

# Consolidated Financial Results for the Nine Months Ended December 31, 2023 [Japanese GAAP]



February 7, 2024

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: February 14, 2024  
 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 Nine Months Ended December 31, 2023 (April 1, 2023 to December 31, 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	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended December 31, 2023	44,455	5.3	5,179	9.5	5,291	8.6	3,634	3.1
December 31, 2022	42,217	13.1	4,729	32.5	4,873	32.2	3,523	63.1

Note: Comprehensive income Nine months ended December 31, 2023: ¥3,768 million [(18.5)%]  
 Nine months ended December 31, 2022: ¥4,624 million [59.7%]

	Basic earnings per share	Diluted earnings per share
Nine months ended December 31, 2023	Yen 132.30	Yen 132.17
December 31, 2022	Yen 128.43	Yen 128.31

## (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
As of December 31, 2023	Million yen 69,460	Million yen 35,377	% 50.8
As of March 31, 2023	Million yen 69,418	Million yen 32,574	% 46.8

Reference: Equity As of December 31, 2023: ¥35,294 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
Fiscal year ended March 31, 2023	Yen -	Yen 15.00	Yen -	Yen 20.00	Yen 35.00
Fiscal year ending March 31, 2024	-	15.00	-		
Fiscal year ending March 31, 2024 (Forecast)				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.)

	Net sales		Operating profit		Ordinary profit		Net profit attributable to parent company shareholders		Basic earnings per share
Full period	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	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):  
December 31, 2023: 27,845,208 shares  
March 31, 2023: 27,845,208 shares
  - 2) Total number of treasury stock at the end of the period:  
December 31, 2023: 361,087 shares  
March 31, 2023: 393,687 shares
  - 3) Average number of shares during the period:  
Nine months ended December 31, 2023: 27,469,611 shares  
Nine months ended December 31, 2022: 27,437,724 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	
Nine Months Ended December 31 .....	6
Quarterly Consolidated Statements of Comprehensive Income	
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
(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 nine months ended December 31, 2023, the outlook for the global economy remained uncertain due to such factors as the prolonged situation in Ukraine, unstable conditions in the Middle East, sluggish Chinese economy, monetary tightening primarily in Europe and the U.S., 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 and to enhance group synergies to respond flexibly to changes in the external environment during the nine months under review. Particularly in the Semiconductor-related Business, which is positioned as a growth driver, despite ongoing inventory adjustments and curbs to capital investment in the semiconductor industry due to trends toward weakness in the semiconductor market itself, demand for the Group’s products remained robust, resulting in significant year-on-year increases in both sales and profit. Meanwhile, in the Medical and Healthcare Equipment Business, both sales and profit decreased year-on-year due to variations in demand by customer and region and the significant impact of foreign exchange. In addition, also in the Measuring and Weighing Equipment Business, both sales and profit decreased year-on-year due to the significant impact of weak demand for capital investment, primarily in overseas.

As a result, net sales for the nine months ended December 31, 2023, were ¥44,455 million (up 5.3% year-on-year), operating profit was ¥5,179 million (up 9.5% year-on-year), ordinary profit was ¥5,291 million (up 8.6% year-on-year), and net profit attributable to parent company shareholders was ¥3,634 million (up 3.1% year-on-year).

Business results by segment are as follows.

#### 1) Semiconductor-related Business

Sales increased significantly year-on-year due to continued robust orders and our ability to meet customer demands in both manufacturing and shipping without any request for an extension to the deadline for back orders. In addition to existing efforts to boost profitability, improvements in productivity and cost reduction by Group-unit procurement led to a substantial year-on-year increase in profit.

As a result, net sales in the Semiconductor-related Business were ¥7,837 million (up 98.3% year-on-year) and operating profit was ¥2,826 million (up 125.4% year-on-year).

#### 2) Medical and Healthcare Equipment Business

In Japan, while sales of medical products remained at the same level as the previous year, there was a delay in the recovery of demand for home-use blood pressure monitors for large customers, leading to decreased both in sales and profit.

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

In Europe, although sales were strong on a local currency basis due to being able to maintain local share, both yen-translated sales and profit both decreased due to the impact of significant exchange rate fluctuations.

As a result, net sales in the Medical and Healthcare Equipment Business were ¥17,158 million (down 6.7% year-on-year) and operating profit was ¥3,179 million (down 16.9% year-on-year).

#### 3) Measuring and Weighing Equipment Business

In Japan, sales increased due to a rise in the supply of weighing equipment and the contribution made by shipments of large testing equipment in response to continued demand for industrial capital investment. However, profit decreased on account of a deterioration in the cost to sales ratio associated with high raw materials costs and the impact of exchange rates.

In the Americas, in addition to a continued reactionary decline from the special demand for mainstay weighing equipment in the previous fiscal year, sales of measurement, control and simulation systems (DSP systems) remained sluggish due to persistently weak capital investment demand, leading to a decrease in both sales and profit.

In Asia and Oceania, both sales and profit decreased due to lagging recovery to demand for measuring equipment in China and weighing equipment in India.

As a result, net sales in the Measuring and Weighing Equipment Business were ¥19,459 million (down 2.1% year-on-year) and operating profit was ¥854 million (down 46.0% year-on-year).

## (2) Financial Position

(Assets, liabilities and net assets)

Total assets as of December 31, 2023, were ¥69,460 million, an increase of ¥42 million compared to the end of the previous fiscal year. This was mainly due to an increase in current assets of ¥267 million, resulting from factors such as an increase in inventories, while investments, etc. declined by ¥260 million on account of a decline in deferred tax assets.

Total liabilities as of December 31, 2023, were ¥34,082 million, a decrease of ¥2,760 million compared to the end of the previous fiscal year. This was primarily due to a decrease of ¥1,781 million in current liabilities resulting from a decrease in accrued corporate taxes, etc., and a decrease of ¥979 million in fixed liabilities resulting from a decrease of long-term borrowings.

Net assets as of December 31, 2023, were ¥35,377 million, an increase of ¥2,803 million compared to the end of the previous fiscal year. This was primarily driven by an increase of ¥2,674 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 December 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	15,003	15,031
Notes and accounts receivable and contract assets	15,284	14,951
Products	8,941	9,666
Unfinished goods	5,047	5,685
Raw materials and supplies	6,278	6,046
Other	2,173	1,623
Allowance for doubtful accounts	(67)	(76)
Total current assets	52,660	52,928
Fixed assets		
Tangible fixed assets		
Land	5,099	5,153
Other, net	7,168	7,266
Total tangible fixed assets	12,267	12,420
Intangible fixed assets		
Goodwill	35	9
Other	1,433	1,341
Total intangible fixed assets	1,468	1,351
Investments, etc.	3,021	2,760
Total fixed assets	16,757	16,532
Total assets	69,418	69,460
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable	4,971	5,138
Short-term borrowings	14,731	15,338
Long-term borrowings to be repaid within one year	2,118	1,382
Accrued corporate taxes, etc.	1,515	409
Provision for bonuses	1,398	723
Provision for product warranties	212	345
Other	6,254	6,084
Total current liabilities	31,202	29,421
Fixed liabilities		
Long-term borrowings	3,292	2,293
Provision for retirement benefits for directors (and other officers)	—	119
Provision for product warranties	54	95
Retirement benefit liabilities	1,064	1,068
Provision for share-based remuneration for directors (and other officers)	92	86
Other	1,135	998
Total fixed liabilities	5,640	4,661
Total liabilities	36,843	34,082

(Million yen)

	As of March 31, 2023	As of December 31, 2023
Net assets		
Shareholders' equity		
Share capital	6,388	6,388
Share capital surplus	8,319	8,319
Retained earnings	19,142	21,806
Treasury shares	(172)	(162)
Total shareholders' equity	33,677	36,351
Accumulated other comprehensive income		
Unrealized gains on other marketable securities	31	36
Foreign currency translation adjustments	(1,250)	(1,101)
Accumulated adjustment on retirement benefits	43	7
Total accumulated other comprehensive income	(1,175)	(1,056)
Non-controlling interests	72	82
Total net assets	32,574	35,377
Total liabilities and net assets	69,418	69,460

(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, 2022	For the nine months ended December 31, 2023
Net sales	42,217	44,455
Cost of sales	23,432	24,647
Gross profit	18,785	19,807
Selling, general and administrative expenses	14,056	14,628
Operating profit (loss)	4,729	5,179
Non-operating income		
Interest income	138	169
Foreign exchange gains	86	179
Rental income from land and buildings	37	36
Other	101	94
Total non-operating income	363	480
Non-operating expenses		
Interest expenses	189	307
Other	30	60
Total non-operating expenses	219	367
Ordinary profit (loss)	4,873	5,291
Extraordinary income		
Gain on sales of fixed assets	0	0
Total extraordinary income	0	0
Extraordinary loss		
Loss on sales of fixed assets	0	1
Loss on retirement of fixed assets	0	8
Loss on valuation of investment securities	4	—
Total extraordinary loss	5	9
Net profit (loss) before taxes	4,868	5,282
Corporate tax, resident income tax and business taxes	1,425	1,335
Corporate tax adjustments	(90)	298
Total corporate taxes	1,334	1,633
Profit (loss)	3,533	3,649
Net profit attributable to non-controlling interests	10	15
Net profit (loss) attributable to parent company shareholders	3,523	3,634



Quarterly Consolidated Statements of Comprehensive Income

Nine Months Ended December 31

(Million yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Profit (loss)	3,533	3,649
Other comprehensive income		
Unrealized gains on other marketable securities	(1)	5
Foreign currency translation adjustments	1,161	149
Adjustment related to retirement benefits	(69)	(35)
Total other comprehensive income	1,090	118
Comprehensive income	4,624	3,768
(Breakdown)		
Comprehensive income attributable to parent company shareholders	4,612	3,752
Comprehensive income attributable to non-controlling interests	11	15

(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 ended June 30, 2023. 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 nine months ended December 31, 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 third quarter, and multiplying profit before taxes by the estimated effective tax rate.

(Segment information, etc.)

[Segment information]

I. For the nine months ended December 31, 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	3,951	—	—	—	3,951
Inter-segment net sales or transfers	—	—	—	—	—
Total	3,951	—	—	—	3,951
Segment profit	1,254	—	—	—	1,254

	Medical and Healthcare Equipment Business				
	Japan	Americas	Europe	Asia and Oceania	Total
Net sales					
Net sales to outside customers	4,124	6,750	7,191	328	18,395
Inter-segment net sales or transfers	9,021	1	3	7,035	16,062
Total	13,146	6,751	7,194	7,364	34,457
Segment profit	2,307	31	1,243	242	3,824

	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	10,970	4,352	729	3,819	19,871	—	42,217
Inter-segment net sales or transfers	2,875	352	0	2,525	5,755	(21,817)	—
Total	13,846	4,705	730	6,344	25,626	(21,817)	42,217
Segment profit	541	486	102	451	1,582	(1,932)	4,729

Notes: 1. The adjustment of ¥(1,932) million in segment profit includes corporate expenses of ¥(1,300) million not allocated to reportable segments and elimination of unrealized gains on inventories in inter-segment transactions of ¥(696) million. Corporate expenses are primarily general and administrative expenses for management departments.

2. Segment profit 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.

II. For the nine months ended December 31, 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	7,837	—	—	—	7,837
Inter-segment net sales or transfers	—	—	—	—	—
Total	7,837	—	—	—	7,837
Segment profit (loss)	2,826	—	—	—	2,826

	Medical and Healthcare Equipment Business				
	Japan	Americas	Europe	Asia and Oceania	Total
Net sales					
Net sales to outside customers	3,860	7,100	5,908	288	17,158
Inter-segment net sales or transfers	8,552	0	11	6,056	14,621
Total	12,413	7,101	5,920	6,344	31,780
Segment profit (loss)	2,086	427	358	306	3,179

	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	12,187	3,077	452	3,743	19,459	—	44,455
Inter-segment net sales or transfers	1,975	266	—	1,946	4,188	(18,810)	—
Total	14,163	3,344	452	5,689	23,648	(18,810)	44,455
Segment profit (loss)	490	107	(36)	292	854	(1,681)	5,179

Notes: 1. The adjustment of ¥(1,681) million in segment profit (loss) includes corporate expenses of ¥(1,269) million not allocated to reportable segments and elimination of unrealized gains on inventories in inter-segment transactions of ¥(447) million. 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.