

May 13, 2022

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 Establishment of Joint Venture Company (Subsidiary) with QUANTUM Inc.

Asahi Intecc Co., Ltd. (hereinafter the “Company”) hereby announces that the Board of Directors resolved to establish a joint venture company with QUANTUM Inc. for the purpose of conducting a walking training service business at the meeting held on May 13 2022.

1. Purpose of the establishment of joint venture company

The Company and QUANTUM Inc., a wholly owned subsidiary of Hakuhold Inc. have decided to establish a new joint venture company, walkey Inc.(investment ratio: 81% by the Company, 19% by QUANTUM Inc.)

Walkey Inc. will offer “walkey,” a “dedicated walking training” service that utilizes specialized training equipment and an application to implement a training program provided to each individual under the guidance of a laboratory. The “walkey” training equipment utilizes our wire technology and is manufactured by our manufacturing subsidiary.

To date, the device division of the Company group has been conducted mainly in the B to B business field, taking advantage of the diverse materials processing technologies that have been cultivated since the Company's founding. In order to achieve further sustainable growth, we will work to create new businesses by entering the B to C business in earnest.

The establishment of this joint venture is positioned as the first step toward entering the B to C business, taking advantage of the Hakuhold Group and QUANTUM's expertise in new business development and operation, people-centered service/product design and communications that move people's hearts, and the Company group's diverse materials processing technologies.

The Company's group is pursuing the spread of minimally invasive treatment in a wide range of fields and the improvement of patients' quality of life (QOL), as stated in the current Mid-term Business Plan, which includes “expand affected/treatment areas” and “create new business.” We intend to develop the business not only into conventional treatment areas but also into the area of “preventive medicine” to improve the QOL not only of patients with current diseases but also of all people.

2. Outline of a joint venture company

(1) Overview of a joint venture company

① Name	walkey Inc.
② Location	Harada Building 2F, 1-14-14, Jiyugaoka, Meguro-ku, Tokyo
③ Name and title of representative	Tatsuya Watanabe, CEO (Former executive officer at QUANTUM Inc.)
④ Description of business	Walking training service
⑤ Capital	200 million yen
⑥ Date of establishment	May 13, 2022
⑦ Book closing date	June

⑧ Net assets and total assets	Net assets: 200 million yen Total assets: 200 million yen
⑨ Investment ratio	Asahi Intecc Co., Ltd. (The Company) 81% QUANTUM Inc. 19%

3. Overview of the counterparty to the joint venture

① Name	QUANTUM Inc.	
② Location	1-13-10 Shibaura, Minato-ku, Tokyo	
③ Name and title of representative	Tomohito Oyobe, President and Co-CEO	
④ Description of business	<ul style="list-style-type: none"> • Development of new businesses and creation of joint ventures with partner companies • Investment in and hands-on support for joint ventures and startup • In-house business development 	
⑤ Capital	200 million yen	
⑥ Date of establishment	April 1, 2016	
⑦ Major shareholders and ownership ratios	Hakuhodo Inc. 100%	
⑧ Relationship between the Company and said company	Capital relationship	There is no capital relationship to be noted between the Company and said company.
	Personnel relationship	There is no personnel relationship to be noted between the Company and said company.
	Business relationship	The Company paid a subcontracting fee to study the start-up of the business to said company.

(Note) Due to the intention of the said company, consolidated operating results and consolidated financial positions for the last three years will not be disclosed.

4. Timetable of the joint venture establishment

Date of conclusion of the agreement	May 13, 2022
Date of establishment of the company	May 13, 2022
Date of commencement of business	May 20, 2022 (Plan)

5. Future outlook

The impact on the Company's consolidated financial results for the current fiscal year will be minor. In view of the impact on business performance, walkey Inc. will become a non-consolidated subsidiary of the Company.

(Reference) Consolidated financial results forecasts for the current fiscal year (released on August 13, 2021) 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 , 2022)	75,296 million yen	14,510 million yen	14,458 million yen	10,498 million yen
Actual consolidated results for the previous fiscal year (Fiscal year ended June, 2021)	61,507 million yen	12,795 million yen	13,196 million yen	9,984 million yen