

# Consolidated Financial Results for the Three Months Ended June 30, 2023 [Japanese GAAP]



August 4, 2023

Company name: A&D HOLON Holdings Company, Limited  
 Stock exchange listing: Tokyo Stock Exchange  
 Code number: 7745  
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 Scheduled date of filing quarterly securities report: August 10, 2023  
 Scheduled date of commencing dividend payments: -  
 Availability of supplementary briefing material on quarterly financial results: Available  
 Holding of quarterly financial results briefing session: No

(Amounts of less than one million yen are truncated.)

## 1. Consolidated Financial Results for the Three Months Ended June 30, 2023 (April 1, 2023 to June 30, 2023)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net profit attributable to parent company shareholders	
Three months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 30, 2023	13,387	11.7	1,099	-	1,326	-	836	-
June 30, 2022	11,981	3.8	(219)	-	(1)	-	(159)	-

Note: Comprehensive income Three months ended June 30, 2023: ¥1,308 million [(69.9)%]  
 Three months ended June 30, 2022: ¥4,354 million [419.6%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2023	30.47	30.44
June 30, 2022	(5.83)	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2023	68,908	33,319	48.2
As of March 31, 2023	69,418	32,574	46.8

Reference: Equity As of June 30, 2023: ¥33,238 million  
 As of March 31, 2023: ¥32,502 million

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	-	15.00	-	20.00	35.00
Fiscal year ending March 31, 2024	-				
Fiscal year ending March 31, 2024 (Forecast)		15.00	-	20.00	35.00

Note: Revision to the forecast for dividends announced most recently: No

### 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period, or corresponding quarter of previous year.)

	Net sales		Operating profit		Ordinary profit		Net profit attributable to parent company shareholders		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
2nd quarter (cumulative)	28,370	4.4	3,100	69.7	2,915	30.6	1,995	36.1	72.67
Full period	62,000	5.0	7,800	4.3	7,450	(2.5)	5,110	(7.5)	186.15

Note: Revision to the financial results forecast announced most recently: No

#### \* 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: Yes
  - 2) Changes in accounting policies other than 1) above: No
  - 3) Changes in accounting estimates: No
  - 4) Retrospective restatement: No

Note: For details, please refer to “2. Quarterly Consolidated Financial Statements and Primary Notes, (3) Notes to Quarterly Consolidated Financial Statements, (Changes in accounting policies)” on page 8 of the Appendix.
- (4) Total number of issued shares (common stock)
  - 1) Total number of issued shares at the end of the period (including treasury stock):  
June 30, 2023: 27,845,208 shares  
March 31, 2023: 27,845,208 shares
  - 2) Total number of treasury stock at the end of the period:  
June 30, 2023: 395,047 shares  
March 31, 2023: 393,687 shares
  - 3) Average number of shares during the period:  
Three months ended June 30, 2023: 27,451,414 shares  
Three months ended June 30, 2022: 27,425,731 shares

Note: The total number of treasury stock at the end of the period and the total number of treasury stock which has been eliminated when calculating the average number of shares during the period include the Company’s shares held by Custody Bank of Japan, Ltd. (Trust E Account) as trust properties of 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 .....	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	
Three Months Ended June 30 .....	6
Quarterly Consolidated Statements of Comprehensive Income	
Three Months Ended June 30 .....	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
(Changes in accounting policies).....	8
(Accounting policies adopted specially for the preparation of quarterly consolidated financial statements)...	8
(Segment information, etc.) .....	9

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

### (1) Business Results

During the three months ended June 30, 2023, the Japanese economy showed signs of gradual recovery with the progressing normalization of social and economic activities following the easing of various restrictions due to a change in the legal status of COVID-19. However, the future outlook remains uncertain due to the prolonged situation in Ukraine, the high prices of raw materials, the global progress of inflation, and the impact of exchange rate fluctuations.

Amid such circumstances, A&D HOLON Holdings Company, Limited (the “Company”), and its subsidiaries (collectively, the “Group”), under a medium-term management plan for fiscal 2022 to 2024, have been implementing measures to strengthen each business unit’s initiatives to respond flexibly to changes in the external environment and to enhance group synergies during the three months under review. Particularly in the Semiconductor-related Business, which is positioned as a growth driver, despite the semiconductor market itself showing some weakness, demand for the Company’s products remained robust, resulting in a significant year-on-year increase in both sales and profit. Furthermore, a continuous focus on thorough manufacturing and shipping management as well as the optimization of inventory levels enabled significant improvement in profits compared to the same period last year.

As a result, net sales for the three months ended June 30, 2023, were ¥13,387 million (up 11.7% year-on-year), operating profit was ¥1,099 million (operating loss of ¥219 million for the same period of the previous year), ordinary profit was ¥1,326 million (ordinary loss of ¥1 million for the same period of the previous year), and net profit attributable to parent company shareholders was ¥836 million (net loss attributable to parent company shareholders of ¥159 million for the same period of the previous year).

Business results by segment are as follows.

#### 1) Semiconductor-related Business

Thanks to robust orders since the previous fiscal year and the Group’s united efforts in manufacturing and shipping, sales increased significantly. In addition to existing efforts to boost profitability, improvements in productivity led to a substantial increase in profit.

As a result, net sales in the Semiconductor-related Business were ¥2,709 million (up 128.3% year-on-year) and operating profit was ¥941 million (up 192.1% year-on-year).

#### 2) Medical and Healthcare Equipment Business

In Japan, demand slowed for home-use blood pressure monitors for large customers, which was strong in the previous fiscal year, as well as for blood pressure monitors for nursing care in hospitals. Due to this and other factors, both sales and profit decreased.

In the Americas, sales increased, mainly for large projects, with strong demand for home-use blood pressure monitors in the U.S. Profit also increased due to reductions in transportation costs and with a good product mix.

In Europe, the demand for blood pressure monitors showed a recovery trend, and both sales and profit were at the same level as the previous year.

As a result, net sales in the Medical and Healthcare Equipment Business were ¥5,054 million (down 1.7% year-on-year) and operating profit was ¥800 million (up 0.9% year-on-year).

#### 3) Measuring and Weighing Equipment Business

In Japan, while sales increased due to a rise in demand for measuring equipment with the recovery of industrial capital investment, the significant impact of a surge in raw material prices on the production side caused a substantial decrease in profit.

In the Americas, a reactionary decline from the special demand for mainstay weighing equipment in the previous fiscal year had a significant impact, leading to a decrease in both sales and profit.

In Asia and Oceania, while there were variations in demand by country, overall sales remained at the same level as the previous year. However, profit decreased due to the product mix.

As a result, net sales in the Measuring and Weighing Equipment Business were ¥5,623 million (down 0.5% year-on-year) and operating loss was ¥55 million (operating profit of ¥272 million for the same period of the previous year).

## (2) Financial Position

(Assets, liabilities and net assets)

Total assets as of June 30, 2023, were ¥68,908 million, a decrease of ¥509 million compared to the end of the previous fiscal year. This was mainly due to a decrease in current assets of ¥359 million, resulting from factors such as progress in collecting accounts receivable, as well as a decrease in fixed assets of ¥149 million due to a reduction of deferred tax assets and other factors.

Total liabilities as of June 30, 2023, were ¥35,589 million, a decrease of ¥1,254 million compared to the end of the previous fiscal year. This was primarily due to a decrease of ¥1,056 million in current liabilities owing to such factors as a reduction in accrued corporate taxes, etc., and provision for bonuses while short-term borrowings increased.

Net assets as of June 30, 2023, were ¥33,319 million, an increase of ¥744 million compared to the end of the previous fiscal year. This was driven by an increase of ¥456 million in accumulated other comprehensive income, which is due to an increase in foreign currency translation adjustments, as well as an increase of ¥279 million in shareholders' equity due to an increase in retained earnings.

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

There are no changes from the consolidated financial results forecast announced on May 12, 2023.

## 2. Quarterly Consolidated Financial Statements and Primary Notes

### (1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2023	As of June 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	15,003	14,867
Notes and accounts receivable and contract assets	15,284	13,544
Products	8,941	10,066
Unfinished goods	5,047	5,729
Raw materials and supplies	6,278	6,253
Other	2,173	1,920
Allowance for doubtful accounts	(67)	(81)
Total current assets	52,660	52,301
Fixed assets		
Tangible fixed assets		
Land	5,099	5,155
Other, net	7,168	7,283
Total tangible fixed assets	12,267	12,438
Intangible fixed assets		
Goodwill	35	14
Other	1,433	1,422
Total intangible fixed assets	1,468	1,437
Investments, etc.	3,021	2,732
Total fixed assets	16,757	16,607
Total assets	69,418	68,908
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable	4,971	4,694
Short-term borrowings	14,731	16,006
Long-term borrowings to be repaid within one year	2,118	1,850
Accrued corporate taxes, etc.	1,515	277
Provision for bonuses	1,398	803
Provision for product warranties	212	227
Other	6,254	6,287
Total current liabilities	31,202	30,146
Fixed liabilities		
Long-term borrowings	3,292	2,986
Provision for retirement benefits for directors (and other officers)	—	112
Provision for product warranties	54	57
Retirement benefit liabilities	1,064	1,083
Provision for share-based remuneration for directors (and other officers)	92	96
Other	1,135	1,105
Total fixed liabilities	5,640	5,442
Total liabilities	36,843	35,589

(Million yen)

	As of March 31, 2023	As of June 30, 2023
Net assets		
Shareholders' equity		
Share capital	6,388	6,388
Share capital surplus	8,319	8,319
Retained earnings	19,142	19,424
Treasury shares	(172)	(175)
Total shareholders' equity	33,677	33,957
Accumulated other comprehensive income		
Unrealized gains on other marketable securities	31	37
Foreign currency translation adjustments	(1,250)	(787)
Accumulated adjustment on retirement benefits	43	31
Total accumulated other comprehensive income	(1,175)	(718)
Non-controlling interests	72	80
Total net assets	32,574	33,319
Total liabilities and net assets	69,418	68,908

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

### Quarterly Consolidated Statements of Income

Three Months Ended June 30

(Million yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Net sales	11,981	13,387
Cost of sales	7,604	7,447
Gross profit	4,376	5,940
Selling, general and administrative expenses	4,596	4,840
Operating profit (loss)	(219)	1,099
Non-operating income		
Interest income	48	57
Foreign exchange gains	171	229
Rental income from land and buildings	12	11
Other	42	35
Total non-operating income	274	334
Non-operating expenses		
Interest expenses	44	101
Other	11	6
Total non-operating expenses	55	108
Ordinary profit (loss)	(1)	1,326
Extraordinary income		
Gain on sales of fixed assets	0	0
Total extraordinary income	0	0
Extraordinary loss		
Loss on sales of fixed assets	0	—
Loss on retirement of fixed assets	0	4
Loss on valuation of investment securities	4	—
Total extraordinary loss	5	4
Net profit (loss) before taxes	(6)	1,322
Corporate tax, resident income tax and business taxes	205	139
Corporate tax adjustments	(57)	343
Total corporate taxes	147	482
Profit (loss)	(153)	839
Net profit attributable to non-controlling interests	6	3
Net profit (loss) attributable to parent company shareholders	(159)	836



Quarterly Consolidated Statements of Comprehensive Income  
 Three Months Ended June 30

(Million yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Profit (loss)	(153)	839
Other comprehensive income		
Unrealized gains on other marketable securities	(4)	5
Foreign currency translation adjustments	4,535	474
Adjustment related to retirement benefits	(23)	(11)
Total other comprehensive income	4,507	468
Comprehensive income	4,354	1,308
(Breakdown)		
Comprehensive income attributable to parent company shareholders	4,340	1,301
Comprehensive income attributable to non-controlling interests	13	7

(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.

(Changes in accounting policies)

(Application of IAS 12 Income Taxes)

For our overseas consolidated subsidiaries that have adopted the International Financial Reporting Standards (IFRS), we have applied the IAS 12 Income Taxes (amended in May 2021) from the beginning of the three months under review. With this application, the accounting treatment upon initial recognition for transactions that generate equal taxable temporary differences and deductible temporary differences at the time of the transaction has been clarified. Deferred tax liabilities and deferred tax assets are recognized for these taxable temporary differences and deductible temporary differences, respectively, in the Quarterly Consolidated Balance Sheets.

The impact on the quarterly consolidated financial statements due to this change in accounting policy is minimal.

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

	For the three months ended June 30, 2023
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 first quarter, and multiplying profit before taxes by the estimated effective tax rate.

(Segment information, etc.)

[Segment information]

I. For the three months ended June 30, 2022

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

(Million yen)

	Semiconductor-related Business				
	Japan	Americas	Europe	Asia and Oceania	Total
Net sales					
Net sales to outside customers	1,186	—	—	—	1,186
Inter-segment net sales or transfers	—	—	—	—	—
Total	1,186	—	—	—	1,186
Segment profit (loss)	322	—	—	—	322

	Medical and Healthcare Equipment Business				
	Japan	Americas	Europe	Asia and Oceania	Total
Net sales					
Net sales to outside customers	1,490	1,993	1,524	132	5,141
Inter-segment net sales or transfers	2,596	0	0	2,322	4,920
Total	4,087	1,993	1,524	2,455	10,061
Segment profit (loss)	652	(116)	131	124	792

	Measuring and Weighing Equipment Business					Adjustment (Note 1)	Consolidation (Note 2)
	Japan	Americas	Europe	Asia and Oceania	Total		
Net sales							
Net sales to outside customers	3,069	1,171	230	1,181	5,653	—	11,981
Inter-segment net sales or transfers	1,029	18	0	917	1,965	(6,885)	—
Total	4,099	1,189	231	2,098	7,619	(6,885)	11,981
Segment profit (loss)	(15)	102	10	175	272	(1,607)	(219)

Notes: 1. The adjustment of ¥(1,607) million in segment profit (loss) includes corporate expenses of ¥(456) million not allocated to reportable segments and elimination of unrealized gains on inventories in inter-segment transactions of ¥(1,027) million. Corporate expenses are primarily general and administrative expenses for management departments.

2. Segment profit (loss) is adjusted with operating loss on the Quarterly Consolidated Statements of Income.

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

Not applicable.

II. For the three months ended June 30, 2023

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

(Million yen)

	Semiconductor-related Business				
	Japan	Americas	Europe	Asia and Oceania	Total
Net sales					
Net sales to outside customers	2,709	—	—	—	2,709
Inter-segment net sales or transfers	—	—	—	—	—
Total	2,709	—	—	—	2,709
Segment profit (loss)	941	—	—	—	941

	Medical and Healthcare Equipment Business				
	Japan	Americas	Europe	Asia and Oceania	Total
Net sales					
Net sales to outside customers	1,174	2,252	1,541	85	5,054
Inter-segment net sales or transfers	2,242	0	2	1,908	4,153
Total	3,417	2,252	1,544	1,994	9,208
Segment profit (loss)	436	138	128	97	800

	Measuring and Weighing Equipment Business					Adjustment (Note 1)	Consolidation (Note 2)
	Japan	Americas	Europe	Asia and Oceania	Total		
Net sales							
Net sales to outside customers	3,158	1,136	148	1,179	5,623	—	13,387
Inter-segment net sales or transfers	650	52	0	668	1,372	(5,525)	—
Total	3,809	1,188	149	1,848	6,995	(5,525)	13,387
Segment profit (loss)	(209)	63	(11)	102	(55)	(586)	1,099

Notes: 1. The adjustment of ¥(586) million in segment profit (loss) includes corporate expenses of ¥(424) 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 Quarterly Consolidated Statements of Income.

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

Not applicable.