

December 12, 2019

To All Concerned Parties,

Company: Asahi Intecc Co., Ltd.
Representative: Masahiko Miyata, President & CEO
(Securities code: 7747, First section of Tokyo Stock Exchange and Nagoya Stock Exchange)
Contact:
Mizuho Ito, Member of Board & CFO, General Manager of Administration
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Notice Regarding Establishment of Overseas Sales Subsidiary Asahi Intecc CIS LLC

Asahi Intecc Co., Ltd (Asahi Intecc) announces that it resolved at its board of directors' meeting held on December 12, 2019 to establish Asahi Intecc CIS LLC as a subsidiary mainly engaged in sales promotion of medical devices in the CIS region (*), as set forth below.

1. Summary of the Subsidiary

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| (1) Company name | Asahi Intecc CIS LLC |
| (2) Description of main business | Sales promotion of medical equipment manufactured by Asahi Intecc Group |
| (3) Date of establishment | December, 2019 (Plan) |
| (4) Location | LESNAYA PLAZA 4th Floor, 4, 4th Lesnoy pereulok, Moscow, Russia, 125047 |
| (5) Representative | Dzhabrailov Suleyman (Employee of Asahi Intecc) |
| (6) Capital | 30,000,000 Rouble |
| (7) Investor and investment ratio | Asahi Intecc Co., Ltd. 100% |
| (8) Number of employees | 4 (plan) |
| (9) Business start date | February, 2020 |
| (10) Fiscal term | The end of December |
| (11) Summary of Capital relationship, Personal relationship and Business relationship with Asahi Intecc | |
| Capital relationship | The company will be established with 100% investment by Asahi Intecc |
| Personal relationship | One director and three employees of Asahi Intecc will concurrently serve as directors of the company |
| Business relationship | A business relationship will be occurred for the services provided by the company |

2. Reason for establishment of the subsidiary

One of the key strategies of Asahi Intecc Group is to strengthen its global revenue base by further enhancing sales and marketing functions in each region, mainly for our own brand products for medical devices.

In the CIS region which is a promising growth market, we have sold through local distributors so far and have gained high market share. While continuing sales through local distributors, we aim to further increase profits by strengthening backups in terms of sales, marketing, regulatory affairs and so on by establishing a local subsidiary Asahi Intecc CIS LLC in Moscow, the capital of the Russian Federation.

* The CIS region in our company refers to 19 countries: Russia, Belarus, Ukraine, Armenia, Georgia, Azerbaijan, Serbia, Montenegro, Albania, Kosovo, Macedonia, Croatia, Bosnia, Slovenia, Kazakhstan, Kyrgyzstan, Uzbekistan, Turkmenistan, Tajikistan.

3. Impact on operating results

Impact on the forecast of consolidated business performance for the fiscal year ending June 2020 related to establishment of the subsidiary will be minimal.