

# 06 Sustainability Environmental and Social



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## 6-1 Measures to Reduce Environmental Burden

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

### » Basic Thinking

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

### » Promotional Structure

#### ■ Top-down Promotion of Environmental Activities

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

#### ■ Bottom-up Promotion of Environmental Activities

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

### » Promotion of Company-wide Environmental Activities

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

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

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

### » Environmental Policy

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

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

6-1 Measures to Reduce Environmental Burden

## Obtaining ISO 14001 Certification

### Environment Management System

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

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

### Examples of Providing Environmentally Conscious Products

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

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



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



ASAHI INTECC  
THAILAND CO.,LTD.



TOYOFLEX CEBU  
CORPORATION

6-1 Measures to Reduce Environmental Burden



## Climate Change Adaptation Measures

### Information Disclosure based on TCFD Recommendations

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

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

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

### Governance

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

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

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

### Strategy

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

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

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

### Risk Management

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



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

6-1 Measures to Reduce Environmental Burden

Analysis of Impacts on Climate Change

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

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

Risks/opportunities	Important risks	Risks and opportunities in our Group	Impact (period in which impact becomes obvious /financial impact/importance)		Countermeasures	
Transition risks	Strengthened decarbonization policies and regulations	Risks of increased costs due to tighter regulations on greenhouse gas emissions and the introduction of carbon taxes and emissions trading	Medium term	1.5°C scenario: Approx. -900million yen(2030) 2°C scenario: Approx.-900million yen(2030)	Large	<ul style="list-style-type: none"> <li>•Promotion of initiatives to reduce CO<sub>2</sub> emissions</li> <li>•Use of renewable energy</li> </ul>
		Risks of increased costs due to increase in infrastructure-related costs accompanied by various tighter regulations, including regulations on greenhouse gas emissions		1.5°C scenario: Approx. -700 million yen (2030)		
Transition risks	Reduction of plastics, shift to materials with low environmental burden, and increase in material prices	Risks of rising prices of key raw materials	Medium term	1.5°C scenario: Approx.+600 million yen (2030) 2°C scenario: Approx.+100 million yen (2030)	Medium	<ul style="list-style-type: none"> <li>•Switching to low-carbon alternatives</li> <li>•Weight reduction of packaging</li> <li>•Globalization of pharmaceutical organization</li> <li>•Strengthening research on new materials</li> </ul>
		Risks of increased R&D and SG&A expenses due to the search for new materials, changes in product design, and response to pharmaceutical issues		-		
Physical risks	Increased frequency and scale of meteorological disasters (heavy rain, floods, typhoons)	Risks that supply chain disruptions could disrupt the procurement of raw materials from suppliers and disrupt the supply from manufacturing subsidiaries to sales destinations	Long term	4°C scenario: Approx. -200 million yen	Small	<ul style="list-style-type: none"> <li>•Climate change risk assessment for suppliers</li> <li>•Conducting questionnaire for suppliers</li> <li>•Examination of alternative purchasing methods</li> <li>•Examination of alternative production and sales routes</li> </ul>
		Risks of inundation of the factory and equipment due to river flooding around the manufacturing site, resulting in temporary difficulties in operation	Long term	4°C scenario: Approx. -2.1 billion yen	Large	<ul style="list-style-type: none"> <li>•Climate change risk assessment at production bases</li> <li>•Diversification of production bases</li> <li>•Examination of measures for bases where large-scale inundation is expected</li> </ul>
	Risks of submergence and incapacity of manufacturing sites due to rising sea levels associated with rising temperatures	4°C scenario: Approx. -30.3 billion yen				
	Rise in temperature	Risks of increased maintenance and management costs for production facilities due to higher average temperatures	Long term	-	Small	<ul style="list-style-type: none"> <li>•Replacement of air conditioning equipment, etc.</li> </ul>
Opportunities	Increased risks of developing intravascular diseases	Opportunities to supply products that can contribute to increased efficiency at the medical workplace	Long term	4°C scenario: Approx. +3.3 billion yen (2050)	Large	<ul style="list-style-type: none"> <li>•Strengthened R&amp;D</li> </ul>

The impact shown on the above is calculated value for FYE June 2023. In calculating the impact, we referred to the materials available from the IEA, IPCC and the materials disclosed by the Ministry of Land, Infrastructure, Transport and Tourism, etc. at the time of calculation, and made calculations using a reasonable method. However, research results, information, and data that serve as sources of information for each scenario are based on the time of calculation, and the impact estimates analyzed and calculated based on these scenarios are inherently uncertain. The medium-term forecast is for about 10 years and the long-term forecast is for about 30 years. In terms of importance, those estimated to have a financial impact (an absolute value) of less than 500 million yen on our Group are considered small, those estimated to have an impact of 500 million yen or more are considered medium, and those estimated to have an impact of 1 billion yen or more are considered large.

6-1 Measures to Reduce Environmental Burden



## » Metrics and Targets

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

As for CO<sub>2</sub> emissions from the supply chain (Scope 3), we aim to maintain the level of FYE June 2023 by basic sales unit. In Scope 3, the majority are emissions in Category 1 (purchased products and services). However, since our Group's main business is the manufacturing and sale of medical devices, it is more difficult than in other industries to make changes to purchased products. Therefore, we believe that it will be difficult to significantly reduce emissions. On the other hand, reducing CO<sub>2</sub> emissions is also an important issue for our Group to address, so we are working on the reduction not only in our Group, but also in cooperation with our suppliers throughout the entire supply chain.

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

## » Scope1+Scope2

CO<sub>2</sub> emissions from our Group's business activities increase by 2.4% year on year for our Group as a whole owing to an increase in production volume. However, emissions decreased by 14.2% by basic sales unit, owing to an increase in sales.

We believe that the volume of CO<sub>2</sub> emissions from our Group's business activities is relatively small compared to the scale of its sales. However, in addition to improving the efficiency of manufacturing processes and energy conservation activities such as diligently saving electricity, we will consider and implement comprehensive initiatives, including the conversion to renewable energy in the future.

■CO<sub>2</sub> emissions (Scope 1 + Scope 2)

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

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

## » Scope3

Our Group is working to reduce CO<sub>2</sub> emissions throughout its entire supply chain by, for example, conducting a questionnaire regarding environmental considerations for major suppliers and selecting more environmentally friendly materials after considering the impact on the environment from the design stage.

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

■CO<sub>2</sub> emissions (Scope 3)

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

\*Asahi Intecc only  
 \*\*As it was discovered that there were some errors in the past tabulation for some of Scope 3 (Category 3), the calculations of previous fiscal years have been reviewed. Our company responds based on the advice of external experts. However, as a result of a review of the tabulation process, it was found that there were differences in the understanding of the scope of Category 3, and we have revised the tabulation process accordingly.  
 Magnitude of impact: FYE June 2022: +670t-CO<sub>2</sub>  
 FYE June 2023: +6,467t-CO<sub>2</sub> Emissions by basic sales unit +0.07

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

6-1 Measures to Reduce Environmental Burden

## Efforts for Biodiversity

### » Policy and Basic Thinking

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

### » Governance

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

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

### » Main Initiatives

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



Seashore cleanup activities (Cebu Factory)



Activities for planting mangroves (Cebu Factory)



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



### Donation to the Keidanren Nature Conservation Fund (KNCF)

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



6-1 Measures to Reduce Environmental Burden

## Measures to Reduce Greenhouse Gas Emissions

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

### » Promoting Energy Conservation

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

#### ■ Specific Measures

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

### » Participation in Environmental Protection Activities



Seashore cleanup activities (Cebu Factory)



Activities for planting mangroves (Cebu Factory)



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



### » Reducing, Separating, and Recycling Waste

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

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

### » Provide Environmentally Friendly Products

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

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

### » Managing Chemical Substances

#### ■ Management Structure/Process

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

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

6-1 Measures to Reduce Environmental Burden

## Utilizing Purchased Goods Useful for Environmental Improvement

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



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



Installation of solar panels at Thailand Factory



Installation of solar panels at Cebu Factory



Installation of energy-saving chillers



Water-saving dishwashers installed at cafeteria



Promoting returnable bobbins and their reuse



Using recycled pallets

## Measures for Water Resources

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

### Tap water consumption

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

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

## 6-2 Supply Chain Management

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

### » Basic Policy

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

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



### ① Asahi Intecc Group’s Procurement Policy

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

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

[Requests to Our Suppliers](#)



### ② Policy-Sharing Explanation for Suppliers

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

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

< Major requests >

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



6-2 Supply Chain Management

### ③ Questionnaire and Audit for Suppliers

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

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

### ④ BCP (Business Continuity Plan) of Procurement

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

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

### ⑤ Employee Education

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

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



## 6-3 Providing Safe and Secure Products

### Basic Policy

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

### Promotional Structure

#### (1) Structure to Supply Safe and Secure Products

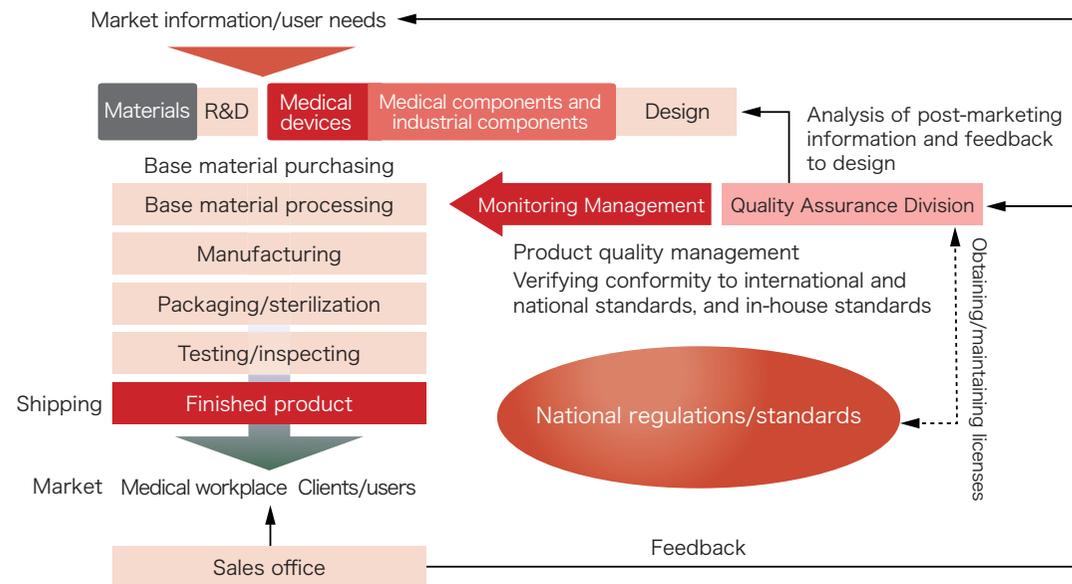
Our Group has established a quality management system that applies the international standards framework of ISO 9001 and ISO 13485 in order to reliably provide our customers with high-quality products and medical devices, and we have developed a structure to assure uniform quality across research, design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

#### (2) Thinking on Quality Assurance Structure and Quality Management

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

quire precise specifications and quality in their materials, and the number of raw material manufacturers capable of steadily supplying materials that meet these standards is limited even on a global scale. Therefore, our Group purchases base materials as far upstream as possible and manufactures them in-house into near-ideal materials, components and, ultimately, the finished products. Moreover, in order to manage and ensure product quality, our Group has a quality assurance division separate from the research, and design and development departments, production bases, and sales offices. This division inspects and tests our manufactured products to confirm that they conform to the required international, national, and in-

house standards, and only the high-quality products that pass these inspections are shipped to market. In addition, an internal quality auditor certified by our rigorous internal certification system conducts internal and intra-Group quality audits to regularly monitor the appropriateness of this manufacturing management and quality assurance structure, striving for continuous improvement. We have also established a dedicated department to constantly collect and evaluate the latest post-marketing information. We collect and evaluate a wide range of product information after launch and provide feedback on improvements to improve quality and new product designs.



6-3 Providing Safe and Secure Products

## » Base Certification

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

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

## » Quality Regulations

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

## » Control of Quality Targets

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

## » Quality Reporting Structure

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

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

## » Measures to Improve Quality

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

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

## » Reception and Conduct of Quality Audit

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

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

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

## 6-3 Providing Safe and Secure Products

### » Respect for Bioethics in Research and Development

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

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

#### Cleanliness Level of Medical Division

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

#### Education/Training of Employees and Suppliers

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

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

#### Instruction on Product Use

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

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

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



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

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

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

## 6-4 Social Contribution

### Asahi Intecc's Social Contribution

#### Thinking on Social Contribution

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

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

#### Contributing to Society Through Sports

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

#### Concluded Affiliation Agreement and Sponsorship Agreement with Professional Golfers

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

We concluded an affiliation agreement with professional

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

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



Mayu Hattori

Hiromu Ono

Lala Anai

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

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

The team of Asahi Intecc Loveledge Nagoya was estab-

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



Team Emblem



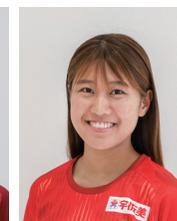
Aina Kakiuchi



Momo Miura



Ayumi Natsume



Fumina Shibayama

6 - 4 Social Contribution

**Utilizing Professional Soccer Player Maya Yoshida for Our Advertisements**



We have been utilizing Maya Yoshida as a character for our advertisements since 2018. Maya Yoshida is Chairman of the Pro-Footballers Association of Japan and was Japan National Team member and captain of Japan Team at the FIFA World

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

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

**Contributing to Local Communities**

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

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

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

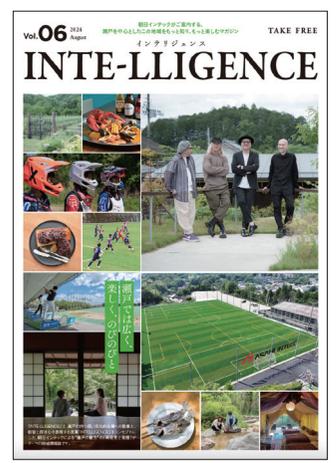


**Publishing Regional Information Magazine INTE-LLIGENCE**

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

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

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



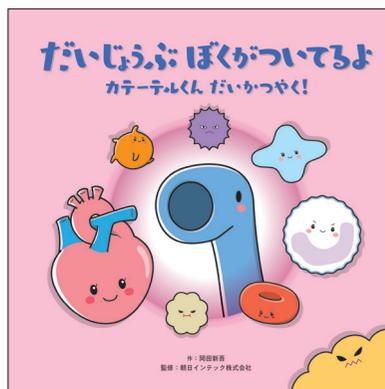
6 - 4 Social Contribution

**Donation and Sale of Picture Book**

***Don't Worry, I'm with You: Catheter Is Performing Outstandingly!***

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

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



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

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

**【Donation recipients】**

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

Writer: Shingo Okada

Supervision: Asahi Intecc Co., Ltd.

Production of original drawings: Ficus Co., Ltd.

Planning and creation: CBC Creation Co., Ltd.

Number of pages: 28 pages

ISBN: 978-4-86693-585-0

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

**Binding of Picture Book**

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

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

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



6 - 4 Social Contribution

**Ground Construction on the Site of Former Koseto Elementary School**

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

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

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

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



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

**● Cleanup Activities**

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



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

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



## 6 - 4 Social Contribution

### Cosponsoring BALL PARK LAND in SETO 2024

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

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

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



### Sponsorship of the GIGI Project

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

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

