

# 07

Sustainability Governance

## Sustainability Governance

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In front of the Global Headquarters and R&D Center

## Outside Director and Investor Dialogue

We share our vision for sustainable growth and encourage efforts to address various issues, such as fostering organizational culture.

### Asahi Intecc Governance

#### Role as Outside Director

**Hyogo:** I have many opportunities to talk with outside directors of various companies, but I feel that the role of outside directors varies depending on the company. The purpose of the dialogue with outside directors is to confirm whether governance is functioning. I sometimes ask board members to share the views of minority shareholders, and by talking with outside directors who are not executives or investors and who view the company from a slightly stepped back position, I sometimes become aware of corporate culture or corporate structure that I had not previously realized. I would like to get this kind of awareness today, so thank you in advance. First of all, if Asahi Intecc's governance is to be divided into two, the management board and the monitoring board, could you please tell me which one you recognize for Asahi Intecc's governance, Mr. Kusakari?

**Kusakari:** At present, I recognize it as the management board. However, when I first became an outside director,

the board was willing and examining to move to a monitoring board in the future even though it is currently a management board. From the perspective of an investor, I make suggestions to the management regarding the move to a monitoring board. It is very difficult for an organization to change instantly, and it takes time to establish the structure. Right now, the board is in transition, and I feel it on my skin that the move will start changing.

**Hyogo:** The fact that Mr. Kusakari has been appointed as outside director implies the Company's stance of changing the governance. I understand that it will take time for the management board to change to the monitoring board. I would like to keep an eye on the future progress. By the way, Mr. Kusakari, you are in the position of outside director while being an investor. What do you think are the advantages and disadvantages?

**Kusakari:** I think Asahi Intecc is a rapidly growing company from an investor's perspective. Naturally, there



Asahi Intecc Co., Ltd.  
Outside Director  
**Takahiro Kusakari**

Mitsubishi UFJ Trust and Banking Corporation  
Chief Analyst, Asset Management Department & Chief Fund Manager (Domestic Stock)  
**Mr. Shinichiro Hyogo**

In Tokyo R&D Center

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are both positive and negative aspects in the process, and I believe it is an invaluable experience and benefit to be involved in both as a board member. There are few disadvantages, but I can't invest freely in the company that is expected to grow in the future.

### Functions and Effectiveness of the Board of Directors

**Hyogo:** What is your understanding about the effectiveness of the Board of Directors of Asahi Intecc?



Since the corporate governance report alone is not enough to understand the actual situation, please tell me about your evaluation of the Board of Directors, the atmosphere, outstanding points and issues.

**Kusakari:** While various agenda are put on the table and are discussed in detail in the board, I think it is a challenge to draw a line between what extent the Board of Directors should take and what extent the executives should take. In addition, when an agenda agreed by executive management members is discussed at the Board of Directors meeting, internal officers are required to switch heads as members of the Board of Directors and to step away from the executive side. I consider it important to be able to discuss matters once again as a director without preconceptions. Otherwise, internal directors and external directors may conflict. In order not to do so, I believe that my challenge is to have a common goal with them and to be able to discuss the matters with deeper insight.

**Hyogo:** Many companies recognize that the Board of Directors has too many topics to be discussed, which prolongs the time of the Board of Directors meetings and prevents sufficient discussion. I think an increasing number of companies are holding executive management meetings and trying to reduce the agenda of their board meetings. In moving to a monitoring board, I think it is practically difficult for internal and external directors to discuss each agenda on an equal footing because their expertise and amount of information differ. Are you getting enough support from the company side to fill the gap?



**Kusakari:** I have enough support, but I don't always need it for everything.

I'm a portfolio manager, so I adopt a style of doing my own research and expressing my opinions. It doesn't make much sense to discuss matters that come up from within the company with people within the company, so I would rather make proposals from completely different aspects after researching and chewing over the matters on my own. If I have unclear points, I seek cooperation by contacting the CFO and others and asking questions.

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**Hyogo:** I personally think that understanding the history of the company, the environment in which the industry is located, the industry's own rules, and the barriers to entry are necessary to some extent for outside directors to make a judgement for various agenda. Healthcare is one of the industries that is difficult for third parties to understand. I believe that executive support is essential for specificity of the industry.

**Kusakari:** Originally, as a portfolio manager, I was conducting corporate research for Asahi Intecc, so I made a smooth entry to the Company, but I think it would have been difficult otherwise. Understanding for positioning, business models, and barriers to entry are necessary after all. In addition, an investor's viewpoint beyond a simple skills map is required as a background of outside directors. In addition to giving advice after understanding the business model and giving advice based on respective expertise, I think that all outside directors must have their own opinions.

## Succession Plan and Authority Transfer

### Human Resources Development for Sustainable Growth

**Hyogo:** What about the fostering of the next generation of executives and the transfer of authority to realize sustainable profit growth? When considering the growth process of Asahi Intecc, I can't help but think that President Miyata, who came from the owner's family, has a great influence. Even in large companies, there are cases of struggling with the succession problem among

the companies in which management has a strong influence. From that point of view, what about the transfer of authority?

**Kusakari:** President Miyata has a strong desire to absorb information, and I think he listens to people very well. Right now, I think that the Company's style is going along with and moving toward President Miyata's vision. When I once told President Miyata that the CEO and executive directors should have heated discussions about the intention of the directors in charge if the authority has been transferred to them, he said that he would like to change the Company by absorbing such opinions. I feel strongly that he is willing to move toward the transfer of authority.

**Hyogo:** As the scale of the Company has increased significantly compared to the past, I believe that the transfer of authority and the fostering of the next executives are essential for further growth. We, as investors, can only contact the people of the companies at events such as financial results briefings, individual interviews and company tours. Furthermore, since President Miyata and CFO Ito are the main players of such events, it is difficult to know whether the transfer of authority and the development of human resources are progressing in the Company. I would like Mr. Kusakari to have discussions at the board meetings from this perspective.

### Sharing the Picture and the Vision the Company Wants to Be

**Kusakari:** President Miyata has a sense of crisis that the current business alone has no future. While most directors on the execution side of business focus on the issues and tasks at hand, President Miyata is looking further ahead and considering new businesses, including M&A. Filling that gap and the timeline difference is critical. Looking at the IR materials, we can clearly understand President Miyata's thoughts, but it is difficult to realize from outside that he is sending messages with such a sense of crisis. In addition, most directors rarely appear in IR, so their individual abilities are not well promoted. For my part, I propose that directors give presentations at factory tours or technical briefings so that investors know that there are many talented human resources. If investors see examples of improvements in the field, they will deepen their understanding and have higher expectations for the Company. I believe that by providing such opportunities, the investors will be able to understand our efforts for fostering executive human resources.



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**Hyogo:** In realizing his vision, I believe that President Miyata is implementing a wide range of strategies, including M&A. However, President Miyata's picture and vision of what he wants the Company to be in the future are difficult to understand from outside and are not shared fully with us, although it may be partly because of my lack of understanding. As an investor, I always think that sharing of and empathy for the vision is important in attracting long-term investors regardless of short-term fluctuations in performance. By all means, I would like you to send messages on various occasions to share the vision and deepen empathy for the vision not only internally but also externally.

**Kusakari:** As you say, visualizing and sharing the vision is our challenge, and I would like to address it firmly. Currently, the entire company is moving toward President Miyata's vision, but we may need to examine whether we

can continue to do so, whether we need a charismatic leader to lead the organization, or whether we can develop a system for that as an organization.

**Hyogo:** I was able to understand the current situation of the Company by listening to you, Mr. Kusakari. I hope you will continue to make efforts to share the picture and the vision the Company wants to be with outside people.

### Sustainability

#### Fostering Organizational Culture and Diversity to Realize Sustainable Growth

**Hyogo:** Although the importance of sustainability management is increasing these days, I believe that there are still not many Japanese medical device companies that are promoting sustainability management progressively. The medical device industry generally has relatively low carbon dioxide emissions and is focused on growth investments, so ESG initiatives and non-financial information disclosures tend to lag behind other industries. Mr. Kusakari, how about Asahi Intecc's ESG initiatives from your perspective?

**Kusakari:** As an initiative to contribute to local communities, Asahi Intecc has been recently working on a project to rent and renovate the site of an abolished elementary school near the Global Headquarters in Seto City, Aichi Prefecture into a public facility (scheduled for completion in June 2024). The facility is used as the main training ground for the soccer team Asahi Intecc

Loveledge Nagoya, for which Asahi Intecc served as a sponsor. The Company is contributing to local communities since the ground is also used as a place of rest and relaxation for the community when there is no training. It's a good idea to use an abolished school, and it's also a good initiative in the sense of cooperation with local municipalities, so I think the Company should promote this initiative more. In addition, regarding the CO2 emissions you mentioned, we have established a director in charge of the environment and director in charge of ESG, and we are also establishing a system in which management and supervision are conducted directly by the Board of Directors. So, I understand non-financial information is also gradually being disclosed in the Integrated Reports. We are not very progressive, but I have an awareness that we are responding steadily.

**Hyogo:** I think that the disclosure of sustainability, including ESG, is required to be a somewhat different perspective from the SDGs, so it would be appreciated if you could take this a step further. On a slightly different topic, what about human capital initiatives? Please let me know if you have any challenges such as human resource development or recruitment.

**Kusakari:** I think there is probably a shortage in terms of hiring human resources because the Company is growing rapidly. In particular, it takes time to develop human resources between execution and operations. Employees who joined the Company around 2000, about 20 years ago, have experience in surviving rough times. However,

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in recent years, employees who joined the Company as mid-career hires have been given more fragmented jobs owing to the expanded organization size, which makes a big difference in their growth opportunities. From now on, our challenge is how to foster the human resources we have hired. A system for creating career plans by consulting with supervisors using the human resources evaluation system has already been established and is in the phase of functioning.

**Hyogo:** How to build corporate organization and culture in the future is important. I think that what the Company

requires of people who joined the Company when the growth rate was high and the company was small is different from what it requires of people who have joined the Company recently after the Company expanded and its reputation became higher. I feel that fostering an organizational culture is a challenge for your company's future growth. In terms of advancement of women, there are role models such as CFO Ito, but such an initiative is not progressing well in the medical device industry as a whole, and there are few positions in which women can play an active role.

**Kusakari:** The Board of Directors is examining the human resources responsible for the next generation from among women and foreigners. The ratio of female managers in Asahi Intecc is still 12%, while it exceeds 30% globally. Diversity has been fostered as a culture, but there are few people who want it, especially in Japan. We must create an environment in which women themselves can seek managerial positions and become managers. I hope there will be a lot of women who want to become section chiefs. In order to do so, men must also change. It is a current reality that many people say that balancing work and family is a challenge.

**Hyogo:** I think you're right. I expect that change will be encouraged in that way. I feel that diversity penetration is important in securing and fostering talented human resources and directing the Company to sustainable growth. I would like to continue watching how things change in your company. In addition, I also think that awareness of sustainability initiatives is gradually increasing in your company, so I would appreciate it if information disclosure could be further enhanced. Today, talking with you Mr. Kusakari, I learned that you and I have a commonality from the investor's perspective, and I have found that there are many things towards which I feel empathy. I hope that you will continue to play an active role as an outside director in enabling medium- to long-term sustainable profit growth and not affecting the medium- to long-term benefits of minority shareholders. Thank you very much for today.

# Corporate Governance

## List of Directors and Executive Officers (as of the end of FYE June 2023)

### Internal Directors



- |  |                              |
|--|------------------------------|
| 1 Masahiko Miyata, President & CEO               | 5 Yoshinori Terai, Director  |
| 2 Kenji Miyata, Executive Vice President and COO | 6 Mizuho Ito, Director       |
| 3 Tadakazu Kato, Senior Executive Director       | 7 Makoto Nishiuchi, Director |
| 4 Munechika Matsumoto, Executive Director        |                              |

### Outside Directors



- |   |  |
|---|--|
| 1 Kiyomichi Ito, Outside Director   | 4 Yasunari Hanano, Outside Director (Audit and Supervisory Committee Member) |
| 2 Takahiro Kusakari, Outside Director                                     |  |
| 3 Ryuji Tomida, Outside Director (Audit and Supervisory Committee Member) | 5 Ryoko Fukaya, Outside Director (Audit and Supervisory Committee Member)    |

Corporate Governance

List of Directors and Executive Officers (as of the end of FYE June 2023)



President & CEO  
Masahiko Miyata

Having served as President & CEO since 2009, Mr. Masahiko Miyata has driven the Company's Group management and appropriately fulfilled the role of enhancing the Company's corporate value with his global management perspective, speedy decision-making, and good relationships built with medical professionals, partners, and other stakeholders. He has been elected as Director because he is essential to the further development of the Company as the leader of the Group and in expectation of his further contributions going forward.

November 1994	Joined the Company General Manager of Planning Office, Supervisory Division	March 2004	Executive Vice President and Representative Director
December 1995	Director Director, General Manager of Corporate Planning Department	March 2006	President & CEO of CompassMed Integration Co., Ltd.
March 1999	Executive Director Assistant to General Manager of Medical Division General Manager of Production Engineering Department	August 2006	Director of ASAH I INTECC HANOI CO., LTD. (current position)
July 2000	General Manager of Medical Division	June 2007	ASAH I INTECC THAILAND CO., LTD. CEO
September 2001	Senior Executive Director	September 2009	President & CEO (current position) President & CEO of Filmecc Co., Ltd.
September 2003	ASAH I INTECC THAILAND CO., LTD. Director (current position)	July 2016	Director of Filmecc Co., Ltd.
		April 2023	President & CEO of Magnaire Co., Ltd. (current position)



Executive Vice President and COO  
Kenji Miyata

Mr. Kenji Miyata is well versed in production technology for stainless steel processing, the source of the Company's technology, as General Manager of the Device Division for many years, and has assisted the President & CEO in overall management as Executive Vice President and COO as well as promoted the reconstruction of buyout proposals and leadership in the Medical Division in recent years. He has been elected as Director in expectation of his further contributions going forward.

April 1993	Joined the Company	July 2015	President and Director of ASAH I INTECC HANOI CO., LTD.
January 1997	Executive Vice President and Director of ASAH I INTECC THAILAND CO., LTD.	September 2015	Executive Vice President and Director
July 1997	Director	July 2016	General Manager of Quality Assurance Division Chairperson and Director of ASAH I INTECC HANOI CO., LTD. (current position)
August 2002	Deputy General Manager of Device Division General Manager of Quality Assurance Department	September 2016	Executive Vice President and COO (current position)
October 2004	Director of ASAH I INTECC THAILAND CO., LTD.	July 2017	Director of TOYOFLEX CEBU CORPORATION (current position)
July 2006	General Manager of Device Division	July 2018	Director of FICUS Co., Ltd. (current position)
July 2009	Director of GMA Co., Ltd.	July 2020	General Manager of Device Business Division (current position)
September 2010	Executive Director	July 2022	Director of walkey Inc. (current position)
July 2011	President & CEO of ASAH I INTECC GMA Co., Ltd.	September 2022	Director of Filmecc Co., Ltd. (current position)
September 2013	President & CEO of TOYOFLEX Corporation (current position) TOYOFLEX CEBU CORPORATION President & CEO	January 2023	Director of Nihon Chemical Coat Co., Ltd. (current position) President & CEO of LAKE R&D Inc. (current position)
January 2015	Director of ASAH I INTECC THAILAND CO., LTD. (current position) Director of ASAH I INTECC HANOI CO., LTD.		



Senior Executive Director  
Tadakazu Kato

Since joining the Company, Mr. Tadakazu Kato has consistently been engaged in the Medical Division and contributed to the development of medical devices. Currently, he works as General Manager of the Medical Division and is well versed not only in development but also in a variety of fields, including production and sales, and is appropriately fulfilling the role of enhancing the Company's corporate value. He has been elected as Director in expectation of his further contributions going forward.

June 1992	Joined the Company
February 2004	Group Manager of Quality Assurance Group, Medical Division
October 2004	Group Manager of Research and Development Group, Medical Division
January 2005	Deputy General Manager of Medical Division
March 2006	Executive Officer
September 2007	Director of ASAH I INTECC HANOI CO., LTD. (current position)
September 2008	Director
July 2009	General Manager of Medical Division
April 2012	Director of ASAH I INTECC SCIENTIFIC (Beijing) Co., Ltd. (current position)
October 2013	Director of ASAH I INTECC THAILAND CO., LTD. (current position)
September 2014	Executive Director
July 2016	Director of Filmecc Co., Ltd. (current position)
July 2019	General Manager of Medical Division (current position) Director of TOYOFLEX CEBU CORPORATION (current position)
September 2021	Senior Executive Director (current position)



Executive Director  
Munechika Matsumoto

Since joining the Company, Mr. Munechika Matsumoto has consistently been engaged in the Device Division and contributed to the development of stainless-steel components, the Company's core technology. He is currently serving as General Manager of the Research Division and is appropriately fulfilling the role of enhancing the Company's corporate value. He has been elected as Director in expectation of his further contributions going forward.

June 1979	Joined the Company
July 2000	Head of Takaishi Factory, Industrial Device Division
May 2003	Group Head of Development Group III supervising Osaka area, Device Division
July 2006	Group Manager of Development Group, Device Division
July 2009	Deputy General Manager of Device Division
July 2011	Executive Officer
July 2013	General Manager of Device Division
September 2016	Director
July 2020	General Manager of Research Division (current position)
July 2021	Director of A-Traction Inc. (currently ASAH I SURGICAL ROBOTICS CO., LTD.) (current position)
September 2021	Executive Director (current position)
September 2022	Director of FICUS Co., Ltd. (current position)



Director  
Yoshinori Terai

Mr. Yoshinori Terai has been engaged in the Overseas Sales unit for medical devices for many years and currently serves as President & CEO of ASAH I INTECC USA, INC, a sales subsidiary in the U.S. He has contributed to the Company's global development and is appropriately fulfilling the role of enhancing the Company's corporate value. He has been elected as Director in expectation of his further contributions going forward.

October 1998	Joined the Company
July 2004	President & CEO of ASAH I INTECC USA, INC. (current position)
November 2006	Director of RetroVascular, Inc. (currently ASAH I Medical Technologies, Inc.)
September 2008	Executive Officer
September 2013	Director (current position)
July 2019	General Manager of New Business Development Division (current position)
February 2020	Director of ASAH I INTECC EUROPE B.V. (current position)
July 2020	Supervisor of Global Sales and Marketing of Medical Brand Business Unit of Medical Division Director of ASAH I INTECC Deutschland GmbH (current position)
June 2021	CEO of Filmecc USA, Inc. (current position)
July 2021	CEO of Pathways Medical Corporation (current position) Director of Rev. 1 Engineering, Inc. (current position)
April 2023	Director of Magnaire Co., Ltd. (current position)



Director  
Mizuho Ito

As General Manager of Corporate Strategic Office, Ms. Mizuho Ito has been engaged in finance, accounting, IR, and M&A projects for many years. She is currently serving as General Manager of the Administration Division, leading efforts to strengthen the function of the Head Office as head of the Company's Corporate unit, and is appropriately fulfilling the role of enhancing the Company's corporate value. She has been elected as Director in expectation of her further contributions going forward.

May 2003	Joined the Company
May 2005	Deputy General Manager of Corporate Strategic Office
April 2008	Auditor of ASAH I INTECC HANOI CO., LTD. (current position)
September 2008	General Manager of Corporate Strategic Office (current position)
April 2012	Auditor of ASAH I INTECC SCIENTIFIC (Beijing) Co., Ltd. (current position)
December 2013	Group Manager of Accounting Group, Administration Division
July 2015	Executive Officer
July 2016	General Manager of Administration Division (current position) Auditor of ASAH I INTECC J-sales, INC. (current position)
September 2016	Director (current position)
July 2021	Director of A-Traction Inc. (currently ASAH I SURGICAL ROBOTICS CO., LTD.) (current position)
April 2023	Director of Magnaire Co., Ltd. (current position)

Corporate Governance

List of Directors and Executive Officers (as of the end of FYE June 2023)



Director  
Makoto Nishiuchi

Since joining the Company, Mr. Makoto Nishiuchi has consistently been engaged in the Medical Division and contributed to the development of medical devices. With his abundant experience and track record in the R&D and technology-related fields, he currently works as General Manager of the Medical Brand Business Unit of the Medical Division and is appropriately fulfilling the role of enhancing the Company's corporate value. He has been elected as Director in expectation of his further contributions going forward.

- October 2005 Joined the Company
- July 2008 Deputy Group Manager of Medical Research and Development Group, Medical Division
- May 2010 Group Manager of Research and Development Group, Medical Division
- July 2015 Executive Officer
- July 2016 Director of ASAHI INTECC USA, INC. (current position)
- January 2017 Chief Research and Development Officer, Medical Division
- October 2017 Senior Executive Officer
- July 2018 Director of RetroVascular, Inc. (currently ASAHI Medical Technologies, Inc.) (current position)
- September 2018 Director (current position)
- July 2019 General Manager of Medical Brand Business Unit of Medical Division (current position)
- July 2022 Chief Digital Officer (current position)



Director (Outside)  
Kiyomichi Ito

Mr. Kiyomichi Ito has reflected his extensive knowledge gained through many years of experience in corporate management and as a professor of business management at a university and has been strengthening corporate governance. He has been elected as Director in expectation of his further contributions to strengthening the supervision of business execution through accurate advice based on his extensive experience in corporate management going forward.

- April 1974 Joined Toyota Motor Sales Co., Ltd.
- August 1985 Section Head of Engineering Section, Overseas Planning Department and Section Chief of System Planning Section of TOYOTA MOTOR CORPORATION
- January 1994 Secretary seconded to Toyota Motor Manufacturing Canada, Inc.
- January 1999 Chief of Marine Business Division of TOYOTA MOTOR CORPORATION
- July 2000 Chief of Americas Sales Department of TOYOTA MOTOR CORPORATION
- July 2002 President of Toyota Kirloskar Auto Parts Pvt. Ltd.
- March 2008 Professor at School of Management, Chukyo University
- September 2013 Outside Director of the Company (current position)
- April 2015 Visiting Professor at School of World Englishes, Chukyo University
- April 2023 Senior Adviser to the CEO of YUKEN INDIA. LTD. (current position)

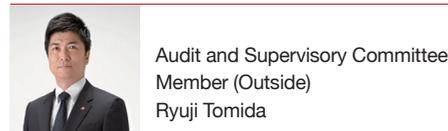


Director (Outside)  
Takahiro Kusakari

Mr. Takahiro Kusakari has served as Fund Manager and Chief Investment Officer of an investment trust management firm. He has been elected as an outside director, with the expectation that he will offer suggestions for improving the Company's corporate value based on his experience in corporate analysis gained through dialogue with countless companies.

- July 2007 Joined SBI Real Marketing Co., Ltd.
- October 2008 Joined Sawakami Asset Management Inc.
- November 2010 Fund Manager of Sawakami Asset Management Inc.
- January 2013 Chief Investment Officer of Sawakami Asset Management Inc.
- June 2015 Director and Chief Investment Officer of Sawakami Asset Management Inc.
- July 2022 Joined Sawakami Holdings, Inc.
- September 2022 Outside Director of the Company (current position)
- March 2023 Joined Japan Catalyst, Inc.
- June 2023 Director and Co-President of Japan Catalyst, Inc. (current position)

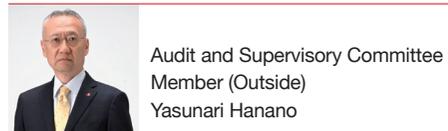
Directors Who are Audit and Supervisory Committee Members



Audit and Supervisory Committee Member (Outside)  
Ryuji Tomida

Mr. Ryuji Tomida has expertise and ample experience as a lawyer and appropriately fulfills the duties of an outside director who is an Audit and Supervisory Committee member by providing advice for and checking on the Company's business execution from the perspective of a legal expert. He has been elected as Director in expectation of his further contributions going forward.

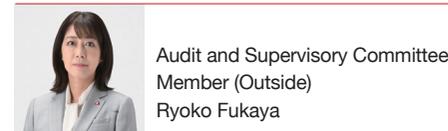
- October 2001 Registered with Nagoya Bar Association (currently Aichi Bar Association)
- Joined Higashi Sakura Law Firm
- April 2006 Part-Time Lecturer at Law Department, Nagoya University of Economics
- December 2006 Nagoya Municipal Advisor (current position)
- October 2007 Opened Tomida & Yamauchi Law Firm (currently Tomida & Partners)
- April 2010 Member of Research Office of Aichi Bar Association
- April 2011 Part-Time Lecturer at Aichi Law School
- May 2011 Member of Japan Federation of Bar Associations Inquiry System Committee (current position)
- April 2013 Member of Kasugai City Information Disclosure & Personal Information Protection Committee
- April 2016 Vice President of Aichi Bar Association
- September 2018 Outside Director of the Company (Audit and Supervisory Committee Member) (current position)
- April 2020 General Manager of Aichi Bar Association Inquiry Research Office
- December 2021 Public Interests Member of Aichi Prefectural Labour Relations Commission (current position)



Audit and Supervisory Committee Member (Outside)  
Yasunari Hanano

Mr. Yasunari Hanano has expertise and ample experience as a certified public accountant and appropriately fulfills the duties of an outside director who is an Audit and Supervisory Committee member by providing advice for and checking on the Company's business execution from the perspective of an accounting expert. He has been elected as Director in expectation of his further contributions going forward.

- October 1988 Joined Tohmatsu Aoki & Sanwa (currently Deloitte Touche Tohmatsu LLC)
- August 1993 Registered as a Certified Public Accountant
- October 2001 Opened Business Inspire
- June 2004 Opened Hanano C.P.A. Office
- Secretary of Tokai Association, the Japanese Institute of Certified Public Accountants
- March 2005 Registered as a Certified Tax Accountant
- April 2006 Associate Professor at Graduate School of Accounting, Aichi University
- August 2007 Member of the Special Training System Council, the Japanese Institute of Certified Public Accountants
- April 2011 Part-Time Lecturer at Aichi University
- April 2012 Auditor of Green Association of Nagoya, Public Interest Incorporated
- May 2013 Member of the Completion Inspection Management Committee, the Japanese Institute of Certified Public Accountants
- April 2014 Part-Time Lecturer at Nanzan Business School
- June 2016 Vice President of Tokai Association, the Japanese Institute of Certified Public Accountants
- September 2018 Outside Director of the Company (Audit and Supervisory Committee Member) (current position)



Audit and Supervisory Committee Member (Outside)  
Ryoko Fukaya

Ms. Ryoko Fukaya is deemed appropriate to fulfill the duties of an outside director who is an Audit and Supervisory Committee member such as monitoring the Company's overall management using her expertise and ample experience as a certified public accountant and by providing advice for and checking on the Company's business execution. Accordingly, she has been elected as an outside director who is an Audit and Supervisory Committee member.

- October 1999 Joined Chuo Audit Corporation
- April 2003 Registered as a Certified Public Accountant
- August 2007 Joined KPMG AZSA LLC
- April 2011 Opened Ryoko Fukaya Accounting Office
- June 2016 Secretary of Tokai Association, the Japanese Institute of Certified Public Accountants
- March 2017 Registered as a Certified Tax Accountant
- June 2019 Chairwoman of the Public Relations Committee of the Japanese Institute of Certified Public Accountants Tokai Association
- November 2021 Auditor of Fuji Logitech Holdings, Inc. (current position)
- September 2022 Outside Director of the Company (Audit and Supervisory Committee Member) (current position)
- April 2023 Auditor of Incorporated Educational Institution Sugiyama Jogakuen (current position)

List of Executive Officers

- Ippei Yugawa, Executive Officer
- Yuichi Iizuka, Executive Officer
- Toshiya Osawa, Executive Officer
- Yukio Watanabe, Executive Officer
- Yo Nobuta, Executive Officer
- Kazuo Chiba, Executive Officer
- Yasuyuki Kawahara, Executive Officer
- Kazuhiro Ishihara, Executive Officer
- Hideki Tamura, Executive Officer
- Tomoya Eguchi, Executive Officer

## Corporate Governance

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### Skills Matrix (as of the end of FYE June 2023)

Name	Position in the Company		Management	R&D	Manufacturing technology	Global expansion	Industry knowledge – medical devices	Industry knowledge – industrial devices	Finance & accounting	Legal affairs	M&A	Equity market & IR	ESG (incl. personnel development)	DX·IT	Nomination and Compensation Advisory Committee	Attendance rate of Board of Directors meeting	Attendance rate of Audit and Supervisory Committee meeting	Attendance rate of Nomination and Compensation Advisory Committee meeting
Masahiko Miyata	President & CEO		●	●		●	●					●		●	●	100%	–	100%
Kenji Miyata	Executive Vice President and COO		●	●	●			●					●		●	100%	–	100%
Tadakazu Kato	Senior Executive Director			●	●		●									100%	–	–
Munechika Matsumoto	Executive Director			●	●			●					●			100%	–	–
Yoshinori Terai	Director					●	●				●					100%	–	–
Mizuho Ito	Director								●		●	●	●			100%	–	–
Makoto Nishiuchi	Director			●			●							●		100%	–	–
Kiyomichi Ito	Outside Director	Independent (Outside)	●			●									●	100%	–	100%
Takahiro Kusakari	Outside Director	Independent (Outside)	●									●				100%	–	–
Ryuji Tomida	Outside Director (Audit and Supervisory Committee Member)	Independent (Outside)								●	●		●		●	100%	100%	100%
Yasunari Hanano	Outside Director (Audit and Supervisory Committee Member)	Independent (Outside)							●		●				●	100%	100%	100%
Ryoko Fukaya	Outside Director (Audit and Supervisory Committee Member)	Independent (Outside)							●		●					100%	100%	–

**Corporate Governance**

**List of Directors and Executive Officers (after resolution at General Meeting of Shareholders held on September 28, 2023)**



**President & CEO**  
Masahiko Miyata

Having served as President & CEO since 2009, Mr. Masahiko Miyata has driven the Company's Group management and appropriately fulfilled the role of enhancing the Company's corporate value with his global management perspective, speedy decision-making, and good relationships built with medical professionals, partners, and other stakeholders. He has been elected as Director because he is essential to the further development of the Company as the leader of the Group and in expectation of his further contributions going forward.

November 1994	Joined the Company	March 2004	Executive Vice President and Representative Director
	General Manager of Planning Office, Supervisory Division	March 2006	President & CEO of CompassMed Integration Co., Ltd.
December 1995	Director	August 2006	Director of ASAHI INTECC HANOI CO., LTD. (current position)
	Director, General Manager of Corporate Planning Department	June 2007	ASAHI INTECC THAILAND CO., LTD.CEO
March 1999	Executive Director	September 2009	President & CEO (current position)
	Assistant to General Manager of Medical Division		President & CEO of Filmecc Co., Ltd.
	General Manager of Production Engineering Department	July 2016	Director of Filmecc Co., Ltd.
July 2000	General Manager of Medical Division	April 2023	President & CEO of Magnaire Co., Ltd. (current position)
September 2001	Senior Executive Director		
September 2003	Director of ASAHI INTECC THAILAND CO., LTD. (current position)		



**Executive Vice President and COO**  
Kenji Miyata

Mr. Kenji Miyata is well versed in production technology for stainless steel processing, the source of the Company's technology, as General Manager of the Device Division for many years, and has assisted the President & CEO in overall management as Executive Vice President and COO as well as promoted the reconstruction of buyout proposals and leadership in the Medical Division in recent years. He has been elected as Director in expectation of his further contributions going forward.

April 1993	Joined the Company	July 2015	President and Director of ASAHI INTECC HANOI CO., LTD.
January 1997	Executive Vice President and Director of ASAHI INTECC THAILAND CO., LTD.	September 2015	Executive Vice President and Director
July 1997	Director	July 2016	General Manager of Quality Assurance Division
August 2002	Deputy General Manager of Device Division		Chairperson and Director of ASAHI INTECC HANOI CO., LTD. (current position)
	General Manager of Quality Assurance Department	September 2016	Executive Vice President and COO (current position)
October 2004	Director of ASAHI INTECC THAILAND CO., LTD.	July 2017	Director of TOYOFLEX CEBU CORPORATION (current position)
July 2006	General Manager of Device Division	July 2018	Director of FICUS Co., Ltd. (current position)
July 2009	Director of GMA Co., Ltd.	July 2020	General Manager of Device Business Division (current position)
September 2010	Executive Director		
July 2011	President & CEO of ASAHI INTECC GMA Co., Ltd.	May 2022	Director of walkey Inc. (current position)
September 2013	President & CEO of TOYOFLEX Corporation	September 2022	Director of Filmecc Co., Ltd. (current position)
	TOYOFLEX CEBU CORPORATION President & CEO		Director of Nihon Chemical Coat Co., Ltd. (current position)
January 2015	Director of ASAHI INTECC THAILAND CO., LTD. (current position)	January 2023	President & CEO of LAKE R&D Inc. (current position)
	Director of ASAHI INTECC HANOI CO., LTD.		



**Senior Executive Director**  
Tadakazu Kato

Since joining the Company, Mr. Tadakazu Kato has consistently been engaged in the Medical Division and contributed to the development of medical devices. Currently, he works as General Manager of the Medical Division and is well versed not only in development but also in a variety of fields, including production and sales, and is appropriately fulfilling the role of enhancing the Company's corporate value. He has been elected as Director in expectation of his further contributions going forward.

June 1992	Joined the Company
February 2004	Group Manager of Quality Assurance Group, Medical Division
October 2004	Group Manager of Research and Development Group, Medical Division
January 2005	Deputy General Manager of Medical Division
March 2006	Executive Officer
September 2007	Director of ASAHI INTECC HANOI CO., LTD. (current position)
September 2008	Director
July 2009	General Manager of Medical Division
April 2012	Director of ASAHI INTECC SCIENTIFIC (Beijing) Co., Ltd. (current position)
October 2013	Director of ASAHI INTECC THAILAND CO., LTD. (current position)
September 2014	Executive Director
July 2016	Director of Filmecc Co., Ltd. (current position)
July 2019	General Manager of Medical Division (current position)
	Director of TOYOFLEX CEBU CORPORATION (current position)
September 2021	Senior Executive Director (current position)



**Executive Director**  
Munechika Matsumoto

Since joining the Company, Mr. Munechika Matsumoto has consistently been engaged in the Device Division and contributed to the development of stainless-steel components, the Company's core technology. He is currently serving as General Manager of the Research Division and is appropriately fulfilling the role of enhancing the Company's corporate value. He has been elected as Director in expectation of his further contributions going forward.

June 1979	Joined the Company
July 2000	Head of Takaishi Factory, Industrial Device Division
May 2003	Group Head of Development Group III supervising Osaka area, Device Division
July 2006	Group Manager of Development Group, Device Division
July 2009	Deputy General Manager of Device Division
July 2011	Executive Officer
July 2013	General Manager of Device Division
September 2016	Director
July 2020	General Manager of Research Division (current position)
July 2021	Director of A-Traction Inc. (currently ASAHI SURGICAL ROBOTICS CO., LTD.) (current position)
September 2021	Executive Director (current position)
September 2022	Director of FICUS Co., Ltd. (current position)



**Director**  
Yoshinori Terai

Mr. Yoshinori Terai has been engaged in the Overseas Sales unit for medical devices for many years and currently serves as President & CEO of ASAHI INTECC USA, INC, a sales subsidiary in the U.S. He has contributed to the Company's global development and is appropriately fulfilling the role of enhancing the Company's corporate value. He has been elected as Director in expectation of his further contributions going forward.

October 1998	Joined the Company
July 2004	President & CEO of ASAHI INTECC USA, INC. (current position)
November 2006	Director of RetroVascular Inc. (currently ASAHI Medical Technologies, Inc.) (current position)
September 2008	Executive Officer
September 2013	Director (current position)
July 2019	General Manager of New Business Development Division (current position)
February 2020	Director of ASAHI INTECC EUROPE B.V. (current position)
July 2020	Supervisor of Global Sales and Marketing of Medical Brand Business Unit of Medical Division
	Director of ASAHI INTECC Deutschland GmbH (current position)
June 2021	CEO of Filmecc USA, Inc. (current position)
July 2021	CEO of Pathways Medical Corporation (current position)
	Director of Rev. 1 Engineering, Inc. (current position)
April 2023	Director of Magnaire Co., Ltd. (current position)



**Director**  
Mizuho Ito

Ms. Mizuho Ito has been engaged in management, accounting, IR, M&A and governance building for many years. She is currently leading efforts to strengthen the function of corporate governance, and is appropriately fulfilling the role of enhancing the Company's corporate value. She has been elected as Director in expectation of her further contributions going forward.

May 2003	Joined the Company
May 2005	Deputy General Manager of Corporate Strategic Office
September 2008	General Manager of Corporate Strategic Office (current position)
April 2012	Auditor of ASAHI INTECC SCIENTIFIC (Beijing) Co., Ltd. (current position)
December 2013	Group Manager of Accounting Group, Administration Division
July 2015	Executive Officer
July 2016	General Manager of Administration Division (current position)
	Auditor of ASAHI INTECC J-sales, INC. (current position)
September 2016	Director (current position)
July 2021	Director of A-Traction Inc. (currently ASAHI SURGICAL ROBOTICS CO., LTD.) (current position)
April 2023	Director of Magnaire Co., Ltd. (current position)

Corporate Governance

List of Directors and Executive Officers (after resolution at General Meeting of Shareholders held on September 28, 2023)



**Director**  
Makoto Nishiuchi

Since joining the Company, Mr. Makoto Nishiuchi has consistently been engaged in the Medical Division and contributed to the development of medical devices. With his abundant experience and track record in the R&D and technology-related fields, he currently works as General Manager of the Medical Brand Business Unit of the Medical Division and is appropriately fulfilling the role of enhancing the Company's corporate value. He has been elected as Director in expectation of his further contributions going forward.

October 2005	Joined the Company
July 2008	Deputy Group Manager of Medical Research and Development Group, Medical Division
May 2010	Group Manager of Research and Development Group, Medical Division
July 2015	Executive Officer
July 2016	Director of ASAHI INTECC USA, INC. (current position)
January 2017	Chief Research and Development Officer, Medical Division
October 2017	Senior Executive Officer
July 2018	Director of RetroVascular, Inc. (currently ASAHI Medical Technologies, Inc.) (current position)
September 2018	Director (current position)
July 2019	General Manager of Medical Brand Business Unit of Medical Division (current position)
July 2022	Chief Digital Officer (current position)



**Director (Outside)**  
Kiyomichi Ito

Mr. Kiyomichi Ito has reflected his extensive knowledge gained through many years of experience in corporate management and as a professor of business management at a university and has been strengthening corporate governance. He has been elected as Director in expectation of his further contributions to strengthening the supervision of business execution through accurate advice based on his extensive experience in corporate management going forward.

April 1974	Joined Toyota Motor Sales Co., Ltd.
August 1985	Section Head of Engineering Section, Overseas Planning Department and Section Chief of System Planning Section of TOYOTA MOTOR CORPORATION
January 1994	Secretary seconded to Toyota Motor Manufacturing Canada, Inc.
January 1999	Chief of Marine Business Division of TOYOTA MOTOR CORPORATION
July 2000	Chief of Americas Sales Department of TOYOTA MOTOR CORPORATION
July 2002	President of Toyota Kirloskar Auto Parts Pvt. Ltd.
March 2008	Professor at School of Management, Chukyo University
September 2013	Outside Director of the Company (current position)
April 2015	Visiting Professor at School of World Englishes, Chukyo
April 2023	Senior Adviser to the CEO of YUKEN INDIA. LTD. (current position)



**Director (Outside)**  
Takahiro Kusakari

He has served as a Fund Manager and Chief Investment Officer at an investment trust management firm, and his experience in corporate analysis through dialogue with numerous companies has led him to make recommendations for improving our company's corporate value. He has been elected as an outside director in expectation of his further contributions to strengthening the supervision of business execution through accurate advice based on his extensive experience in corporate analysis going forward.

July 2007	Joined SBI Real Marketing Co., Ltd.
October 2008	Joined Sawakami Asset Management Inc.
November 2010	Fund Manager of Sawakami Asset Management Inc.
January 2013	Chief Investment Officer of Sawakami Asset Management Inc.
June 2015	Director and Chief Investment Officer of Sawakami Asset Management Inc.
July 2022	Joined Sawakami Holdings, Inc.
September 2022	Outside Director of the Company (current position)
March 2023	Joined Japan Catalyst, Inc.
June 2023	Director and Co-President of Japan Catalyst, Inc. (current position)



**Director (Outside)**  
Akihiro Taguchi

Mr. Akihiro Taguchi has been elected as an outside director with the expectation that he will supervise the management of the Company and offer suggestions for improving the Company's corporate value based on his ample experience and broad insight in the medical industry, including serving as President and Representative Director for Olympus Medical Systems Corp.

April 1980	Joined Olympus Optical Co., Ltd. (currently Olympus Corporation)
June 2010	Corporate Executive Officer of Olympus Corporation
April 2012	Senior Corporate Managing Officer of Olympus Corporation President and Representative Director, Olympus Medical Systems Corp.
April 2013	Outside Director of Sony Olympus Medical Solutions Inc.
April 2015	Head of Sales & Marketing Group and Business Management Officer of Medical Business of Olympus Corporation
June 2015	Director and Senior Corporate Managing Officer of Olympus Corporation
April 2019	Executive Officer and COO of Olympus Corporation
April 2020	Executive Officer and CTO of Olympus Corporation
July 2022	Adviser of HCL JAPAN LTD. (current position)
August 2022	Independent Director of SATORI ELECTRIC CO., LTD. (current position)

Directors Who are Audit and Supervisory Committee Members



**Audit and Supervisory Committee Member (Outside)**  
Ryuji Tomida

Mr. Ryuji Tomida has expertise and ample experience as a lawyer and appropriately fulfills the duties of an outside director who is an Audit and Supervisory Committee member by providing advice for and checking on the Company's business execution from the perspective of a legal expert. He has been elected as Director in expectation of his further contributions going forward.

October 2001	Registered with Nagoya Bar Association (currently Aichi Bar Association)
April 2006	Joined Higashi Sakura Law Firm Part-Time Lecturer at Law Department, Nagoya University of Economics
December 2006	Nagoya Municipal Advisor (current position)
October 2007	Opened Tomida & Yamauchi Law Firm (currently Tomida & Partners)
April 2010	Member of Research Office of Aichi Bar Association
April 2011	Part-Time Lecturer at Aichi Law School
May 2011	Member of Japan Federation of Bar Associations Inquiry System Committee (current position)
April 2013	Member of Kasugai City Information Disclosure & Personal Information Protection Committee
April 2016	Vice President of Aichi Bar Association
September 2018	Vice President of Aichi Bar Association
April 2020	General Manager of Aichi Bar Association Inquiry Research Office
December 2021	Public Interests Member of Aichi Prefectural Labour Relations Commission (current position)



**Audit and Supervisory Committee Member (Outside)**  
Yasunari Hanano

Mr. Yasunari Hanano has expertise and ample experience as a certified public accountant and appropriately fulfills the duties of an outside director who is an Audit and Supervisory Committee member by providing advice for and checking on the Company's business execution from the perspective of an accounting expert. He has been elected as Director in expectation of his further contributions going forward.

October 1988	Joined Tohmatsu Aoki & Sanwa (currently Deloitte Touche Tohmatsu LLC)
August 1993	Registered as a Certified Public Accountant
October 2001	Opened Business Inspire Opened Hanano C.P.A. Office
June 2004	Secretary of Tokai Association, the Japanese Institute of Certified Public Accountants
March 2005	Registered as a Certified Tax Accountant
April 2006	Associate Professor at Graduate School of Accounting, Aichi University
August 2007	Member of the Special Training System Council, the Japanese Institute of Certified Public Accountants
April 2011	Part-Time Lecturer at Aichi University
April 2012	Auditor of Green Association of Nagoya, Public Interest Incorporated
May 2013	Member of the Completion Inspection Management Committee, the Japanese Institute of Certified Public Accountants
April 2014	Part-Time Lecturer at Nanzan Business School
June 2016	Vice President of Tokai Association, the Japanese Institute of Certified Public Accountants
September 2018	Outside director of the Company (Audit and Supervisory Committee Member) (current position)



**Audit and Supervisory Committee Member (Outside)**  
Ryoko Fukaya

Ms. Ryoko Fukaya is deemed appropriate to fulfill the duties of an outside director who is an Audit and Supervisory Committee member such as monitoring the Company's overall management using her expertise and ample experience as a certified public accountant and by providing advice for and checking on the Company's business execution. Accordingly, she has been elected as an outside director who is an Audit and Supervisory Committee member.

October 1999	Joined Chuo Audit Corporation
April 2003	Registered as a Certified Public Accountant
August 2007	Joined KPMG AZSA LLC
April 2011	Opened Ryoko Fukaya Accounting Office
June 2016	Secretary of Tokai Association, the Japanese Institute of Certified Public Accountants
March 2017	Registered as a Certified Tax Accountant
June 2019	Chairwoman of the Public Relations Committee of the Japanese Institute of Certified Public Accountants Tokai Association
November 2021	Auditor of Fuji Logitech Holdings, Inc. (current position)
September 2022	Outside Director of the Company (Audit and Supervisory Committee Member) (current position)
April 2023	Auditor of Incorporated Educational Institution Sugiyama Jogakuen (current position)
July 2023	Part-Time Lecturer at Graduate School of Management, Kyoto University (current position)
August 2023	Member of The Specialist Committee of Investigation and Research Committee, Japanese Institute of Certified Public Accountants (current position)

List of Executive Officers (after October 1, 2023)

- Yuichi Iizuka, Senior Executive Officer
- Yo Nobuta, Senior Executive Officer
- Ipppei Yugawa, Executive Officer
- Toshiya Osawa, Executive Officer
- Yukio Watanabe, Executive Officer
- Kazuo Chiba, Executive Officer
- Yasuyuki Kawahara, Executive Officer
- Kazuhiro Ishihara, Executive Officer
- Hideki Tamura, Executive Officer
- Tomoya Eguchi, Executive Officer
- Gen Nakashima, Executive Officer
- Shinjiro Ootani, Executive Officer
- Tatsuji Higashi, Executive Officer

## Corporate Governance

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### Skills Matrix (after resolution at General Meeting of Shareholders held on September 28, 2023)

Name	Position in the Company		Management	R&D	Manufacturing technology	Global expansion	Industry knowledge – medical devices	Industry knowledge – industrial devices	Quality assurance pharmaceutical	Finance & accounting	Legal affairs	M&A	Equity market & IR	ESG (incl. personnel development)	DX・IT	Nomination and Compensation Advisory Committee
Masahiko Miyata	President & CEO		●	●		●	●						●		●	●
Kenji Miyata	Executive Vice President and COO		●	●	●			●	●		●			●		●
Tadakazu Kato	Senior Executive Director			●	●		●		●							
Munechika Matsumoto	Executive Director			●	●			●						●		
Yoshinori Terai	Director					●	●					●				
Mizuho Ito	Director									●	●	●	●	●		
Makoto Nishiuchi	Director			●			●		●						●	
Kiyomichi Ito	Outside Director	Independent (Outside)	●			●										
Takahiro Kusakari	Outside Director	Independent (Outside)	●										●			●
Akihiro Taguchi	Outside Director	Independent (Outside)	●	●	●		●		●							
Ryuji Tomida	Outside Director (Audit and Supervisory Committee Member)	Independent (Outside)									●	●		●		●
Yasunari Hanano	Outside Director (Audit and Supervisory Committee Member)	Independent (Outside)								●	●	●				
Ryoko Fukaya	Outside Director (Audit and Supervisory Committee Member)	Independent (Outside)								●	●	●				●

Corporate Governance

## Message from Outside Directors



In front of the Global Headquarters and R&D Center



Outside Director  
Kiyomichi Ito

Asahi Intecc is a company whose primary mission is to improve the quality of life of patients through the use of catheter technology in medical care around the world. I think that rapid growth of revenues in recent years can be regarded as evidence of the Company's executing management appropriately.

On the other hand, we must not forget that the rapid expansion of the scope and scale of our organization and operations through sharp growth has also created the new challenge of management evolution. In order for the Company to grow further, I recognize that outside directors, who oversee the Company's management from an objective standpoint independent from business executors, are also required to evolve management supervision commensurate with the new scope and scale. I hope I can make a contribution to the realization, if only a little, by taking advantage of my experience in teaching and researching at a university and experience in working in the automotive industry.



Outside Director  
Takahiro Kusakari

Asahi Intecc is one of the few companies that have continued to grow nonlinearly, taking on the challenge of medical devices with a focus on manufacturing, amid concerns about the Japanese economy and the deterioration of corporate competitiveness since the 2000s. Above all, we have been praised for our active use of the capital market to invest in production technology and R&D aggressively. Partly at the request of the Tokyo Stock Exchange, discussions on corporate governance and capital efficiency have been active also in Japan. Our company has been actively engaged in dialogue with investors. The scale and scope of our business are expanding from the perspectives of the global aging population, medical resources, and quality of life. So, I think that we will be required to take measures at a higher level in all aspects. Leveraging my experience as an investor and manager, I will contribute to the Company's sustainable growth and enhancement of corporate value by invigorating the discussions of the Board of Directors without allowing any exception from an independent perspective.

Corporate Governance

# Message from Outside Directors



Global Headquarters and R&D Center



Outside Director (Audit and Supervisory Committee Member)  
**Ryuji Tomida**

In September 2018, I was elected as an outside director serving as Audit and Supervisory Committee member. As a lawyer, I strive to contribute to compliance management of Asahi Intecc with a legal mind. In addition, I would like to contribute to our company by taking advantage of my past extensive experience in the field of personnel and labor in corporate legal affairs, and my knowledge gained by serving as a Public

Interests Member of Aichi Prefectural Labour Relations Commission in recent years. Social conditions surrounding companies are changing every day, and labor laws are also changing. Companies are required not only to catch up but also to take more active measures, such as realization of work-style reform. It is also essential to address global human resources and diversity. In the field of "people," which support the corporate organization and technology and is a source of growth energy for the Company, I will make the most of my strengths and make every effort to achieve sustainable growth of the Company and to enhance corporate value over the medium to long term by valuing the voices of people in the field that I have heard while visiting the bases in Japan and overseas.



Outside Director (Audit and Supervisory Committee Member)  
**Yasunari Hanano**

These days, companies are required to carry out management with an awareness of capital costs, and outside directors are also expected to be involved in management from an investor's perspective. In addition, as an Audit and Supervisory Committee member, I am also required not only to audit business execution of Directors but also to oversee the appointment, dismissal and remuneration of Directors. In order to fulfill these roles, I utilize my knowledge gained from my previous experience as a certified public accountant auditing various operating companies. Asahi Intecc has been growing at an annual rate of more than 10% and is expected to continue growing. This includes expansion of the medical care area in the medical device field and advancement into the robotics field. For this reason, I place special emphasis on whether the corporate governance system that addresses these issues is effectively developed and operated. To cope with the revision of the Corporate Governance Code, the Board of Directors is engaged in discussions on the direction the Board of Directors will take in the future. I would like to actively participate in this discussion and play a part in enhancing corporate value.



Outside Director (Audit and Supervisory Committee Member)  
**Ryoko Fukaya**

One year has passed since I assumed the position of Audit and Supervisory Committee member in September 2022. I have been involved in the finance and accounting of many companies as a certified public accountant. In particular, corporate finance is one of my strengths and an important point of view in my decisions as an outside director. In addition, being a woman, I think I am also expected to play a role in terms of diversity. From this term, I have also become a member of the Nomination and Compensation Advisory Committee. I would like to brace myself and work harder. In our company, which is expanding into new areas, clear evaluation indicators, such as the comparative examination of profitability in each area, are important for the optimal allocation of management resources. All directors, including managing directors, must always be aware of the responsibilities to be assumed including management indicators. I would like to make efforts to improve corporate value, including reconfirmation of such awareness as an Audit and Supervisory Committee member.

## Corporate Governance Policy and Structure

### Basic Policy

In order to achieve continuous stable growth and expand corporate value, we believe that it is necessary to speed up decision-making and increase the transparency of management. As such, management has placed the enhancement of corporate governance as a priority issue and is working to improve corporate governance by focusing on the development of internal control systems, complying with laws, regulations, and the Articles of Incorporation, strengthening risk management, ensuring the timely and fair disclosure of information, and enhancing the executive officer system.

### Promotional Structure

Asahi Intecc has adopted a system of a company with an audit and supervisory committee to further strengthen its corporate governance starting with the enhancement of the supervisory and monitoring functions of the Board of Directors and members of the Board as well as to increase corporate value over the medium to long term through these efforts. By appointing a number of outside directors and granting voting rights at the Board of Directors' meetings to Directors that are Audit and Supervisory Committee members, including multiple outside directors, we have determined that supervisory and monitoring functions have been strengthened, that this will further enhance and strengthen the corporate governance structure, and that it will contribute to the improvement of our corporate value. Our Board of Directors consists of nine Directors (excluding Directors who are Audit and Supervisory Committee members) and three Directors who are Audit and Supervisory Committee members, and of the 12 Directors, six Directors (46.2% of the total Directors) are outside directors who are considered independent Directors that have no conflict of interests with general shareholders as required by the Tokyo Stock Exchange.

### Board of Directors

Asahi Intecc's Board of Directors consists of a total of 12 members, including nine Directors excluding Directors who are

Audit and Supervisory Committee members

(Chairperson/President & CEO Masahiko Miyata, Executive Vice President and COO Kenji Miyata, Senior Executive Director Tadakazu Kato, Executive Director Munechika Matsumoto, Director Yoshinori Terai, Director Mizuho Ito, Director Makoto Nishiuchi, Outside Director Kiyomichi Ito, and Outside Director Takahiro Kusakari) and three Directors who are Audit and Supervisory Committee members (Outside Director Ryuji Tomida, Outside Director Yasunari Hanano, and Outside Director Ryoko Fukaya). The Board of Directors has the function of deliberating and deciding on important matters such as management policies and supervising the execution of operations, with emphasis on speediness, efficiency, and transparency in management. The Board of Directors meetings are held once a month as a regular meeting and extraordinary meetings are held flexibly as necessary.

### Audit and Supervisory Committee

Asahi Intecc has an Audit and Supervisory Committee as it is a company with an audit and supervisory committee. The Audit and Supervisory Committee consists of three Audit and Supervisory Committee members, who are outside directors (Chairperson/Outside Director Yasunari Hanano, Outside Director Ryuji Tomida, and Outside Director Ryoko Fukaya), which audits the legality and appropriateness of decision-making by Directors regarding the execution of their duties, the establishment and operation of internal control systems, and the methods and results of audits by accounting auditors, and evaluates and decides whether or not to appoint or dismiss accounting auditors. At the 46th Annual General Meeting of Shareholders held on September 29, 2022, in order to further enhance the independence of the Audit and Supervisory Committee, all members of the Audit and Supervisory Committee were appointed from independent outside directors. In addition, in case the statutory number of directors who are Audit and Supervisory Committee members is insufficient, one Director who is a substitute Audit and Supervisory Committee member was appointed.

### Nomination and Compensation Advisory Committee

The structure of the Nomination and Compensation Advisory Committee shall be composed of three or more members who are Directors selected through resolution by the Board of Directors and the majority of the members shall be selected from among independent outside directors, and such independent outside directors shall include at least one Director who is an Audit and Supervisory Committee member. The Nomination and Compensation Advisory Committee deliberates on the composition of the Board of Directors, policies and standards for the selection and dismissal of Directors, and basic policies and compensation amounts for Directors (excluding Directors who are Audit and Supervisory Committee members) in response to the Board of Directors' consultation, and reports the results of its deliberations to the Board of Directors.

### Business Liaison Committee

Our company has introduced an executive officer system to clarify responsibilities for business execution and speed up the decision-making process. The Business Liaison Committee, which consists of managing directors (President & CEO Masahiko Miyata, Executive Vice President and COO Kenji Miyata, Senior Executive Director Tadakazu Kato, Executive Director Munechika Matsumoto, Director Yoshinori Terai, Director Mizuho Ito, Director Makoto Nishiuchi), and executive officers (Ippei Yugawa, Yuichi Iizuka, Toshiya Osawa, Yukio Watanabe, Yo Nobuta, Kazuo Chiba, Yasuyuki Kawahara, Kazuhito Ishihara, Hideki Tamura, Tomoya Eguchi), holds a monthly meeting in order to deliberate on important matters related to business operations, report on execution results, and share information across the Company. General Manager of the Internal Audit Office attends the Business Liaison Committee as an assistant to the Audit and Supervisory Committee, and collects information necessary for the audit duties by the Audit and Supervisory Committee and shares it with the Audit and Supervisory Committee.

Corporate Governance

# Strengthening corporate governance

## Status of Election of Directors

In accordance with Asahi Intecc's rules and regulations, the Nomination and Compensation Advisory Committee shall deliberate on the matters requested by the Board of Directors, have a discussion based on the report to the Board of Directors, and then the Directors shall be determined at the General Meeting of Shareholders upon the nomination of candidates by the Board of Directors. The nomination of Directors shall be based on their performance in their respective areas of responsibility, their ample expertise and insight into corporate management, and their specializations. In accordance with Asahi Intecc's rules and regulations, the election or dismissal of executive directors and Directors shall be decided at Board of Directors' meetings. Of these, the election or dismissal of executive directors shall be examined and decided based on the report of the Nomination and Compensation Advisory Committee. Furthermore, in the unlikely event that the dismissal of a Director is objectively deemed appropriate owing to violation of laws, regulations, and the Articles of Incorporation, etc. or owing to significant damage to Asahi Intecc's corporate value, the Nomination and Compensation Advisory Committee shall deliberate on the matter requested by the Board of Directors. Thereafter, the matter shall be sufficiently deliberated at a Board of Director's meeting and then be proposed to the General Meeting of Shareholders, where the matter shall be settled.

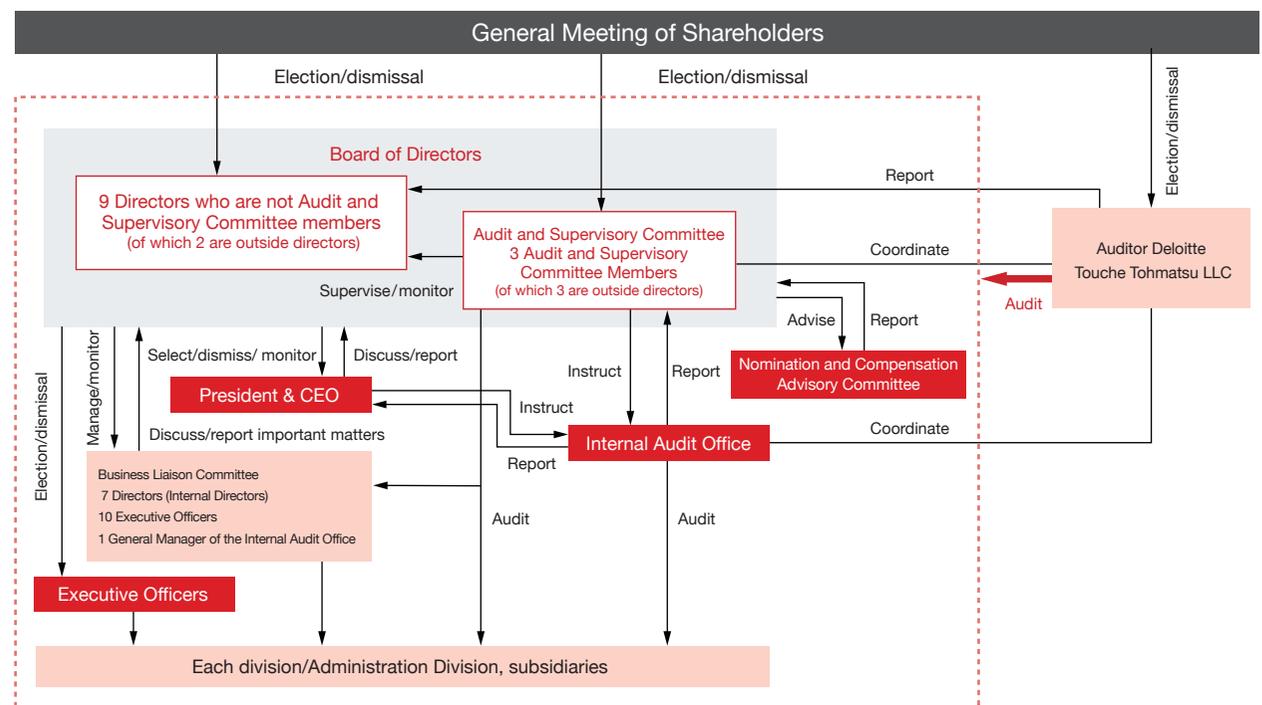
## Status of Evaluating the Effectiveness of the Board of Directors

Asahi Intecc believes that the Board of Directors as a whole has been effective because its Directors, who have diverse experience and knowledge, examine each proposal from a variety of perspectives and because the structure ensures that matters pointed out by outside directors, which includes Audit and Supervisory Committee members, are reflected upon resolution. In terms of analyzing and

evaluating the effectiveness of Board of Directors' meetings, from the perspective of improving the functions of Board of Directors, the operations and proceedings of the Board of Directors are discussed when necessary at Board of Directors' meetings and among Directors, and improvements are made to the operations, etc., of the Board of Directors and other matters as appropriate, and Asahi Intecc has confirmed that the Board of Directors is effective in its current form and operations.

### Corporate Governance Structure

FYE June 2023



## Corporate Governance

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### Remuneration of Directors

#### Details of the Policy for Determining the Amounts of Remuneration of Officers or the Method of Calculating the Amounts, and the Method of Determining Said Policy

At the 40th Annual General Meeting of Shareholders held on September 28, 2016, the total annual amount of Director remuneration was determined to be a maximum of ¥1,000 million (including not more than ¥100 million for outside directors) for Directors (excluding Directors who are Audit and Supervisory Committee members), and a maximum of ¥40 million for Directors who are Audit and Supervisory Committee members, and each Director's remuneration is determined pursuant to the following policy within the limits of this total amount.

The number of Directors (excluding Directors who are Audit and Supervisory Committee members) elected at the 40th Annual General Meeting of Shareholders was nine (of which two are outside directors) and the number of Directors who are Audit and Supervisory Committee members was three. The Board of Directors of the Company has passed a resolution on the following policy. The Board of Directors of the Company has confirmed that the method of determining the details of individual remuneration of Directors (excluding Directors who are Audit and Supervisory Committee members) pertaining to FYE June 2023, as well as the content of the determined remuneration, are in line with the following policy.

#### 1) Policy on Determining the Overall Remuneration of Directors (excluding Directors Who Are Audit and Supervisory Committee Members)

The remuneration of Directors (excluding Directors who are Audit and Supervisory Committee members) shall be determined by the Board of Directors upon receiving reports from the Nomination and Compensation Advisory Committee (composed of three or more members who are Directors selected through resolution by the Board of Directors and the majority of the members shall be selected from among independent outside directors, and such independent outside directors shall include at least one Director who is an Audit and Supervisory Committee member) so that the total amounts of the base remuneration, the portion of performance-linked remuneration (director bonuses commensurate with short-term results), and the portion of remuneration for share purchase (linked to improvements in long-term performance) fall within the total amount of remuneration

determined by a General Meeting of Shareholders resolution. In FYE June 2023, the Board of Directors requested the above to the Nomination and Compensation Advisory Committee and received the report on the result deliberated at the committee.

#### 2) Policy on Determining the Amounts of the Portion of Base Remuneration and the Portion of Remuneration for Share Purchase (Linked to Improvements in Long-Term Performance), Which Are Components of Remuneration of Directors (excluding Directors Who are Audit and Supervisory Committee Members)

As for the portion of base remuneration and the portion of remuneration for a share purchase (linked to improvements in long-term performance), the payment amount shall be determined in consideration of Director's position, duties, tenure, and the state of the Asahi Intecc Group.

#### 3) Policy on Determining the Amount of Portion of Performance-Linked Remuneration (Director Bonuses Commensurate with Short-Term Results), Which Is a Component of Remuneration of Directors (excluding Directors Who Are Audit and Supervisory Committee Members)

The portion of performance-linked remuneration (director bonuses commensurate with short-term results) is paid in consideration of each Director's position, duties, and tenure, provided that the consolidated performance of Asahi Intecc is expected to significantly exceed the sales and profit plans disclosed to the

public, using a portion of the excess as the source of remuneration.

#### 4) Policy on Determining the Timing of Remuneration of Directors (excluding Directors Who Are Audit and Supervisory Committee Members)

The portion of base remuneration and the portion of remuneration for a share purchase (linked to improvements in long-term performance) are paid monthly. If the portion of performance-linked remuneration (director bonuses commensurate with short-term results) is to be paid, the payment is made once a year within three months from the end of a fiscal year.

#### 5) Policy on Determining the Ratio of Portion of Base Remuneration, Portion of Remuneration for Share Purchase (Linked to Improvements in Long-Term Performance), and Portion of Performance-Linked Remuneration (Director Bonuses Commensurate with Short-Term Results), Which Are Components of Remuneration of Directors (excluding Directors Who Are Audit and Supervisory Committee Members), in Individual Remuneration of Directors

The ratio of remuneration is determined by the Board of Directors (President and Representative Director, who has been delegated in accordance with 6) below) upon receiving reports from the Nomination and Compensation Advisory Committee. In FYE June 2023, the Board of Directors requested the above to the Nomination and Compensation Advisory Committee and received the report on the result deliberated at the committee.

#### Director remuneration

Total amount of remuneration, etc., by type of Director, total amount of remuneration, etc., by type of remuneration, and number of eligible Directors

Type of Director	Total amount of remuneration, etc. (million yen)	Portion of base remuneration	Portion of remuneration for share purchase	Portion of performance-linked remuneration	Number of eligible Directors (persons)
Director (excluding Audit and Supervisory Committee members and outside directors)	411	375	35	-	7
Director (Audit and Supervisory Committee members) (excluding outside directors)	4	3	0	-	1
Outside Directors	38	35	3	-	7
Total	454	415	39	-	15

(Note 1) Portion of remuneration for share purchase is remuneration which is linked to improvement in long-term performance.

(Note 2) Portion of performance-linked remuneration is director bonuses commensurate with short-term results.

(Note 3) The above descriptions include the remuneration during service for two Directors (excluding Directors who are Audit and Supervisory Committee members) and one Director (who is Audit and Supervisory Committee member) who retired at the 46th Annual General Meeting of Shareholders held on September 29, 2022.

## Corporate Governance

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### 6) Policy on Determining the Content of Individual Remuneration of Directors (excluding Directors Who are Audit and Supervisory Committee Members)

President & CEO Masahiko Miyata, who has been delegated the authority by the Board of Directors, determines the amounts of the portion of base remuneration, the portion of remuneration for share purchase (linked to improvements in long-term performance) and the portion of performance-linked remuneration (director bonuses commensurate with short-term results) paid to each individual, in compliance with the basic policy passed by a resolution of the Board of Directors upon receiving reports from the Nomination and Compensation Advisory Committee. The reason for the delegation to the President & CEO is because the President & CEO, who is in a position to oversee the business execution of the entire Company and maintain a complete picture of the Company's performance, is best suited to evaluate each Director. In FYE June 2023, the resolution of the above basic policy was made based on the report of the committee in response to a request from the Board of Directors.

### 7) Remuneration of Directors Who Are Audit and Supervisory Committee Members

Remuneration for Directors who are Audit and Supervisory Committee members is determined through negotiations by Directors who are Audit and Supervisory Committee members, within the limits of total amount of remuneration determined by a General Meeting of Shareholders resolution.

### Director Training (Inside and Outside Directors)

Asahi Intecc provides appropriate opportunities to attend seminars required for Directors (excluding those who are Audit and Supervisory Committee members) to perform their duties. In addition, if there are important legal amendments, systemic changes, etc., the relevant departments will provide them with appropriate information while opportunities to attend external

seminars will also be provided at the expense of Asahi Intecc. Directors who are Audit and Supervisory Committee members endeavor to acquire knowledge continuously by becoming members of the Japan Audit & Supervisory Board Members Association, etc. Moreover, at meetings, etc., where all Directors are present, training and discussions take place on Asahi Intecc's management, human resource system, compliance, ESG, insider training policies, etc.

### Successor Training (Succession Plan)

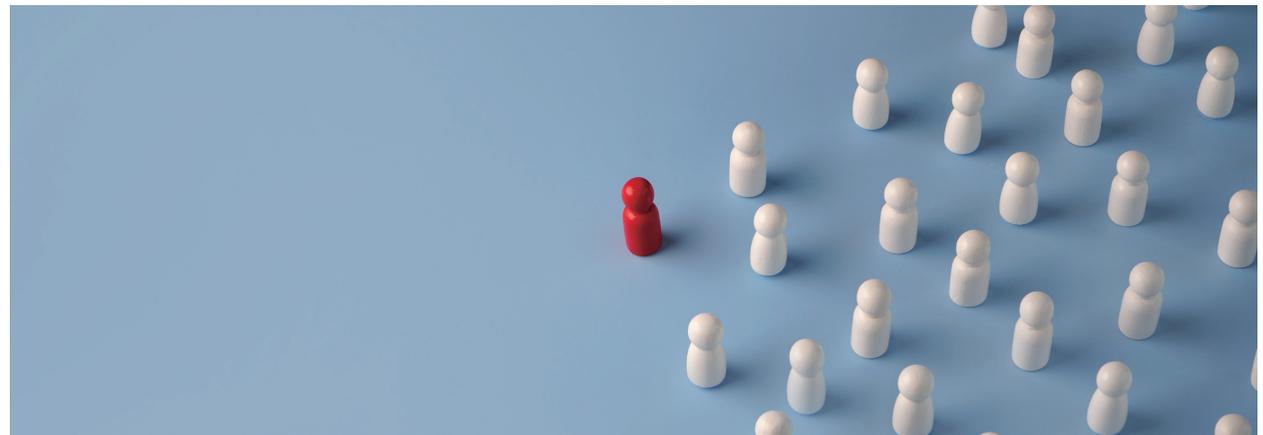
Concerning matters related to the succession plan, the Nomination and Compensation Advisory Committee deliberates on the appropriateness of the plan and periodically reviews candidates, etc., and reports the deliberation results to the Board of Directors and submits opinions when necessary.

### Governance of Asahi Intecc Group

Our Group is composed of Asahi Intecc, eight domestic subsidiaries (three consolidated subsidiaries and five non-consolidated subsidiaries), and fourteen overseas

subsidiaries (all consolidated subsidiaries).

In accordance with Asahi Intecc's and its subsidiaries' regulations on administrative authority and rules for managing related parties, each subsidiary is required to, depending on the content, receive Asahi Intecc's approval or report on matters, including matters related to management policies and management strategies, budgets, business performance, important decisions, litigations, other necessary matters, etc. In addition, Asahi Intecc promotes an integrated approach to risk management and compliance management by dispatching Asahi Intecc's Directors or employees to subsidiaries as Directors, to ensure compliance with laws, regulations, and other rules, and each subsidiary's Director reports monthly to Asahi Intecc's Director and General Manager of the Administration Division concerning the existence and details of any matters causing significant damage to subsidiaries, any violations of laws, regulations, or the Articles of Incorporation, or any other important matters concerning compliance, and further, important matters discussed at the subsidiaries' board of directors' meetings are reported monthly to Asahi Intecc's Board of Directors.



# Risk Management

## Basic Policy

In order to ensure the continuation of operations based on safety and reliability, our Group has established a company-wide risk management system that correctly identifies risk factors related to our Group's business activities, and continuously examines and implements measures to reduce the likelihood of occurrence of such risks and to minimize losses in the event of occurrence of such risks.

## Promotional Structure

Asahi Intecc's Board of Directors has established various rules and regulation such as crisis management rules and rules for managing related parties, etc., in order to prevent risks that could significantly impact our Group's operations and to manage losses that have occurred, and it has also established a risk management system that spans across the entire Group.

Regular risk management concerning our Group's day-to-day operations are carried out appropriately within the scope granted to each department in accordance with the regulations on administrative authority. In addition, each department in the Administration Division verifies and confirms the risk management status of each division of our Group based on their expertise and knowledge of each business process. Each department is supposed to report any problems to the Board of Directors.

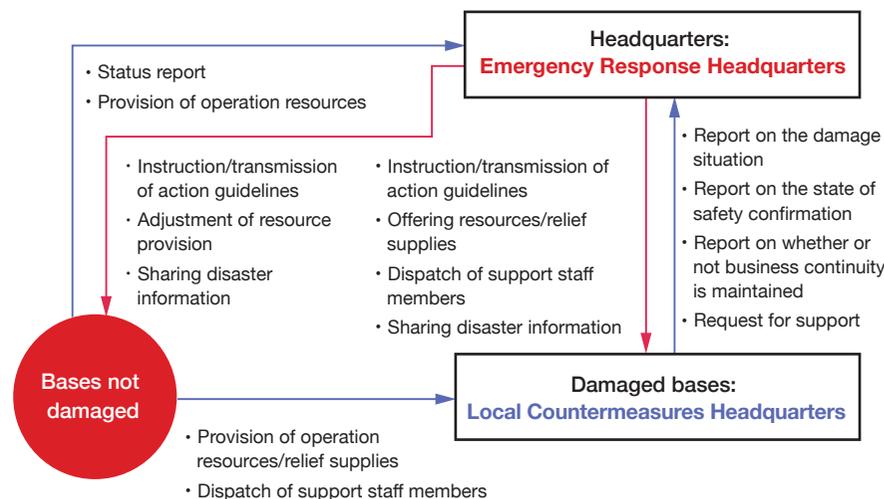
## Response to Large-Scale Disasters

### Basic Thinking

Basic Thinking Our Group aims to rapidly become an international company by developing and stably supplying products that consistently exceed the expectations and the needs of the market by establishing the highest levels of reliability and safety and by contributing to medical care around the world. In normal times, our Group will plan and implement countermeasures against risks such as large-scale disasters and pandemics. In the event of an emergency,

the highest priority will be given to ensuring human lives and safety, and we will continue to provide relief and support in the affected areas and supply products stably.

### Roles of Emergency Response Headquarters



### <Emergency Response Headquarters>

In the event of an emergency, such as a disaster, in our Group, the emergency response headquarters headed by the President & CEO shall be responsible for crisis management in accordance with the crisis management rules, in order to ensure quick and appropriate response. By establishing a centralized information communication system, etc., we will protect the safety of employees and local community while endeavoring to stably supply products.

**Risk Management**

**BCP (Business Continuity Plan)**

Our Group is proceeding with formulating the Asahi Intecc Group BCP (Business Continuity Planning) with the aim of continuity/early restoration of our business activities and the system of delivery of our products to our customers in case of emergency. We define tasks to realize continuity/early restoration of priority operations and essential tasks for corporate operations for each group, and take measures in the case of emergency based on this planning.

**BCP Basic Policy**

1. Give top priority to securing the safety of each person.
2. Assess the damage situation, and strive for early restoration to normal operation activities of the corporation to minimize the effects on our customers.

3. Make contributions to the damaged region/society through cooperation in activities for regional alliances in the region.

**BCP (Business Continuity Plan) for Production Bases**

As part of our Group's BCP (Business Continuity Plan), production diversification is underway at the Thailand Factory, the Hanoi Factory, and the Cebu Factory.

In addition to moving forward with the production transfer from the Thailand Factory to the Hanoi Factory, production transfer is also underway from the Hanoi Factory to the Cebu Factory. Concerning the transfer, manufacturing facilities, equipment, and jigs designed and manufactured at the Thailand Factory and the Hanoi Factory will be introduced to

the Cebu Factory, establishing a stable production line.

Our Group is required to build a system for stable delivery of our products under any circumstances as a duty of a medical device manufacturer, which brings products involved in the lives of patients to society. The mass production capabilities of our Group belong to our overseas factories. We utilize lessons learned from past events during disasters such as the flood in Thailand, and emergencies such as the spread of the COVID-19 infection; we will organize functions available by taking part in some parts of production during an emergency, such as clean rooms in the new R&D building that is scheduled to be completed in June 2024.

**Disaster Prevention Handbook**



## Risk Management

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### Information Security Basic Policy

#### ① Basic Policy

In order to deal with the information security risks that are becoming increasingly serious day by day, in addition to complying with laws and regulations, guidelines, and other societal norms concerning information security, we have implemented information security measures necessary to protect Asahi Intecc's clients and business operation based on the perspectives outlined below.

#### ② Information Security Risk Management System

Our Group has appointed a Chief Security Officer to promote an information security system, manage risks concerning information security, and ensure the organization-wide implementation of various measures, and the entire company works towards information security.

### Initiatives to Strengthen Information Security

#### Implementation of Information Security Measures

Our Group implements human, organizational, and technical measures to reduce the risk of information asset leakage, alteration, loss, and information system outages due to cyber attacks, damage to facilities, and communication problems. In addition, to respond to increasingly sophisticated and diverse information security risks, we periodically review our measures, appropriately

prioritize the risks that could occur, and continue to implement security measures.

#### Information Security Training

As part of information security training, our Group provides group training when employees join the Company and distributes security education content utilizing E-learning, with the purpose of fostering a sense of ethics and security awareness. Furthermore, we aim to maintain and improve security awareness by implementing targeted attack email training and regularly disseminating information about incidents that have occurred either inside or outside of the Company that could serve as lessons, as well as the latest trends in suspicious emails and viruses that are mainstream in the public domain. Going forward, we will continuously add security training content and expand types and frequencies of training to enhance the content of the information security training that our Group has provided to date.

#### Incident Response

We are working on a series of measures necessary to respond to incidents, such as accepting and supporting responses in the event of an incident such as information leakage or loss, and considering measures to prevent recurrence. In order to limit the spread of damage and the occurrence of secondary damage, our Group continually reviews the necessary systems and procedures to enable prompt and effective incident response, and continuously enhances its ability to respond to incidents.

#### Internal Audit

Internal audits are conducted regularly to ensure information security. We specifically emphasize audit results concerning the handling of personal and confidential information, and we have a system in place to follow up on the completion of improvement measures when improvement is deemed necessary.



**Risk Management**

**Reference: Risk Model**

**Examples of Possible Risks**

The chart to the right shows a wide range of risks, including risks that could impact investor decisions. Forward-looking statements in the text are based on the judgments made by our Group as of the end of FYE June 2023 and can be associated with the seven key issues of sustainability.

		Key Issues
① Medical Field	Legal Regulations	Supplying safe and secure products
	Health Care Reforms	Supplying safe and secure products
	Quality Control System	Supplying safe and secure products
	Dependence on Specific Products	On-site problem-solving through innovation
	Dependence on Sales in Specific Regions	Strengthening risk management
	Response to Technological Innovation	On-site problem-solving through innovation
	Purchase from Specific Suppliers	Supply chain management
② Industrial Field	Customer Specification	
	Competitive Landscape	On-site problem-solving through innovation
③ Common Issues in Each Field	Overseas Business	Strengthening risk management
	Dependence on Overseas Production	Supply chain management
	Price Increase in Raw Materials	Supply chain management
	Intellectual Property Rights	On-site problem-solving through innovation
	Natural Disasters and Large-Scale Disasters	Strengthening risk management
	Impact of Epidemics and Infectious Diseases	Strengthening risk management
	Risks due to Climate Change	Measures to reduce environmental burden
④ Company-Wide Matters	Foreign Exchange Risks	
	Equity Risks	Strengthening corporate governance
	Acquisition Risks	Strengthening corporate governance
	Information Security	Strengthening risk management
	Industrial Safety and Product Safety Risks	Supplying safe and secure products
	Securing Global Human Resources	Strengthening global human resources
	Human Rights Risks	Supply chain management
	Corruption Prevention	Supply chain management

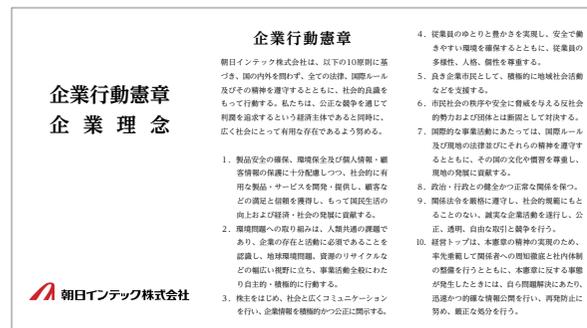
# Compliance

## Basic Policy and Action Guidelines

In order to realize sustainable contributions to society over the long run through the delivery of our one-and-only technologies and number one products, which are found in our Group's mission, we believe that it is essential to have the trust of society and all stakeholders, including clients, business partners, development partners, employees, and shareholders, regarding compliance with laws and other rules. This is indicated in the Charter of Corporate Behavior: "Asahi Intecc shall comply with all laws and regulations, international rules, and the spirit of these rules, regardless of their origin, whether domestic or international, and shall act in a socially sensible manner."

## Promotional Structure

Under the supervision of the Director and General Manager of the Administration Division, the Legal, General Affairs, and Human Resource Divisions are responsible for understanding the information contained in laws and regulations, considering the impact that these could have on business operations, reflecting this upon internal regulations, disclosure items, and operational procedures, and implementing company-wide awareness and education.



■ Charter of Corporate Behavior (in five languages)

## Internal Reporting System

The ASAHI Intecc Group Compliance Hotline has been established as a reporting mechanism to report violations of laws and regulations, the Articles of Incorporation, the Charter of Corporate Behavior, and other internal rules or harassments. In addition to the internal contact points for reporting and consultation, we have established an external contact point attended by an attorney, and the name of any whistleblower shall not be disclosed to parties related to the Company without the consent of the whistleblower or reasonable grounds. Based on the internal reporting regulations, the Compliance Committee, headed by the Director and General Manager of the Administration Division, shall fairly investigate the content of the reports without prejudice against the whistleblower, and if it is clear that an infraction has taken place, it will promptly implement corrective measures. In addition, when the subject of reporting is a matter involving a Director or an executive officer, the Compliance Committee shall respond to the matter while being monitored by outside directors and Outside Audit and Supervisory Committee members. At overseas bases, we have established a contact point for receiving consultation and reports at each base.

## Compliance Training

We provide training to new graduates and mid-career hires that are joining the Company to ensure compliance with regulations on personal information, corporate secrets, and insider trading. We also provide training to business personnel on specific topics such as the basics of contracts, subcontracting laws, laws and regulations concerning sales, debt collection, and confidentiality agreements. In addition, we provide group training to those

involved in operations regarding specific topics that require special attention, such as EU competition laws and compensation rules for health care professionals. For all employees, we also distribute E-learning content in which explanations are provided on basic knowledge of contract, procedures until conclusion of contract, and compliance and control with regulations on insider trading.

## Appropriate Relations with Healthcare Professionals

We have established internal rules on payments to medical institutions, etc., that clarify standards in accordance with relevant laws and regulations, such as the Fair Competition Code Concerning Restriction on Premium Offers in the Medical Devices Industry and the National Public Service Ethics Code, and the Legal Division ensures compliance with these internal rules prior to all payments to healthcare professionals, etc. In addition, in accordance with the Japan Federation of Medical Devices Associations' Transparency Guidelines for the Medical Device Industry and its Relationships with Medical Institutions and Other Organizations, we publicly disclose payments to healthcare professionals. With regards to overseas payments to medical professionals, etc., we follow industry rules such as MedTech Europe Code of Ethical Business Practice, Mecomed Code of Ethical Business Practice, ApacMed Code of Ethical Conduct for Interactions with Health Care Professionals, and AdvaMed Code of Ethics on Interactions with Health Care Professionals, and disclose payments in accordance with the United States' Physician Payments Sunshine Act and France's Bertrand Law.

## Compliance

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### Monitoring of Domestic and Overseas Related Companies

Asahi Intecc's Directors or employees are dispatched to subsidiaries as Directors to ensure compliance with laws, regulations, and other rules, and each subsidiary's Director reports monthly to Asahi Intecc's Director and General Manager of the Administration Division concerning the existence and details of any violations of laws, regulations, or the Articles of Incorporation, or any other important matters concerning compliance, and the existence of disputes or administrative dispositions. In addition, planned visiting audits to subsidiaries by Directors who are Audit and Supervisory Committee members and visiting audits by the Internal Audit Office are conducted systematically.

### Respect for Human Rights<sup>①</sup> Harassment/Discrimination Prevention

Our Group advocates in the Charter of Corporate Behavior that "We shall achieve the feeling in our employees of being free of pressure and affluence, secure safe and comfortable environments for them, and respect the diversity, personalities, and individual characters of employees," and we respect the human rights of each employee and prevent discrimination and harassment. As harassment and discrimination are socially impermissible acts of unjustly harming an individual's dignity, we are working to prevent them. Regarding harassment, our Directors and managers have received harassment training from external experts, all participants have submitted written pledges, and when discovered, it will be dealt with in accordance with the rules for disciplinary action. In addition, since June 1, 2022, the contact point established in the Human Resources Division has been integrated in the ASAHI Intecc Group Compliance Hotline that is an internal reporting contact point, in order to

create a contact point system that makes it easier for users to understand as a contact point for all forms of harassment.

### Respect for Human Rights<sup>②</sup> Prevention of Forced Labor and Child Labor

Our Charter of Corporate Behavior states that "In our international business activities, we shall comply with international rules, local laws, and their spirit, respect the culture and customs of the country, and contribute to the development of the local community," and we are committed to business activities that take human rights into consideration, including the prevention of forced labor and child labor. From FYE June 2022, our Group has added items related to compliance with laws and social norms to its questionnaires that have been conventionally implemented for suppliers. As such, we, through our entire corporate activities, are taking measures that take human rights into consideration, such as the prevention of forced labor and child labor.

### Respect for Human Rights<sup>③</sup> Formulation of Human Rights Policy.

Our Group formulated the "Asahi Intec Group Human Rights Policy" on May 15, 2023. This policy was formulated in order for the Asahi Intecc Group to respect human rights in its business activities and fulfill its responsibilities in society. As a company concerned with human life and safety, we support and respect the United Nations Guiding Principles on Business and Human Rights, and strive to investigate and prevent important human rights issues to be addressed, such as the prohibition of modern slavery, prevention of discrimination and harassment, appropriate management of employee working conditions, occupational health and safety,

compliance with laws and regulations concerning environmentally controlled substances and hazardous substances, and protection of the rights of human subjects in clinical trials. We also ask our business partners to respect human rights. In accordance with the Human Rights Policy, we have also begun conducting human rights due diligence (efforts to identify, prevent and mitigate negative impacts on human rights) on the above issues.

### Dealing with Antisocial Forces

Our Group's Charter of Corporate Behavior clearly states that compliance with laws and regulations is fundamental to our activities. In accordance with this Charter, Asahi Intecc's basic policy is not to have any relationship with antisocial forces that pose a threat to social order and safety, and all Directors and employees are informed of this through public awareness. As part of this policy, as a basic rule, all contracts with new business partners in Japan include an article regarding the elimination of antisocial forces, and memorandums of understanding on the elimination of antisocial forces are concluded with long-standing business partners. In addition, the General Affairs Group oversees the collection of information concerning measures against antisocial forces, and takes appropriate measures in a resolute manner by consulting with experts such as attorneys and police as needed.

### Corruption Prevention

While bribery is obviously prohibited, we also examine and confirm that this is the case to ensure that inappropriate payments are not made, such as payments to public or quasi-public servants based upon requests or contracts to obtain permission. In addition, we have also obtained anti-bribery pledges from its overseas distributors.