

April 12, 2021

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  
(TEL. +81-561-48-5551)

### Notice Regarding Conclusion of Basic Agreement on Acquisition of Quota of KARDIA S.R.L (Subsidiary Company)

Asahi Intecc Group announces that it passed a resolution at its board of directors' meeting held on April 12, 2021, to conclude a basic agreement on acquisition of quota of KARDIA S.R.L (KARDIA) to consider making KARDIA a consolidated subsidiary.

Not all matters related to the acquisition of quota have been fixed. If there are any important developments in the future, Asahi Intecc will disclose them in a timely and appropriate manner.

#### 1. Reasons for Considering Acquisition of Quota

KARDIA has a long-standing partnership with Asahi Intecc as a distributor of Asahi Intecc Group in the Italian market since 1996, and directly sells interventional (intravascular catheter treatment) devices for the cardiovascular, peripheral, and neurovascular fields. It also undertakes installation of catheter operating rooms in hospitals and the management and purchase of products used.

Asahi Intecc recently signed a basic agreement to acquire 70% of the quota of KARDIA in July 2021 and 100% of the quota within 5 years in response to the intent of transferring of quota from KARDIA and its shareholders, and that contributes the purpose of Asahi Intecc Group to start direct sales in the Italian market.

Italy plays a leading role in percutaneous coronary intervention (PCI) treatment (Note 1) in the European market as chronic total occlusion (CTO) (Note 2) treatment is particularly popular in Italy. In Italy, KARDIA sells a wide range of interventional devices such as guide wires for the cardiovascular, peripheral and neurovascular areas and catheter products of Asahi Intecc Group. Other than Asahi Intecc Group's devices, it handles several innovative technologies such as Patent Foremen Ovale (PFO) closure devices and transcatheter mitral valve repair (TMVr) device for the cardiovascular system and stent retrievers used for thrombectomy in the neurovascular field. In addition to distributing products, KARDIA also undertakes contracts to set up catheter operating rooms, and for a long time has comprehensively earned a high level of trust from doctors.

After the acquisition of quota by Asahi Intecc Group, KARDIA will retain the current management team, with the founders of the company being involved in management for the time being, and will not make major organizational changes.

Asahi Intecc Group has set "expanding affected / treatment areas" as a medium- to long-term strategy, and in Europe / the Middle East and Asian regions, it is promoting to develop an optimal sales and distribution network in each region. In Europe / the Middle East, Italy will be positioned as a direct sales region following France and Germany, and by making KARDIA a subsidiary, about 30 % of sales in the European / Middle Eastern market will be direct sales.

In welcoming KARDIA, which plays a leading role in PCI treatment in Italy, as an Asahi Intecc Group Company, Asahi Intecc will continue to further enhance Asahi Intecc Group's presence and expand its market share by providing higher-value marketing and services through collaboration between the two companies.

(Note 1) PCI treatment :One of the treatments for diseases such as angina pectoris and myocardial infarction that occur when the blood vessels (coronary arteries) of the heart are clogged or narrowed by

cholesterol. A thin tube called a catheter is inserted into a blood vessel from the base of the wrist or foot to widen the narrowed blood vessel for treatment.

(Note 2) CTO : A lesion that is completely occluded for a long time. Although such lesions were in the area of surgery (bypass surgery) in the past, PCI treatment (minimally invasive treatment in the cardiovascular field) is the mainstream in Japan currently because Asahi Intecc succeeded in developing PTCA guide wire that can also be used for the CTO.

## 2. Summary of Acquisition of Quota

### (1) Overview of the subsidiary company (KARDIA S.R.L) to be changed

①	Company name	KARDIA S.R.L		
②	Location	MILANO(MI) VIA CORMONS 18 CAP 20151		
③	Title and name of Representative	PORETTI EZIO, Chairman of the Board of Directors LONGONI GIOVANNI, Managing Director		
④	Description of business	Purchase, wholesale and leasing (excluding financial leasing) of medical and healthcare materials, clinical and laboratory equipment and clinical analysis laboratories, IT products and hardware		
⑤	Capital	100,000 euros (12 million yen)		
⑥	Date of establishment	July 20,1993		
⑦	Major shareholders and their shareholding ratios	LONGONI GIOVANNI 50.0% PORETTI EZIO 50.0%		
⑧	Relationships between the listed company and the relevant company	Capital relationship	There is no capital relationship between Asahi Intecc and the relevant company that should be disclosed.	
		Personnel relationship	There is no personnel relationship between Asahi Intecc and the relevant company that should be disclosed.	
		Business relationship	Asahi Intecc supplies products to the relevant company.	
⑨	Recent results of operations and financial condition of the relevant company (non-consolidated)			
	Fiscal year	June.2018	June.2019	June.2020
	Net assets	16,922 thousand euros (2,185 million yen)	20,572 thousand euros (2,656 million yen)	10,128 thousand euros (1,308 million yen)
	Total assets	22,621 thousand euros (2,921 million yen)	26,726 thousand euros (3,451 million yen)	15,391 thousand euros (1,987 million yen)
	Net asset per share	-	-	-
	Net sales	19,188 thousand euros (2,478 million yen)	21,108 thousand euros (2,726 million yen)	18,715 thousand euros (2,417 million yen)
	Operating income	5,165 thousand euros (667 million yen)	4,973 thousand euros (642 million yen)	4,713 thousand euros (608 million yen)
	Ordinary Income	5,266 thousand euros (680 million yen)	5,060 thousand euros (653 million yen)	4,861 thousand euros (627 million yen)
	Net income	3,775 thousand euros (487 million yen)	3,650 thousand euros (471 million yen)	3,555 thousand euros (459 million yen)
	Net income per share	-	-	-
	Dividend per share	-	-	-

\*Convert one euro into 129.15 yen

### (2) Overview of the other party selling quota

①	Name and Address	LONGONI GIOVANNI, Bovisio-Masciago (Mi), Italy
②	Relationship between the listed company and the relevant individual	There is no capital, personnel and business relationship between Asahi Intecc and the relevant individual that should be disclosed.

①	Name and Address	PORETTI EZIO, Carnago (Va), Italy
②	Relationship between the listed company and the relevant individual	There is no capital, personnel and business relationship between Asahi Intecc and the relevant individual that should be disclosed.

(3) Proportion of quota to be acquired, acquisition price and quota ownership before and after acquisition

①	Proportion of quota held before change	0.00%
②	Proportion of quota to be acquired	70.00 %
③	Acquisition price	Lump Sum 28,000 thousand euros (3,616 million yen) As a milestone in response to the achievement of certain conditions in the future, payments of up to 12,000 thousand euros (1,550 million yen) may occur by July, 2026 The funds for the acquisition will be applied by the funds procured through the payment and exercise of the 4th share acquisition rights (the share acquisition rights) through a third-party allotment resolved at the board of directors' meeting held today. If the funds would not be raised as expected due to the exercise status of the share acquisition rights or changes in the share price at the time of exercise, the funds for the acquisition will be applied by the funds procured through borrowing from financial institutions, etc.
④	Amount of goodwill, etc.	Currently under discussion with the audit firm, amount of goodwill, etc. has not been fixed. For goodwill and other intangible asset, the amount is expected to be about 2.5 to 2.7 billion yen and the amortization period is expected to be about 5 years
⑤	Proportion of quota held after change	70.00%

(4) Time line of quota acquisition

①	Resolution at Board of Directors' meeting	April 12, 2021
②	Conclusion of Contract	April 12, 2021
③	Scheduled to execute quota transfer	July 1, 2021

3. Future Prospects

The impact of the quota acquisition of this time on financial results for the fiscal year ending June 2021 will be minimal. In addition, the impact on the consolidated financial results for the fiscal year ending June 2022 is currently under scrutiny. Financial forecast for the fiscal year ending June 2022 will be disclosed later.

(Reference) Forecast of consolidated business performance for the fiscal year ending June 2021(announced on August 14, 2020) and consolidated actual business performance for the fiscal year ended June 2020

	Consolidated net sales	Consolidated operating income	Consolidated ordinary income	Net income attributable to parent company shareholders
Consolidated forecast for the current fiscal year (FYE June 2021)	60,542 million yen	12,619 million yen	12,496 million yen	9,193 million yen
Consolidated actual business performance for the previous fiscal year (FYE June 2020)	56,546 million yen	12,445 million yen	12,310 million yen	9,178 million yen