

November 14, 2024

To All Concerned Parties,

Company: Asahi Intecc Co., Ltd.
Representative: Kenji Miyata, President & CEO
(Securities code: 7747, Prime of Tokyo Stock Exchange and Premier of Nagoya Stock Exchange)
Contact:
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Notice Concerning the Establishment of Subsidiary (Manufacturing and Development) in China

Asahi Intecc Co., Ltd. (the “Company”) announces that it has resolved at the Board of directors’ meeting held on November 14, 2024 to establish a new wholly-owned subsidiary, Asahi Intecc Medical Device (Nanning) Co., Ltd. (tentative name) in Nanning, Guangxi Zhuang Autonomous Region, China, for the manufacturing and development of medical devices for the Chinese market.

1. Purpose of the establishment

The Company group has been steadily expanding its sales in the Chinese market, which has a high market growth rate. In order to ensure sustained growth in China and adapt to the recent impact of the Chinese government's preferential policies for domestic products, the Company has decided to establish a new subsidiary, Asahi Intecc Medical Device (Nanning) Co., Ltd. (tentative name), in Nanning, Guangxi Zhuang Autonomous Region. This subsidiary will serve as a manufacturing and product development base for the Chinese market, and we will also construct a factory in the same location. The products manufactured and developed by this subsidiary will be sold in the Chinese market through its wholly-owned subsidiary, Asahi Intecc Scientific (Beijing) Co., Ltd. (Sales subsidiary in China.)

2. Outline of the new company

①	Trade Name	Asahi Intecc Medical Device (Nanning) Co., Ltd. (tentative name)	
②	Location	Nanning, Guangxi Zhuang Autonomous Region	
③	Name of representative	Tadakazu Kato, CEO (Senior Executive Officer of the Company)	
④	Description of business	Manufacture and develop medical devices for the Chinese market	
⑤	Share capital (Including surplus capital)	Approximately 1.5 billion yen (75 million yuan at an exchange rate of 1 yuan = 20 yen) is planned.	
⑥	Investors, investment ratio	Asahi Intecc Co., Ltd. 100%	
⑦	Date of establishment	Scheduled in February 2025	
⑧	Date of commencement of business	Scheduled in February 2025	
⑨	Capital investment	Approximately 2 billion yen (100 million yuan at an exchange rate of 1 yuan = 20 yen) will be expected before production can begin.	
⑩	Total floor space	About 9,300 m ²	
⑪	Start operating date	Scheduled in December 2030	
⑫	Book closing date	December	
⑬	Relationship between the Company and said company	Capital relationship	The said company will be established with 100% capital from the Company (Asahi Intecc Co., Ltd.)
		Personnel	One director, two executive officers, and three employees

		relationship	are scheduled to serve concurrently as directors and auditors of the said company.
		Business relationship	Sales and purchase transactions are scheduled to occur among the Company(Asahi Intecc), said company and Asahi Intecc Scientific (Beijing) Co., Ltd. (Sales subsidiary in China), which is wholly-owned subsidiary.

3. Impact on future business performance

The impact of the establishment of this subsidiary on its consolidated financial results will be minor.