

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)  
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### Notice Regarding Conclusion of Basic Agreement on Acquisition of Shares of Rev. 1 Engineering, Inc. (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 shares of Rev. 1 Engineering, Inc. (Rev. 1) to consider making Rev. 1 a wholly owned subsidiary.

Not all matters related to the acquisition of shares 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 Shares

Established by former engineers from major medical device manufacturers, Rev. 1 undertakes design and development of medical devices, mainly in interventions (Note), in the U.S. market.

Asahi Intecc recently signed a basic agreement to consider acquiring 100% of the shares of Rev. 1 with the aim of expanding its original equipment manufacturer (OEM) business in the U.S. market.

Rev. 1 has been entrusted with business from design and development of interventional products to manufacturing of prototypes by various major medical device manufacturers, and possesses design and development know-how of a wide range of interventional products such as cutting-edge catheters. By making Rev. 1 a subsidiary, Asahi Intecc Group will incorporate said know-how under its umbrella, which will lead to the strengthening of catheter development, and by utilizing Asahi Intecc Group's manufacturing bases, Rev. 1's existing business will be expanded from design and development contracts to manufacturing. In addition, because the location is close to Asahi Intecc Group's R&D base in the U.S., the ease of cooperation would be also an advantage. Accordingly, Asahi Intecc expects that it will be possible to expand its OEM business mainly in the U.S. market.

Asahi Intecc Group has set "expanding affected / treatment areas" and "creating new businesses" as its medium- to long-term strategies. By making Rev. 1 a subsidiary, Asahi Intecc will continue to strive to help spread minimally invasive treatment products in a wide range of fields and improve the quality of life of patients.

(Note) Intervention: A general term for treatment methods inserting catheters into blood vessels for diseases such as cardiovascular, brain, peripheral, and abdominal fields.

#### 2. Summary of Acquisition of Shares

##### (1) Overview of the subsidiary company (Rev. 1 Engineering, Inc.) to be changed

①	Company name	Rev. 1 Engineering, Inc.
②	Location	41693 Date St, Murrieta, CA 92562, United States of America
③	Title and name of Representative	Eric Johnson, Chief Executive Officer
④	Description of business	Contracting business of design and development of medical devices
⑤	Capital	459 thousand US dollars (48 million yen)

⑥	Date of establishment	November 2, 2009		
⑦	Major shareholders and their shareholding ratios	Eric Johnson, Deanna Johnson (Johnson Family Trust) 50.0% Phillip C. Burke, Michelle A. Burke (Burke Family Living Trust) 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	There is no business relationship between Asahi Intecc and the relevant company that should be disclosed.	
⑨ Recent results of operations and financial condition of the relevant company (non-consolidated)				
	Fiscal year	Dec.2018	Dec.2019	Dec.2020
	Net assets	1,452 thousand US dollars (154 million yen)	2,467 thousand US dollars (262 million yen)	2,121 thousand US dollars (225 million yen)
	Total assets	4,183 thousand US dollars (444 million yen)	5,827 thousand US dollars (619 million yen)	2,948 thousand US dollars (313 million yen)
	Net asset per share	1.81 US dollars (192 yen)	3.08 US dollars (327 yen)	2.65 US dollars (281 yen)
	Net sales	3,663 thousand US dollars (389 million yen)	5,366 thousand US dollars (570 million yen)	5,777 thousand US dollars (613 million yen)
	Operating income	1,190 thousand US dollars (126 million yen)	2,048 thousand US dollars (217 million yen)	2,029 thousand US dollars (215 million yen)
	Ordinary Income	1,194 thousand US dollars (126 million yen)	2,066 thousand US dollars (219 million yen)	3,056 thousand US dollars (324 million yen)
	Net income	1,194 thousand US dollars (126 million yen)	2,066 thousand US dollars (219 million yen)	3,056 thousand US dollars (324 million yen)
	Net income per share	1.49 US dollars (158 yen)	2.58 US dollars (274 yen)	3.82 US dollars (405 yen)
	Dividend per share	-	-	-

\*Convert one US dollar into 106.25 yen

(2) Overview of the other party selling shares

①	Name and Address	Eric Johnson (Johnson Family Trust) , California, USA
②	Relationship between the listed company and the relevant individual	There is no capital, personnel and business relationship between Asahi Intecc and the individual that should be disclosed.

①	Name and Address	Deanna Johnson (Johnson Family Trust) , California, USA
②	Relationship between the listed company and the relevant individual	There is no capital, personnel and business relationship between Asahi Intecc and the individual that should be disclosed.

①	Name and Address	Phillip C. Burke (Burke Family Living Trust) , California, USA
②	Relationship between the listed company	There is no capital, personnel and business relationship between Asahi Intecc and the individual that should be disclosed.

	and the relevant individual	
①	Name and Address	Michelle A. Burke (Burke Family Living Trust) , California, USA
②	Relationship between the listed company and the relevant individual	There is no capital, personnel and business relationship between Asahi Inecc and the individual that should be disclosed.

(3) Number of shares to be acquired, acquisition price and share ownership before and after acquisition

①	Number of shares held before change	0 share (Number of voting rights: 0) (Percentage of voting rights held: 0.00%)
②	Shares to be acquired	800,000 shares (Number of voting rights: 800,000)
③	Acquisition price	Lump Sum 27,446 thousand US dollars (2,916 million yen) 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 yet. For goodwill, etc., the amount is expected to be about 2.4 to 2.6 billion yen and the amortization period is expected to be about 5 years
⑤	Number of shares after change	800,000 shares (Number of voting rights: 800,000) (Percentage of voting rights held: 100.00% )

\*Convert one US dollar into 106.25 yen

(4) Time line of share acquisition

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

3. Future Prospects

The impact of the share acquisition of this time on Asahi Inecc Group's 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
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				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