



Chapter 6

Sustainability Environmental and Social

Sustainability - Environmental and social

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6-1 | Measures to reduce environmental burden

We will promote measures to reduce 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 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.

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.

Our Group has expressed its agreement with the TCFD.

We will actively promote disclosure of information on climate change in accordance along 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.

Specifically, we have 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.



6-1 | Measures to Reduce Our Environmental Burden

Strategy

As the environmental burden on the earth increases, it is impossible to carry out corporate activities without realizing a sustainable society. In particular, disruptions to the supply chain and a decline in the ability to supply life-saving medical devices 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 and risk assessment based on the TCFD Recommendations.

Risk Management

Concerning the matters that have a significant impact on 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 and opportunities that are assessed and identified. For risk management, each department implements measures to respond to risks and opportunities. Climate change-related risks are compiled by the Corporate Strategic Office, and important risks are reported to the Board of Directors. In the future, we will follow up on climate-related risks based on the TCFD Recommendations and consider the establishment of a climate-related risk management system, including collaboration with company-wide risk management.

Analysis of Impacts on Climate Change

As a scenario analysis focused on climate change, we are conducting medium- to long-term future projections in accordance with the 2°C (and less than 2°C) scenario presented by the IEA (the International Energy Agency) and the 4°C scenario (RCP 8.5) presented by the IPCC (Intergovernmental Panel on Climate Change). In 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 infectious 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. Based on these predictions, each Group company conducts risk and opportunity analysis for each business field and share with the Board of Directors meetings.

Risks/opportunities	Important risks	Risks and opportunities in our Group	Impact (period in which impact becomes obvious/importance)		Countermeasures
Transition risks	Strengthened decarbonization policies and regulations	Risks of increased operating costs, including investment in energy-saving equipment, due to tighter regulations on greenhouse gas emissions and the introduction of carbon taxes and emissions trading	Medium term	Large	Promotion of initiatives to reduce CO ₂ emissions Use of renewable energy Switching to low-carbon alternatives Weight reduction of packaging
	Reduction of plastics, shift to materials with low environmental burden, and increase in material prices	Risk of increased R&D and SG&A expenses due to the search for new materials, changes in product design, and response to pharmaceutical issues	Medium term	Medium	Globalization of pharmaceutical organization Strengthening research on new materials
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 destination	Long term	Large	Climate change risk assessment for suppliers Conducting questionnaire for suppliers Examination of alternative purchasing methods Examination of alternative production and sales routes
		Risk of delays in the supply of products to sales destination and restoration costs for damaged facilities due to production suspension caused by damage to manufacturing sites	Long term	Large	Climate change risk assessment at production bases Diversification of production bases Examination of measures for bases where large-scale inundation is expected
	Rise in temperature	Risk of increased maintenance and management costs for production facilities due to higher average temperatures	Long term	Small	Replacement of air conditioning equipment, etc.
Opportunities	Spread of new infectious diseases	Opportunities to supply products that can contribute to increased efficiency at the medical workplace	Long term	Small	Strengthened R&D

As the first step in the scenario analysis, we did not quantitatively calculate the business impact and financial impact. However, we qualitatively assessed the likelihood, period, and significance if the risks become obvious, and categorized the impact into large, medium, and small. The medium-term forecast is for about 10 years and the long-term forecast is for about 30 years.

6-1 | Measures to Reduce Our Environmental Burden

Metrics and Targets

In line with SBT's 1.5°C-level reduction target*, our Group has formulated a medium-term CO₂ emissions reduction target of reducing CO₂ emissions by 30% from the FYE June 2022 by 2030.

This reduction target covers CO₂ emissions from our Group's business activities (SCOPE1 + SCOPE2), and the reduction target for CO₂ emissions from the entire supply chain (SCOPE1 + SCOPE2 + SCOPE3) is scheduled to be formulated within one year.

Although our Group is still in the process of growth, we will work actively to reduce greenhouse gases while expanding our business, based on a correct recognition of the impact of our Group's business on the environment and climate change risks.

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

SCOPE1+SCOPE2

CO₂ emissions from our Group's business activities increase year on year as for our Group as a whole due to the launch of new factories and an increase in production volume. However, due to an increase in sales, emissions decreased by 10.2% by basic sales unit.

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

■ CO₂ emissions (SCOPE1 + SCOPE2)

	FYE June 2020	FYE June 2021	FYE June 2022
SCOPE1(t-CO ₂)	1,790	1,877	2,349
SCOPE2*(t-CO ₂)	35,573	39,281	44,385
Total	37,363	41,158	46,734
Emissions by basic sales unit (t-CO ₂ /1 million yen)	0.66	0.67	0.60

*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 greenhouse gas emissions throughout its supply chain by, for example, conducting questionnaire regarding environmental considerations for major suppliers. As for SCOPE 3 for FYE June 2022, we calculated emissions for Asahi Intecc only, but we will establish a system to calculate emissions for the entire Group.

■ CO₂ emissions (SCOPE3)

	FYE June 2022
SCOPE3(t-CO ₂)	74,045

See Non-Financial Summary (page 100) for data by category.

6-1 | Measures to Reduce Our Environmental Burden

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) 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 environment protection.
 - We will promote resource saving and energy conservation.
 - We will reduce, separate, and recycle waste.
 - We will provide products that take environmental conservation and protection into consideration.
 - We will thoroughly manage chemical substances.
 - We will utilize purchased goods useful for environmental improvement.
- (3) Through environmental education, we will raise the awareness of and support each employee in taking responsibility for environmental conservation and protection activities.
- (4) We will inform everyone who works for us of this environmental policy and share it publicly.

■ Status of ISO 14001 Certification



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



ASAHI INTECC
THAILAND CO.,LTD.



TOYOFLEX CEBU
CORPORATION



TOYOFLEX
CORPORATION

Obtaining ISO 14001 Certification

<Environment Management System>

Our Group has established an environmental policy for each major base of the device business and has 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

Our Group's guide wires use a proprietary construction based on our 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. In addition, 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.

6-1 Measures to Reduce Our 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, and promotes these measures across the entire Group.

1 Promoting Energy Conservation

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

2 Participation in Environmental Protection Activities

- Activities for planting mangroves (Cebu Factory).
- Seashore cleanup activities (Cebu Factory)



Reducing, Separating, and Recycling Waste

Our Group works to reuse resources and reduce waste by:

- Thoroughly separating garbage
- Limiting printed distribution of meeting materials, etc.
- Promoting digitalization of internal documents using IT systems
- Recycling manufacturing materials (metals)

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 by:

- 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 by:

- 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

6-1 | Measures to Reduce Our Environmental Burden

Utilizing Purchased Goods Useful for Environmental Improvement

Our Group proactively installs energy-saving equipment and uses recycled equipment and office supplies by:



Installing solar panels



Promoting returnable bobbins and their reuse



Installing cafeteria equipment such as water-saving dishwashers



Using recycled pallets

We are also promoting the introduction of energy-saving boilers and the use of green procurement office supplies.

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 cooling water. 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 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 2020	FYE June 2021	FYE June 2022
Tap water consumption (1000 m ³)	306	319	354

* 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 “Asahi Intecc Group’s Procurement Policy” and has been strengthening compliance with laws and social norms. We will value the partnerships we have built with our business partners, and aim to strengthen our relationships further based on fair, impartial, and transparent transactions.

Our Group takes a part of social responsibility of stable provision of high-quality medical care 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 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

2 Questionnaire and Audit for Suppliers

We regularly conduct “Questionnaire for Forecast (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 for audit if a risk, etc. occurs.

We also conduct on-site audit regularly and systematically for our partners that manufacture quality-relevant components according to the rules of purchase control. On-site audit specifically checks the details of regulations and standards, quality control systems, and quality assurance process, frequency of and responses to defects, and preventive measures from two aspects, quality control system and product quality.

3 BCP (Business Continuity Plan) of Procurement

Our Group, procuring many valuable metals and reagents, puts efforts into 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 the 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.

4 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 | Supplying safe and secure products

Building a system based on the quality policy for supplying 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

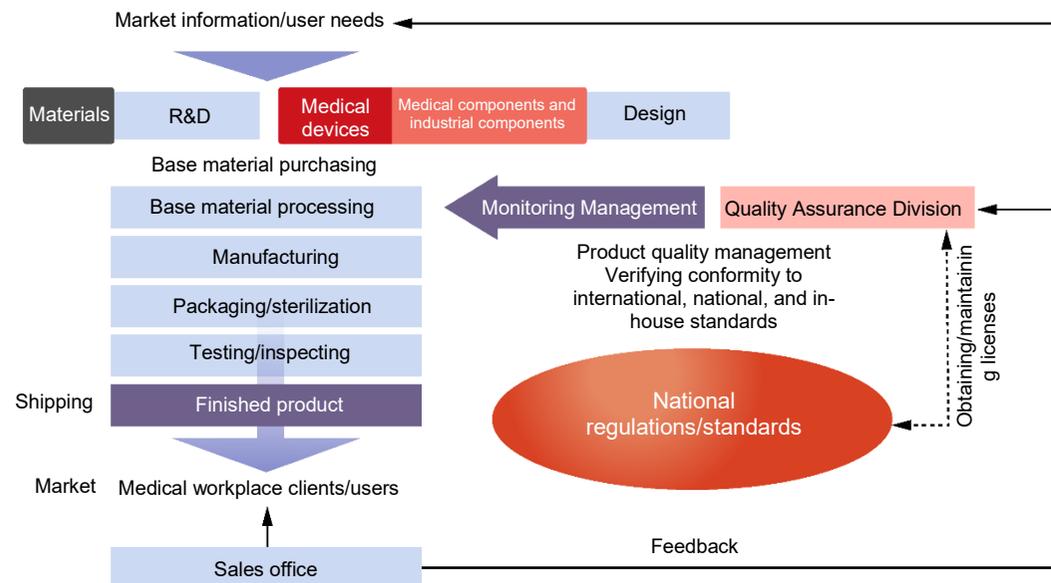
Our Group has established a quality management system that applies the international standards framework of ISO 9001 and ISO 13485 in order to reliably provide our customers with high-quality products and medical devices, and developed a structure to assure uniform quality across research, design and 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

require 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, 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 does internal and intra-Group quality audits to regularly monitor the appropriateness of this manufacturing management and quality assurance structure, striving for continuous improvement.



6-3 | Supplying Safe and Secure Products

Measures to Supply 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 2022. For the latest information, see “Quality Assurance” 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 and research, 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 and administrative authority, and our customers. In addition, internal auditors conduct periodic and irregular audits; in the FYE June 2022 we underwent 35 external audits and conducted 5 internal audits.

■ Status of Quality Management System Certification (as of the end of June 2022)

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

6-3 | Supplying 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 experimenters 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 developing, 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 132 as of the end of June 2022.

Instruction on Product Usage

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 usage, 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, Usage, and Manufacture)

From material R&D to finished product, our Group's focus is being relevant and realistic about the setting, product, and situation. Furthermore, having developed an optimal sales structure to over 110 countries and regions, we can rapidly collect feedback from the market and apply it to improving 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 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 "Global Niche Top 100 Companies" (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 a sponsorship agreement with Mayu Hattori from Nagoya as an athlete affiliated with Asahi Intecc, and

concluded a sponsorship agreement with Hiromu Ono, a promising local professional, who became a professional with a second-place finish in 2016. In addition, we concluded an agreement with Kazuya Osawa from Seto City in Aichi Prefecture, where our headquarters is located, as an athlete affiliated with Asahi Intecc. We leverage our strengths, and this is one aspect of our CSR activities which aim to revitalize the community by supporting local athletes from Nagoya. We hope to contribute to the community by supporting these athletes.



Mayu Hattori



Hiromu Ono



Kazuya Osawa

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

In February 2022, we concluded 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 established 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 2012, 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 and is aiming for further higher ranks.



Team emblem



Aina Kakiuchi



Kurumi Saito

6-4 | Social Contribution

■ Utilizing Japanese National Team DF Maya Yoshida for Our Advertisements



We have been utilizing Maya Yoshida (FC Schalke 04 in Bundesliga's first division) as a character for our advertisements since 2018.

By featuring this world-renowned player, who also plays on the Japanese national team

as a defender, in our advertisements, we hope to spread our philosophy of minimally invasive treatments from Japan to the world, increasing the number of people who have the opportunity to understand this philosophy.

We also believe that Mr. Yoshida, as a player that has thrived in the world, 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, joined the 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

In November 2021, we donated 500,000 yen to the Fund for Children's Now and Future in Seto City (Seto City, Aichi Prefecture). "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 through support of 500,000 yen each year.



■ 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.

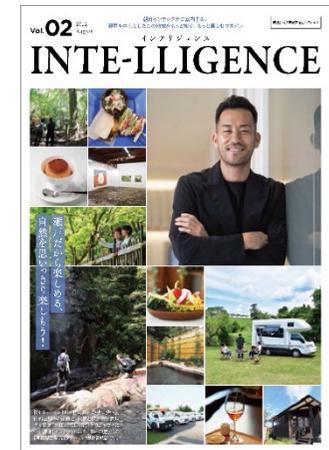
Based on the concept of "rediscovering Seto's charms," this magazine was

created with the hope

of contributing to the 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, Sango Station, Owari-Asahi Station).

"INTE-LLIGENCE" is scheduled to be published every six months in the future, and we will continue to contribute to the development of the community.



6-4 | Social Contribution

■ SDGs IDEA FORUM

Support for the forum (hosted by Nagoya City, Nagoya City University)

As part of our efforts to address the SDGs, we are supporting the SDGs IDEA FORUM hosted by Nagoya City and Nagoya City University. SDGs IDEA FORUM is a project that seeks flexible and innovative ideas from students at Nagoya-based universities and junior colleges with the aim of solving local issues facing Nagoya City.

Our Directors served as judges in the FYE 2021.

We will continue to take the initiatives in addressing the SDGs proactively and contribute to local communities by providing support for them.



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

In February 2022, as part of our 45 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 began sale 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.

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