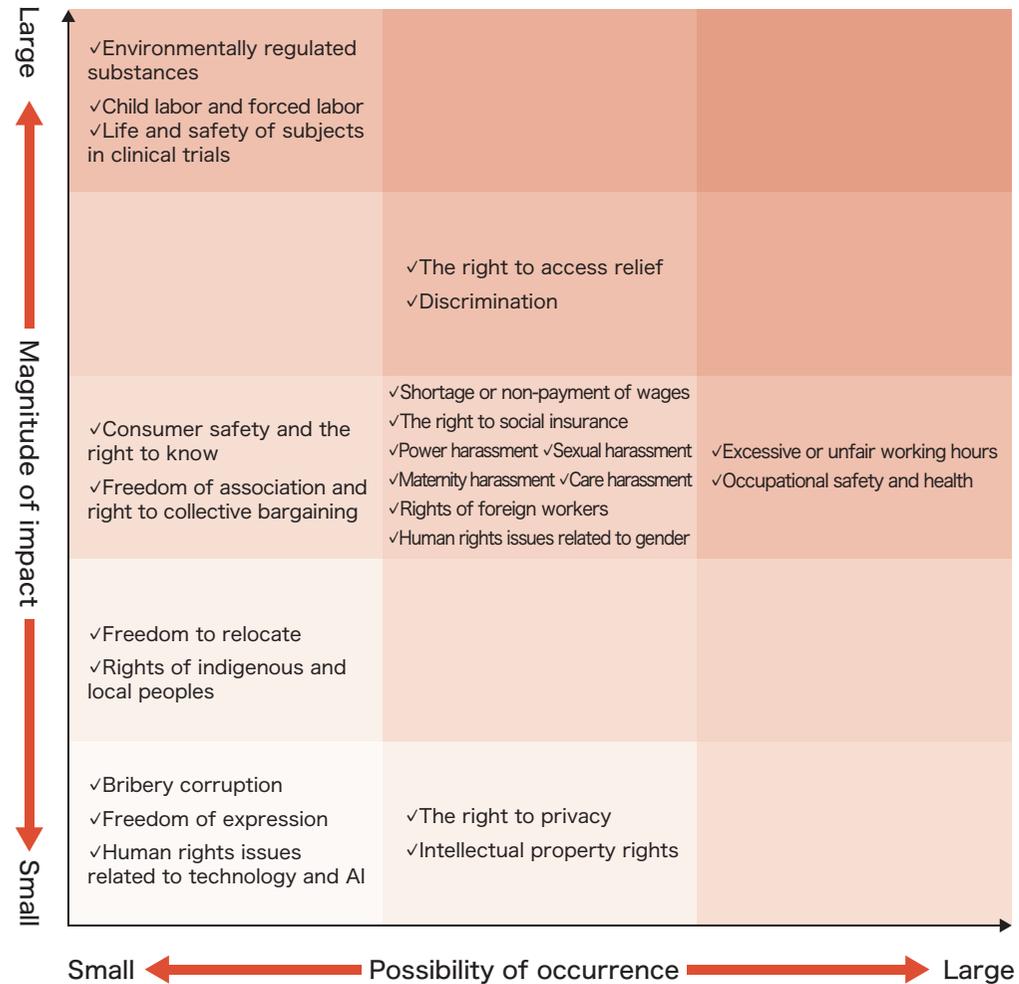
In the event that human rights issues are identified during the due diligence process, they will be addressed in coordination with department heads from relevant companies in Japan and overseas.



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

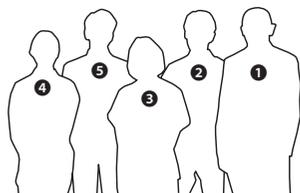
Thinking about working at Asahi Intecc -- Human resource development to enhance organizational capacity --



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



- ❶ Shinjiro Ootani, Executive Officer
- ❷ Tomoki Ichikawa
CV Section, Product Development Group
- ❸ Mariko Imai
Seconded to walkey Inc.
- ❹ Kanako Nishio
EVT Section, Product Development Group
- ❺ 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

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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

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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

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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

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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

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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

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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.

