

June 2, 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:
Mizuho Ito, Member of Board & CFO, General Manager of Administration
(TEL. +81-561-48-5551)

Notice Regarding Dissolution of Joint Venture Agreement of Joint Venture Company (Subsidiary) and
Acquisition of shares

Asahi Intecc Co., Ltd. (hereinafter the “Company”) hereby announces that the Board of Directors resolved to dissolve the joint venture agreement by acquiring all shares of Magnaire Co.,Ltd. (hereinafter “Magnaire”) held by MagneDesign Corporation (hereinafter “MagneDesign”) and make Magnaire a wholly owned subsidiary of the Company at the meeting held on June 2, 2023.

1. Reason for dissolution of joint venture agreement

The Company and MagneDesign established a new joint venture company, Magnaire on April 3, 2023.

However, after careful discussions on the roles of the two companies and future business operations after the establishment of the joint venture, both companies decided that specializing in their respective roles would be the best way to achieve business success therefore both companies agreed to dissolve the joint venture agreement by acquiring all shares of Magnaire held by MagneDesign and to make Magnaire a wholly owned subsidiary of the Company.

In the future, the Company, MagneDesign, and Magnaire intend to continue joint business development as originally planned by concluding a technology transfer agreement and establishing a system in which directors are mutually dispatched between MagneDesign and Magnaire.

2. Outline of dissolution of joint venture agreement

(1) Outline

We will acquire all of Magnaire's shares (40% of the total outstanding shares) held by MagneDesign, and the joint venture agreement will be dissolved. As a result, Magnaire will become a wholly owned subsidiary of the Company.

(2) Overview of the joint venture company before and after dissolution of the agreement

	Before dissolution of the agreement	After dissolution of the agreement
Name	Magnaire Co.,Ltd.	
Location	Nabi Sirakane 412, Nagoya Business Incubator, 2-9-33, Fukue, Showa-ku, Nagoya-shi, Aichi (Registered head office: 1703 Wakita-cho, Moriyama-ku, Nagoya-shi, Aichi)	
Name of representative	Masahiko Miyata, Representative Director	
Description of business	Manufacture and sale of GSR sensors mainly related to medical field	
Capital	10 million yen	
Book closing date	June	
Investment ratio	Asahi Intecc Co., Ltd. (The Company) 60% MagneDesign Corporation 40%	Asahi Intecc Co., Ltd. (The Company) 100%

3. Timetable

Date of resolution of dissolution of joint venture agreement and acquisition of additional shares at the meeting of the Board of Directors	June 2, 2023
Date of conclusion of dissolution of joint venture agreement and share purchase agreement	June 2, 2023
Date of dissolution of joint venture agreement and commencement of share transfer	June 2, 2023

4. Future outlook

The impact of dissolution of joint venture on the Company group's consolidated financial results will be minor.

In view of the materiality of the impact on business performance, Magnaire will continue to be a non-consolidated subsidiary of the Company.