



Chapter 7

Sustainability Governance

Sustainability - Governance

- 7-1 | Interview with Outside Director
- 7-2 | Corporate Governance
- 7-3 | Risk Management
- 7-4 | Compliance



7-1 | Interview with Outside Director

Examining Strategy, Finance and Governance from a Medium- to Long-Term Perspective

Ito: At the General Meeting of Shareholders held in September 2022, you will retire Outside Director, Mr. Shibazaki. I would like to ask you to look back on your past activities in our Group, and I would also like to hear your opinions on our current issues, so that we can continue to make improvements in the future.

Mr. Shibazaki, you contributed to the development of our Group as an Outside Director for 6 years from 2016. Once again, I would like to thank you for your efforts from the bottom of my heart.

First of all, what did you think of your appointment as Outside Director in 2016?

Shibazaki: When I became an Outside Director of the Company, it was an important time and a turning point for Asahi Intecc. The management structure was completely changed with the timing of generation change from the founder to the current president, and there were also changes in the composition of the Board of Directors, so I felt quite honored to be given such a responsible and challenging position.

Asahi Intecc for the Past Six Years

Ito: I believe that the six years since you took office have been a period of great changes such as significant changes in our strategies and considerable improvements in our governance structure.



Interviewer
Asahi Intecc Co., Ltd.
Director, General Manager of Administration
Division, General Manager of Corporate
Strategic Office
Mizuho Ito

Outside Director of Asahi Intecc Co., Ltd.
President and Representative Director of
CDS Co., Ltd.
Mr. Akinori Shibazaki



Mr. Shibazaki, you always gave us guidance on the need for taking a balance between the two goals of creating an appropriate governance system while taking advantage of promoting top-down structure to maintain management speed.

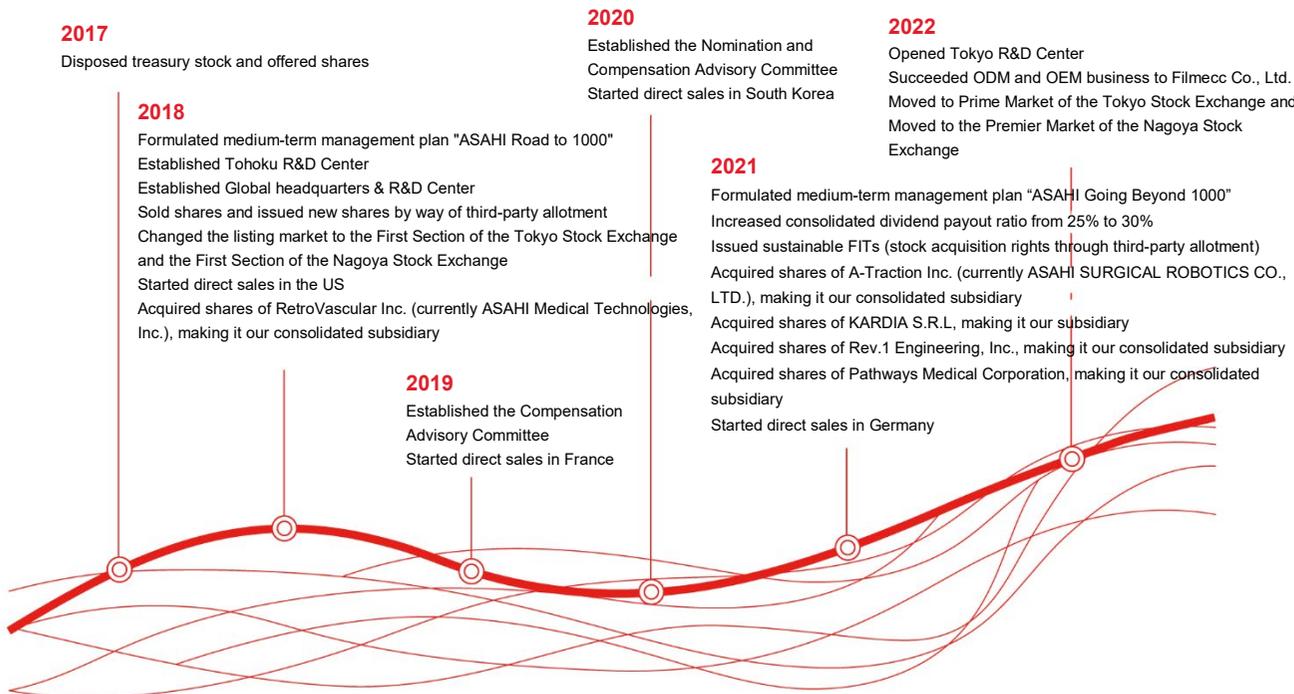
Could you give me your views on the promotion of our strategy and governance over the past six years?

Shibazaki: The six years since my appointment as Outside Director have been a period of significant change for Asahi Intecc. We formulated a medium-term management plan “Asahi Road to 1000” as a roadmap to achieve revenue of 100 billion yen. We moved to the first section of the Tokyo Stock Exchange and Nagoya Stock Exchange markets and took a step of direct sales in our overseas businesses in the US, France, Germany, and South Korea. In 2021, we actively conducted M&As, and in 2022, the Company shifted to the TSE prime market. As

a result, I believe that Asahi Intecc is now ready for the next leap forward. [See Figure]
 Because this is a growth period, promotion of a top-down approach is important, and this must be one of the strengths of Asahi Intecc. On the other hand, it is also important for necessary governance to be in place from a viewpoint of listing responsibilities, and this balance is important. I believe that the system and contents of the governance have steadily improved over the past six years, such as establishment of the Nomination and Compensation Advisory Committee.

Ito: Through discussions at the Board of Directors and other meetings, what did you feel was the unique strength of Asahi Intecc? On the other hand, what are the challenges?

Shibazaki: I think Asahi Intecc's high market share in catheter treatment is its technical strength. But strength and weakness are two sides of the same coin. Relying solely on one strength can be also a risk factor. In addition, the response to crises is particularly important in light of the current unpredictable situation, including geopolitical risks. We need to be sensitive, flexible, and responsive. Against this backdrop, what is important in the future is to present to shareholders the medium- to long-term strategies of where Asahi Intecc is going ahead in the future.



Further, in the context of medium- to long-term strategies, it is important to communicate with shareholders, investors, and other stakeholders and have them understand specifically how to compensate for risks to the future through M&As and related financing.

Ito: Although we place great importance on dialogue with investors through IR, we will continue to strengthen it further.

Finance and M&A

Ito: I would like to ask you about finance. Concerning financing of this time, in addition to the financing itself, the stock market gave us harsh opinions about the method. We held discussions on this matter at the Board of Directors both before and after the execution. Could you review M&As and financing of this time and give us your opinion as an Outside Director?

Shibazaki: M&A and finance are the most important issues for management. Since President and CEO makes a decision on the future with confidence and carries out these things with responsibility, it is important to firmly explain the future vision to shareholders. Of course, how to explain and convince shareholders is the most important issue. I think that by explaining more specifically how management is taking measures to compensate for risks to the future through M&As, etc., you will be able to gain their understanding.

Ito: Now that we have financed, it is our responsibility as a company to use the funds to grow our business. M&As in this time are necessary for a medium- to long-term growth strategy, not a short-term one. There are various opinions on this matter, but in order for shareholders to understand it, it is more important to produce the results than anything else.

Shibazaki: Yes, investors want figures on the results. Even if an M&A is successful, there may be some opinions that it accounts for only a small proportion of our sales size. It is necessary to find out M&A deals including that whether or not such deals give a potential that can complement our current business.

Ito: Could you give us some advice on how to further enhance the corporate value of Asahi Intecc?

Shibazaki: I hope that the Company will continue to pursue new businesses, synergies, and large-scale M&As with confidence in line with its medium- to long-term strategy.

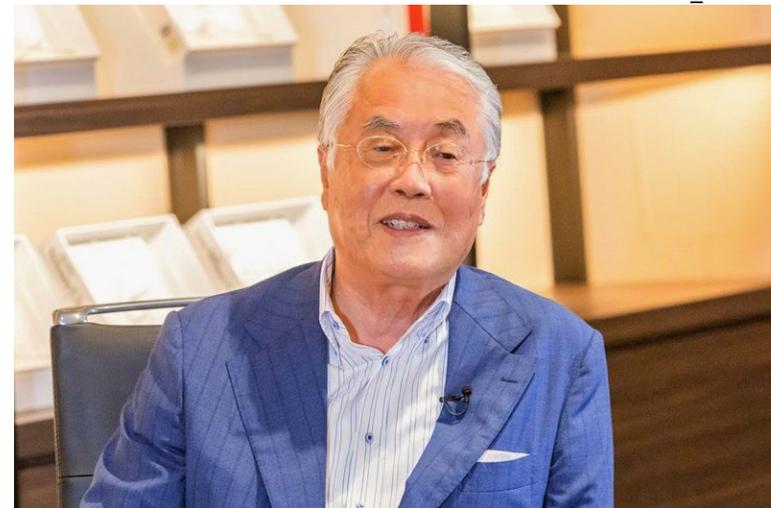
On the other hand, I think the next challenge is to determine investment priorities. Sometimes it is important to take risks proactively and to have a sense of speed, but at the same time, it will also be important to make judgments from a medium- to long-term perspective, not just from short-term profits.

Ito: The four M&A deals in this time are in line with our medium- to long-term strategy, and we are looking into seeds for further synergies. As for M&A, the feasibility is high also in the future, and I think that visualization of prioritization and explanation to shareholders will continue to be important.

Governance

Ito: In 2020, we established the Nomination and Compensation Advisory Committee. Could you speak frankly about your evaluation of this committee?

Shibazaki: There are no major problems with the current committee, and I believe it is functioning well. If any problem arises with the Company in the future, I think it will be important to take time to discuss it with the committee and refer to the Board of Directors.





Ito: I believe that the effectiveness of the Board of Directors is also an important issue. We would like to regularly discuss about the ideal form of the Board of Directors and improve gradually, including: what issues should be on the discussion table of the Board of Directors; what matters should be discussed; and how the visualization of the processes should be improved. What kind of issues do you see at present?

Shibazaki: I believe it is important to have opportunities to discuss the future of the Company between Outside Directors and Executive Directors on a daily basis. I hope that the Company evaluates its effectiveness through regular dialogues and constantly improves the effectiveness. I think that the environment for Outside Directors to discuss management strategies at the Board of Directors has been much more developed than before. However, I feel that the agenda of the Board of Directors is still a lot, so I expect further narrowing of the agenda.

Ito: Yes, we will continue to improve and make it more effective.

What is your view on the member composition of the Board of Directors and the diversity of our Directors?

Shibazaki: The diversity of Directors will become an issue for future management, but it is extremely important to respond to shareholders based on medium- to long-term plans. It is important to incorporate diversity that is appropriate to the current state and nature of Asahi Intecc and look for the way.

Ito: I feel that each of the Outside Directors is different not only in areas of specialization but also in the short-term and long-term perspectives and time axis he/she has for the issues to be considered at the Board of Directors. I also feel that these differences lead to multifaceted discussions. In particular, Mr. Shibazaki, you have a long-term perspective in the strategic discussions, and even though we felt that we had thoroughly discussed the matter in our discussions, you pointed out with a new perspective, and we were often surprised. Even in recent years, the content of the discussion has been a fixed line, and even if we could see the conclusion to a certain extent, your remark made us reconsider whether it was really right or not, and the proposal was carried over, so I was very grateful.

Shibazaki: I think that building a governance system that responds to the growth of company will become more necessary, and that the sensitivity of management will become crucial in the future. If you think a field is interesting, you must have the courage to push forward even if the people around you are skeptical, and you must also have the courage to

retreat when the situation is somehow becoming unfavorable. You have to always polish that sensibility, and such sensibility is cultivated by accumulating experience. Over the past few years, President Miyata has experienced various situations in which he has been asked to make decisions, so I believe that his sensibility has been steadily improved.

In addition, it is also important for Outside Directors to share common goals with Executive Directors, and they must work together to develop business plans and build governance. Also, you may make use of advice that can be given only by Outside Directors.

Ito: We believe that it is important to raise the level of our knowledge and create a place where we can communicate with Outside Directors while thoroughly delivering information to them.

Shibazaki: Over the past six years, Asahi Intecc has changed a lot. Human resources are also nurtured. In addition, Directors of the Company are confronting everything positively and honestly, and I hope they will continue to manage the Company in a manner consistent with the Roadmap, without being swayed by the opinions of those around them.

Asahi Intecc has come this far in recognition of its DNA. I want them to go forward with confidence without forgetting the point of origin.

Ito: Over the past six years, we have received a wide range of opinions from you, Mr. Shibazaki. We look forward to receiving even stricter opinions and guidance from you as our stakeholder. Thank you very much for today.

7-2 | Corporate Governance

List of Directors and Executive Officers (as of the end of FYE June 2022)



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 contribution going forward.

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

April 1993	Joined the Company	January 2015	Director of ASAHI INTECC THAILAND CO., LTD. (current position)
January 1997	Executive Vice President and Director of ASAHI INTECC THAILAND CO., LTD.		Director of ASAHI INTECC HANOI CO., LTD.
July 1997	Director	July 2015	President and Director of ASAHI INTECC HANOI CO., LTD.
August 2002	Deputy General Manager of Device Division General Manager of Quality Assurance Department	September 2015	Executive Vice President and Director
		July 2016	General Manager of Quality Assurance Division Chairperson and Director of ASAHI INTECC HANOI CO., LTD. (current position)
October 2004	Director of ASAHI INTECC THAILAND CO., LTD.	September 2016	Executive Vice President and COO (current position)
July 2006	General Manager of Device Division	July 2017	Director of TOYOFLEX CEBU CORPORATION (current position)
July 2009	Director of GMA Co., Ltd.	July 2018	Director of FICUS Co., Ltd. (current position)
September 2010	Executive Director	July 2020	General Manager of Device Business Division (current position)
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 (current position) TOYOFLEX CEBU CORPORATION President & CEO		



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 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 contribution 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 development of stainless-steel components, the Company's core technology. He is currently serving as General Manager of 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 contribution going forward.

June 1979	Joined the Company
July 2000	Head of Takaiishi 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)



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 contribution 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
April 2012	Director of ASAHI INTECC SCIENTIFIC (Beijing) Co., Ltd. (current position)
September 2013	Director (current position)
July 2019	General Manager of New Business Development Division (current position)
February 2020	Director of ASAHI INTECC CIS LLC (current position)
	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 (current position)
	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)



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 Executive Officer and General Manager of 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 contribution going forward.

May 2003	Joined the Company
May 2005	Deputy General Manager of Corporate Strategic Office
April 2008	Auditor of ASAHI INTECC HANOI CO., LTD. (current position)
September 2008	General Manager of Corporate Strategic Office (current position)
October 2010	Auditor of Filmecc Co., Ltd. (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 2018	Director of RetroVascular, Inc. (currently ASAHI Medical Technologies, Inc.) (current position)
July 2021	Director of A-Traction Inc. (currently ASAHI SURGICAL ROBOTICS CO., LTD.) (current position)

7-2 | Corporate Governance

List of Directors and Executive Officers (as of the end of FYE June 2022)



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 Medical Brand Business Unit of 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 contribution 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)



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 contribution 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 (current position)

December 2021 Public Interests Member of Aichi Prefectural Labour Relations Commission (current position)



Director (Outside)
Akinori Shibazaki

Mr. Akinori Shibazaki has served as President and Representative Director of CDS Co., Ltd. (listed on Prime Market of Tokyo Stock Exchange) for many years. Based on his ample experience and broad insight as a business manager, he has been supervising the Company's management, as well as contributing to strengthening corporate governance through offering advice about the Company's overall management. He has been elected as Outside Director in expectation of his further contribution to strengthening supervision through accurate advice based on extensive experience in corporate management and involvement in nomination and compensation as a member of the Nomination and Compensation Advisory Committee.

- February 1980 President and Representative Director of CHU-O RITTAIZU Co., Ltd. (currently CDS Co., Ltd.)
- August 1988 President and Representative Director of TPS Co., Ltd.
- December 2005 Chairman of the Board of MMC Computer Research Co., Ltd.
- October 2008 Chairman of the Board of BYNAS Co., Ltd. (current position)
- March 2010 Executive Senior Adviser of BYNAS Co., Ltd. (current position)
- August 2010 Chairman of the Board of Torindo Co., Ltd. (current position)
- July 2011 Chairman of the Board of PMC Co., Ltd. (current position)
- March 2013 Director and Senior Adviser of MCOR Co., Ltd. (current position)
- September 2016 Outside Director of the Company (current position)
- March 2021 Chairman and Representative Director of CDS Co., Ltd. (current position)

- 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)



Director (Outside)
Masami Sato

Mr. Masami Sato is qualified as a lawyer and has legal expertise and experience. In addition, he has worked as Outside Auditor and Director who is an Audit and Supervisory Committee Member at the Company for many years, well versed in the Company's business, and has audited the Company appropriately from an objective viewpoint. He has been elected as Outside Director in expectation of his contribution to the further strengthening of corporate governance through accurate advice based on his insight as an attorney.

- April 1989 Qualified as a lawyer in Japan, joined MATSUO & KOSUGI
- April 1993 Qualified as a lawyer in New York, U.S.A.
- December 1994 Joined Maekawa Law Office
- April 1998 Opened Sato Sogo Law Office
- September 1999 Auditor of the Company
- June 2005 Auditor of MINO CERAMIC CO., LTD.
- July 2008 Representative Director of Legal Support Co., Ltd. (current position)
- September 2016 Director who is an Audit and Supervisory Committee Member
- September 2018 Outside Director of the Company (current position)
- February 2020 Auditor of D&P Labo. Co., Ltd. (current position)
- April 2021 Established Sato & Mashimo Legal Professional Corporation

Directors Who are Audit and Supervisory Committee Members



Audit and Supervisory Committee Members
Hiroshi Ota

Mr. Hiroshi Ota has legal expertise and ample experience and knowledge accumulated at the Company's domestic and international organizational divisions. He is appropriately fulfilling the role of auditing and supervising the company's management as a Director who is a Full-Time Audit and Supervisory Committee Member cooperating with other Directors who are Audit and Supervisory Committee Members and the Internal Audit Department after serving as General Manager of the Internal Audit. He has been elected as Director who is an Audit and Supervisory Committee Member in expectation of his further contribution going forward.

- October 1996 Joined the Company
- June 2003 Group Manager of Intellectual Property and Law Group
- July 2004 Director of ASahi INTECC USA, INC.
- January 2005 Deputy General Manager in charge of General Affairs Group and Intellectual Property and Law Group
- July 2006 Deputy General Manager of Medical Division
- December 2006 Deputy General Manager of Device Division
- July 2009 President and Director of ASahi INTECC HANOI CO., LTD.
- May 2010 Deputy of General Manager of Business Administration
- December 2012 Group Manager of Human Resource Development Department
- September 2013 Auditor of Toyoflex Corporation
- May 2015 General Manager of Office of the Chairman
- September 2016 General Manager of the Internal Audit
- September 2018 Director (Full-Time Audit and Supervisory Committee Member) (current position)



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 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 Outside Director who is an Audit and Supervisory Committee Member in expectation of his further contribution going forward.

- October 2001 Registered with Nagoya Bar Association (currently Aichi Bar Association)
- April 2006 Joined Higashi Sakura Law Firm
- December 2006 Part-Time Lecturer at Law Department, Nagoya University of Economics
- 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 (current position)
- 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



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 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 Outside Director who is an Audit and Supervisory Committee Member in expectation of his further contribution 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 Foundation

Executive Officers

- Ippeei Yugawa
- Yuichi Iizuka
- Toshiya Osawa
- Yukio Watanabe
- Yo Nobuta
- Kazuo Chiba
- Yasuyuki Kawahara
- Masashi Muto
- Kazuhiro Ishihara

7-2 | Corporate Governance

■ Skills Matrix (as of the end of FYE June 2022)

Name	Current 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	ESG	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 %	-	-
Munehika Matsumoto	Executive Director			●	●			●				●			100 %	-	-
Yoshinori Terai	Director					●	●				●				100 %	-	-
Mizuho Ito	Director								●		●	●			100 %	-	-
Makoto Nishiuchi	Director			●			●						●		100 %	-	-
Kiyomichi Ito	Outside Director	Independent (Outside)	●			●									100 %	-	-
Akinori Shibazaki	Outside Director	Independent (Outside)	●								●			●	100 %	-	100 %
Masami Sato	Outside Director	Independent (Outside)								●	●	●			100 %	-	-
Hiroshi Ota	Director (Full-Time Audit and Supervisory Committee Member)									●		●			100 %	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 %

7-2 | Corporate Governance

List of Directors and Executive Officers (after resolution at General Meeting of Shareholders held on September 29, 2022)



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 contribution going forward.

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



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 contribution going forward.

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



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 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 contribution 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)
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 development of stainless-steel components, the Company's core technology. He is currently serving as General Manager of 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 contribution 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)
September 2021	Executive Director (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 contribution 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 INTSCC EUROPE B.V. (current position)
July 2020	Supervisor of Global Sales and Marketing of Medical Brand Business Unit of Medical Division (current position) 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)
	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)



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 Executive Officer and General Manager of 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 contribution going forward.

May 2003	Joined the Company
May 2005	Deputy General Manager of Corporate Strategic Office
April 2008	Auditor of ASAHI INTECC HANOI CO., LTD. (current position)
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)

7-2 | Corporate Governance

List of Directors and Executive Officers (after resolution at General Meeting of Shareholders held on September 29, 2022)



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 Medical Brand Business Unit of 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 contribution 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 ASAH 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 ASAH 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 contribution 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 (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 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 (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 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 Outside Director who is an Audit and Supervisory Committee Member in expectation of his further contribution 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 (current position)
- 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 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 Outside Director who is an Audit and Supervisory Committee Member in expectation of his further contribution 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 Foundation
- 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 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 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
- March 2019: Completed program for training women executives (Aichi) FY2018 Cabinet Office
- Member of Accounting-Literacy-Map & Educational Materials Study Group of the Basic Education Promotion Council in Accounting, the Japanese Institute of Certified Public Accountants (current position)
- May 2019: Chairwoman of the Public Relations Committee of the Japanese Institute of Certified Public Accountants Tokai Association
- June 2019: Member of the Public Relations Committee of the Japanese Institute of Certified Public Accountants (current position)
- August 2019: Member of the Public Relations Committee of the Japanese Institute of Certified Public Accountants (current position)

Executive Officers

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

7-2 | Corporate Governance

■ Skills Matrix (after resolution at General Meeting of Shareholders held on September 29, 2022)

Name	Current 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
Masahiko Miyata	President & CEO		●	●		●	●					●		●	●
Kenji Miyata	Executive Vice President and COO		●	●	●			●					●		●
Tadakazu Kato	Senior Executive Director			●	●		●								
Munehika Matsumoto	Executive Director			●	●			●					●		
Yoshinori Terai	Director					●	●				●				
Mizuho Ito	Director								●		●	●	●		
Makoto Nishiuchi	Director			●			●							●	
Kiyomichi Ito	Outside Director	Independent (Outside)	●			●									●
Takahiro Kusakari	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)							●		●				

7-2 | Corporate Governance

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 its 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 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 10 Directors (excluding Directors who are Audit and Supervisory Committee Members) and 3 Directors who are Audit and Supervisory Committee Members, and of the 13 Directors, 5 Directors (38.5% 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 total of 13 Members, including ten Directors excluding Directors who are Audit and Supervisory Committee Member (three of whom are Outside Directors and one is a female Director) and three Directors who are Audit and Supervisory Committee Members (two of whom are Outside Directors). 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, including two Outside Directors, 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. In preparation for the case that the legally required number of Audit and Supervisory Committee Members becomes vacant, a substitute Audit and Supervisory Committee Member has

been appointed in advance at the 44th Annual General Meeting of Shareholders held on September 29, 2020.

Nomination and Compensation Advisory Committee

Our company has a 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, a Director who is an Audit and Supervisory Committee Member, and Executive Officers, holds monthly meeting in order to deliberate on important matters related to business operations, report on execution results, and share information across the company.

7-2 | 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 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, such as due to violation of laws, regulations, and the Articles of Incorporation, etc., or due to significant damaging of the Asahi Intecc's corporate value, the Nomination and Compensation Advisory Committee shall deliberate on the matters requested by the Board of Directors and make a proposal based on the report to the Board of Directors. Thereafter, the matter shall be sufficiently deliberated at a Board of Director's meeting with Independent Outside Directors in attendance, and will then be proposed to the General Meeting of Shareholders, where the matter shall be settled.

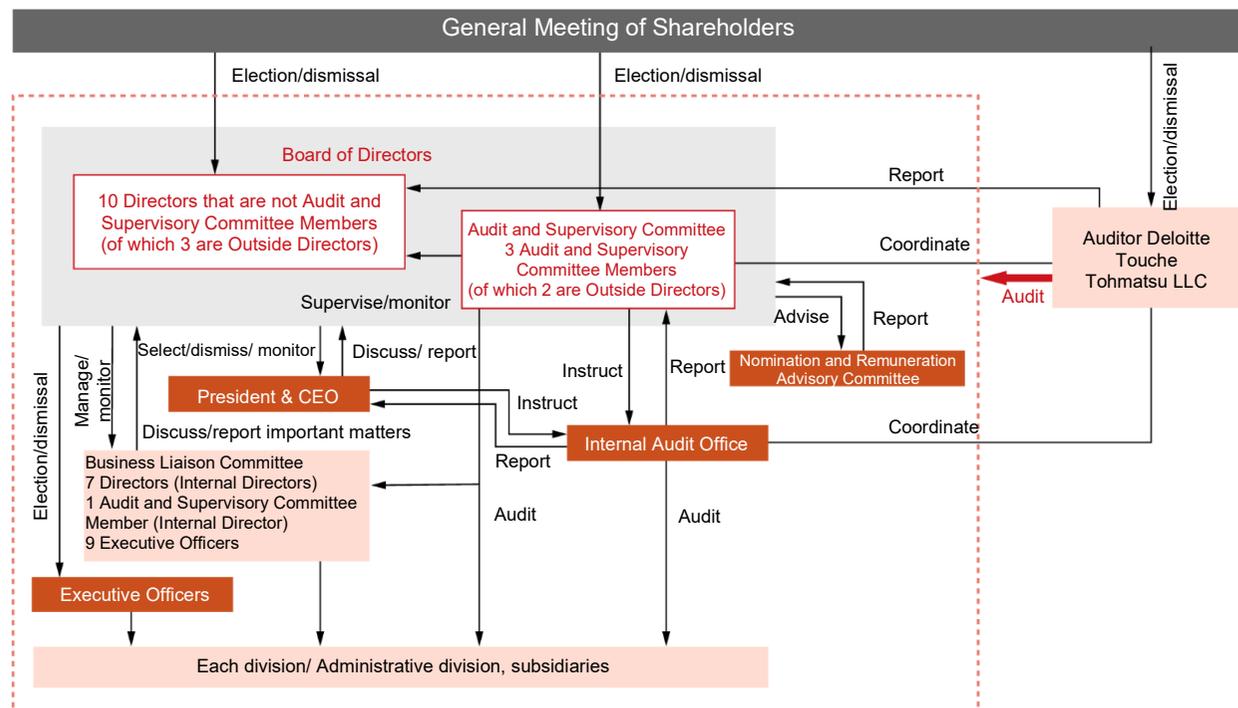
Status of Evaluating the Effectiveness of the Board of Directors

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. As a result, Asahi Intecc has confirmed that the Board of Directors is effective in its current form and operations.

Corporate Governance Structure

FYE June 2022



7-2 | Corporate Governance

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 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 the FYE June 2022, as well as the contents 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 so that the total amounts of fixed remuneration, long-term performance-linked remuneration, and short-term performance-linked remuneration portions fall within the total amount of remuneration determined by a General Meeting of Shareholders resolution. In FYE June 2022, 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 share purchase, 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 is paid in consideration of each Director's position, duties, tenure, and the state of the Asahi Intecc Group., 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 share purchase are paid monthly. If the portion of performance-linked remuneration 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 Determined by Performance for Short Period.), 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 upon receiving reports from the Nomination and Compensation Advisory Committee. In FYE June 2022, 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 (person)
Directors (excluding Audit and Supervisory Committee Members and Outside Directors)	399	364	34	-	8
Directors (Audit and Supervisory Committee Members) (excluding Outside Directors)	15	14	1	-	1
Outside Directors	40	37	3	-	5
Total	455	415	39	-	14

(Note 1) The above descriptions include the remuneration during service for one Director who retired at the 44th Annual General Meeting of Shareholders held on September 29, 2020.

(Note 2) Portion of remuneration for share purchase is remuneration which is linked to improvement in long-term performance.

(Note 3) Portion of performance-linked remuneration is Director bonuses determined by performance for short period.

7-2 | Corporate Governance

6) Policy on Determining the Contents 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, and the portion of performance-linked remuneration 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 2022, 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)

At Asahi Intecc, if there are important legal amendments, systemic changes, etc., necessary for Directors (excluding Directors who are Audit and Supervisory Committee Members) to execute their duties, 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. In addition, 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)

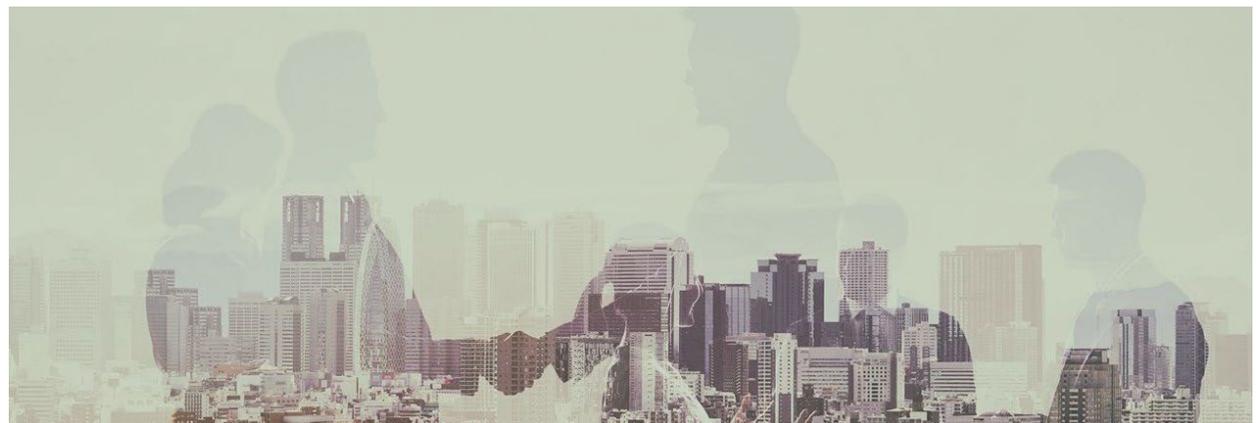
Concerning matters related to the succession plan, the Nomination and Compensation Advisory Committee deliberates on the appropriateness of the plan and periodically reviews candidates, etc., and reports the deliberation results to the Board of Directors and submits opinions when necessary.

Governance of Asahi Intecc Group

Our Group is composed of Asahi Intecc, seven domestic subsidiaries (four consolidated subsidiaries and three 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 Administrative 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 further, important matters discussed at the subsidiaries' board of directors' meetings are reported monthly to Asahi Intecc's Board of Directors.



7-3 | 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.

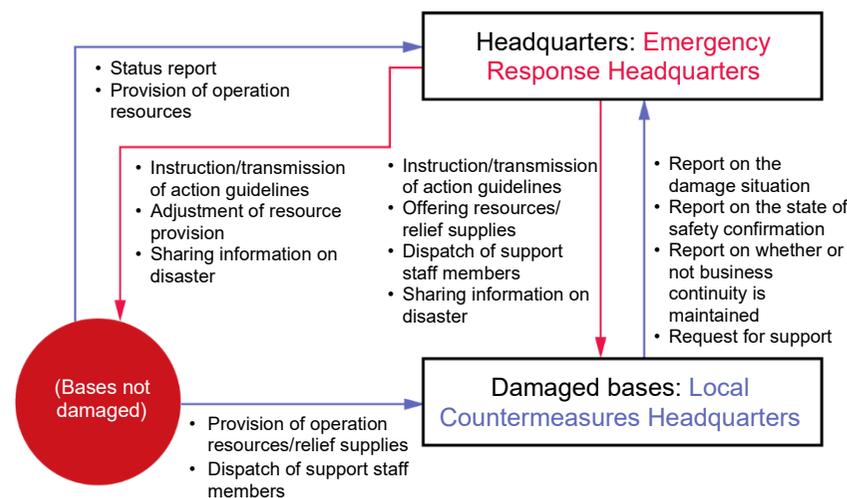
Response to Large-Scale Disasters

<Basic Thinking>

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 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 occurrence of emergency such as a disaster, etc., to our Group, the emergency response headquarters headed by the 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 the employees and the local community while endeavoring to stably supply products.

7-3 | Risk Management

BCP (Business Continuity Plan)

Our Group is proceeding with formulating “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 indispensable tasks for corporate operations for each group, and take measures in the case of emergency based on this planning.

BCP Basic Policy

1. Give a top priority to securing the safety in the life and body of each person.
2. Assess the damage situation, and strive for early restoration to the normal operation activities of

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 the past events including production stop and difficulty in transportation during disasters such as the flood in Thailand, and emergencies such as the spread of the COVID-19 infection; we will organize functions available in taking part in some parts of production during emergency, such as clean rooms in the new building that is scheduled to be completed in June 2024.

Disaster Prevention Handbook



7-3 | Risk Management

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 troubles. In addition, to respond to increasingly sophisticated and diverse information security risks, we periodically review our measures and continue to implement them.

Information Security Training

As part of information security training, our Group provides group training when employees join the Company and individual information security training opportunities to each department, with the purpose of fostering a sense of ethics and security awareness. Furthermore, we aim to maintain and improve security awareness by 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, in addition to enhancing the content of the information security training that our Group has provided to date, we will also strengthen our ability to respond to incidents by conducting training that simulates incidents.

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.



7-3 | 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 2022 and can be associated with the seven key issues of sustainability.

(1) Medical Field

Key issues

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
Response to Technological Innovation	→	On-site problem solving through innovation

(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

(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

7-4 | 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 Administrative 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)

Charter of Corporate Behavior
Mission

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, in accordance with the following 10 principles. We shall strive to be an economic entity that pursues profit through fair competition, and at the same time, to be socially useful to society.

1. We shall develop and provide socially useful products and services while giving due consideration to ensuring product safety, environmental conservation, and protection of personal and customer information. We shall earn the satisfaction and trust of customers and others, thereby contributing to the improvement of people's lives and the development of the economy and society.
2. Recognizing that addressing environmental issues is an issue common to all humankind, and is essential to the existence and activities of companies, we shall voluntarily and actively take action in all our business activities from a broad perspective, including global environmental issues and resource recycling.
3. We shall communicate widely with shareholders and society, and actively and fairly disclose corporate information.
4. We shall achieve the feeling of free of pressure and affluence in employees and secure safe and comfortable environments for them, and respect the diversity, personalities, and individual characters of employees.
5. As a good corporate citizen, we shall actively support local community activities.
6. We shall strongly endorse antitrust forces and groups that threaten the order and security of civil society.
7. 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.
8. We shall maintain healthy and normal relations with politicians and administration.
9. We shall strictly comply with relevant laws and regulations, conduct honest corporate activities within social norms, and engage in fair, transparent, and free trade and competition.
10. In order to realize the spirit of this Charter, top management shall take the lead in thoroughly disseminating information to the relevant parties and in establishing an internal system. In the event of a situation that violates the Charter, top management shall take the lead in resolving the problem, promptly and accurately disclosing information, and making efforts to prevent the recurrence of similar incidents, and shall take strict disciplinary measures.

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. 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. Based on the internal reporting regulations, the Compliance Committee, headed by the Director and General Manager of the Administrative Division, shall fairly investigate the contents 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.

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, etc. 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.

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 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.

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 Administrative Division concerning the existence and details of any violations of laws, regulations, or the Articles of Incorporation, or any other important matters concerning compliance. 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.

7-4 | Compliance

Respect for Human Rights (1) Harassment /Discrimination Prevention

Our Group advocates in the Chapter of Corporate Behavior that “We shall achieve the feeling of free of pressure and affluence in employees and secures 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 act 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 (2) 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.

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.