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To Our Shareholders:

The 49th Annual General Meeting of Shareholders

Other Matters Subject to the Electronic Provision Measures

(Matters for Which Document Delivery is Omitted)

System to Ensure the Properness of Businesses

Basic Policy on the Control of the Company

Consolidated Statement of Changes in Equity

Notes to Consolidated Financial Statements

Non-consolidated Statement of Changes in Equity

Notes to Non-consolidated Financial Statements

(from July 1, 2024 to June 30, 2025)

ASAHI INTECC CO., LTD.

The above matters are not included in the documents to be delivered to shareholders who make request for the delivery of hard copies, based on laws and regulations and Article 14 of the Articles of Incorporation of the Company.

I. System to Ensure the Properness of Businesses

1. Outline of the resolution

At a meeting of the Board of Directors, the Company passed a resolution to adopt a company policy regarding the development of systems stipulated in Article 399-13, Paragraph 1, Item 1, (b) and (c) of the Companies Act (hereinafter, the "Internal Control Systems") for the corporate group comprising the Company and its subsidiaries (hereinafter, the "Group") as follows.

(1) System to ensure the execution of duties by the Group's Directors and employees complies with the laws and regulations as well as the Articles of Incorporation

1) Directors of the Company shall strive to establish a management structure that is highly transparent for all stakeholders, including its shareholders. Directors shall also ensure the execution of duties by Directors and employees complies with the laws and regulations, the Articles of Incorporation, and internal rules, and ensure such duties are executed efficiently.

2) The Company shall establish a Charter of Corporate Behavior to foster a corporate culture in which the Group's Directors and employees conduct business activities in compliance with the laws and regulations as well as the Articles of Incorporation. Each Director shall act in compliance with the Charter of Corporate Behavior to lead by example, while seeking to thoroughly instill its concept throughout the Group.

3) The Group's Directors and employees shall, if they discover an important fact regarding compliance such as a violation of the laws and regulations or the Articles of Incorporation, or if they receive a report to that effect, immediately report their findings to the Company's Directors. In addition, Directors who are Audit and Supervisory Committee Members (hereinafter, the "Audit and Supervisory Committee Members") may, if they believe there is an issue with the Group's legal compliance system, state their opinion and request the formulation and implementation of improvement measures.

4) The Group shall not have any relationships with antisocial forces or similar organizations whatsoever, and shall ensure that the Group's Directors and employees are fully aware of the Group's determination to take a resolute stance against such forces as the entire organization. Moreover, the Group shall develop and operate systems to eliminate antisocial forces.

5) The Internal Audit Office, which reports directly to the President of the Company, shall monitor the effectiveness of the Group's Internal Control Systems and examine and verify the systems for ensuring compliance with the laws and regulations as well as the Articles of Incorporation.

6) As a reporting system in case someone discovers a fact regarding compliance such as a violation of the laws and regulations or the Articles of Incorporation by the Group, the Company shall establish internal reporting regulations and operate an internal reporting system in which an external attorney directly receives the information. The Company shall report important matters notified through internal reporting to Directors including Audit and Supervisory Committee Members.

(2) System regarding the retention and management of information pertaining to the execution of duties by Directors

1) Pursuant to the confidential information handling regulations, the Company shall prescribe methods of handling information, authority required, and other details, and develop an information management system by assigning a specific rank to each piece of information, which must be observed by all officers and employees from Directors to temporary employees.

2) In the document storage regulations, the Company shall prescribe storage periods according to the importance of each document, and keep the documents available for perusal throughout the applicable period.

(3) Regulations and other systems regarding the management of risk of loss by the Group

1) The Board of Directors of the Company shall, in order to prevent risks that pose a material impact on the business execution by the Group and to manage losses that have occurred, develop crisis management rules, rules for managing related parties, and other various regulations, and develop an all-encompassing risk management system that covers the entire Group.

2) Pursuant to the regulations on administrative authority, each department shall appropriately perform ordinary risk management in relation to the everyday business execution at the Group within the scope of authority that has been granted.

3) Each department of the Administrative Division of the Company shall verify and confirm the status of risk management by each department of the Group based on expert knowledge and deep insight into various work processes. If they discover an issue, they shall report the findings to the Board of Directors.

4) If the Group suffers an unforeseen dire emergency, such as natural disaster, the Group shall establish a disaster response headquarters headed by the President of the Company. The headquarters shall oversee crisis management to prevent and mitigate damages.

(4) System to ensure efficiency in the execution of duties by the Group's Directors

1) The Company shall, as the basis to ensure efficiency in the execution of duties by Directors, hold regular meetings of the Board of Directors once a month and extraordinary meetings as needed. In addition, the Company shall hold meetings of the Management Executive Committee once a month, whose participants are the Group's Directors (excluding Outside Directors) and the Company's Executive Officers, to discuss business execution.

2) Each year, the Board of Directors shall clearly establish the Group's business plan based on the management policy and management strategies. The Group's Directors (excluding non-executive Directors) shall execute business in accordance with the policies of the business plan.

3) With regard to business execution, the Group's Directors (excluding non-executive Directors) shall strive to execute business efficiently through means such as education, delegation of authority, and performance evaluations of employees pursuant to the organization rules, regulations on division of duties, regulations on administrative authority, and other regulations.

(5) System to ensure the properness of businesses of the Group

1) The Company shall, pursuant to the rules for managing related parties applicable to subsidiaries, require each subsidiary to request the Company's approval, report to the Company, or consult with the Company regarding important matters of the subsidiary. In addition, the Company shall develop a system in which important cases of subsidiaries are brought to the Management Executive Committee or the Board of Directors of the Company for deliberation depending on its content, thereby ensuring the properness of businesses of subsidiaries.

2) The Company shall appoint officers in charge of Group companies who will be responsible for business execution at each subsidiary.

3) The Group's Directors shall, if they discover an important fact regarding compliance such as a violation of the laws and regulations or the Articles of Incorporation at subsidiaries, immediately report their findings to the Company's Directors.

4) The Company's Audit and Supervisory Committee and Internal Audit Office shall conduct monitoring of subsidiaries as needed.

(6) Matters regarding Directors and employees assigned to assist the duties of the Audit and Supervisory Committee

1) The Audit and Supervisory Committee may provide instructions and orders necessary for performing their duties to employees assigned to the Internal Audit Office, who function as support staff to the Audit and Supervisory Committee.

2) Support staff to the Audit and Supervisory Committee shall be in charge of administrative work related to the duties, operation, etc. of the Audit and Supervisory Committee, in addition to the tasks described in 1) above.

(7) Matters regarding the independence of Directors and employees in the preceding (6) from other Directors (excluding Audit and Supervisory Committee Members), and matters regarding a system to ensure the effectiveness of instructions to Directors and employees in the preceding (6)

1) Support staff to the Audit and Supervisory Committee shall, when performing the supporting tasks instructed or ordered by the Audit and Supervisory Committee, perform their duties under the command of the Audit and Supervisory Committee and Audit and Supervisory Committee Members as employees who are independent from other Directors.

2) Evaluations, assignments, and transfers of support staff to the Audit and Supervisory Committee shall require the consent of the Audit and Supervisory Committee.

(8) System for the Group's Directors and employees to file a report to the Audit and Supervisory Committee

1) The Company's Directors and employees shall, if they discover a fact that would incur significant damage to the Company, or if they discover an important fact regarding compliance such as a violation of the laws and regulations or the Articles of Incorporation, immediately report their findings to the Audit and Supervisory Committee.

2) Directors, Auditors, and employees of subsidiaries shall, if they discover a fact that would incur significant damage to the subsidiary, or if they discover an important fact regarding compliance such as a violation of the laws and regulations or the Articles of Incorporation, immediately report their findings to a Director or employee of the Company. If the person who received the report is a Director or employee of the Company, the person shall immediately report their findings to the Audit and Supervisory Committee of the Company.

3) Directors and employees of the Company shall report scheduled dates of important meetings, events, audit visits by the Accounting Auditor, etc. to the Audit and Supervisory Committee.

(9) System to ensure those who filed a report will not be treated disadvantageously on the grounds of filing the report

1) The Group shall not treat any Director, Auditor, or employee of the Group who filed a report to the Audit and Supervisory Committee (hereinafter, the "Whistleblower") disadvantageously in their transfers, personnel evaluations, disciplinary actions, etc. on the grounds of filing the report.

2) If the Audit and Supervisory Committee requests a disclosure of reasons for a transfer, personnel evaluation, disciplinary action, etc. of a Whistleblower, the Group shall comply with the request.

(10) Procedures for advance payment or reimbursement of expenses that arise in relation to the execution of duties by Audit and Supervisory Committee Members, and other matters regarding the policy pertaining to the handling of expenses or obligations that arise in relation to the execution of the said duties

If an Audit and Supervisory Committee Member requests an advance payment of expenses that would arise in relation to the execution of their duties, reimbursement of expenses incurred, or repayment of obligations assumed, the Company shall comply with the request unless it can be proven that such expenses or obligations did not arise from the execution of duties of Audit and Supervisory Committee Members.

(11) Other systems to ensure the effectiveness of audits by the Audit and Supervisory Committee

1) All Directors (excluding Audit and Supervisory Committee Members) shall respond to requests by the Audit and Supervisory Committee for individual interviews, in which the Director shall report the state of compliance with Directors' duty of care and duty of loyalty, the laws and regulations, and the Articles of Incorporation. Furthermore, each Director shall sign an Attestation of the Execution of Directors' Duties to make a representation that they have performed their duties in good faith, and submit it to the Audit and Supervisory Committee at the end of each fiscal year.

2) Agenda of meetings of the Board of Directors shall be distributed to all Audit and Supervisory Committee Members prior to the day of the meeting of the Board of Directors, so that they can understand the details in advance.

3) Important cases other than agenda items at meetings of the Board of Directors shall be reported to Audit and Supervisory Committee Members promptly after the approval through the support staff to the Audit and Supervisory Committee.

2. Overview of the operation status of the system

The Company has developed Internal Control Systems in accordance with the abovementioned basic policy and is appropriately managing them. Main initiatives are as follows.

(1) Compliance system

1) The Group has set up the ASAHI Group Compliance Hotline as an internal reporting system to reveal and remedy any violation of laws and regulations and other compliance issues at the Group. Consultations and reports are accepted through internal and external contact points. The Group has also set up contact points for consultation and reporting for each overseas base.

2) To facilitate the use of the internal reporting system, the internal reporting regulations clearly state that Whistleblowers will not be treated disadvantageously in any way on the grounds of filing a report pursuant to the regulations. The Group communicates this policy throughout the Group using the in-house intranet and company newsletters.

(2) Risk management system

1) In accordance with the BCP basic policy, the Group has defined expected risks and carried out efforts to manage the risks. In addition, emergency responses have been determined under the crisis management rules in case of an emergency.

2) To prepare for unforeseen events such as disasters or accidents, the Group periodically conducts disaster drills, safety check system drills, and other training programs.

(3) Ensuring the properness of businesses of the Group

1) To ensure the properness of businesses of the Group, the administrative divisions of the Company have developed subsidiary management control systems. In addition to overseeing the management control of subsidiaries, the administrative divisions request subsidiaries to provide periodic reports on the business execution in accordance with the rules for managing related parties, and hold discussions on important cases.

2) The Group is clarifying and enhancing the reporting system for risk information including matters that would incur significant damage to the Company and important matters regarding compliance such as a violation of the laws and regulations or the Articles of Incorporation. In addition, the Board of Directors of the Company examines and discusses important cases that would affect the profit or loss of the Group.

3) The Internal Audit Office formulates audit implementation plans based on annual audit policies, conducts internal audits of each subsidiary, and performs efficient monitoring geared toward Group management.

(4) Execution of duties by Directors

1) The Board of Directors is comprised of ten Directors (excluding Audit and Supervisory Committee Members), three of whom are Outside Directors, as well as three Directors who are Audit and Supervisory Committee Members, all of whom are Outside Directors. They deliberate and make decisions on important matters stipulated in the laws and regulations or the Articles of Incorporation, as well as management issues.

2) Meetings of the Board of Directors were held 13 times during the fiscal year under review, in which deliberation on each agenda item and supervision of the status of business execution were conducted. Opinions were exchanged actively, ensuring the effectiveness of the decision-making and supervision.

(5) Execution of duties by the Audit and Supervisory Committee

1) Audit and Supervisory Committee Members verify the status of the development and operation of the Internal Control Systems by attending meetings of the Board of Directors and reviewing the minutes of or requesting support staff to the Audit and Supervisory Committee to attend and participate in important meetings such as meetings of the Management Executive Committee to gather information necessary for the Audit and Supervisory Committee to perform its audit and other duties.

2) The Audit and Supervisory Committee receives reports on internal audits conducted by the Internal Audit Office, and works in coordination with the Internal Audit Office to efficiently audit various business sites and subsidiaries.

3) The Audit and Supervisory Committee periodically holds liaison meetings with the Accounting Auditor to exchange information.

II. Basic Policy on the Control of the Company

1. Basic policy on the control of the Company

Shares in the Company, which is a listed company, may be traded at will by shareholders and investors. Even if a proposal for large-scale purchase of the Company's shares is made or a similar action is taken, the Company believes it should not be unilaterally denounced, and final decisions should be left to the shareholders' free will. However, recently in the Japanese capital market, a trend to force a proposal for large-scale purchase or a similar action without sufficient discussion is becoming more apparent.

The Company believes that those who control the decisions on the Company's financial and business policies must fully understand the Company's mission, various sources of its corporate value, and relationships of mutual trust with stakeholders who support the Company. Furthermore, those who take control must ensure and increase the Company's corporate value over the medium to long term, which in turn translates to the common interests of shareholders. Therefore, the Company believes that an entity conducting an inappropriate proposal for large-scale purchase or a similar action that may hinder the Company's corporate value and the common interests of shareholders is not fit to become an entity controlling the decisions on the Company's financial and business policies.

From the Company's perspective, it will work to secure and improve corporate value of the Group and shared benefits with shareholders while seeking provision of required and adequate information for shareholders to make decisions on the benefits of working with a party seeking a large-scale purchase of the Company's shares. At the same time, the Company will disclose opinions of the Board of Directors, etc., with due care given to the opinions of Independent Outside Directors, and while working to secure time and information for shareholders to make considerations, and the Company will put in place appropriate measures based on the Financial Instruments and Exchange Act, Companies Act, and other related laws and regulations.

2. Initiatives to help realizing the basic policy

The Company is carrying out the following initiatives to increase its corporate value, which leads to the common interests of shareholders, over the medium to long term.

(1) Management mission

The Group's mission is to supply the world with one-and-only technologies and number one products in the fields of medical devices and industrial components as an R&D company so that, based on safety and reliability, we realize dreams and contribute to society as a whole. In particular, the Group's business in the medical device field mainly develops, manufactures, and sells minimally invasive treatment products that reduce pain by minimizing the size of wounds. The Group believes this is a significantly meaningful business, which alleviates the physical, mental, and financial burdens on patients while helping to curb medical costs. Going forward, the Group is committed to making a further growth as a company highly valued by both society and the markets, by continuing to be a company that contributes to society.

(2) The Company's strengths and sources of corporate value

The Company has focused on the development, manufacturing, and sales of ultra-fine stainless-steel wire ropes in the industrial device field since its founding in 1976, and has established the largest market share in Japan. In 1991, the Company entered the medical device field, and in 1992, became the first company in Japan to successfully launch PCI guide wires and guiding catheters for cardiovascular treatments, to be used in treatment of myocardial infarction. Furthermore, the Company also succeeded in the development of PCI guide wires for cardiovascular treatment that can be used for treatments in the chronic total occlusion (CTO) field, which had been a surgical field until then. The Company's PCI guide wires for cardiovascular treatment now maintains the largest share in the Japanese market. The key factor that has enabled the Company to continue growing is the technological expertise the Company has accumulated and fostered over the many years.

The main technological components at the core of the Company's technological expertise are four core technologies of wire drawing technology, wire forming technology, polymer coating technology, and torque technology. The Company's strength is its ability to manufacture products from raw materials without outsourcing based on these technologies. Moreover, our strength of handling everything from materials to finished products in-house is made possible because the Company has the industrial device field in its portfolio. Leveraging these strengths, we can quickly develop and offer products that meet the needs of physicians and other users.

Human resources who engage in R&D and product development, as well as sales and marketing structures and systems that accurately convey market needs to the development teams, are especially crucial for the

Company to increase its corporate value. We believe their effects will be maximized if and only if we maintain management with strong leadership and prompt decision-making, productive corporate culture, and organic balance with stakeholders.

(3) Initiatives to strengthen corporate governance

The Company considers strengthening corporate governance as one of the key management issues, and has worked on increasing the transparency of management, enhancing supervisory functions, and providing appropriate incentives for increasing corporate value.

The Company introduced a remuneration for share purchase in 2005, as a type of remuneration linked to long-term business performance improvement, and adopted a stock option plan in 2009. The Company has appointed multiple Outside Directors since 2013.

Furthermore, the Company made a partial amendment to the Articles of Incorporation at the 40th Annual General Meeting of Shareholders held on September 28, 2016 to transition into a company with an audit and supervisory committee. As of June 30, 2025, six out of thirteen Directors in total (a ratio of 46.2%) are independent Outside Directors, further enhancing the independence of the Board of Directors.

Moreover, in relation to the nomination of the Company's Directors and the remuneration of the Company's Directors (excluding Directors who are Audit and Supervisory Committee Members), the Company established a Compensation Advisory Committee in September 2019 for the purpose of further enhancing the corporate governance system by ensuring fairness and objectivity with appropriate involvement and advice from Outside Directors. The Committee's function was expanded in June 2020 to establish the Nomination and Compensation Advisory Committee.

3. Judgement of the Company's Board of Directors on the specific initiatives and reasons therefor

The initiatives that help realize the abovementioned basic policy are meant to ensure and increase the Company's corporate value, which leads to the common interests of shareholders, over the medium to long term. They are in line with the Company's basic policy and are not for the purpose of maintaining the positions of the Company's officers.

Consolidated Statement of Changes in Equity

(From July 1, 2024 to June 30, 2025)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of period	18,860	21,779	90,742	(7)	131,375
Changes during period					
Dividends of surplus			(5,533)		(5,533)
Net income attributable to parent company shareholders			12,737		12,737
Purchase of treasury shares				(4,446)	(4,446)
Net changes in items other than shareholders' equity					
Total changes during period	—	—	7,204	(4,446)	2,758
Balance at end of period	18,860	21,779	97,947	(4,453)	134,134

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Total accumulated other comprehen-sive income		
Balance at beginning of period	2,689	17,142	9	19,841	744	151,961
Changes during period						
Dividends of surplus						(5,533)
Net income attributable to parent company shareholders						12,737
Purchase of treasury shares						(4,446)
Net changes in items other than shareholders' equity	(680)	(2,826)	90	(3,417)	51	(3,365)
Total changes during period	(680)	(2,826)	90	(3,417)	51	(607)
Balance at end of period	2,008	14,315	99	16,424	795	151,354

Notes to Consolidated Financial Statements

I. Significant accounting policies for preparation of consolidated financial statements

1. Scope of consolidation

(1) Number of consolidated subsidiaries 18

(2) Names of significant consolidated subsidiaries

ASAHI INTECC THAILAND CO., LTD.
Filmecc Co., Ltd.
ASAHI INTECC USA, INC.
ASAHI INTECC HANOI CO., LTD.
ASAHI INTECC J-Sales CO., LTD.
ASAHI INTECC SCIENTIFIC (Beijing) Co., Ltd.
TOYOFLEX CEBU CORPORATION
ASAHI INTECC EUROPE B.V.

Asahi Intecc Medical Device (Nanning) Co., Ltd., which was newly established, has been included in the scope of consolidation from the fiscal year under review.

(3) Names of non-consolidated subsidiaries

Nihon Chemical Coat Co., Ltd.
FICUS Co., Ltd.
walkey Inc.
LAKE R&D Inc.
Magnaire Co., Ltd.
Nitta Mold Co., Ltd.
NITTA M&T (THAILAND) CO., LTD.

Reason for exclusion from the scope of consolidation

The seven non-consolidated subsidiaries are small in size, and the total assets, revenue, profit or loss (the Company’s share), retained earnings (the Company’s share), etc. of these companies do not have a material impact on the consolidated financial statements.

2. Application of the equity method

(1) Names of non-consolidated subsidiaries and affiliates not accounted for using the equity method

Nihon Chemical Coat Co., Ltd.
FICUS Co., Ltd.
walkey Inc.
LAKE R&D Inc.
Magnaire Co., Ltd.
Nitta Mold Co., Ltd.
NITTA M&T (THAILAND) CO., LTD.
ELDORET HOSPITAL-ASAHI INTECC HEART CENTRE

Reason for not applying the equity method

As for the eight non-consolidated subsidiaries and affiliates not accounted for using the equity method, the impact of excluding them from the scope of equity method on the consolidated financial statements is minimal given their profit or loss (the Company’s share), retained earnings (the Company’s share), etc., and the impact is immaterial as a whole.

3. Fiscal years of consolidated subsidiaries

Out of the Company’s consolidated subsidiaries, ASAHI INTECC SCIENTIFIC (Beijing) Co., Ltd., Asahi Intecc Medical Device (Nanning) Co., Ltd., and ASAHI INTECC CIS LLC end their fiscal years on December 31.

When preparing the consolidated financial statements, financial statements based on a provisional settlement of accounts conducted as of the consolidated fiscal year-end are used for these companies.

4. Accounting policies

(1) Basis and method of valuation of important assets

1) Basis and method of valuation of securities

a. Securities to be held to maturity

Cost method

b. Available-for-sale securities

Securities other than shares that do not have a market value

Measured at fair value

(Valuation differences are reported as a component of net assets. The cost of securities sold is calculated using the moving-average method.)

Shares that do not have a market value

Measured at cost using the moving-average method

2) Basis and method of valuation of inventories

a.Merchandise and finished goods, work in process, and raw materials	Measured at cost, primarily determined by the periodic average method (The carrying amount in the balance sheet is calculated with consideration of write-downs due to decreased profitability.)
b.Supplies	Measured at cost, determined by the last purchase price method (The carrying amount in the balance sheet is calculated with consideration of write-downs due to decreased profitability.)

(2) Method of depreciation and amortization of important depreciable and amortizable assets

1) Tangible fixed assets (excluding leased assets)	Depreciated mainly using the straight-line method. The range of useful lives is as follows: Buildings and structures 10 to 47 years Machinery, equipment and vehicles 5 to 10 years
2) Intangible assets	Amortized using the straight-line method. The Company and its consolidated subsidiaries in Japan amortize software for internal use over the expected useful life within respective companies (five years).
3) Leased assets (Note)	Amortized using the straight-line method based on the assumption that the useful lives are equivalent to the lease terms and the residual value is zero.

(Note) Leased assets are presented as part of other tangible fixed assets under tangible fixed assets.

(3) Basis for recording important provisions

1) Allowance for doubtful accounts

At the Company and its consolidated subsidiaries in Japan, allowance for doubtful accounts is provided for possible losses arising from bad debts at an amount determined based on the historical default rates for general receivables, and an individual estimate of uncollectible amounts for specific doubtful receivables from customers experiencing financial difficulties.

At overseas consolidated subsidiaries, allowance for doubtful accounts is provided at an amount determined based on an individual estimate of uncollectible amounts.

2) Provision for bonuses

Provision for bonuses is recorded at an estimated amount attributable to the fiscal year under review to provide for future bonus payments to employees.

3) Provision for retirement benefits for directors (and other officers)

The Company abolished the officer retirement benefit system in September 2005. The balance of provision for retirement benefits for directors (and other officers) as of the end of the fiscal year under review is the estimated amount to be paid to officers who were in office when the system was abolished. The payments will be made when each officer retires.

(4) Basis for accounting treatments on retirement benefit

Retirement benefit liability is recorded at an estimated amount of retirement benefit obligations and pension assets as of the end of the fiscal year under review to provide for future retirement benefits to employees.

1) Method for attributing estimated retirement benefits to individual periods of service

In calculating the retirement benefit obligations, the benefit formula basis is adopted for the purpose of attributing estimated retirement benefits to the period up to the end of the fiscal year under review.

2) Calculation of actuarial gain or loss and prior service cost

Actuarial gain or loss is amortized from the following fiscal year on a straight-line basis over a certain period shorter than the average remaining years of service of the eligible employees at the time of the gain or loss arising during each fiscal year (primarily five years).

Prior service cost is amortized on a straight-line basis over a certain period (12 years), which is within the average remaining years of service period of the eligible employees at the time the cost arising.

3) Adoption of short-cut method at small companies, etc.

Certain consolidated subsidiaries apply the short-cut method when calculating retirement benefit liability and retirement benefit expenses, under which the amount of retirement benefit that must be paid if employees retire for personal reasons at the end of the fiscal year is deemed to be the amount of retirement benefit obligations.

(5) Significant revenue and expense recognition standards

The details of main performance obligations in main businesses related to revenue arising from contracts with customers of the Company and its consolidated subsidiaries and the usual timing of fulfillment of the performance obligation (the usual timing of revenue recognition) are as follows.

The Medical Division mainly engages in sales of medical products and the Device Division mainly engages in sales of industrial products. Regarding sales of these products, revenue is mainly recognized when goods and products are each delivered to a customer, because at such time, legal ownership, physical possession, material risk associated with ownership, and economic value of those goods and products are transferred to the customer and the right to receive payment is finalized.

The consideration under sales contracts of the Group’s products is generally received within one to three months after delivery of products to a customer based on contracts with customers and does not include significant financial elements.

(6) Translation of significant assets and liabilities denominated in foreign currencies into Japanese yen

Receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rate prevailing at the end of the consolidated fiscal year and resulting exchange gains and losses are included in net profit or loss. Assets and liabilities of overseas consolidated subsidiaries are translated into yen at the exchange rate prevailing on the respective fiscal year-ends of those subsidiaries. Income and expenses are translated at the average rate during the fiscal year and resulting translation adjustments are included in net assets as foreign currency translation adjustment under accumulated other comprehensive income.

(7) Amortization method and period of goodwill

Goodwill is amortized using the straight-line method over five to twenty years.

II. Notes on Changes in Accounting Policies

(Application of accounting standard for current income taxes, etc.)

The Company has applied the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; the “2022 Revised Accounting Standard”), etc. from the beginning of the fiscal year under review.

For the revisions to the accounting classification of current income taxes (taxation on other comprehensive income), the Company follows the transitional treatment specified in the proviso to Paragraph 20-3 of the 2022 Revised Accounting Standard and the transitional treatment specified in the proviso to Paragraph 65-2 (2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; the “2022 Revised Guidance”).

This application has no impact on the consolidated financial statements.

For the revisions related to the review of treatment in consolidated financial statements when conducting a tax deferral of gains or losses on sales arising from the sale of subsidiary shares, etc. between consolidated companies, the Company has applied the 2022 Revised Guidance from the beginning of the fiscal year under review.

This application has no impact on the consolidated financial statements for the previous fiscal year.

III. Notes on Changes in Presentation

(Consolidated balance sheet)

"Lease liabilities" (1,502 million yen in the previous fiscal year), which was included in "other non-current liabilities" under "non-current liabilities" for the previous fiscal year, is presented separately from the current fiscal year due to an increase in financial materiality.

IV. Notes on Accounting Estimates

(Impairment of goodwill and other intangible assets)

1. Amounts recorded in the consolidated financial statements for the fiscal year under review

	Fiscal year under review
Goodwill	110 million yen
Other intangible assets	3,814 million yen
Impairment losses on goodwill and other intangible assets	9,244 million yen

2. Information on significant accounting estimates pertaining to the identified items

The Group considers goodwill as excess earnings power expected from future business development of the acquired companies and synergistic effects within the Group. The business plans used for calculating share value, which is a basis for evaluation of goodwill, includes significant assumptions such as future sales estimates and schedules until products under development are released. Evaluation of intangible assets includes significant assumptions such as the aforementioned business plans as well as customer attrition rates related to customer-related assets. After confirming future sales estimates and the state of progress toward product releases based on said assumptions, the Group identifies the existence of any signs of impairment on goodwill and other intangible assets. If any sign of impairment is determined to exist, the Group determines the necessity of recognition of impairment loss.

Considering the latest business environment and future business plans, it was determined that the investments in ASAHI SURGICAL ROBOTICS CO., LTD., Pathways Medical Corporation, Rev.1 Engineering, Inc., and Asahi Medical Technologies, Inc. were no longer recoverable mainly due to a decline in profitability. Accordingly, impairment losses were recorded on goodwill and other intangible assets, etc. in the fiscal year under review.

The recoverable amount was calculated based on value in use. However, following a review of future plans, the cash outflows required to maintain and operate the assets over the estimation period were determined to exceed the cash inflows generated by their use, and accordingly, the value in use was calculated as zero.

Assumptions used for said accounting estimates and determination are based on information available at the end of the fiscal year under review. Occurrence of any event that requires revision to assumptions such as future business plans, future sales forecasts, and customer attrition rates may significantly affect evaluation of goodwill and other intangible assets in the consolidated financial statements for the next fiscal year.

V. Notes on the Consolidated Balance Sheet

1. Accumulated depreciation of tangible fixed assets 54,084 million yen

VI. Notes on the Consolidated Statement of Income

1. Impairment losses

During the fiscal year under review, the Company recorded impairment losses related to the following asset groups.

Subsidiary (Location)	Use	Type	Impairment loss (Million yen)
ASAHI SURGICAL ROBOTICS CO., LTD. (Kashiwa, Chiba)	Business assets	Goodwill and other intangible assets, etc.	1,992
Pathways Medical Corporation (California, USA)	Business assets	Goodwill and other intangible assets, etc.	3,636
Rev.1 Engineering, Inc. (California, USA)	Business assets	Goodwill and other intangible assets, etc.	1,623
ASAHI Medical Technologies, Inc. (California, USA)	Business assets	Goodwill, etc.	1,991

The Group defines asset groups based on managerial accounting units, grouping them by the smallest units that generate independent cash flows.

Considering the business environment and future business plans, it was determined that the investments in the above consolidated subsidiaries were no longer recoverable mainly due to a decline in profitability. Accordingly, impairment losses were recorded on goodwill and other intangible assets, etc.

The recoverable amount was calculated based on value in use. However, following a review of future plans, the cash outflows required to maintain and operate the assets over the estimation period were determined to exceed the cash inflows generated by their use, and accordingly, the value in use was calculated as zero.

VII. Notes on the Consolidated Statement of Changes in Equity

1. Class and total number of shares issued — Common stock 271,633,600 shares

2. Dividends

(1) Dividends paid

Resolution	Class of shares	Total amount of dividends (Million yen)	Dividend per share (Yen)	Record date	Effective date
Annual General Meeting of Shareholders on September 26, 2024	Common stock	5,533	20.37	June 30, 2024	September 27, 2024

(2) Dividends whose record date falls in the current fiscal year and the effective date of dividend falls in the following fiscal year

Resolution	Class of shares	Source of dividends	Total amount of dividends (Million yen)	Dividend per share (Yen)	Record date	Effective date
Annual General Meeting of Shareholders on September 25, 2025	Common stock	Retained earnings	6,534	24.23	June 30, 2025	September 26, 2025

VIII. Notes on Financial Instruments

1. State of financial instruments

(1) Policy for financial instruments

The Group's policy is to manage funds using low-risk financial instruments such as deposits and to procure funds primarily through bank loans. The Group uses derivative transactions to avoid the exchange rate fluctuation risk and interest rate fluctuation risk associated with borrowings, and does not engage in speculative transactions. Of note, the Group did not engage in derivative transactions during the fiscal year under review.

(2) Types of financial instruments and associated risks

Bills / accounts receivable and electronically recorded monetary claims – operating, which are trade receivables, are exposed to the customer credit risk. Trade receivables and trade payables denominated in foreign currencies are exposed to the currency exchange risk.

Shares and bonds that are investment securities are exposed to the market price fluctuation risk.

Bills payable / accounts payable, electronically recorded obligations – operating, and account payable-other, which are trade payables, all have due dates within one year and the liquidity risk (the risk of becoming unable to make payments on due dates) exists.

(3) Risk management system pertaining to financial instruments

1) Management of credit risk (risks related to business partners not fulfilling their contractual obligations and others)

The Company, in accordance with the credit management regulations, has developed a system to manage due dates and outstanding balances (credit limits) for each counterparty. Furthermore, when starting transactions with a new counterparty or revising a credit limit, the Company determines whether the credit limit is appropriate in light of the counterparty's credit status. In addition, the Company assesses the credit status of each major counterparty every fiscal year, and reviews the appropriateness of the credit limits based on the new credit status.

As for derivative transactions, the Company regards the credit risk as minimal, because counterparties are limited to financial institutions with high ratings.

2) Management of market risk (risks of fluctuations in exchange rates, interest rates, etc.)

A portion of exchange rate risk arising from loans to overseas subsidiaries is hedged by foreign currency-denominated borrowings.

All of the shares that are exposed to the market price fluctuation risk are shares of companies with which the Company has business relationships. The Company has developed a system to periodically assess their fair values to manage the risk.

The Company regards the credit risk on bonds as minimal, because the Company holds bonds with high ratings only.

3) Management of liquidity risk pertaining to funds procurement (risk of becoming unable to make payments on due dates)

Trade payables and borrowings that contain a liquidity risk are managed by methods including the preparation of monthly cash flow plans, in addition to having each Group company keep track of due dates and outstanding balances for each counterparty.

2. Fair values of financial instruments

The carrying amounts, fair values, and their differences as of June 30, 2025 are as follows. The following table does not include shares that do not have market prices (Note). "Cash and deposit," "bills / accounts receivable," "electronically recorded monetary claims – operating," "bills payable / accounts payable," "electronically recorded obligations – operating," "short-term debt," "account payable-other," and "accrued corporate tax, etc." are omitted, because these items comprise cash, are settled within a short time frame and their fair values are thus approximately the same as their carrying amounts.

	Carrying amount (Million yen)	Fair value (Million yen)	Difference (Million yen)
Investment securities			
Available-for-sale securities	17,788	17,788	—
Total assets	17,788	17,788	—
Long-term debt (including current portion)	9,020	8,943	(77)
Total liabilities	9,020	8,943	(77)
Derivative transactions	—	—	—

(Notes) 1. Unlisted shares (carrying amount of 1,600 million yen) and shares of subsidiaries and associates (carrying amount of 335 million yen) are not included in the above table.

2. Notes on investments in partnerships and other similar entities for which equity interests are recorded on a net basis on the consolidated balance sheet are omitted. The amount of these investments recorded on the consolidated balance sheet is 1,204 million yen.

3. Breakdown of financial instruments by fair value level

Fair values of financial instruments are classified into the following three levels based on the observability and significance of inputs used when measuring such fair values.

Level 1 fair value: Fair values measured using (unadjusted) quoted prices for the same asset or liability in an active market

Level 2 fair value: Fair values measured using directly or indirectly observable inputs other than Level 1 inputs

Level 3 fair value: Fair values measured using significant unobservable inputs

When multiple inputs with a significant impact are used to measure fair value, such fair value is classified into the fair value measurement level with the lowest priority among the levels those inputs belong to.

(1) Financial assets and liabilities whose fair values are used as carrying amounts

Category	Fair value (Million yen)			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities				
Shares	3,937	—	—	3,937
Bonds	—	13,850	—	13,850
Total assets	3,937	13,850	—	17,788

(2) Financial assets and liabilities whose fair values are not used as carrying amounts

Category	Fair value (Million yen)			
	Level 1	Level 2	Level 3	Total
Long-term debt (including current portion)	—	8,943	—	8,943
Total liabilities	—	8,943	—	8,943

(Note) Valuation methods and inputs used to measure fair value

<u>Assets</u>

Investment securities

Fair value of listed shares and bonds is measured using quoted prices. Because listed shares held by the Company are mostly traded on active markets, their fair value is classified into Level 1. Meanwhile, bonds mostly have low trading volume, and their prices are not deemed to be quoted prices on active markets. Accordingly, fair value of bonds is classified into Level 2.

<u>Liabilities</u>

Long-term debt

Fair value of long-term debt is classified into Level 2. It is measured at present value, calculated by discounting the sum of principal and interest using an assumed interest rate on equivalent new borrowings.

IX. Notes on Revenue Recognition

1. Information on disaggregation of revenue from contracts with customers

(1) Breakdown by product category

	Reportable segment (Million yen)		
	Medical Division	Device Division	Total
Cardiovascular	81,202	—	81,202
Non-cardiovascular	18,983	—	18,983
OEM	7,593	—	7,593
Medical components	—	8,019	8,019
Industrial components	—	4,226	4,226
Total	107,779	12,245	120,025

(2) Breakdown by geographical region

	Reportable segment (Million yen)		
	Medical Division	Device Division	Total
Japan	16,074	2,805	18,880
North America	23,043	3,975	27,018
Europe	24,148	496	24,645
China	28,283	539	28,823
Other	16,229	4,428	20,658
Total	107,779	12,245	120,025

2. Underlying information for understanding revenue from contracts with customers

Underlying information for understanding revenue is as stated in "I. Significant accounting policies for preparation of consolidated financial statements, 4. Accounting policies, (5) Significant revenue and expense recognition standards."

3. Relationship between satisfaction of performance obligations under contracts with customers and cash flows arising from such contracts, and information on amounts and timing of revenue expected to be recognized in following fiscal years from contracts with customers existing as of the end of the fiscal year under review

(1) Balance of contract liabilities

	Balance of contract liabilities
Contract liabilities (beginning balance)	8,182 million yen
Contract liabilities (ending balance)	9,184 million yen

Contract liabilities are associated with advances received from customers. Contract liabilities are reduced as revenue is recognized.

The amount of revenue recognized during the fiscal year under review that was included in the beginning balance of contract liabilities was 8,182 million yen. The increase of 1,001 million yen in contract liabilities during the fiscal year under review was owed to an increase in advances received.

(2) Transaction prices allocated to remaining performance obligations

Since the Group does not have any significant transactions with an initial estimated contract period of over one year, information on remaining performance obligations is omitted, applying a practical expedient.

Consideration arising from contracts with customers does not contain any significant amount not included in transaction prices.

X. Notes on Per Share Information

Net assets per share	558.31 yen
Earnings per share	46.92 yen

XI. Notes on Significant Subsequent Events

Not applicable.

Non-consolidated Statement of Changes in Equity

(From July 1, 2024 to June 30, 2025)

(Million yen)

	Shareholders' equity							
		Capital surplus			Retained earnings			
						Other retained earnings		
	Capital stock	Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Reserve for tax purpose reduction entry	General reserve	Retained earnings brought forward
Balance at beginning of period	18,860	18,753	2,907	21,661	39	144	75	54,382
Changes during period								
Dividends of surplus								(5,533)
Provision of reserve for tax purpose reduction entry						419		(419)
Reversal of reserve for tax purpose reduction entry						(3)		3
Net income								21,662
Purchase of treasury shares								
Net changes in items other than shareholders' equity								
Total changes during period	—	—	—	—	—	416	—	15,712
Balance at end of period	18,860	18,753	2,907	21,661	39	560	75	70,095

	Shareholders' equity			Valuation and translation adjustments	Total net assets
	Retained earnings	Treasury stock	Total shareholders' equity		
	Total retained earnings			Valuation difference on available-for-sale securities	
Balance at beginning of period	54,641	(7)	95,156	2,681	97,838
Changes during period					
Dividends of surplus	(5,533)		(5,533)		(5,533)
Provision of reserve for tax purpose reduction entry	—		—		—
Reversal of reserve for tax purpose reduction entry	—		—		—
Net income	21,662		21,662		21,662
Purchase of treasury shares		(4,446)	(4,446)		(4,446)
Net changes in items other than shareholders' equity				(680)	(680)
Total changes during period	16,129	(4,446)	11,682	(680)	11,002
Balance at end of period	70,770	(4,453)	106,839	2,001	108,840

Notes to Non-consolidated Financial Statements

I. Notes on Significant Accounting Policies

1. Basis and method of valuation of assets

(1) Basis and method of valuation of securities

1) Shares of subsidiaries

Measured at cost using the moving-average method

2) Securities to be held to maturity

Cost method

3) Available-for-sale securities

Securities other than shares that do not have a market value

Measured at fair value

(Valuation differences are reported as a component of net assets. The cost of securities sold is calculated using the moving-average method.)

Shares that do not have a market value

Measured at cost using the moving-average method

(2) Basis and method of valuation of inventories

1)Merchandise and finished goods, work in process, and raw materials	Measured at cost, primarily determined by the periodic average method (The carrying amount in the balance sheet is calculated with consideration of write-downs due to decreased profitability.)
2)Supplies	Measured at cost, determined by the last purchase price method (The carrying amount in the balance sheet is calculated with consideration of write-downs due to decreased profitability.)

2. Method of depreciation and amortization of current assets

(1) Tangible fixed assets (excluding leased assets)	Depreciated using the straight-line method. The range of useful lives is as follows: Buildings 15 to 47 years Machinery and equipment 7 to 10 years
(2) Intangible assets	Amortized using the straight-line method. The Company amortizes software for internal use over the expected useful life within respective companies (five years).
(3) Leased assets	Amortized using the straight-line method based on the assumption that the useful lives are equivalent to the lease terms and the residual value is zero.

3. Basis for recording provisions

(1) Allowance for doubtful accounts

At the Company, allowance for doubtful accounts is provided for possible losses arising from bad debts at an amount determined based on the historical default rates for general receivables, and an individual estimate of uncollectible amounts for specific doubtful receivables from customers experiencing financial difficulties.

(2) Provision for bonuses

Provision for bonuses is recorded at an estimated amount attributable to the fiscal year under review to provide for future bonus payments to employees.

(3) Provision for retirement benefits

Retirement benefit liability is recorded at an estimated amount of retirement benefit obligations as of the end of the fiscal year under review to provide for future retirement benefits to employees.

1) Method for attributing estimated retirement benefits to individual periods of service

In calculating the retirement benefit obligations, the benefit formula basis is adopted for the purpose of attributing estimated retirement benefits to the period up to the end of the fiscal year under review.

2) Calculation of actuarial gain or loss

Actuarial gain or loss is amortized from the following fiscal year on a straight-line basis over a certain period shorter than the average remaining years of service of the eligible employees at the time of the gain or loss arising during each fiscal year (five years).

Prior service cost is amortized on a straight-line basis over a certain period (12 years), which is within the average remaining years of service period of the eligible employees at the time the cost arising.

(4) Provision for retirement benefits for directors (and other officers)

The Company abolished the officer retirement benefit system in September 2005. The balance of provision for retirement benefits for directors (and other officers) as of the end of the fiscal year under review is the estimated amount to be paid to officers who were in office when the system was abolished. The payments will be made when each officer retires.

4. Revenue and expense recognition standards

The details of main performance obligations in main businesses related to revenue arising from contracts with customers of the Company and the usual timing of fulfillment of the performance obligation (the usual timing of revenue recognition) are as follows.

The Medical Division mainly engages in sales of medical products and the Device Division mainly engages in sales of industrial products. Regarding sales of these products, revenue is mainly recognized when goods and products are each delivered to a customer, because at such time, legal ownership, physical possession, material risk associated with ownership, and economic value of those goods and products are transferred to the customer and the right to receive payment is finalized.

The consideration under sales contracts of the Company's products is generally received within one to three months after delivery of products to a customer based on contracts with customers and does not include significant financial elements.

5. Translation of assets and liabilities denominated in foreign currencies into Japanese yen

Receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rate prevailing at the end of the fiscal year and resulting exchange gains and losses are included in net profit or loss.

6. Other significant accounting policies for preparation of non-consolidated financial statements

(1) Accounting treatments on retirement benefit

The basis for accounting treatments of unrecognized actuarial gain or loss and unrecognized prior service cost in relation to retirement benefits differs from the basis for accounting treatments for this gain or loss in the consolidated financial statements.

II. Notes on Changes in Accounting Policies

(Application of accounting standard for current income taxes, etc.)

The Company has applied the "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022; the "2022 Revised Accounting Standard"), etc. from the beginning of the fiscal year under review.

For the revisions to the accounting classification of current income taxes, the Company follows the transitional treatment specified in the proviso to Paragraph 20-3 of the 2022 Revised Accounting Standard.

This application has no impact on the non-consolidated financial statements for the fiscal year under review.

III. Notes on Accounting Estimates

(Significant accounting estimates for investment in subsidiaries and associates)

1. Amounts recorded in the non-consolidated financial statements for the current fiscal year

	Current fiscal year
Shares of subsidiaries and associates	6,503 million yen
Investments in capital of subsidiaries and associates	11,902 million yen
Loss on valuation of shares of subsidiaries and associates	6,560 million yen
Short-term loans receivable from subsidiaries and associates	13,548 million yen
Long-term loans receivable from subsidiaries and associates	5,212 million yen
Provision of allowance for doubtful accounts for subsidiaries and associates	796 million yen

2. Information on details of significant accounting estimates related to identified items

The acquisition price of shares and investments in capital of subsidiaries and associates is calculated with consideration for future excess earnings power based on the business plan expected at the time of acquisition. Excess earnings power includes the same significant assumptions as those for goodwill and other intangible assets recorded in the consolidated financial statements. The necessity for recording loss on valuation of shares and investments in capital of subsidiaries and associates that do not have a market value is determined by comparing the acquisition price with the real value, and if the real value has declined significantly, loss on valuation is recorded, except in cases in which its recoverability is supported by adequate evidence. In addition, for loans receivable from subsidiaries and associates, allowance for doubtful accounts is recorded for the amount that is estimated to be uncollectible based on a comprehensive review of the borrowers' ability to pay.

In the fiscal year under review, for the shares of subsidiaries and associates, mainly of ASAHI SURGICAL ROBOTICS CO., LTD. and Pathways Medical Corporation, it was determined that future excess earnings power which had been assumed based on the business plan when they were acquired was no longer expected and that the real value declined significantly. For this and other reasons, 6,560 million yen in loss on valuation of shares of subsidiaries and associates was recorded in the fiscal year under review. In addition, for loans receivable from subsidiaries and associates, 796 million yen in provision of allowance for doubtful accounts for subsidiaries and associates was recorded primarily due to an individual estimate of uncollectable amount for long-term loans receivable from subsidiaries and associates, mainly those from ASAHI SURGICAL ROBOTICS CO., LTD.

In determining the real value of shares and investments in capital of subsidiaries and associates that do not have a market value and the recoverability of loans receivable from subsidiaries and affiliates, the Company calculates the value with consideration for the future profit plans of subsidiaries and associates. However, in the event that it becomes necessary to revise future plans due to uncertain future changes in economic conditions, losses may be incurred in the financial statements of the following fiscal year as a result of recording loss on valuation of shares and investments in capital of subsidiaries and associates and allowance for doubtful accounts for loans receivable from subsidiaries and associates.

IV. Notes on the Non-consolidated Balance Sheet

1. Accumulated depreciation of tangible fixed assets	14,045 million yen

2. Receivables and payables for subsidiaries and associates

Short-term receivables	19,002 million yen
Short-term payables	26,673 million yen

V. Notes on the Non-consolidated Statement of Income

Volume of transactions with subsidiaries and associates

Revenue	63,656 million yen
Purchases	31,607 million yen
Other operating transactions	5,194 million yen
Non-operating transactions	16,268 million yen

VI. Notes on the Non-consolidated Statement of Changes in Equity

Matters concerning the class and number of treasury shares

Class of shares	Number of shares at the beginning of the fiscal year under review	Increase (Note)	Decrease	Number of shares at the end of the fiscal year under review
Treasury shares	7,955 shares	1,956,722 shares	—	1,964,677 shares

(Note) The number of treasury shares increased by 22 shares due to purchase of shares less than one unit and 1,956,700 shares due to purchase of treasury shares.

VII. Notes on Tax Effect Accounting

Breakdown of major causes of deferred tax assets and deferred tax liabilities

Deferred tax assets	
Income taxes payable	248 million yen
Provision for bonuses	467 million yen
Loss on valuation of inventories	181 million yen
Allowance for doubtful accounts	337 million yen
Provision for retirement benefits	492 million yen
Excess of depreciation	90 million yen
Loss on valuation of investment securities	859 million yen
Loss on valuation of shares of subsidiaries and associates	2,593 million yen
Other	453 million yen
Subtotal of deferred tax assets	5,723 million yen
Valuation allowance	(3,904) million yen
Total deferred tax assets	1,818 million yen
Deferred tax liabilities	
Valuation difference on available-for-sale securities	(728) million yen
Reserve for tax purpose reduction entry	(257) million yen
Other	(55) million yen
Total deferred tax liabilities	(1,042) million yen
Net deferred tax assets	776 million yen

VIII. Notes on Revenue Recognition

Useful information on disaggregation of revenue from contracts with customers has been omitted as it is identical to the content presented in “Notes to Consolidated Financial Statements IX. Notes on Revenue Recognition.”

IX. Notes on Transactions with Related Parties

1. Subsidiaries, etc.

Attribution	Company name	Percentage of voting rights, etc. held	Relationship with related party	Details of transaction	Transaction amount (Million yen)	Account	Balance at end of period (Million yen)
Subsidiary	ASAHI INTECC THAILAND CO., LTD.	Direct 100.0%	Manufacturing of the Company's products, etc. Interlocking officers	Compensated provision of raw materials, etc. (Note 1)	2,005	Accounts receivable -other	759
				Purchase, etc. of products and materials (Note 1)	17,875	Accounts payable - trade	3,307
Subsidiary	ASAHI INTECC HANOI CO., LTD.	Direct 100.0%	Manufacturing of the Company's products, etc. Interlocking officers	Compensated provision of raw materials, etc. (Note 1)	1,431	Accounts receivable -other	497
				Purchase, etc. of products and materials (Note 1)	8,308	Accounts payable - trade	1,965
Subsidiary	ASAHI INTECC USA, INC.	Direct 100.0%	Sales of the Company's products, etc. Interlocking officers	Sales of products, etc. (Note 1)	12,003	Accounts receivable - trade	5,305
Subsidiary	Filmecc USA, INC.	Indirect 100.0%	Sales of the Company's products, etc. Deposit of funds Interlocking officers	Sales of products, etc. (Note 1)	5,718	Accounts receivable - trade	2,044
				Interest paid (Note 3)	65	Deposits received	2,638
Subsidiary	ASAHI INTECC SCIENTIFIC (Beijing) Co., Ltd.	Direct 100.0%	Sales of the Company's products, etc. Interlocking officers	Sales of products, etc. (Note 1)	23,699	Accounts receivable - trade	2,534

Attri-bution	Company name	Percentage of voting rights, etc. held	Relationship with related party	Details of transaction	Transaction amount (Million yen)	Account	Balance at end of period (Million yen)
Subsi-diary	ASAHI INTECC J-Sales CO., LTD.	Direct 100.0%	Sales of the Company's products, etc. Deposit of funds Interlocking officers	Sales of products, etc. (Note 1)	10,239	Accounts receivable - trade	2,928
				Interest paid (Note 3)	23	Deposits received	4,808
Subsi-diary	TOYOFLEX CEBU CORPORATION	Direct 100.0%	Manufactur-ing of the Company's products, etc. Provision of funding Interlocking officers	Compensated provision of raw materials, etc. (Note 1)	239	Accounts receivable -other	241
				Purchase, etc. of products and materials (Note 1)	5,112	Accounts payable - trade	1,922
				Recovery of funds Interest received (Note 2)	800 109	Short-term loans receivable Long-term loans receivable	11,400 3,500
Subsi-diary	ASAHI INTECC EUROPE B.V.	Direct 100.0%	Sales of the Company's products, etc. Deposit of funds Interlocking officers	Sales of products, etc. (Note 1)	11,828	Accounts receivable - trade	2,867
				Interest paid (Note 3)	23	Deposits received	3,488
Subsi-diary	ASAHI Medical Technologies, Inc.	Direct 17.4% Indirect 82.6%	Deposit of funds Interlocking officers	Interest paid (Note 3)	66	Deposits received	2,474
Subsi-diary	KARDIA S.R.L.	Direct 90.0%	Deposit of funds	Interest paid (Note 3)	40	Deposits received	3,741

Terms and conditions of transactions and policies on determination thereof

(Notes) 1. Transaction prices are determined by taking general market prices into consideration.

2. Interest rates for loans to subsidiaries are determined in a rational manner by taking market interest rates into consideration.

3. Loans to subsidiaries and deposits from subsidiaries are related to the CMS (cash management system), and interest rates are determined in a rational manner by taking market interest rates into consideration.

2. Officers and individual major shareholders, etc.

Type	Company, etc. name or party name	Percentage of voting rights, etc. held (owned)	Relationship with related party	Details of transaction	Transaction amount (Million yen)	Account	Balance at end of period (Million yen)
Close relative of officer	Naohiko Miyata (Note 2)	Owning Direct 0.2%	Advisor of the Company	Payment of remuneration for advisors (Note 1)	36	—	—

(Notes) 1. Terms and conditions of transactions and policies on determination thereof

The amount of remuneration for advisors is determined by the Company's Board of Directors.

2. Mr. Naohiko Miyata is the father of Chairman & Director Masahiko Miyata and President & CEO Kenji Miyata. He has been involved in corporate management and R&D as Chairman of the Company and provides guidance and advice to the Company based on his many years of experience, knowledge and extensive personal connections.

X. Notes on Per Share Information

Net assets per share	403.61 yen
Basic earnings per share	79.79 yen

XI. Notes on Significant Subsequent Events

Not applicable.