

January 16, 2023

To All Concerned Parties,

Company: Asahi Intecc Co., Ltd.
Representative: Masahiko Miyata, President & CEO
(Securities code: 7747, Prime of Tokyo Stock Exchange and Premier of
Nagoya Stock Exchange)
Contact:
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Notice Regarding Absorption-type Merger of Consolidated Subsidiary
(Simplified Merger / Short-form merger)

Asahi Intecc Co., Ltd. (hereinafter the “Company”) hereby announces that the Board of Directors resolved to carry out an absorption-type merger of its consolidated subsidiary, Toyoflex Corporation (hereinafter the “Toyoflex”) at the meeting of the Board of Directors held on January 16, 2023.

The Company omits certain disclosures and details of the merger, since this is a simplified absorption-type merger between the Company and its wholly owned consolidated subsidiary.

1. Purpose of the Merger

Toyoflex, a wholly owned subsidiary acquired by the Company in September 2013. Toyoflex is mainly engaged in sales of products for the industrial equipment field, including the automobile and construction material markets, utilizing its wire rope and injection molding technologies, and also conducts small-lot production, mainly for R&D and prototype production.

The decision was made to merge Toyoflex into Asahi Intecc Co., Ltd. for the purpose of promoting integration and rationalization of operations and organizational structure, as well as to improve the efficiency of management resources.

One of the key strategies of our group is "Developing R&D and production system optimized for global expansion" and "Establishing management foundation for sustainable growth." Through the integration of the two companies, we will strive to further enhance our corporate value.

2. Outline of the Merger

(1) Schedule of the Merger

Date of the resolution of the Board of Directors to
approve the absorption-type merger agreement: January 16, 2023
The date of conclusion of the merger agreement: January 16, 2023
Effective date of the Merger: July 1, 2023 (Planned)

*The approval at the respective Company’s General Meeting of shareholders will be omitted since the merger is a simplified merger pursuant to Paragraph 2 of Article 796 of the Companies Act of Japan for the Company, and a short-form merger pursuant to Paragraph 1 of Article 784 of the Companies Act of Japan for Toyoflex.

(2) Method of the Merger

The merger will be conducted as an absorption-type merger with the Company as the surviving company, and Toyoflex will be dissolved.

(3) Details of the allotment related to the Merger

There will be no allotment of shares or other monetary items upon the Merger.

- (4) Handling of stock acquisition rights and bonds with stock acquisition rights upon the Merger
Not applicable

3. Overview of the companies involved in the Merger (As of June 30, 2022)

	Company surviving the absorption-type merger	Company disappearing in the absorption-type merger
(1) Name	ASAHI INTECC CO., LTD.	Toyoflex Corporation
(2) Location	3-100 Akatsuki-cho, Seto-shi, Aichi	9th Floor, S-TEC Joho Building, 1-24-1, Nishishinjuku, Shinjuku-ku, Tokyo
(3) Name and title of representative	Masahiko Miyata, President & CEO	Kenji Miyata, President
(4) Description of business	Development, manufacturing and sale of medical devices Development, manufacturing and sale of ultra-fine stainless steel wire ropes, terminal processed products, etc.	Development and manufacturing and sale of industrial components
(5) Capital	18,860 million yen	200 million yen
(6) Date of establishment	July 8, 1976	April 4, 1973
(7) Number of outstanding shares	271,633,600 shares	201,654 shares
(8) Book closing date	June	June
(9) Major shareholder and Shareholding ratio	The Master Trust Bank of Japan Ltd. (trust account) 16.25% Custody Bank of Japan Ltd. (trust account) 8.55% Bo-en Holdings Co. Ltd. 8.49% HI-LEX Corporation 2.98% Y.K. ICSP 2.65%	ASAHI INTECC CO., LTD. 100%
(10) Financial conditions and operating results for the latest fiscal year (FYE June 2022)		
	Company surviving the absorption-type merger (Consolidated)	Company disappearing in the absorption-type merger (Non-consolidated)
Net assets	121,130 million yen	127 million yen
Total assets	155,127 million yen	3,520 million yen
Net assets per share	439.80 yen	633.91 yen
Revenue	77,748 million yen	4,229 million yen
Operating income	15,239 million yen	-184 million yen
Ordinary income	16,326 million yen	-187 million yen
Net income attributable to parent company shareholders	10,857 million yen	-188 million yen
Earnings per share	40.01 yen	-936.87 yen

4. Status after the Merger

Name, location, name and title of representative, capital and book closing date of the Company remain unchanged after the Merger.

5. Future outlook

There will be no impact on the Company's consolidated results of operations since the Merger is a simplified absorption-type merger between the Company and its wholly-owned consolidated subsidiary.

(Reference) Consolidated financial results forecasts for the current fiscal year (released on August 12, 2022) and actual consolidated results for the previous fiscal year

	Consolidated revenue	Consolidated operating income	Consolidated ordinary income	Net income attributable to parent company shareholders
Consolidated financial results forecasts for the current fiscal year (Fiscal year ending June, 2023)	89,339 million yen	17,433 million yen	17,423 million yen	12,405 million yen
Actual consolidated results for the previous fiscal year (Fiscal year ended June, 2022)	77,748 million yen	15,239 million yen	16,326 million yen	10,857 million yen