

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 Construction of New Building (Expansion of R&D Base, etc.)

Asahi Intecc announces that it passed a resolution at its board of directors' meeting held today, to construct a new building (expansion of R & D base, etc.) on the premises of Asahi Intecc Global Headquarters and R&D Center (Seoto-shi, Aichi).

1. Purpose of Construction of New Building

(1) "Improving the working environment to realize sustainable business activities"

Due to the new normal concept that corresponds to with COVID-19 and after COVID-19, working styles also need to change. Regarding the sales marketing and administrative functions, Asahi Intecc Group will promote the use of telecommuting and satellite offices, however, as Asahi Intecc is an R&D type manufacturing industry, it would be difficult to work away from materials and equipment mainly R&D functions. Therefore, it is necessary to prepare on-site type infrastructure.

Upon constructing a new building, Asahi Intecc will prepare the infrastructure that is commensurate with the growth envisioning for the next 10 years by reviewing the working environment such as seating intervals and ventilation functions so far and creating a safe and secure working environment.

(2) "Enhancement of R&D environment"

Based on the medium-term management plan "ASAHI Road to 1000", Asahi Intecc has set "Create new businesses in the global niche market" as one of the basic policies.

It is necessary to promote the measures that form the basis of Asahi Intecc in order to survive in the global competition and continue to grow permanently over 100 billion yen in consolidated revenue.

Therefore, it is essential to enhance the R&D environment including floor expansion of the R&D department in order to strengthen and accelerate development in new business areas such as the gastrointestinal field, robotics field (including smart treatment) and neurovascular field in addition to the development of vascular products, which is the conventional business area. By fusing Asahi Intecc Group's core technologies and know-how in the medical device field with sensor technology, energy technology and robotics technology, Asahi Intecc is aiming to establish new next-generation smart treatment and make it robotics, and will prepare the infrastructure for achieving them.

(3) "Preparation for production functions in emergency from a viewpoint of BCP"

Asahi Intecc Group is required to build a system that can provide a stable supply of products in any situation as the mission of a medical device manufacturer providing products that save the lives of patients. The mass production function of Asahi Intecc Group belongs to overseas factories, and Asahi Intecc experienced production suspension and transportation difficulties due to the disasters such as the Thai flood and the spread of COVID-19. Taking advantage of the lessons learned from these experiences, Asahi Intecc plans to install a clean room in the new building and prepare functions that can take part in production in an emergency.

(4) "Reshoring of Manufacturing Spirit"

Asahi Intecc Group is an R&D type manufacturing company, and its strength is that it enables an integrated production system from raw materials to finished products. As the basis for supporting them, it is required a system to foster the manufacturing spirit of domestic engineers. As the overseas factories are responsible for the mass production functions, Asahi Intecc has cultivated manufacturing spirit by sending domestic engineers to overseas as business trips and assignments. However, it becomes difficult to deal with and operate them due to COVID-19. Therefore, in the new building, by installing prototype line that supports a wide variety of products and equipment that enables small-lot production and creating an environment where it is possible to experience the overseas mass production process in a simulated manner, Asahi Intecc will promote the training of domestic engineers who support the integrated production system.

2. Summary of New Building

- | | |
|-----------------------|---|
| (1) Location | 3-104, etc. Akatsuki-cho, Seoto-shi, Aichi (On the premises of Asahi Intecc Global Headquarters and R&D Center) |
| (2) Structure | Heavy gauge steel structure
One floor under ground and seven floors above ground |
| (3) Building area | 2,800 m ² |
| (4) Total floor area | 16,200 m ² |
| (5) Investment amount | About 5 billion yen (Approximate depreciation 250 million yen / year) |

3. Schedule of Construction of New Building

January, 2022	Scheduled to start construction
November, 2023	Scheduled to be completed

4. Future Prospects

There is no revision to the full-year consolidated financial forecast for the fiscal year ending June 2021 related to this matter.