

The logo for A&D, consisting of the letters 'A', '&', and 'D' in a bold, blue, sans-serif font.The logo for HOLON, consisting of the letters 'H', 'O', 'L', 'O', 'N' in a blue, outlined, sans-serif font.

A&D HOLON Holdings

**Financial Results Briefing Materials for  
the FYE March 31, 2022**

**A&D Holon Holdings**

Securities Code: 7745

**[Disclaimer]**

Statements regarding forecasts contained in this document are based on judgments made in accordance with information currently available and are subject to change due to future economic trends and new technological developments in Japan and around the world.

Accordingly, the A&D Group does not guarantee the accuracy of such statements.

FYE March 31, 2022

## Significant increase in sales and profit, with both sales and operating income reaching record highs due to:

- Recovery in demand for our best-performing weighing equipment and general growth spurred on by new entries into the market leading to increased sales and profit.
- Reducing product costs and curbing fixed costs in response to expected price hikes of materials and transportation costs, resulting in keeping overall costs to a minimum.

Forecast for  
FYE March 31, 2023

## Continued increase in sales and profit despite various risks.

- Risks/liabilities arising from the deteriorating situation in Russia and Ukraine, as well as the ongoing price hikes of key materials such as semiconductors are expected to continue.
- Expansion of semiconductor-related business and increase in sales of measuring and weighing equipment in Japan, the Americas, etc. predicted to be greater than the deficit caused by liabilities/risks.

Dividend

**Dividend forecast for the FYE March 31, 2023 is 30 yen, an increase of 5 yen** from the 25 yen dividend for FYE March 31, 2022

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- 1 | Summary of Business Results for FYE March 31, 2022
- 2 | Forecast for FYE March 31, 2023

A&D Company, Limited merged with an A&D consolidated subsidiary, HOLON Co., Ltd., and started operations as A&D HOLON Holdings on April 1, 2022. Therefore, the business results for the fiscal year ended March 31, 2022 are the results for A&D Company, Limited, and the forecast for the fiscal year ending March 31, 2023 is the forecast for A&D Holon Holdings.

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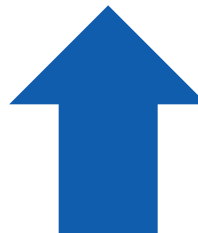
1 | Summary of Business Results for FYE March 31, 2022

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## Highlights of Business Results for FYE March 31, 2022

Net sales increased approximately 7% YoY, and despite higher cost of sales, SG&A expenses were kept down to the same level as the previous year, resulting in a significant increase in profit

**Net sales |  
YoY comparison**

**6.8%** 

**Operating income |  
YoY comparison**

**24.8%** 

### Factors

✓ **Measuring and weighing equipment business |**

Both sales and operating income grew on the back of a recovery trend in capital investment in the manufacturing sector due to a pickup in business and economic activities.

✓ **Medical and healthcare equipment business |**

Net sales slightly declined YoY despite efforts to absorb the extraordinary increase in demand for healthcare equipment continuing from the previous fiscal year

✓ Despite soaring raw material prices and transportation costs, profit increased YoY due to cost reduction activities and curbing of SG&A expenses.

# Summary of Business Results for the FYE March 31, 2022

Both net sales and income at each stage exceeded the upwardly revised forecasts announced on November 9, 2021, and reached record highs

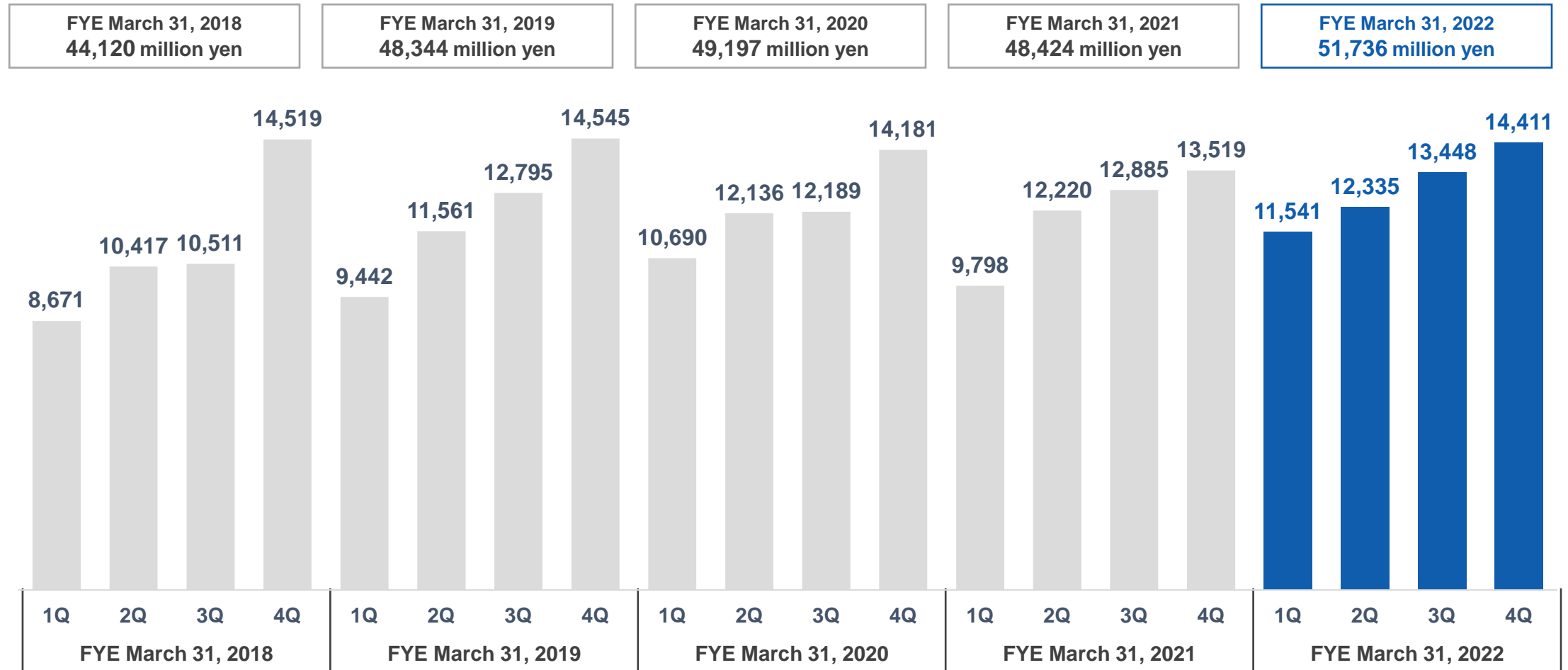
(Unit: Millions of yen)

Consolidated P&L	FYE March 31, 2021 (results)	FYE March 31, 2022 (results)	YoY Comparison	FYE March 31, 2022 Revised Forecast (November 9, 2021)	FYE March 31, 2022 Initial Forecast
Net Sales	48,424	51,736	106.8%	51,500	50,000
Cost of Sales	26,787	28,853	107.7%	28,440	27,970
SG&A Expenses	17,232	17,386	100.9%	17,700	17,830
Operating Income	4,404	5,496	124.8%	5,360	4,200
Ordinary Income	4,564	5,604	122.8%	5,410	4,020
Pre-tax Income	4,536	5,532	121.9%	5,340	4,020
Net Income attributable to Parent Company Share Owners	3,339	3,573	107.0%	3,430	2,552
Net Income per Share (yen)	161.87	172.92	107.0%	166.06	123.71

# Net Sales by Quarter

Increase in net sales quarter over quarter while reducing differences in quarterly sales.

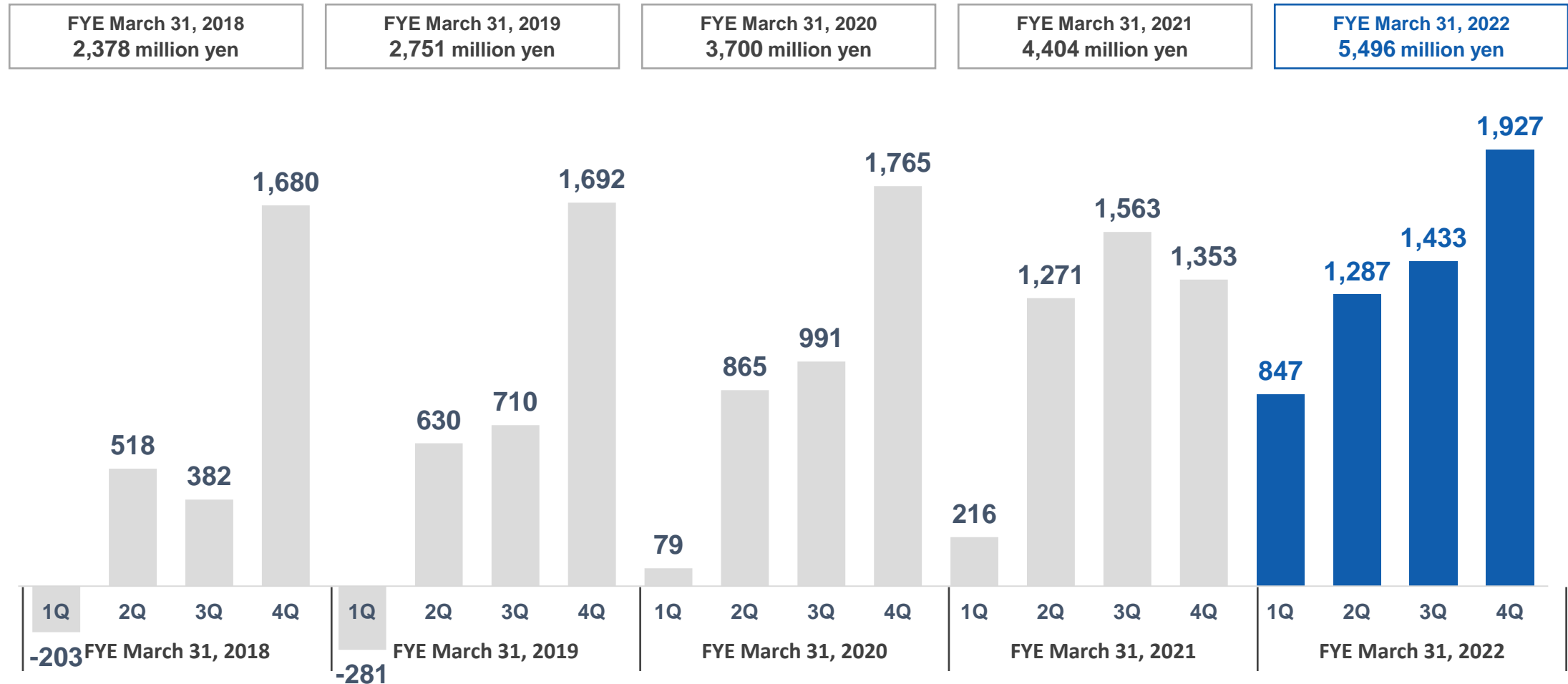
(Unit: Millions of yen)



# Operating Income by Quarter

Operating income recorded profits for each quarter for the third consecutive year, reaching a record high of 5,496 million yen for the FYE March 31, 2022

(Unit: Millions of yen)





# Sales by Business Segment in FYE March 31, 2022

**Medical and healthcare equipment business**

**Healthcare equipment**  
17,200 million yen



Blood pressure monitors for home use



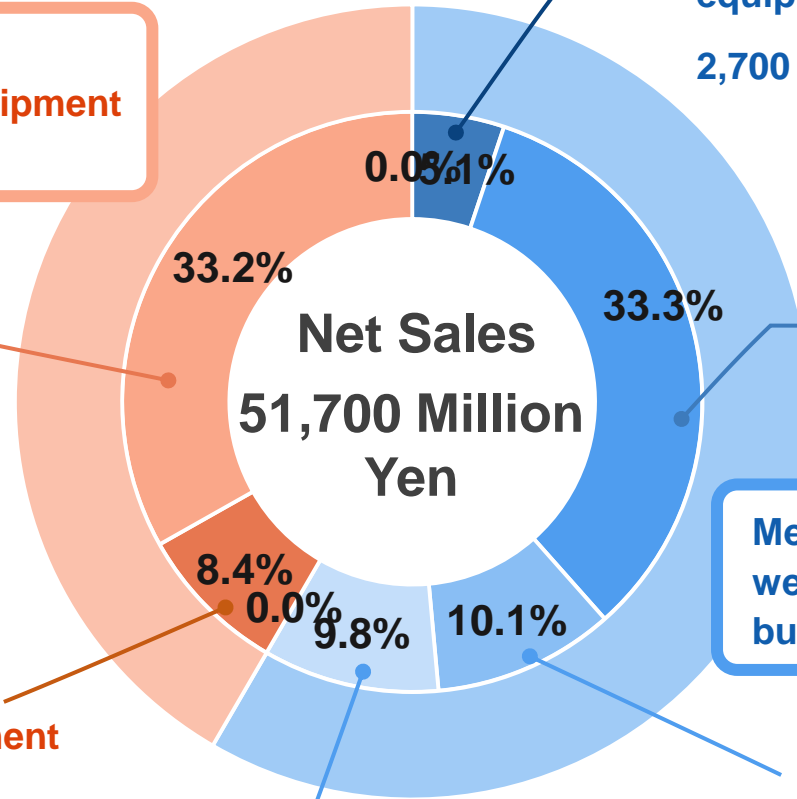
Fully automatic blood pressure monitors

**Medical equipment**  
4,400 million yen

**Semiconductor-related**  
5,100 million yen



Electron gun and beam deflection circuit



**Measuring equipment**  
2,700 million yen



Tensile and compression testing machines

**Weighing equipment**  
17,200 million yen



Electronic balances for analysis

**Measuring and weighing equipment business**

\* DSP |

Measurement, control, and simulation systems

**DSP equipment**  
5,200 million yen

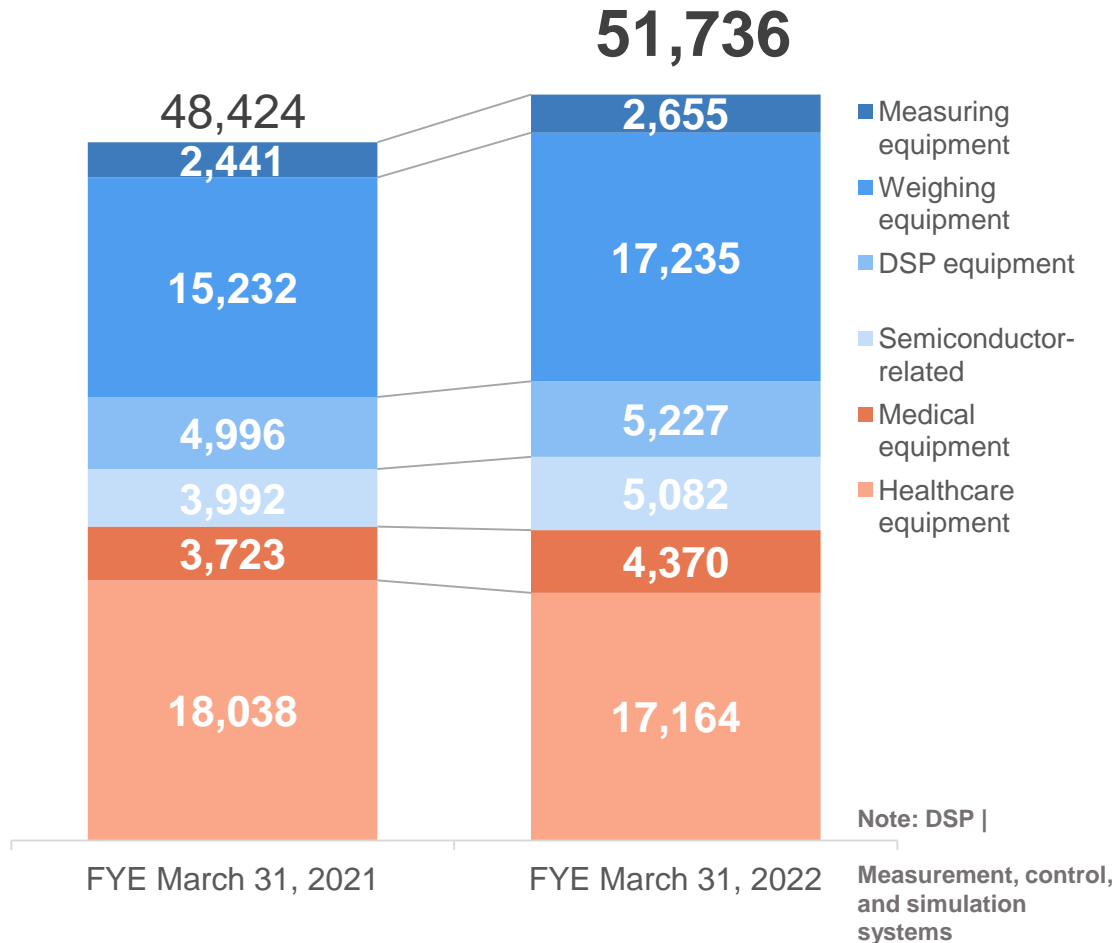


WFS (ホイール分力計) LGS (レーザ対地センサ) WPS (ホイール姿勢センサ) WFS (ホイール分力計) LGS (レーザ対地センサ)

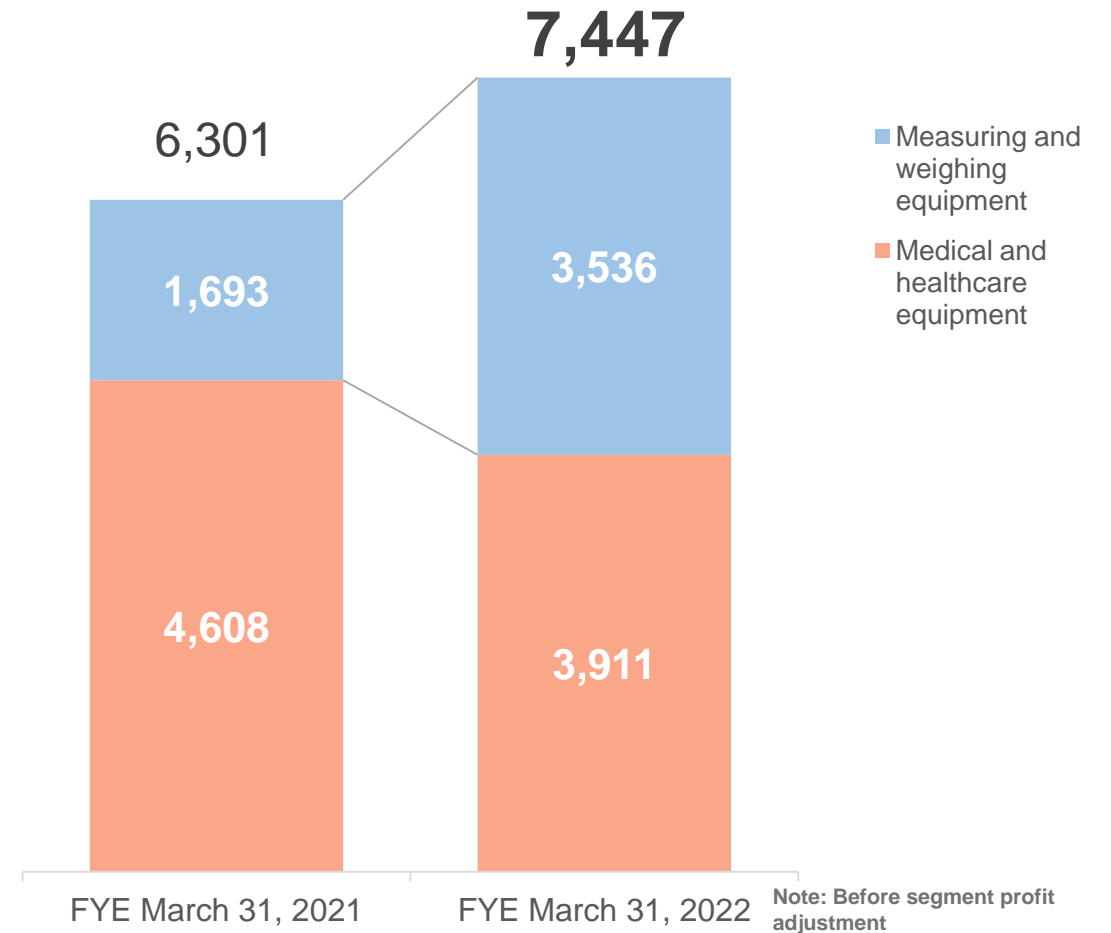
Vehicle-mounted integrated measurement systems (VMS)

## Achieved steady growth in net sales and doubled profits for measuring and weighing equipment

### Net Sales (Unit: Millions of yen)

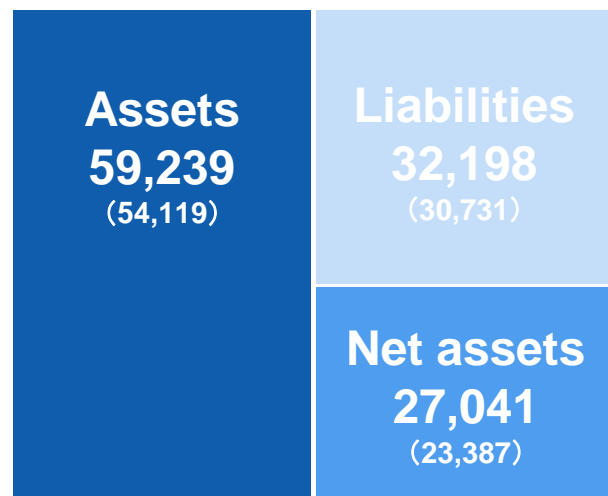


### Operating Income (Unit: Millions of yen)



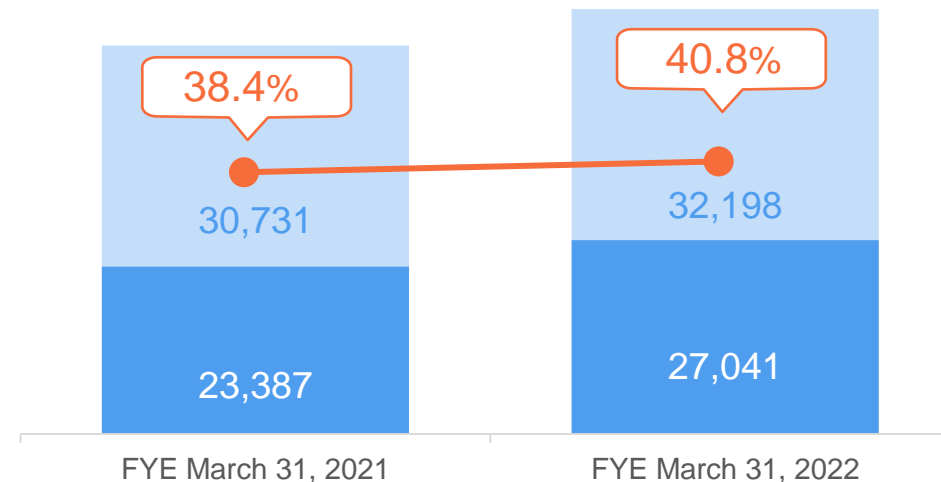
## Financial Situation March 31, 2022

\* Figures in parentheses are as of the end of the fiscal year ended March 31, 2021



## Liabilities, Net Assets, and Shareholder's Equity Ratio

■ Net assets ■ Liabilities ● Shareholder's equity ratio (Unit: Millions of yen)



(Unit: Millions of yen)	FYE March 31, 2021	FYE March 31, 2022
Current assets	40,028	43,946
Fixed Assets	14,091	15,292
<b>Total Assets</b>	<b>54,119</b>	<b>59,239</b>
Current liabilities	24,588	26,202
Fixed liabilities	6,143	5,995
<b>Total Liabilities</b>	<b>30,731</b>	<b>32,198</b>
<b>Total Net Assets</b>	<b>23,387</b>	<b>27,041</b>

Increase in notes and accounts receivable - trade and contract assets: 1,010 million yen

① Increase in merchandise and finished goods, work in process, raw materials and supplies: 4,210 million yen

Increase in buildings and structures: 1,860 million yen

② Increase in notes and accounts payable - trade: 850 million yen  
Increase in short-term borrowings: 660 million yen

③ Increase in shareholders' equity: 2,860 million yen

## Financial Analysis (Cash Flow)

Cash and deposits at end of the fiscal year decreased due to repayment of long-term borrowings, etc.

(Unit: Millions of yen)

	FYE March 31, 2021	FYE March 31, 2022	
Cash Flow from Businesses	5,194	1,782	①
Cash Flow from Investment	(2,222)	(2,395)	②
Cash Flow from Financing	(257)	(741)	③
Cash and Cash Equivalents at End of Fiscal Year	12,129	11,012	

①

Change in notes and accounts receivable: -1,397 million yen

Change in inventories: -3,154 million yen

②

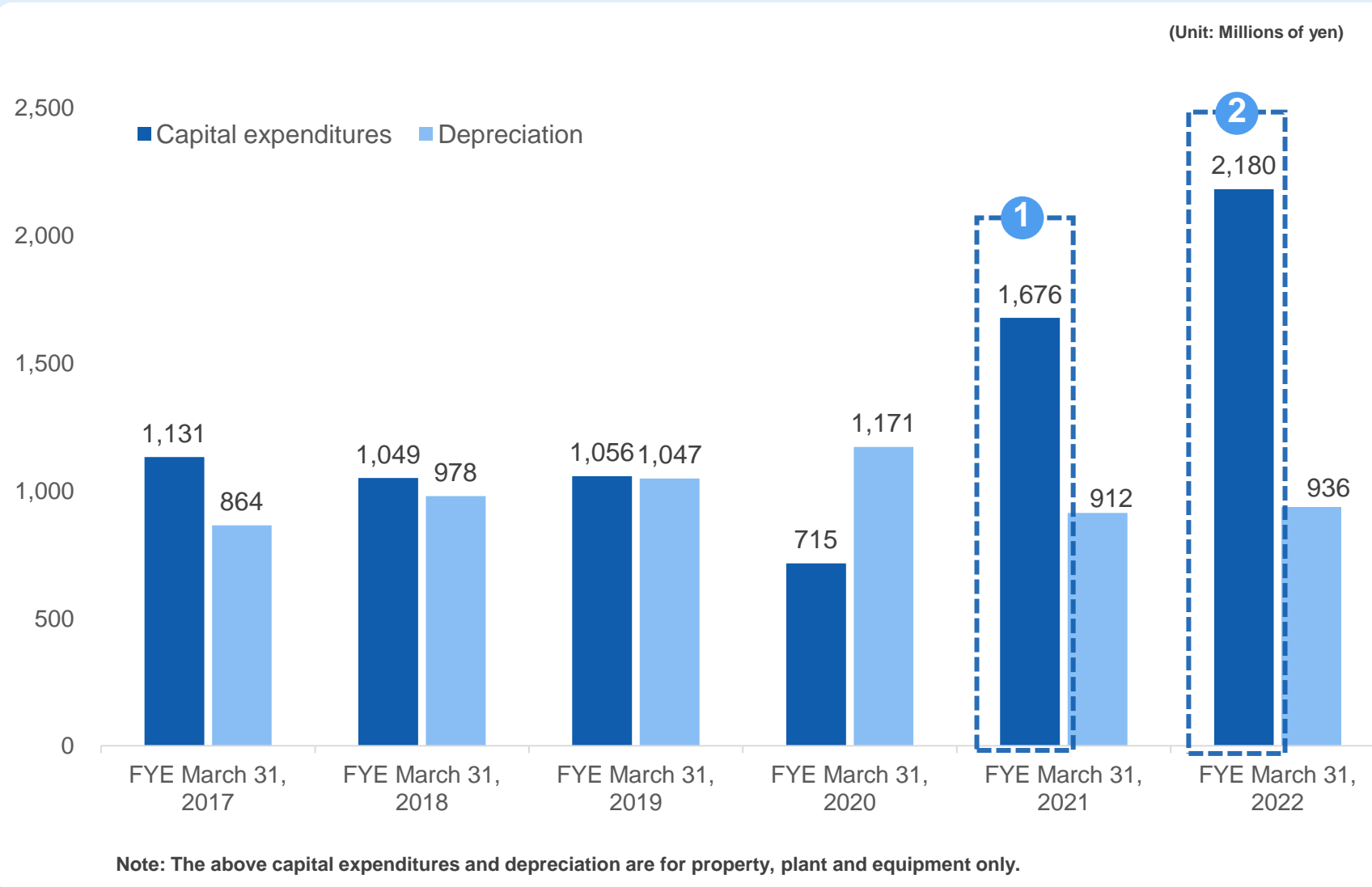
Purchase of property, plant and equipment: -2,071 million yen

③

Proceeds from long-term borrowings: 2,823 million yen

Repayments of long-term borrowings: -3,081 million yen

# Capital Expenditures and Depreciation



**1** \_\_\_\_\_

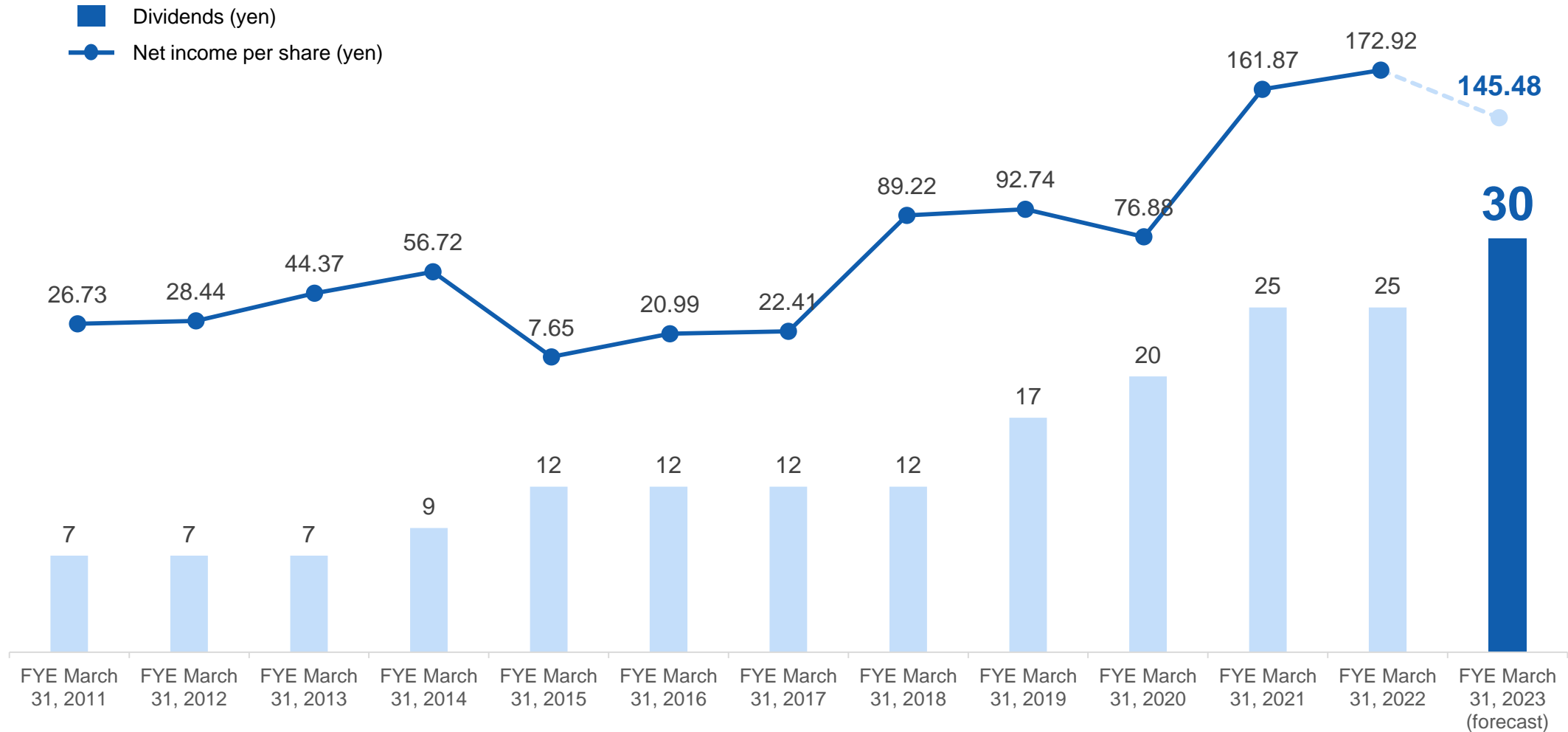
Capital expenditures increased in the fiscal year ended March 31, 2021 due to the construction of the new HOLON head office and manufacturing facility.

**2** \_\_\_\_\_

Capital expenditures increased in the fiscal year ended March 31, 2022 due to construction of a new manufacturing plant in South Korea and continuation of the construction of the new HOLON head office and manufacturing facility.

# Shareholder Returns

Annual dividends for the fiscal year ending March 31, 2023 (forecast) is 30 yen, an increase of 5 yen from the fiscal year ended March 31, 2022



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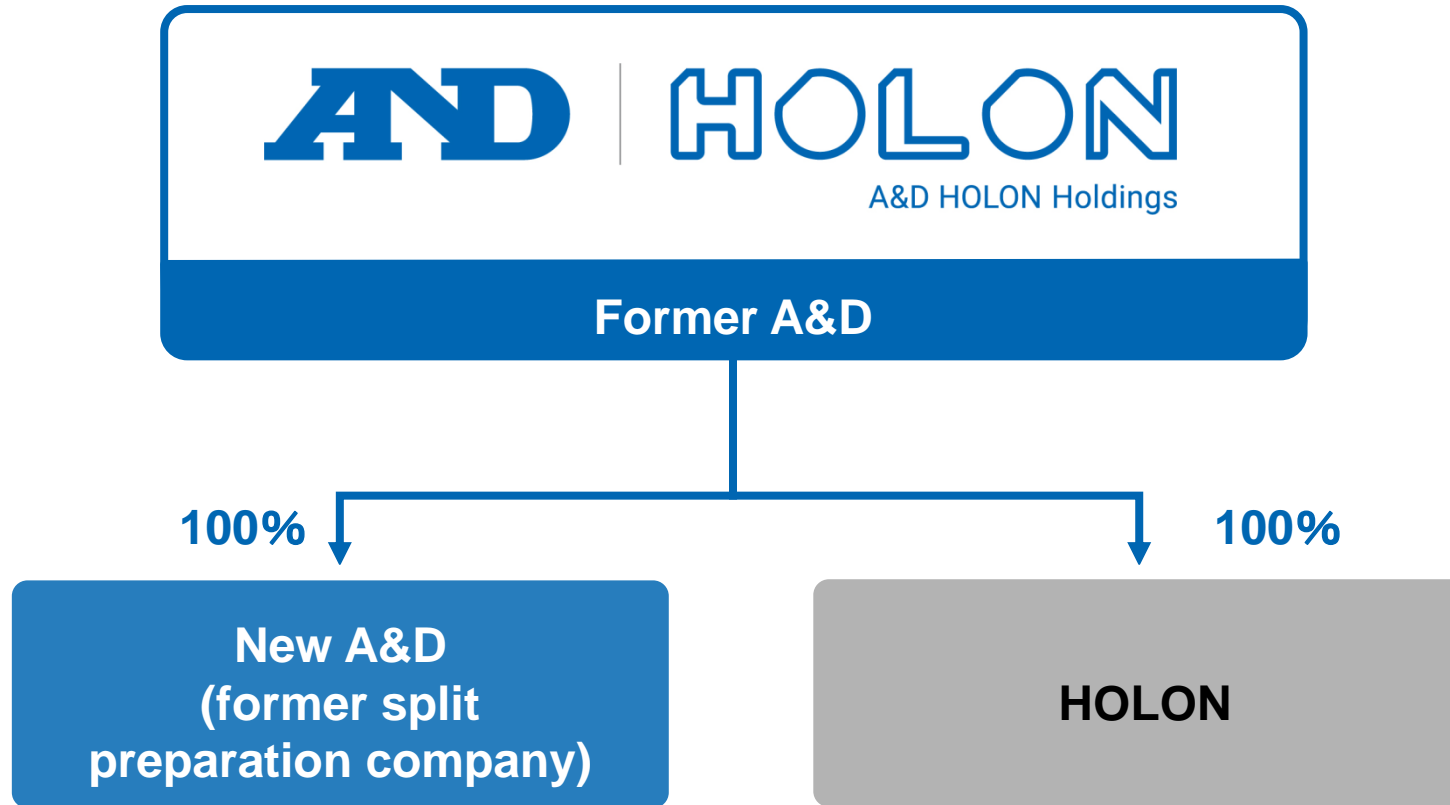
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# A&D Holon Holdings – Organizational Structure



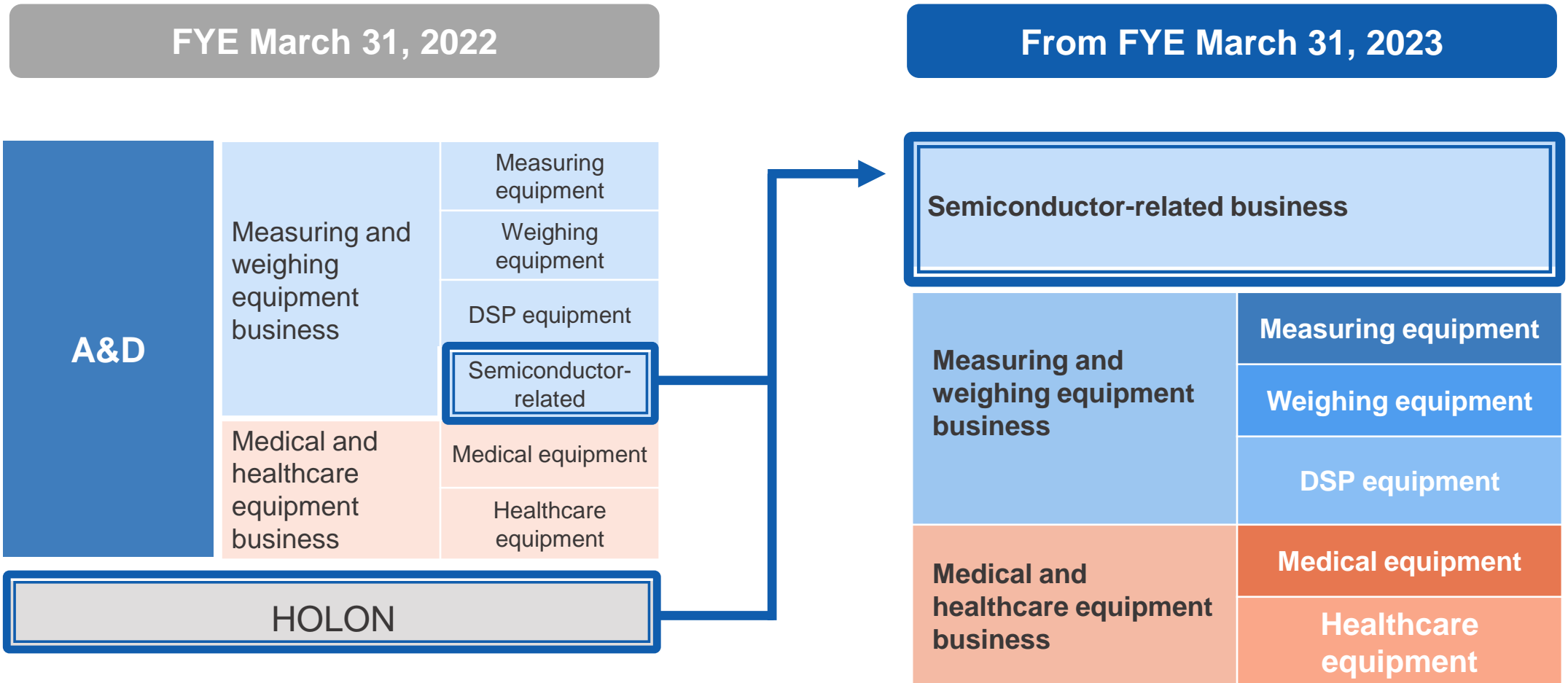
A&D Company, Limited merged with an A&D consolidated subsidiary, HOLON Co., Ltd., and started operations as A&D HOLON Holdings on April 1, 2022.





# Business Segment Changes

As a result of the merger with Holon, the semiconductor-related business now serves as one of the main pillars of growth for the A&D Group. In light of this, the structure of the business segments have been changed as follows.



# Trends in Business Environment for each Segment

		Business environment
Semiconductor-related business		<p><b>Semiconductor equipment manufacturers are increasing capital investment</b> in response to rapidly rising demand for semiconductors.</p> <p><b>Demand will continue to be robust over the medium term</b> as our major customers' cutting-edge investments will become more active.</p>
Measuring and weighing equipment business	Measuring equipment	<p><b>Demand for measuring equipment is also on the rise</b> as industrial capital investment bounce back.</p>
	Weighing equipment	<p><b>Demand for weighing equipment for production facilities is increasing in line with expanding EV-related investment</b>, including secondary battery manufacturing.</p>
	DSP equipment	<p>Growing investment in new technologies centered on CASE</p> <p>While investment in internal combustion engines is expected to taper off due to accelerated efforts to become carbon neutral, <b>EV-related investment is growing.</b></p>
Medical and healthcare equipment business	Medical equipment	<p>While the demand seen in the previous fiscal year is expected to slow down temporarily, <b>demand is expected to increase due to medium-term investment growth</b> associated with the digitalization of medical care and the development of medical infrastructure.</p>
	Healthcare equipment	<p><b>Demand for ICT health equipment is expected to increase, especially in Japan and the Americas</b>, due to rising health consciousness among individuals and the promotion of digitalization.</p>

# Forecast for FYE March 31, 2023

(Unit: Millions of yen)

Consolidated P&L	FYE March 31, 2022 Reference A&D results only	FYE March 31, 2023 A&D Holon Holdings forecast	YoY	YoY change
Net Sales	51,736	53,800	104.0%	2,063
Cost of Sales	28,853	30,000	104.0%	1,146
SG&A Expenses	17,386	17,800	102.4%	413
Operating Income	5,496	6,000	109.2%	503
Ordinary Income	5,604	5,870	104.7%	265
Pre-tax Income	5,532	5,870	106.1%	337
Net Income attributable to Parent Company Share Owners	3,573	3,990	111.6%	416
Net Income per Share (yen)	172.92	145.48	84.1%	(27.44)

Assumed exchange rate: USD 1 = JPY 120

## Reference Materials

### **Supplementary Materials: Business Results for FYE March 31, 2022 and Forecast for FYE March 31, 2023**

- Summary of Business Results by Segment for FYE March 31, 2022
- Factors causing Changes in Operating Income for FYE March 31, 2022 (YoY)
- Forecast of Business Performance by Segment for FYE March 31, 2023

### **Medium-term Business Plan**

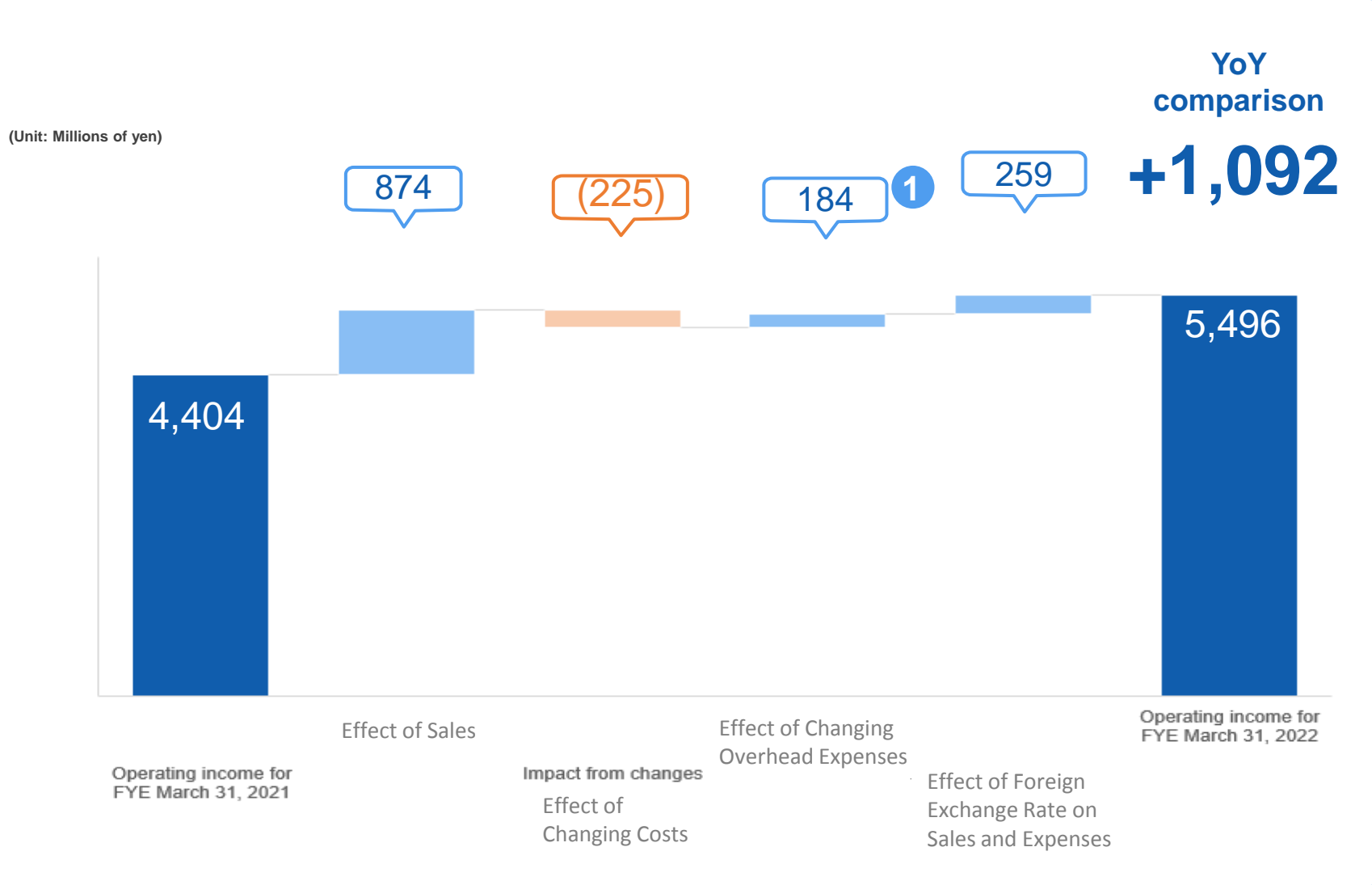
- Medium-term Business Plan - Numerical Targets
- Medium-term Business Plan - Sales Plan by Business Segment

# Summary of Business Results by Segment for FYE March 31, 2022

Consolidated P&L (Unit: Millions of yen)	FYE March 31, 2021 cumulative (results)	FYE March 31, 2022 cumulative (results)	YoY
<b>Net Sales</b>	<b>48,424</b>	<b>51,736</b>	<b>106.8%</b>
Measuring and weighing equipment	26,662	30,201	113.3%
Medical and healthcare equipment	21,762	21,534	99.0%
<b>Cost of Sales</b>	<b>26,787</b>	<b>28,853</b>	<b>107.7%</b>
Measuring and weighing equipment	14,814	16,397	110.7%
Medical and healthcare equipment	11,574	12,084	104.4%
<b>SG&amp;A Expenses</b>	<b>17,232</b>	<b>17,386</b>	<b>100.9%</b>
Measuring and weighing equipment	10,154	10,268	101.1%
Medical and healthcare equipment	5,579	5,538	99.3%
<b>Operating Income</b>	<b>4,404</b>	<b>5,496</b>	<b>124.8%</b>
Measuring and weighing equipment	1,693	3,536	208.9%
Medical and healthcare equipment	4,608	3,911	84.9%
<b>Total / Eliminated</b>	<b>(1,897)</b>	<b>(1,951)</b>	<b>102.9%</b>

# Factors causing Changes in Operating Income (YoY)

Operating income continued to increase due to demand responding to the recovery trend in economic activity, and reductions in cost and SG&A expenses



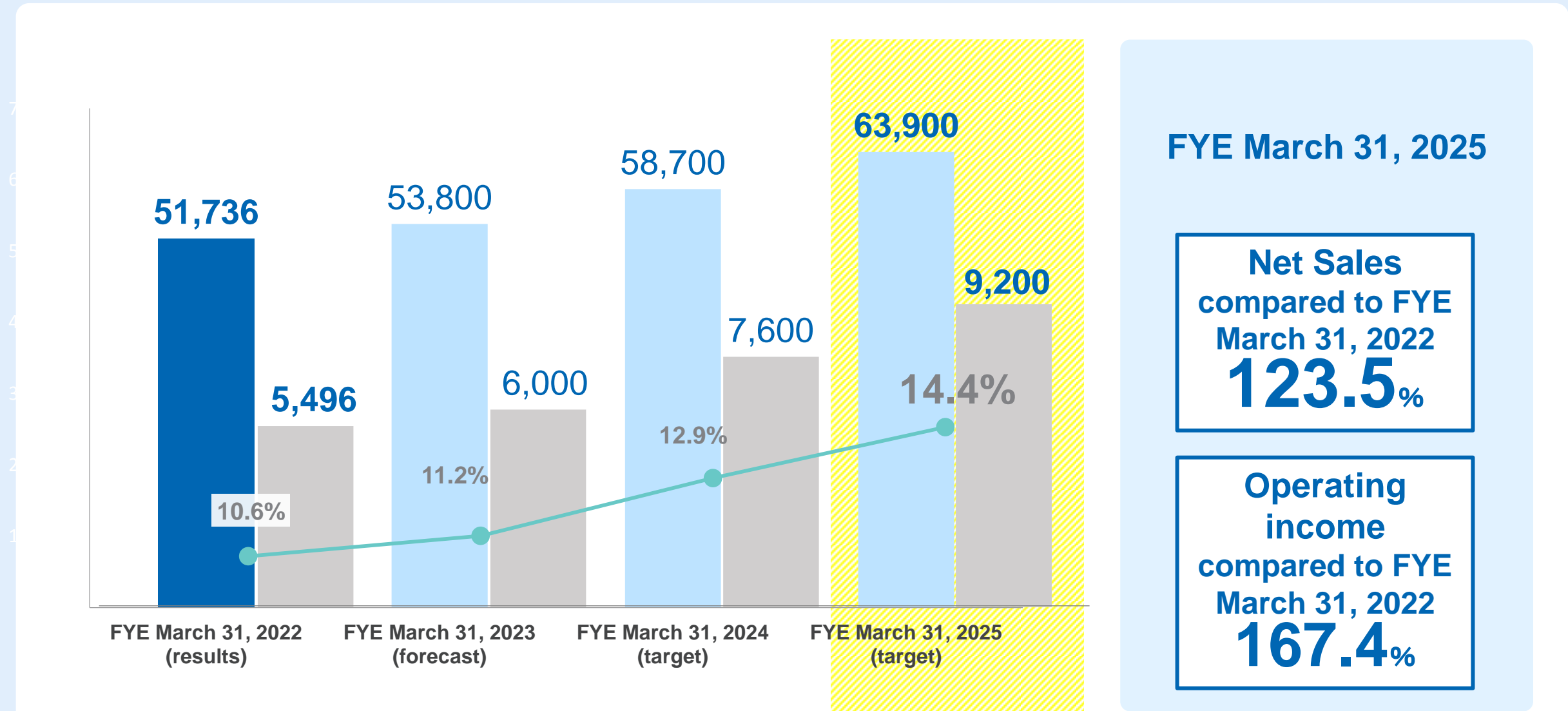
## 1 Major Overhead Expenses

- Increase in overseas shipping costs: -552 million yen
- Reduction in advertising expenses: +556 million yen
- Reduction in sales commissions: +45 million yen
- Reduction in sales incentives: +65 million yen
- Decrease in depreciation: +60 million yen

# Forecast of Business Performance by Segment for FYE March 31, 2023

Unit: Millions of yen		FYE March 31, 2022 (Results)	FYE March 31, 2023 (Forecast)	Increase	Growth Rate
<b>Semiconductor-related business</b>		<b>5,082</b>	<b>6,400</b>	<b>1,317</b>	<b>125.9%</b>
<b>Measuring and weighing equipment business</b>	Measuring equipment	2,655	3,150	494	118.6%
	Weighing equipment	17,235	18,460	1,224	107.1%
	DSP equipment	5,227	6,680	1,452	127.8%
	<b>Subtotal</b>	<b>25,119</b>	<b>28,290</b>	<b>3,170</b>	<b>112.6%</b>
<b>Medical and healthcare equipment business</b>	Medical equipment	4,370	4,220	(150)	96.6%
	Healthcare equipment	17,164	14,890	(2,274)	86.7%
	<b>Subtotal</b>	<b>21,534</b>	<b>19,110</b>	<b>(2,424)</b>	<b>88.7%</b>
<b>Total Net Sales</b>		<b>51,736</b>	<b>53,800</b>	<b>2,063</b>	<b>104.0%</b>

# Medium-term Business Plan - Numerical Targets



\* For details, please refer to the "Post-merger Medium-term Business Plan" disclosed on May 19, 2022.



# Medium-term Business Plan - Sales Plan by Business Segment

Unit: Millions of yen		FYE March 31, 2022 (Results)	FYE March 31, 2023 (Forecast)	FYE March 31, 2024 (Target)	FYE March 31, 2025 (Target)	vs. FYE March 31, 2022 Increase	vs. FYE March 31, 2022 Growth rate
<b>Semiconductor-related business</b>		<b>5,082</b>	<b>6,400</b>	<b>7,780</b>	<b>8,960</b>	<b>3,877</b>	<b>176.3%</b>
<b>Measuring and weighing equipment business</b>	Measuring equipment	2,655	3,150	3,540	3,900	1,244	146.9%
	Weighing equipment	17,235	18,460	19,900	21,570	4,334	125.1%
	DSP equipment	5,227	6,680	7,580	8,260	3,032	158.0%
	<b>Subtotal</b>	<b>25,119</b>	<b>28,290</b>	<b>31,020</b>	<b>33,730</b>	<b>8,610</b>	<b>134.3%</b>
<b>Medical and healthcare equipment business</b>	Medical equipment	4,370	4,220	4,410	4,670	299	106.9%
	Healthcare equipment	17,164	14,890	15,490	16,540	(624)	96.4%
	<b>Subtotal</b>	<b>21,534</b>	<b>19,110</b>	<b>19,900</b>	<b>21,210</b>	<b>(324)</b>	<b>98.5%</b>
<b>Total net sales</b>		<b>51,736</b>	<b>53,800</b>	<b>58,700</b>	<b>63,900</b>	<b>12,163</b>	<b>123.5%</b>

**AND**

**HOLON**

A&D HOLON Holdings