



### 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2021 (April 1, 2020 to March 31, 2021)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to parent company shareholders		Basic earnings per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	48,000	(2.4)	4,500	21.6	4,520	31.7	3,080	95.4	149.31

Note: Revision to the financial results forecast announced most recently: Yes

For the financial results forecast, please refer to the “Notice Regarding Revision of Financial Results Forecast and Dividends Forecast for the Fiscal Year Ending March 31, 2021” announced today (February 5, 2021).

#### \* Notes:

- (1) Changes in significant subsidiaries during the period under review: No  
(Changes in specified subsidiaries accompanying changes to the scope of consolidation)  
New: – companies (Company name) –; Excluded: – companies (Company name) –
- (2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
  - 1) Changes in accounting policies due to the revision of accounting standards: No
  - 2) Changes in accounting policies other than 1) above: No
  - 3) Changes in accounting estimates: No
  - 4) Retrospective restatement: No
- (4) Total number of issued shares (common stock)
  - 1) Total number of issued shares at the end of the period (including treasury stock):  
December 31, 2020: 22,579,700 shares  
March 31, 2020: 22,579,700 shares
  - 2) Total number of treasury stock at the end of the period:  
December 31, 2020: 1,951,441 shares  
March 31, 2020: 1,951,360 shares
  - 3) Average number of shares during the period:  
Nine months ended December 31, 2020: 20,628,334 shares  
Nine months ended December 31, 2019: 20,488,365 shares

Note: The number of treasury stock eliminated when calculating the total number of treasury stock at the end of the period and the average number of shares during the period includes the Company’s shares held by Custody Bank of Japan, Ltd. (former Trust & Custody Services Bank, Ltd.) (Trust E Account) as trust assets for the stock benefit trust system.

\* These consolidated financial results are outside the scope of quarterly review by certified public accountants or audit corporations.

#### \* Explanation of the proper use of financial results forecasts and other notes

Forward-looking statements in this document, including financial results forecasts, are based on information available and certain assumptions deemed reasonable by the Company at present, and the Company does not guarantee their achievement. Actual business results, etc., may differ significantly due to various factors.

## Table of Contents

1.# Qualitative Information on Quarterly Financial Results for the Period under Review .....	2#
(1)#Business Results .....	2#
(2)#Financial Position .....	3#
(3)#Consolidated Financial Results Forecast and Other Forward-looking Information .....	3#
2.# Quarterly Consolidated Financial Statements and Primary Notes .....	4#
(1)#Quarterly Consolidated Balance Sheets .....	4#
(2)#Quarterly Consolidated Statements of Income and Comprehensive Income .....	6#
Quarterly Consolidated Statements of Income .....	6#
Nine Months Ended December 31 .....	6#
Quarterly Consolidated Statements of Comprehensive Income .....	7#
Nine Months Ended December 31 .....	7#
(3)#Notes to Quarterly Consolidated Financial Statements .....	8#
(Notes on going concern assumption) .....	8#
(Notes in the case of significant changes in shareholders' equity).....	8#
(Accounting policies adopted specially for the preparation of quarterly consolidated financial statements)...	8#
(Additional information) .....	8#
(Segment information, etc.).....	9#

## 1. Qualitative Information on Quarterly Financial Results for the Period under Review

### (1) Business Results

Regarding the economic environment surrounding A&D Company, Ltd. (the “Company”) and its subsidiaries (collectively, the “Group”) during the nine months ended December 31, 2020 in Japan, corporate and economic activities have shown signs of recovery partly thanks to various government measures, while the impact of the spread of COVID-19 remains. However, the outlook continues to be uncertain due to a resurgence of new infections toward the end of the year and other factors. Outside Japan, while corporate and economic activities are returning to normal in China, there are more than a few countries and regions in Europe and the United States where the spread of infection is becoming even more serious and lockdowns have been put in place, giving rise to concerns about the stagnation of economic activities for a longer period.

Amid such circumstances, the Group promoted its sales activities by utilizing telework and online meetings, etc. in order to ensure the health and safety of our customers, business partners and employees. In addition, as sales were expected to decline, we strove to curb fixed costs, while promoting activities to reduce products costs.

As a result, net sales for the nine months ended December 31, 2020 were ¥34,904 million (down 0.3% year-on-year), operating profit was ¥3,050 million (up 57.6% year-on-year), ordinary profit was ¥3,117 million (up 70.8% year-on-year), and profit attributable to parent company shareholders was ¥2,220 million (up 403.9% year-on-year).

Business results by segment are as follows.

#### 1) Measurement and Weighing Instruments Business

In Japan, orders were sluggish in measurement and control simulation systems (DSP systems) due to the impact of COVID-19, but sales stayed strong as a result of steady production of the projects that we acquired in the previous fiscal year. However, in semiconductor manufacturing-related instruments, HOLON CO., LTD. recorded a year-on-year decrease in sales, although in line with the forecast. In addition, sales also decreased in weighing instruments due to lower demand. As a result, despite efforts to reduce costs, we recorded decreased sales and profit year-on-year due to a substantial decline in net sales.

In the Americas, sales stagnated due to the impact of COVID-19, but profit increased as a result of the efforts to reduce costs.

In Asia and Oceania, overall sales of weighing instruments, including metal detectors and checkweighers, increased in Australia, and in addition restrictions on business activities due to the spread of COVID-19 were gradually relaxed in South Korea and India. These developments put the segment on a recovery trend from the third quarter under review. Moreover, sales of a subsidiary in Taiwan, A&D SCIENTECH TAIWAN LIMITED, which became a subsidiary in the fourth quarter of the previous fiscal year, contributed to increased sales and profit compared to the same period of the previous year.

As a result, net sales in the Measurement and Weighing Instruments Business were ¥19,040 million (down 12.6% year-on-year) and operating profit was ¥908 million (down 38.0% year-on-year).

#### 2) Medical and Healthcare Business

In Japan, both sales and profit increased significantly as demand for non-contact thermometers increased due to the spread of COVID-19.

In the Americas, sales significantly increased owing to strong sales of blood pressure monitors and health scales with communication function spurred by increased demand for remote medical care, in addition to continued shipments of large-scale projects in the United States.

In Europe, sales increased in the United Kingdom due to strong e-commerce. In Russia, although sales grew on a local currency basis with significantly increased demand for thermometers in addition to blood pressure monitors, yen equivalent sales decreased due to stronger yen against ruble compared to the previous year.

Meanwhile, profit increased as a result of the efforts to reduce costs.

As a result, net sales in the Medical and Healthcare Business were ¥15,863 million (up 19.8% year-on-year) and operating profit was ¥3,502 million (up 142.3% year-on-year).

## (2) Financial Position

(Assets, liabilities and net assets)

Total assets as of December 31, 2020 were ¥53,357 million, an increase of ¥4,054 million compared to the end of the previous fiscal year. This is due to an increase of ¥375 million in fixed assets mainly resulting from a land purchase at HOLON CO., LTD., a consolidated subsidiary of the Company, for the construction of a new office building, in addition to an increase of ¥3,679 million in current assets mainly owing to an increase in cash and deposits resulting from capital increase by way of issuance of new stocks conducted by the said company.

Total liabilities as of December 31, 2020 were ¥31,728 million, an increase of ¥1,001 million compared to the end of the previous fiscal year. This is due to an increase of ¥1,313 million in current liabilities mainly owing to an increase in short-term debt, despite a decrease of ¥311 million in fixed liabilities mainly owing to a decrease in long-term debt.

Net assets as of December 31, 2020 were ¥21,628 million, an increase of ¥3,052 million compared to the end of the previous fiscal year. This was mainly attributable to an increase of ¥1,801 million in retained earnings, in addition to an increase of ¥1,198 million in non-controlling shareholders' equity.

## (3) Consolidated Financial Results Forecast and Other Forward-looking Information

In view of recent business trends and other factors, the Company revised its consolidated financial results forecast for the fiscal year ending March 31, 2021 that was announced on November 6, 2020. For details, please refer to the "Notice Regarding Revision of Financial Results Forecast and Dividends Forecast for the Fiscal Year Ending March 31, 2021" separately announced today.

## 2. Quarterly Consolidated Financial Statements and Primary Notes

### (1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2020	As of December 31, 2020
<b>Assets</b>		
Current assets		
Cash and deposits	9,756	12,970
Bills and accounts receivable	13,719	13,431
Marketable securities	280	-
Products	6,081	6,433
Unfinished goods	2,643	2,606
Raw materials and supplies	3,109	3,655
Other	759	933
Allowance for doubtful accounts	(81)	(81)
<b>Total current assets</b>	<b>36,269</b>	<b>39,949</b>
Fixed assets		
Tangible fixed assets		
Land	4,476	5,077
Other, net	4,898	4,810
<b>Total tangible fixed assets</b>	<b>9,374</b>	<b>9,888</b>
Intangible fixed assets		
Goodwill	316	231
Other	1,552	1,464
<b>Total intangible fixed assets</b>	<b>1,869</b>	<b>1,696</b>
Investments, etc.	1,789	1,823
<b>Total fixed assets</b>	<b>13,033</b>	<b>13,408</b>
<b>Total assets</b>	<b>49,302</b>	<b>53,357</b>
<b>Liabilities</b>		
Current liabilities		
Bills and accounts payable	4,513	4,506
Short-term debt	11,136	12,468
Long-term debt to be repaid within one year	2,869	2,804
Accrued corporate taxes, etc.	542	356
Provision for bonuses	1,084	576
Provision for product warranties	177	190
Other	3,545	4,280
<b>Total current liabilities</b>	<b>23,869</b>	<b>25,183</b>
Fixed liabilities		
Corporate bonds	500	500
Long-term debt	4,415	4,104
Provision for product warranties	58	50
Debt related to retirement benefits	1,021	1,073
Provision for directors' share benefits	60	74
Other	802	742
<b>Total fixed liabilities</b>	<b>6,857</b>	<b>6,545</b>
<b>Total liabilities</b>	<b>30,726</b>	<b>31,728</b>

(Million yen)

	As of March 31, 2020	As of December 31, 2020
Net assets		
Shareholders' equity		
Common stock	6,388	6,388
Capital surplus	6,442	6,413
Retained earnings	8,586	10,387
Treasury stock	(1,056)	(1,056)
Total shareholders' equity	20,361	22,133
Accumulated other comprehensive income		
Unrealized gains on other marketable securities	14	26
Foreign currency translation adjustments	(3,529)	(3,375)
Accumulated adjustment on retirement benefits	357	284
Total accumulated other comprehensive income	(3,157)	(3,065)
Share acquisition rights	10	—
Non-controlling shareholders' equity	1,362	2,560
Total net assets	18,576	21,628
Total liabilities and net assets	49,302	53,357

## (2) Quarterly Consolidated Statements of Income and Comprehensive Income

## Quarterly Consolidated Statements of Income

Nine Months Ended December 31

(Million yen)

	For the nine months ended December 31, 2019	For the nine months ended December 31, 2020
Net sales	35,016	34,904
Cost of sales	19,557	19,202
Gross profit	15,458	15,701
Selling, general and administrative expenses	13,523	12,651
Operating profit	1,935	3,050
Non-operating income		
Interest income	35	39
Investment gain on equity method	5	–
Exchange gain	7	41
Subsidy income	–	87
Rent received	25	29
Other	69	82
Total non-operating income	143	281
Non-operating expenses		
Interest expense	173	127
Other	80	86
Total non-operating expenses	253	214
Ordinary profit	1,824	3,117
Extraordinary income		
Gain on sale of fixed assets	1	1
Total extraordinary income	1	1
Extraordinary loss		
Loss on sale of fixed assets	0	0
Loss on disposal of fixed assets	14	2
Loss on valuation of investment securities	1	–
Total extraordinary loss	16	2
Profit before taxes	1,809	3,115
Corporate, inhabitant and business taxes	729	702
Corporate tax adjustments	161	(3)
Total corporate taxes	891	699
Profit	917	2,416
Profit attributable to non-controlling shareholders' equity	476	195
Profit attributable to parent company shareholders	440	2,220



Quarterly Consolidated Statements of Comprehensive Income  
 Nine Months Ended December 31

(Million yen)

	For the nine months ended December 31, 2019	For the nine months ended December 31, 2020
Profit	917	2,416
Other comprehensive income		
Unrealized gains on other marketable securities	3	11
Foreign currency translation adjustments	(6)	155
Adjustment related to retirement benefits	(101)	(73)
Equity equivalent for equity method affiliates	0	—
Total other comprehensive income	(104)	93
Comprehensive income	813	2,509
(Breakdown)		
Comprehensive income attributable to parent company shareholders	344	2,313
Comprehensive income attributable to non-controlling shareholders' equity	468	196

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in the case of significant changes in shareholders' equity)

Not applicable.

(Accounting policies adopted specially for the preparation of quarterly consolidated financial statements)

	For the nine months ended December 31, 2020
Calculation of tax expenses	Tax expenses for certain consolidated subsidiaries are calculated by reasonably estimating the effective tax rate after tax effect accounting to be applied to profit before taxes for the fiscal year, which includes the third quarter under review, and multiplying profit before taxes by the estimated effective tax rate thus obtained.

(Additional information)

(Impact of COVID-19 on accounting estimates)

The Group has been affected by declined demand, mainly in the Measurement and Weighing Instruments Business, due to stagnant economic activities caused by measures to combat COVID-19 in each country. Accounting estimates were made based on an assumption that, although demand will likely continue to decline during the current fiscal year, it will gradually recover from the end of this fiscal year toward the next fiscal year, with the containment of infections and resumption of economic activities in each region.

Under the aforementioned assumption, the Company makes accounting estimates such as recoverability of deferred tax assets.

(Segment information, etc.)

[Segment information]

I. For the nine months ended December 31, 2019

1. Information on net sales and profit (loss) by reportable segment

(Million yen)

	Measurement and Weighing Instruments Business				
	Japan	Americas	Europe	Asia and Oceania	Total
Net sales					
Net sales to outside customers	16,369	2,456	663	2,289	21,779
Inter-segment net sales or transfers	1,669	127	34	1,755	3,587
Total	18,038	2,584	698	4,044	25,366
Segment profit (loss)	1,237	69	(18)	177	1,466

	Medical and Healthcare Business					Adjustment (Note 1)	Consolidation (Note 2)
	Japan	Americas	Europe	Asia and Oceania	Total		
Net sales							
Net sales to outside customers	3,116	4,406	5,459	255	13,237	–	35,016
Inter-segment net sales or transfers	6,205	15	20	4,352	10,593	(14,180)	–
Total	9,321	4,422	5,479	4,607	23,830	(14,180)	35,016
Segment profit (loss)	1,107	(120)	279	178	1,445	(976)	1,935

- Notes: 1. The adjustment of ¥(976) million in segment profit (loss) includes corporate expenses of ¥(1,170) million not allocated to reportable segments. Corporate expenses are primarily general and administrative expenses for management departments.
2. Segment profit (loss) is adjusted with operating profit on the consolidated statements of income.

2. Information on impairment loss or goodwill, etc., for fixed assets by reportable segment

Not applicable.

II. For the nine months ended December 31, 2020

1. Information on net sales and profit (loss) by reportable segment

(Million yen)

	Measurement and Weighing Instruments Business				
	Japan	Americas	Europe	Asia and Oceania	Total
Net sales					
Net sales to outside customers	13,642	2,348	587	2,462	19,040
Inter-segment net sales or transfers	1,847	110	27	1,631	3,617
Total	15,489	2,458	614	4,094	22,657
Segment profit	591	91	41	184	908

	Medical and Healthcare Business					Adjustment (Note 1)	Consolidation (Note 2)
	Japan	Americas	Europe	Asia and Oceania	Total		
Net sales							
Net sales to outside customers	4,731	5,465	5,396	269	15,863	–	34,904
Inter-segment net sales or transfers	6,923	3	2	5,265	12,194	(15,812)	–
Total	11,654	5,469	5,399	5,535	28,058	(15,812)	34,904
Segment profit	2,197	244	754	305	3,502	(1,361)	3,050

- Notes:
1. The adjustment of ¥(1,361) million in segment profit includes corporate expenses of ¥(1,175) million not allocated to reportable segments. Corporate expenses are primarily general and administrative expenses for management departments.
  2. Segment profit is adjusted with operating profit on the consolidated statements of income.

2. Information on impairment loss or goodwill, etc., for fixed assets by reportable segment  
Not applicable.