

February 13, 2024

## Notice of Establishment of an Overseas Subsidiary (U.S.)

At the meeting of the Board of Directors held on February 13, 2024, we decided to establish a subsidiary in the U.S. and start accepting orders for orthodontic technical materials locally.

### 1. Background and purpose of establishment

Since our founding, we have received orders for orthodontic technical materials primarily from university hospitals and dental clinics nationwide and sold them, but we considered overseas expansion to be an indispensable part of our medium-term growth strategy.

In 2015, we established ASO INTERNATIONAL MANILA, Inc. as an overseas manufacturing base in Manila, and in 2019, we consolidated ASO INTERNATIONAL HAWAII, Inc. in Hawaii, U.S., making it a manufacturing and sales base in Hawaii.

We have been actively gathering information and collaborating with local orthodontists in the mainland U.S. for some time. With recent advancements in digitalizing orthodontic technical material manufacturing processes, utilizing 3D printers and intraoral scanners, coupled with the stable operation of our overseas manufacturing bases, we have concluded that it is time for a full-fledged entry into the mainland U.S. market.

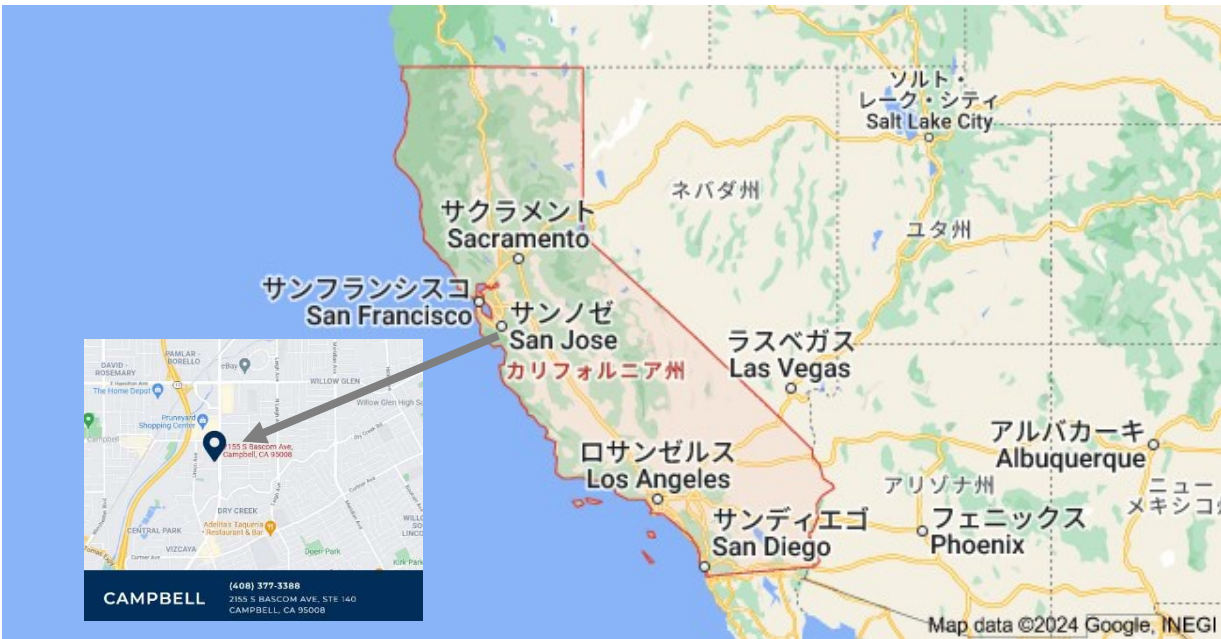
With this subsidiary as our base, we will first aim to collect data on orthodontics and win product orders throughout the U.S. As part of our immediate product strategy, we will focus on sales of retainers (retention devices) and labial fixed orthodontic appliances (brand name: SYMPHONY) required after corrective treatment, and distinguish ourselves from U.S. companies, particularly aligners (mouthpieces). This local subsidiary will serve as a key element in our global expansion, overseeing not only North America but also other regions including Europe.

The city of San Jose is said to be the center of Silicon Valley, a high-tech industrial cluster located in the Bay area of California with a population of approximately 1 million. The city is home to many high-net-worth individuals with a strong sense of orthodontics, and we believe it is an excellent location for establishing a local subsidiary.

### 2. Outline of the local subsidiary to be established

|                                  |  |
|----------------------------------|--|
| (1) Name                         | ASO INTERNATIONAL USA, Inc. (tentative name)               |
| (2) Address                      | San Jose, California                                       |
| (3) Representative               | Representative Director: Takamasa Aso                      |
| (4) Business Activities          | Manufacture and sale of orthodontic technical materials    |
| (5) Capital and Investment Ratio | 50,000 USD,<br>ASO INTERNATIONAL, INC. (our company): 100% |
| (6) Date of Establishment        | April 1, 2024 (planned)                                    |

3. Location map: (2155 S BASCOM AVE, STE 140 CAMPBELL, CA 95008)



(Google Map)

4. Business scheme

The local subsidiary will receive orders for appliances from orthodontists (customers) in the area, while simultaneously transferring patient intraoral data (digital data) to our manufacturing facilities (either in Manila, Philippines, or at our Tokyo headquarters). The appliances will be produced using 3D printers and similar technology, then air-shipped to the ordering party for delivery.

5. Future Outlook

The impact of this matter on the performance for the fiscal year ending June 2024 is currently under review.

We will promptly disclose and inform you of any matters that need to be disclosed in the future.