



Post-Merger Medium-Term Business Plan for FY2022-2024

May 19, 2022

[Disclaimer]

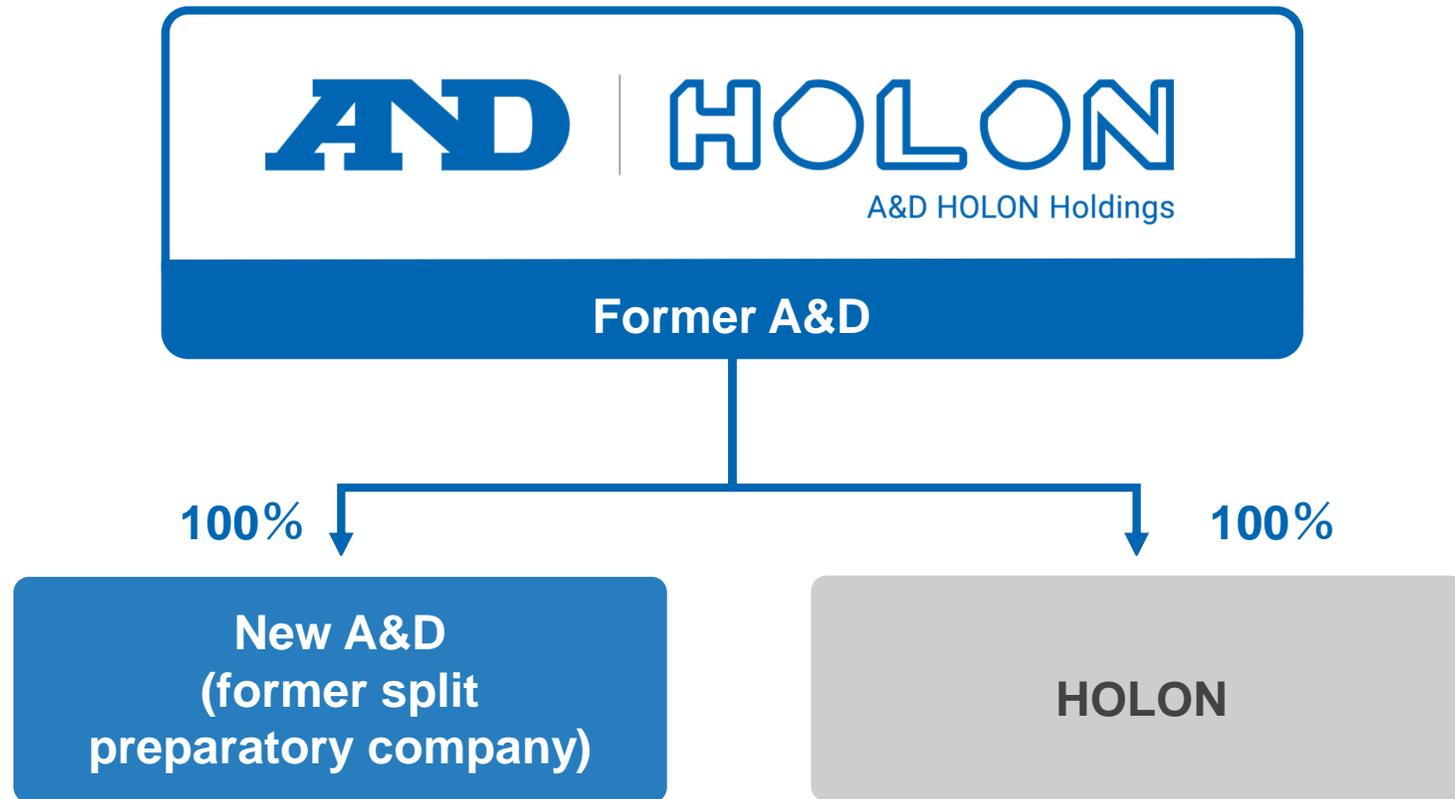
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Accordingly, the Company does not guarantee the accuracy of such statements.

A&D HOLON Holdings structure

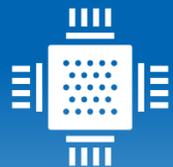


On April 1, 2022, A&D HOLON Holdings was formed through a management integration between A&D Company, Limited and HOLON Co., Ltd.

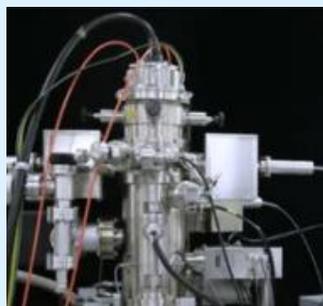


Background of management integration

We aim to achieve sustainable growth in a rapidly changing digital society by utilizing our Group's strengths and technological capabilities. We aspire to employ our management resources more effectively than ever before in order to respond quickly to the needs of our customers.



Digital Society



Contribute to the development of a digital society by supplying equipment that supports the further miniaturization of semiconductors.



Healthy Society



Contribute to the realization of a health-conscious society by supporting telemedicine and remote patient monitoring systems.



Carbon Neutrality



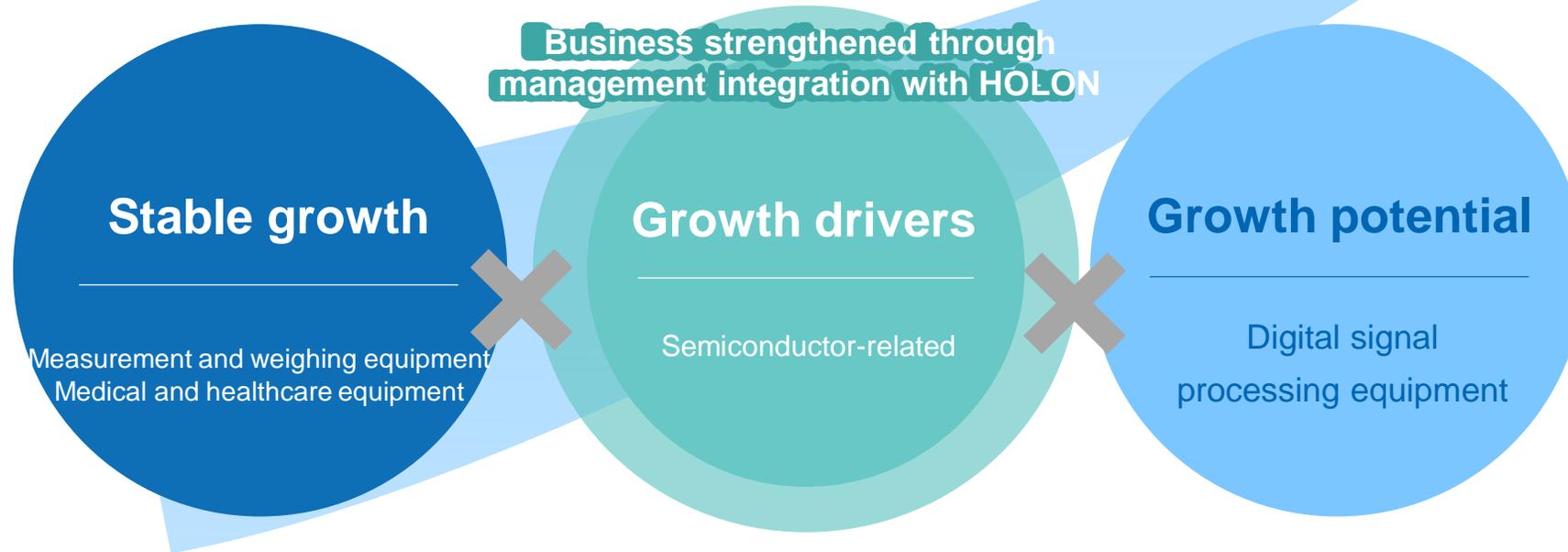
Support industries working toward carbon neutrality through measurement and weighing technologies.

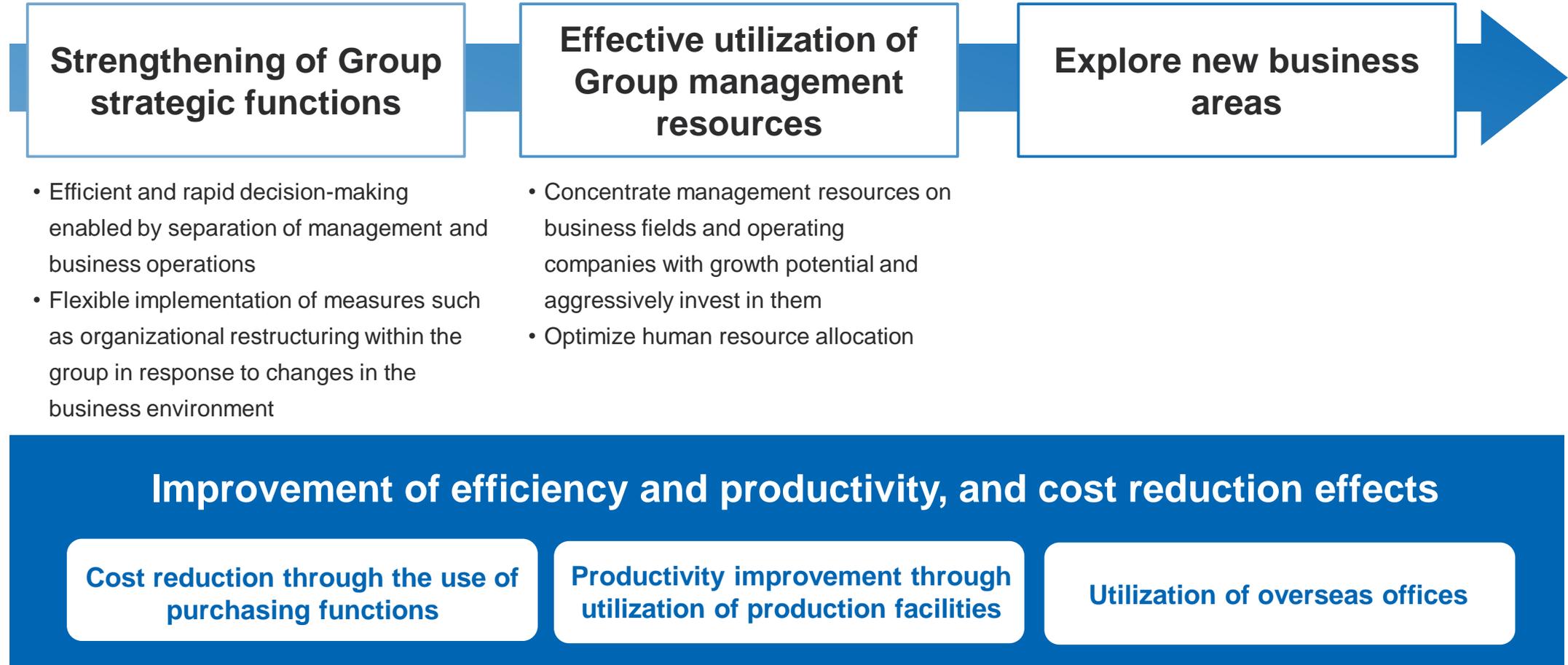
The purpose of our management integration

Respond to diversifying social changes

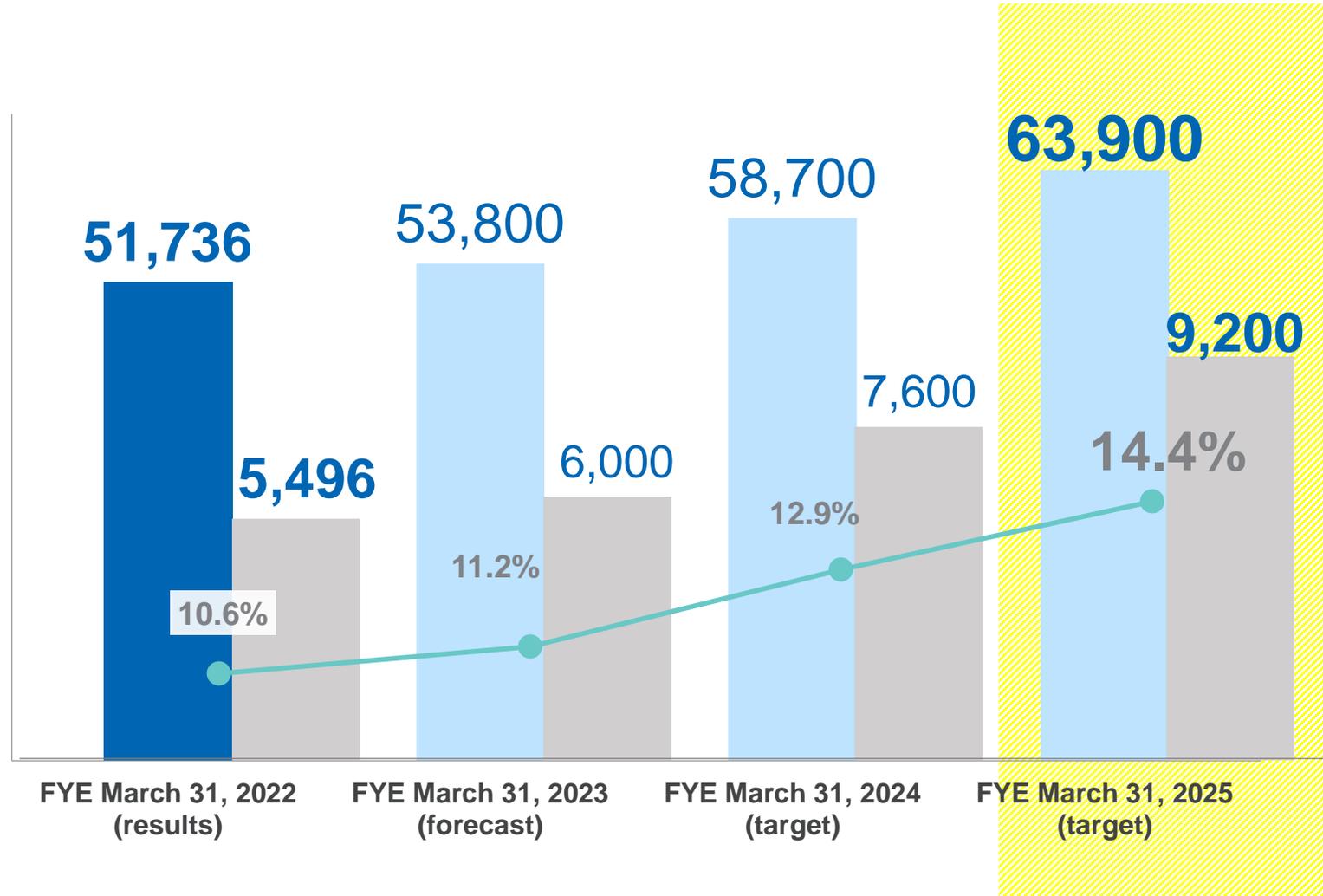
Accelerate growth by strengthening our business portfolio management

- Achieve sustainable development of all Group companies by responding appropriately to changes across the industries we serve.
- Enhance the corporate value of the entire Group by establishing a management structure that can consolidate overlapping operations as efficiently as possible while maintaining the corporate cultures and independence of each company.





Medium-term business plan financial targets



FYE March 31, 2025

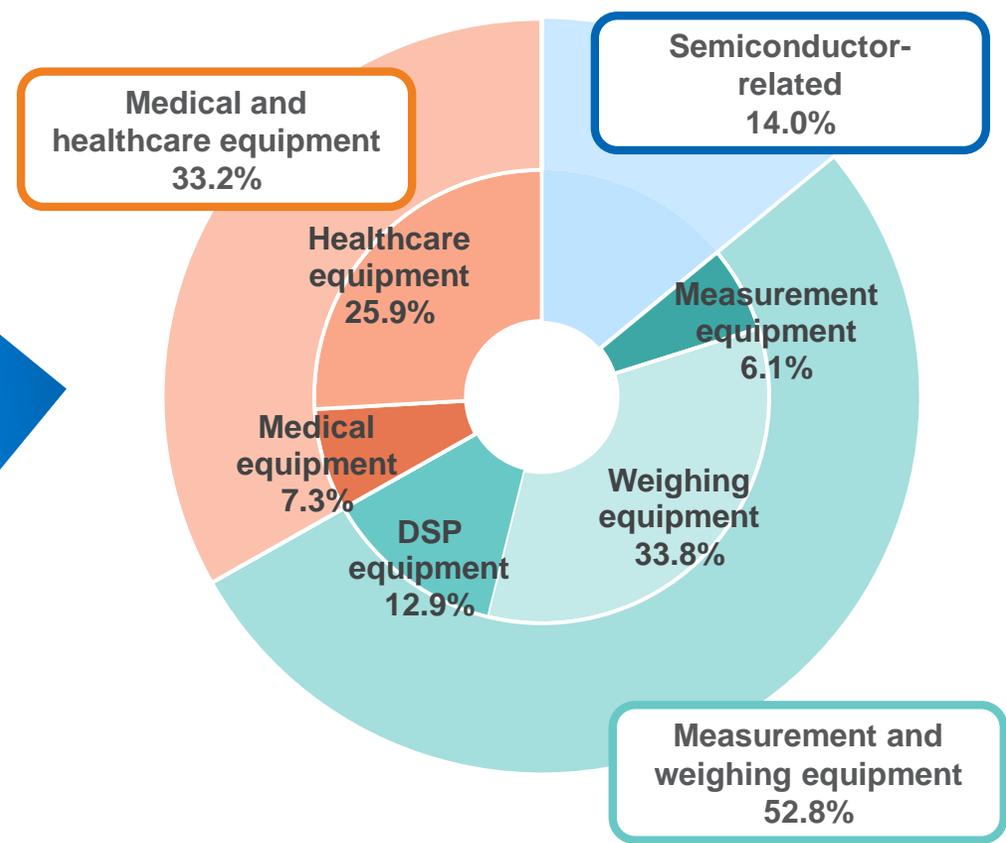
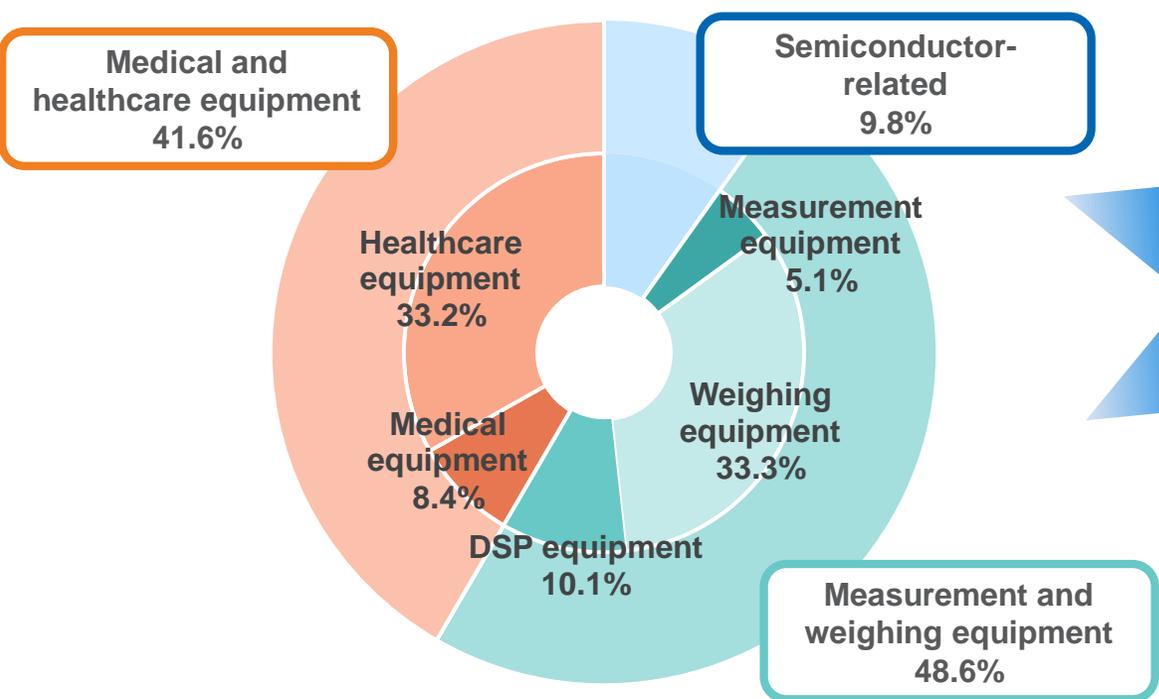
Net Sales
Compared to FYE
March 31, 2022
123.5%

**Operating
Income**
Compared to FYE
March 31, 2022
167.4%

Change in business portfolio

FYE March 31, 2022 results
Net sales: 51,700 million yen

FYE March 31, 2025 target
Net sales: 63,900 million yen



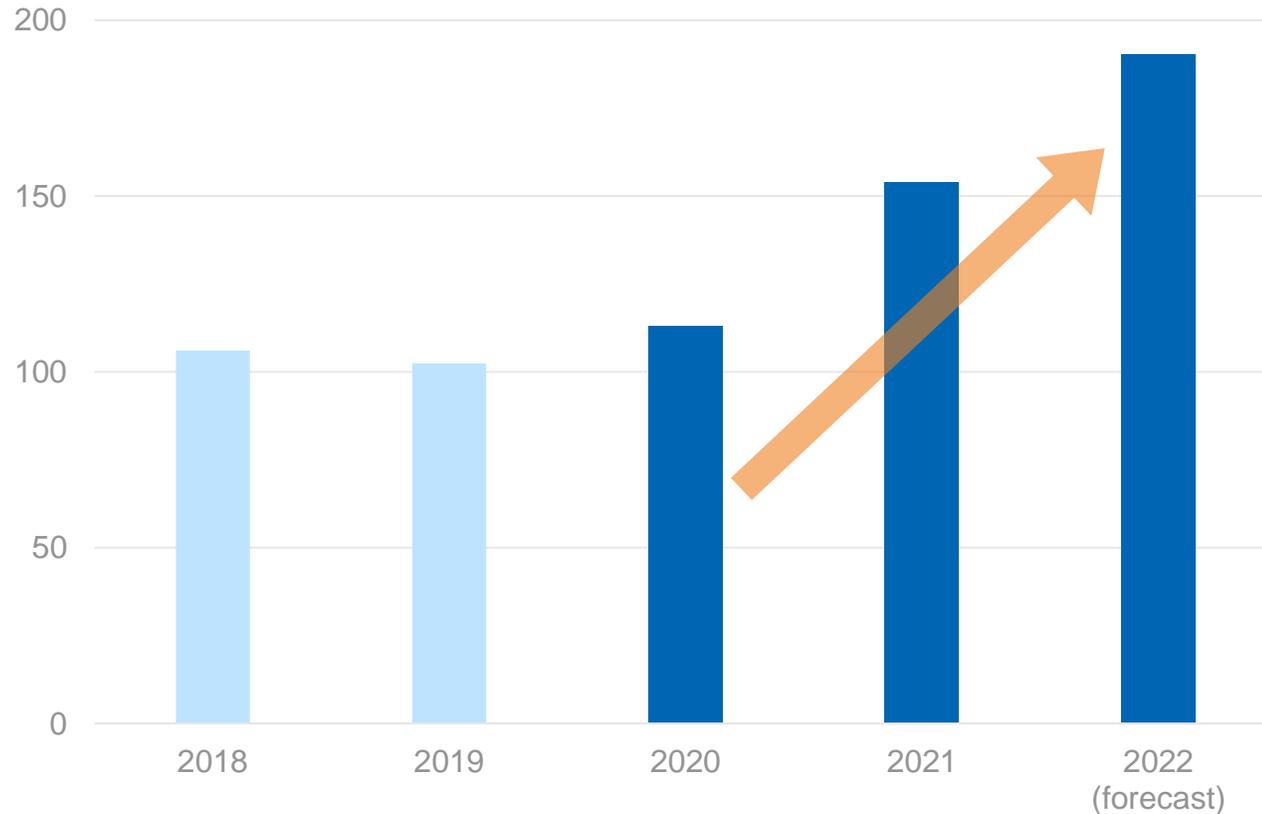
Sales plan by business

Unit: Millions of yen		FYE March 31, 2022 (Results)	FYE March 31, 2023 (Projection)	FYE March 31, 2024 (Target)	FYE March 31, 2025 (Target)	Compared to FYE March 31, 2022 Increase	Compared to FYE March 31, 2022 Growth rate
Semiconductor-related business		5,082	6,400	7,780	8,960	3,877	176.3%
Measurement and weighing equipment business	Measurement 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%
Subtotal		25,119	28,290	31,020	33,730	8,610	134.3%
Medical and healthcare equipment business	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%
	Subtotal	21,534	19,110	19,900	21,210	(324)	98.5%
Total Net Sales		51,736	53,800	58,700	63,900	12,163	123.5%

| Semiconductor-related Business

Capital expenditures for semiconductors

(Unit: Billions of US\$)

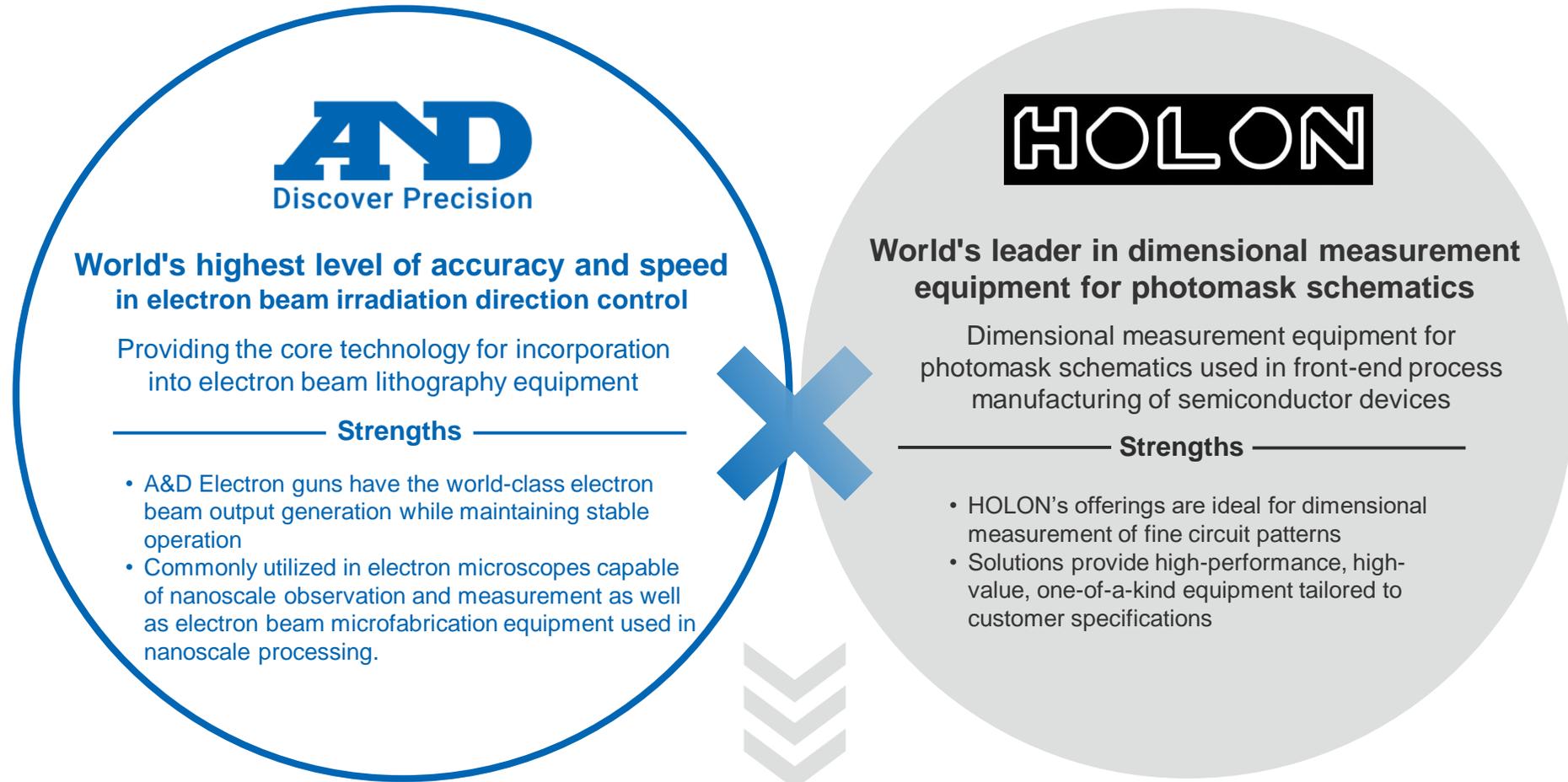


(Source: IC Insights)

As our society becomes increasingly digitized **major semiconductor manufacturers are expanding capital expenditures** in response to rapidly growing demand for semiconductors.

✓ Rapid increase in telecommuting due to the global spread of COVID-19

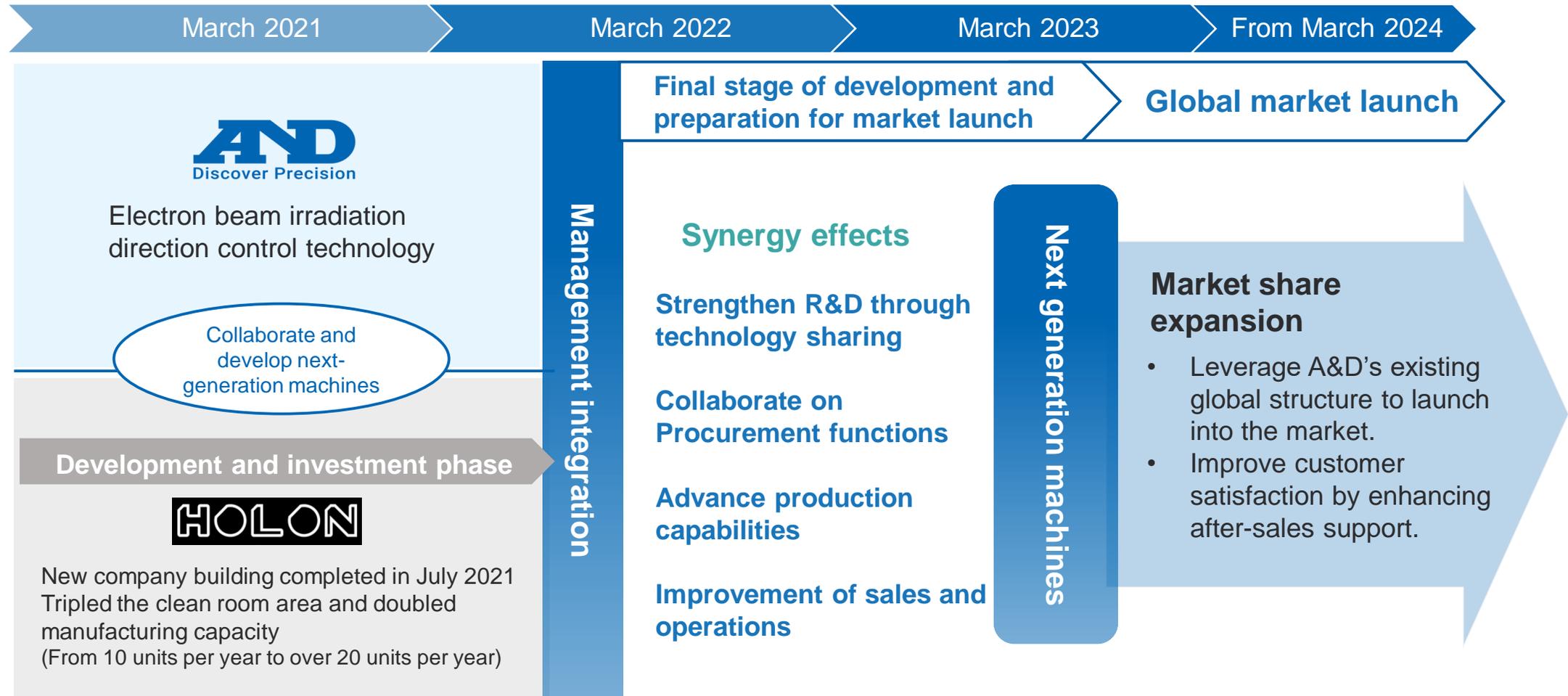
✓ Semiconductors are an important foundation enabling a digital society through 5G, big data, AI, IoT, autonomous driving, robotics and smart cities



Improve product development capabilities to meet global needs by leveraging two world-class technologies

Roadmap for introducing next-generation machines to the market

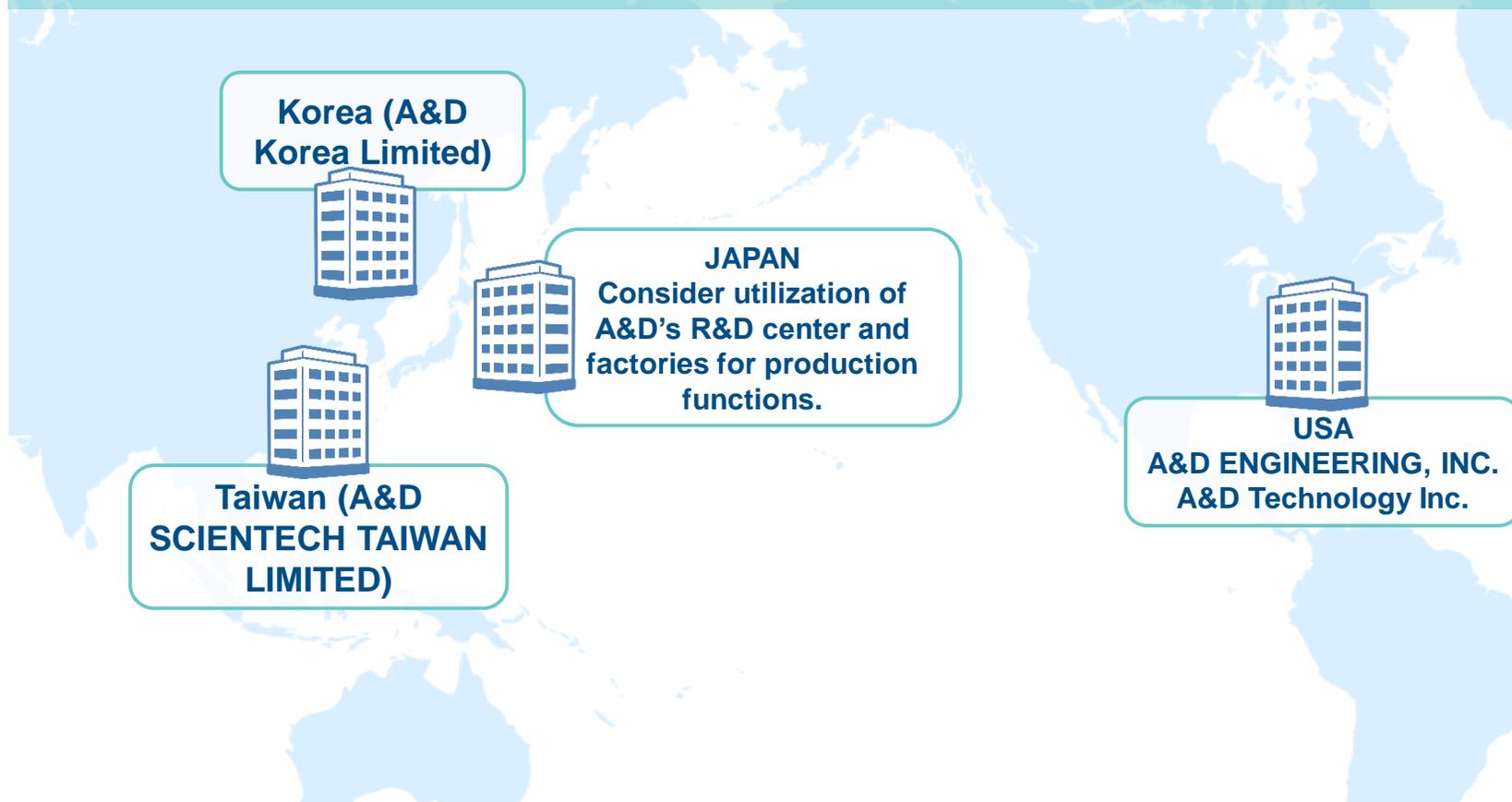
Expand market share by establishing a global structure for the market launch of next-generation machines



Market strategy utilizing our network of global offices

Through our management integration, the aim is to increase sales and profits of our semiconductor-related business by utilizing A&D's overseas offices

* Specific utilization in the future, including sales and service functions, is under consideration between the two companies



Cost reduction through the use of purchasing functions

Reduce procurement and transportation costs of materials and parts by sharing purchasing functions and information.

Productivity improvement through utilization of production facilities

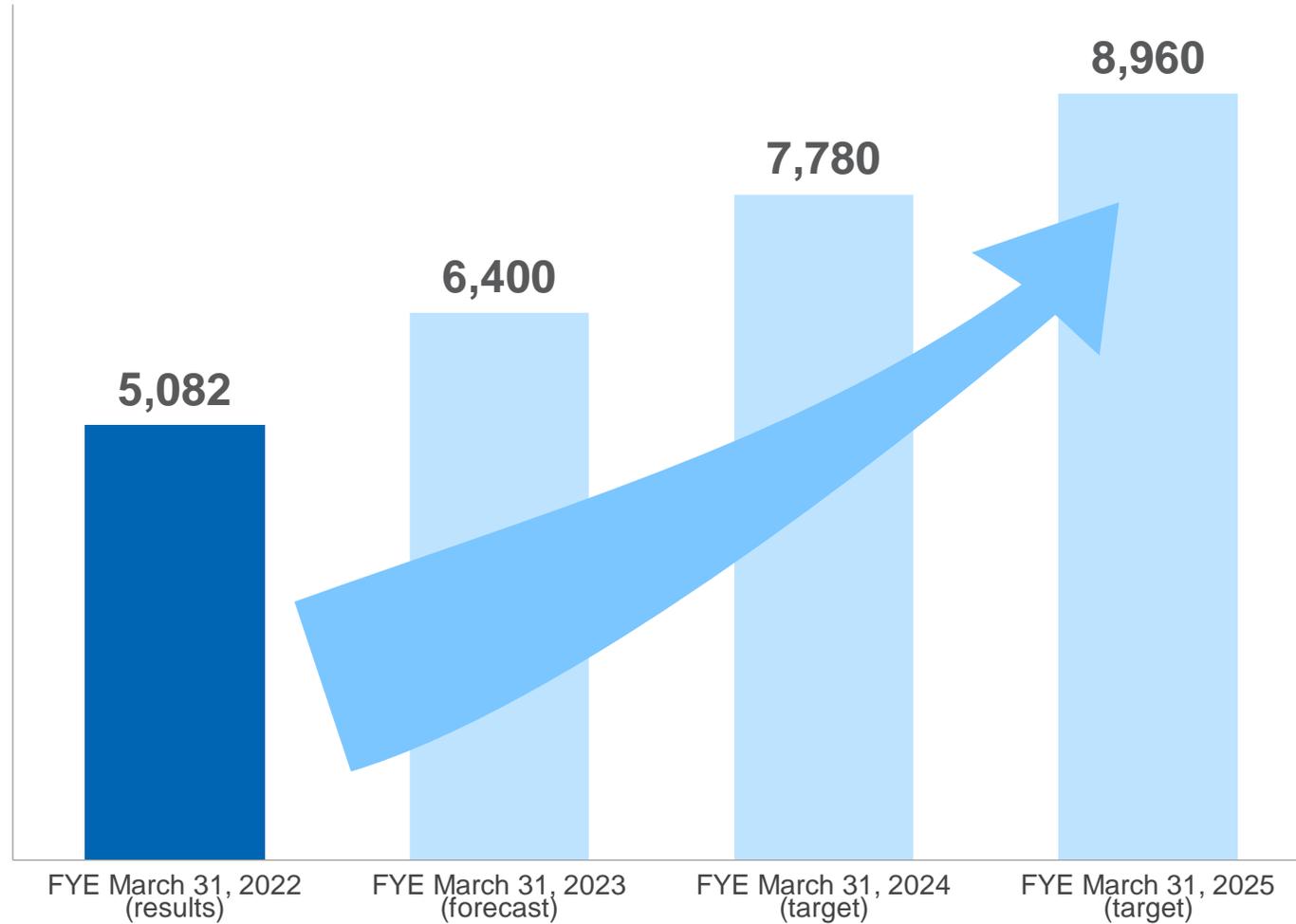
Shorten manufacturing lead time, improve quality and profitability and increase productivity in the semiconductor-related business by bringing critical components in-house that were previously outsourced by Holon.

Utilization of overseas offices

Utilize A&D's overseas sales offices as service offices. Aim to increase sales and profits by enhancing after-sales care for Holon customers.

Semiconductor-related business

Millions of yen



Compared to FYE
March 31, 2022

FYE March 31, 2025

176.3%

Medical and Healthcare Equipment Business

Global development of products for both medical institutions and home use

Utilizing our deep knowledge of the medical industry, A&D develops high-quality and reliable biometric monitoring and measurement solutions to support the health of people globally.

A&D's product lineup that achieves top market share within Japan

A&D's home blood pressure monitors represent approximately 10% of the global market share*

Ambulatory blood pressure monitors (ABPM)



Professional medical scales (Medical weighing equipment)



Upper arm blood pressure monitors

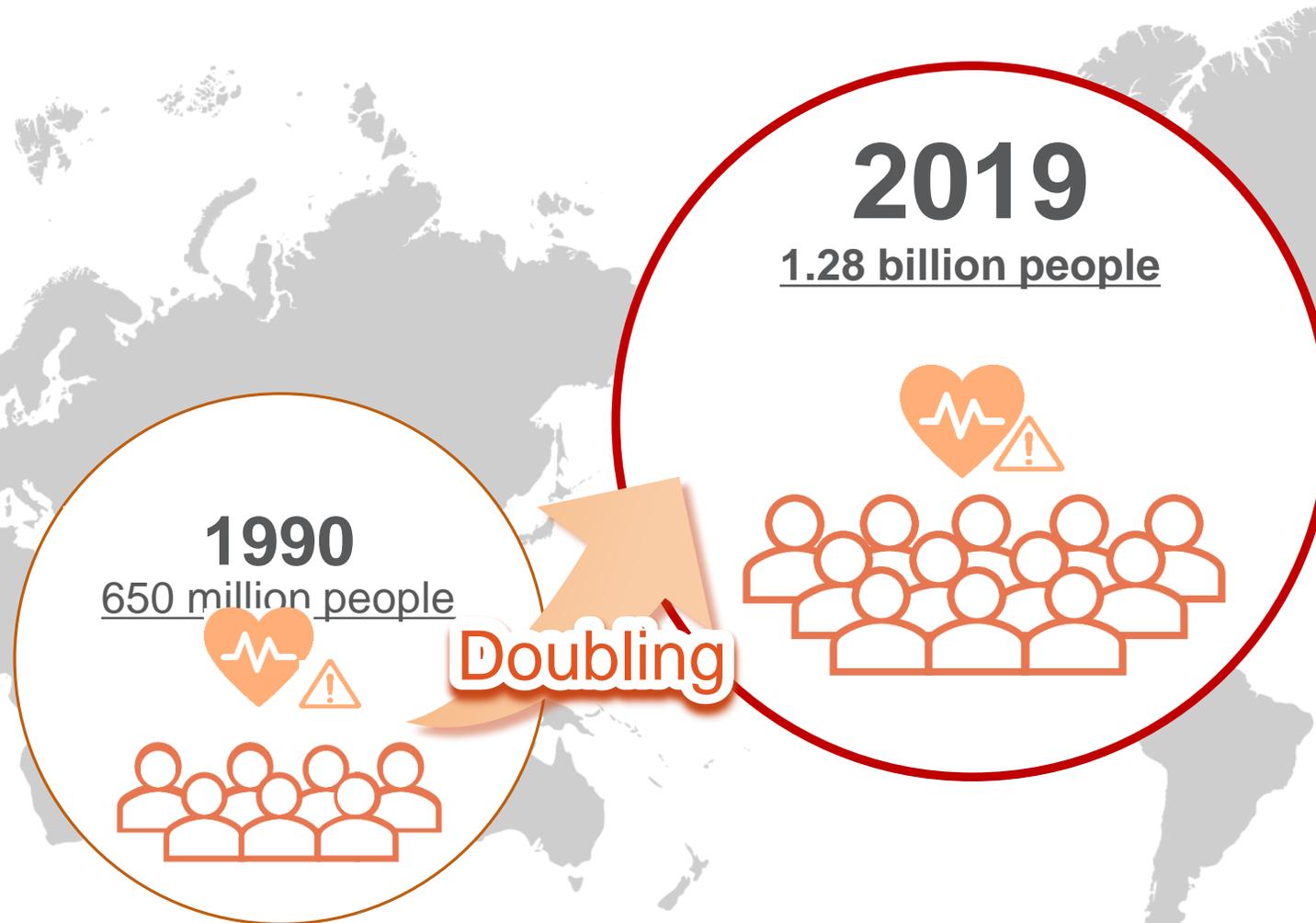


Wrist blood pressure monitors



* According to internal research

Number of hypertensive patients worldwide



The number of people worldwide aged 30 to 79 with hypertension doubled from 650 million in 1990 to 1.28 billion in 2019, with more than 700 million estimated to be untreated

Hypertension is a major contributor to disease and death worldwide as it increases the risk of developing heart, brain, and kidney disease. By measuring blood pressure at home or during health checkups, hypertension can be easily detected and treated.

* Source: Imperial College London and World Health Organization (WHO)

Further market share expansion

We are developing product lines that enable healthy lifestyles which will **strengthen** sales and increase our market share

Strengthen sales

Connected Products (Blood pressure monitors, body composition analyzers, thermometers)



Increasing demand in households due to rising health awareness

- Expand sales to mass retailers
- Expand models for OEMs
- Strengthen sales in North America

Medical Products (Fully automatic blood pressure monitors, ambulatory blood pressure monitors, and professional scales)



Increased demand from both medical and non-medical institutions

- Expand sales by increasing the overseas market reach (South Korea, China, Australia, South America)

Expand product portfolio

Pulse Oximeter

Release B-to-C products in addition to B-to-B products



Wearables

Develop total health management solutions by linking our connected products to wearables.



Scale Beds

Expanding into treatment fields with bed scales that are highly accurate and meet various needs of dialysis rooms

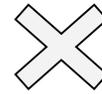


Business alliance with Tanita Corporation

Expand our product lineup and create competitive advantages by leveraging the strengths of both A&D and Tanita.

- Strengths in technologies and products in the medical and nursing care fields

—Analog measurement technology—
Obtaining and utilizing biometric information as highly accurate and reproducible data



- Strengths in technologies and products in the fields of pre-symptomatic and preventive medicine

—Tanita algorithm—
Body composition measurement algorithm developed by accumulating more than 15,000 cases of biometric data in Japan and overseas

Creation of new value-added products and services through interoperability of devices

- ✓ Accelerate development speed of new products
- ✓ Promote standardization of body composition measurement algorithms
- ✓ Strengthen global competitiveness

Developing and providing solutions that contribute to healthy lifestyles based on measurement technology

Equipped with Tanita algorithm



Body composition analyzer with wireless connectivity



Body composition analyzer with automatic height meter

Data linkage with Tanita's healthcare platform "Health Planet"

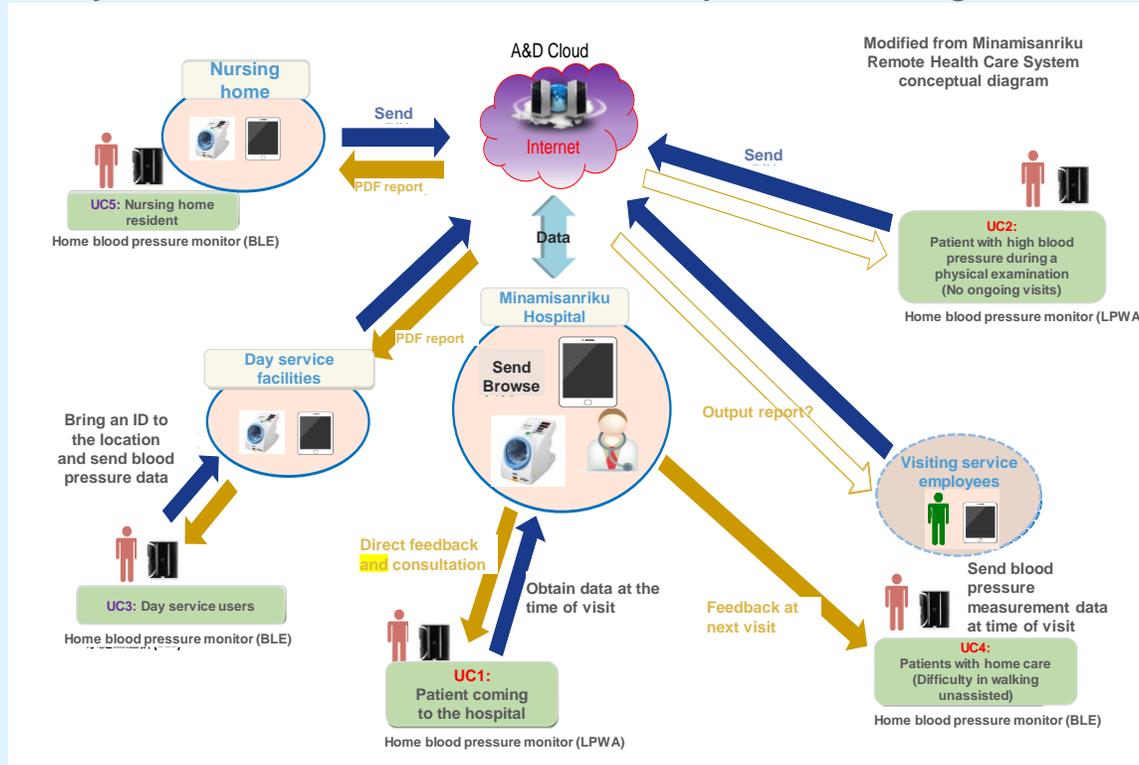


Upper arm hoseless blood pressure monitor

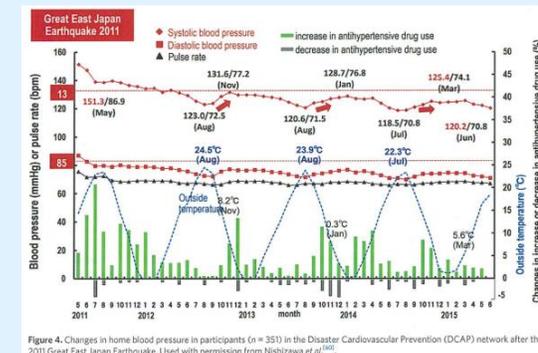
Collaboration with Jichi Medical University to build a solution that enables regional telemedicine

DCAP System*) Disaster Cardiovascular Prevention Network System

The system has been renewed and PoC will be implemented as a regional medical support system.



Utilizing the experience of the Great Hanshin-Awaji, we have built an advanced cardiovascular disease remote support system.



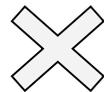
Over the course of a decade, D-CAP proved to be able to assist in the control high blood pressure of natural disaster survivors.

* Disaster Cardiovascular Prevention Network System

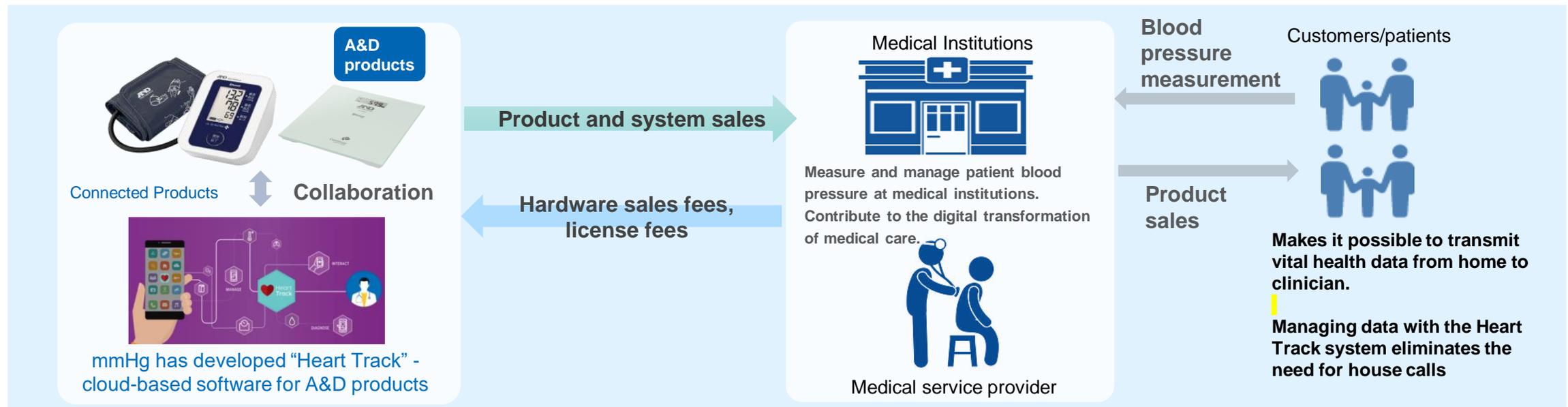
Strengthening remote patient monitoring business overseas

In line with the expansion of telemedicine in North America, we will promote collaboration with mmHg of Canada to build an accessible hypertension management infrastructure.

Collaboration with mmHg of Canada to promote telemedicine



About mmHg: Dr. Raj Padwal, president of mmHg, a Canadian corporation, is a professor at the University of Alberta, a leading researcher on hypertension disease, and a former guideline member of the Canadian Society of Hypertension.

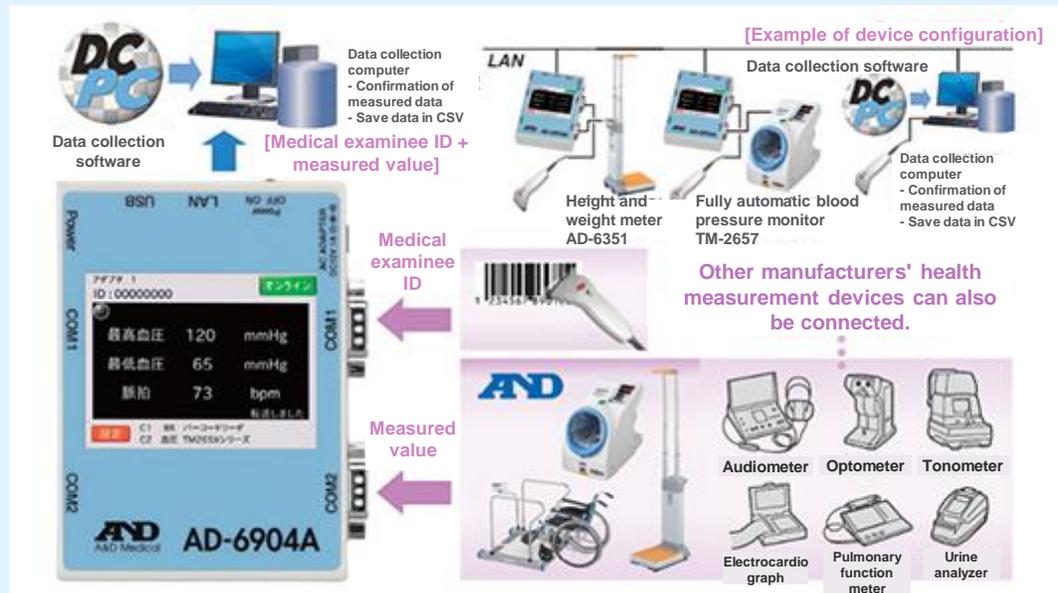


Expand introduction of data collection systems to companies, educational institutions, etc.

The number of companies, especially large ones, that are promoting health management is increasing, and the market is expanding in response to the start of certification systems such as the Certified Health and Productivity Management Organization program. To meet these needs, we will promote the introduction of our blood pressure monitors, height and weight meters, and other products to companies and educational institutions.

Utilize our products and IT adoption

- Personal IDs are linked to measurement results and sent to computers for data accumulation
- Accumulated measurement data can be output to CSV files for management and editing in Excel
- Connection to more than 100 models, including A&D equipment that has a proven track record in the field for medical checkups



Benefits for companies, educational institutions, etc.

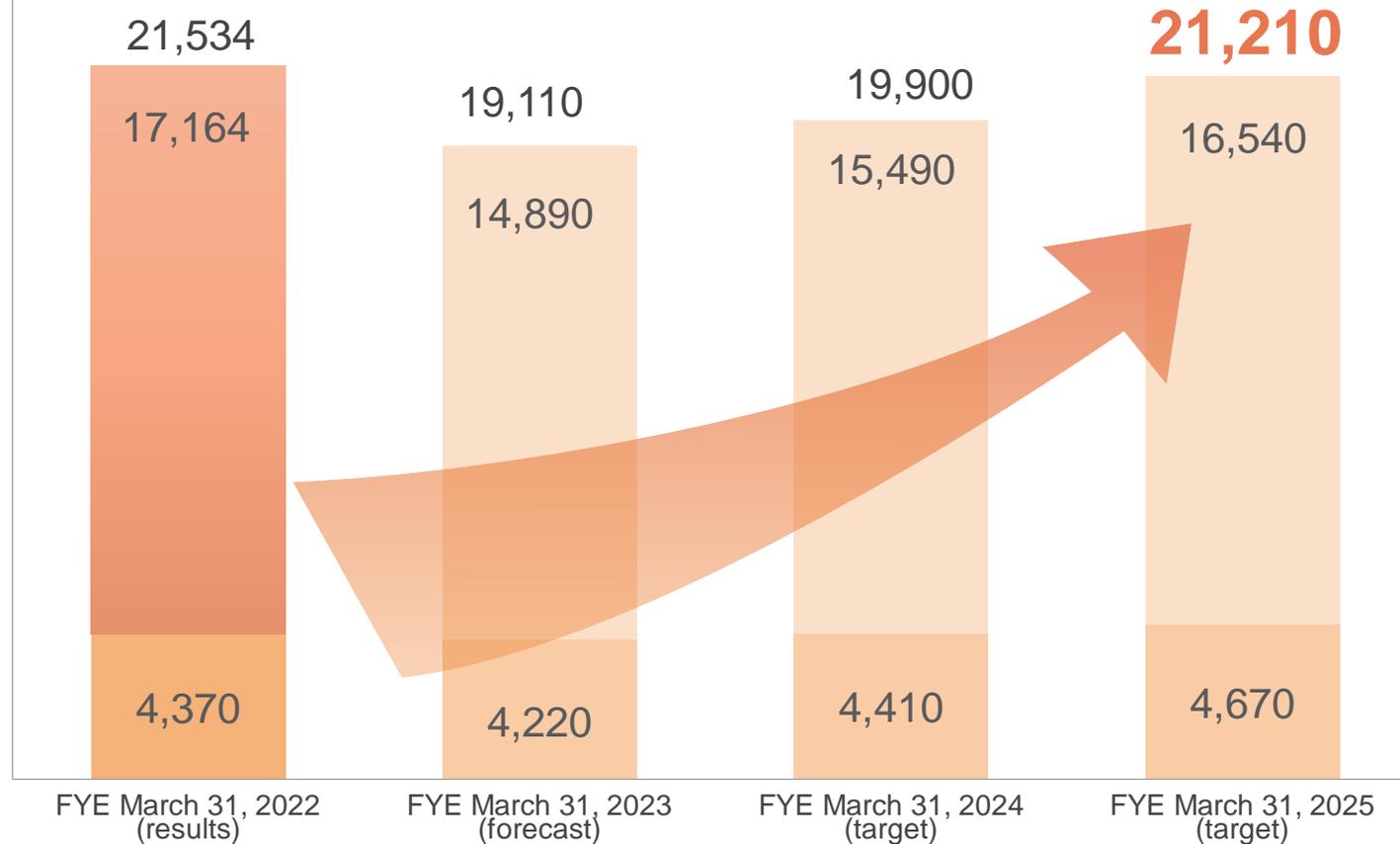
Merits

- ✓ Reduction in the number of medical checkup staff
- ✓ Reduction of examination time
- ✓ Avoidance of congestion
- ✓ Labor-saving and improved operational efficiency
- ✓ Prevention of input/transcription errors
- ✓ Reduction of inspection and data processing time
- ✓ Low-cost system building
- ✓ Immediate data conversion, etc.

Medical and healthcare equipment business

Millions of yen

- Healthcare equipment
- Medical equipment



Compared to FYE
March 31, 2022

FYE March 31, 2025

98.5%

Medical equipment

106.9%

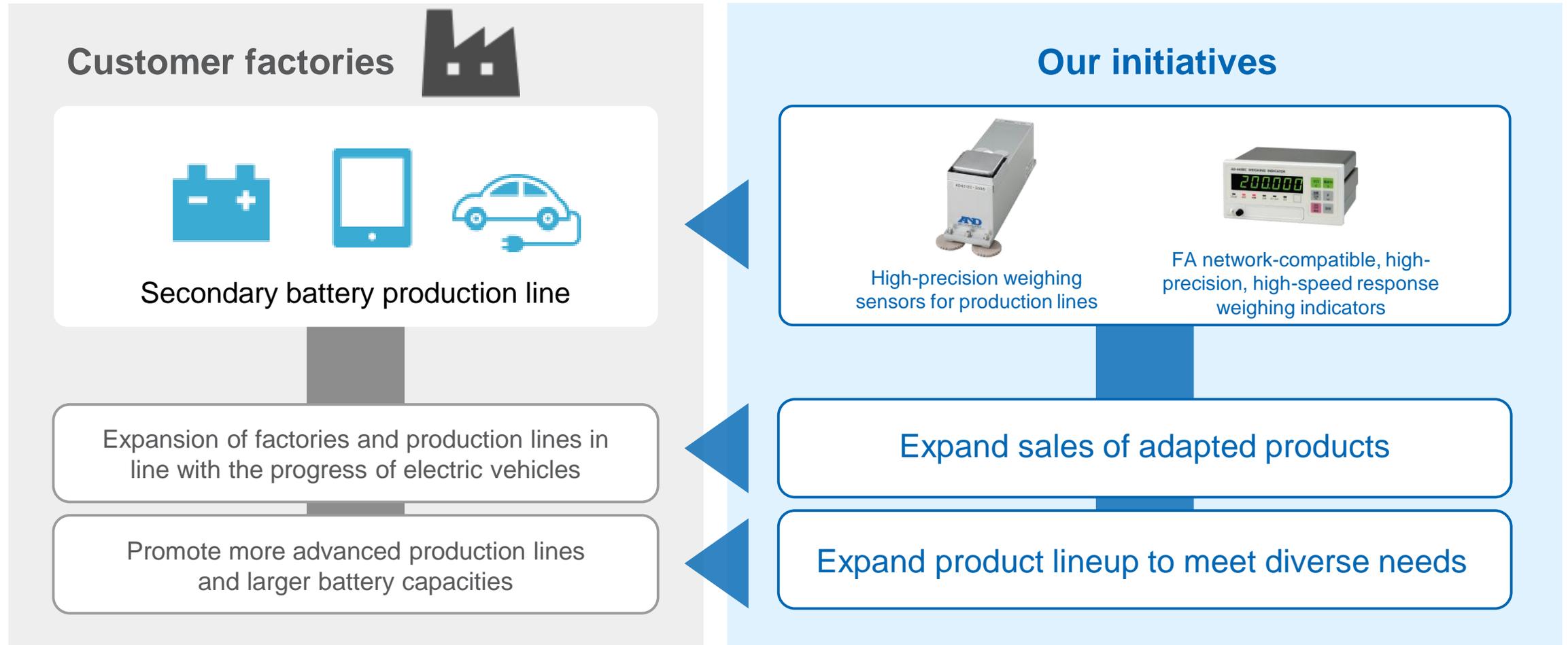
Healthcare equipment

96.4%

Measurement and Weighing Equipment Business

Strengthen products for secondary battery production lines

Demand for our products is growing due to the acceleration and adoption of electric vehicles. We will develop product lines that match these evolving technologies and expand our product lineup.



Strengthen distribution (balances and scales)

- Strengthen sales activities through distributor network and CRM systems
- Cultivate new e-commerce opportunities and expand with existing channel partners
- Expand sales to Canada and Central/South America



Micro electronic balances



Precision electronic balances



Moisture analyzers meters

Strengthen planning and development (balances, scales, and inspection equipment)

- Develop products with connectivity to external devices with high data integrity
- Strengthen proposals for niche markets
- Local assembly, remodeling, and maintenance of units that meet customer needs



Checkweighers



X-ray inspection machines



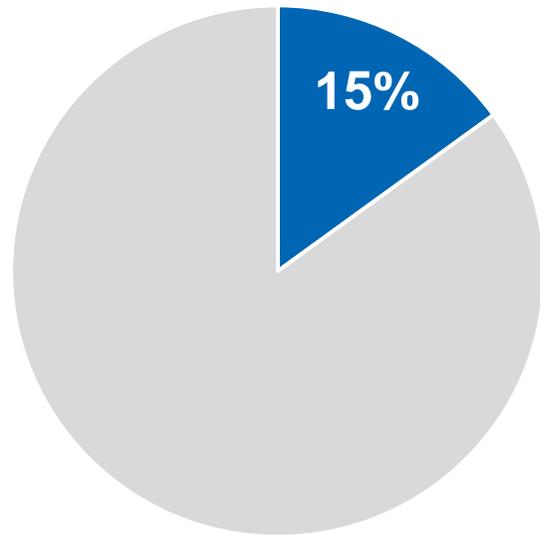
Metal detectors

Aiming for a 30% increase in net sales of weighing equipment in North America by FYE March 31, 2025

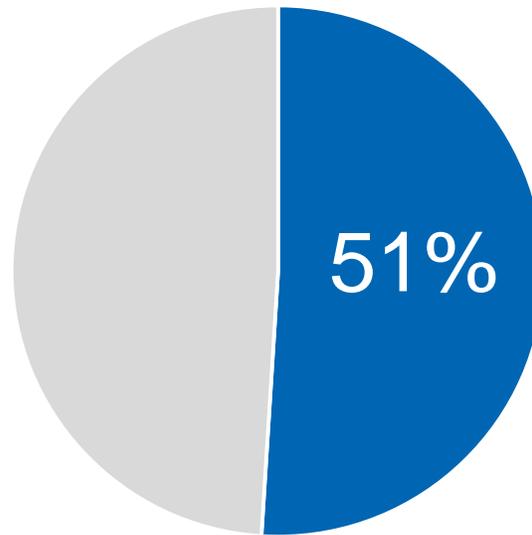
Measurement and Digital Signal Processing Equipment

Global market size forecast for electric vehicles

Percentage of electric vehicles
in 2020



Percentage of electric vehicles
in 2040 (Estimate)



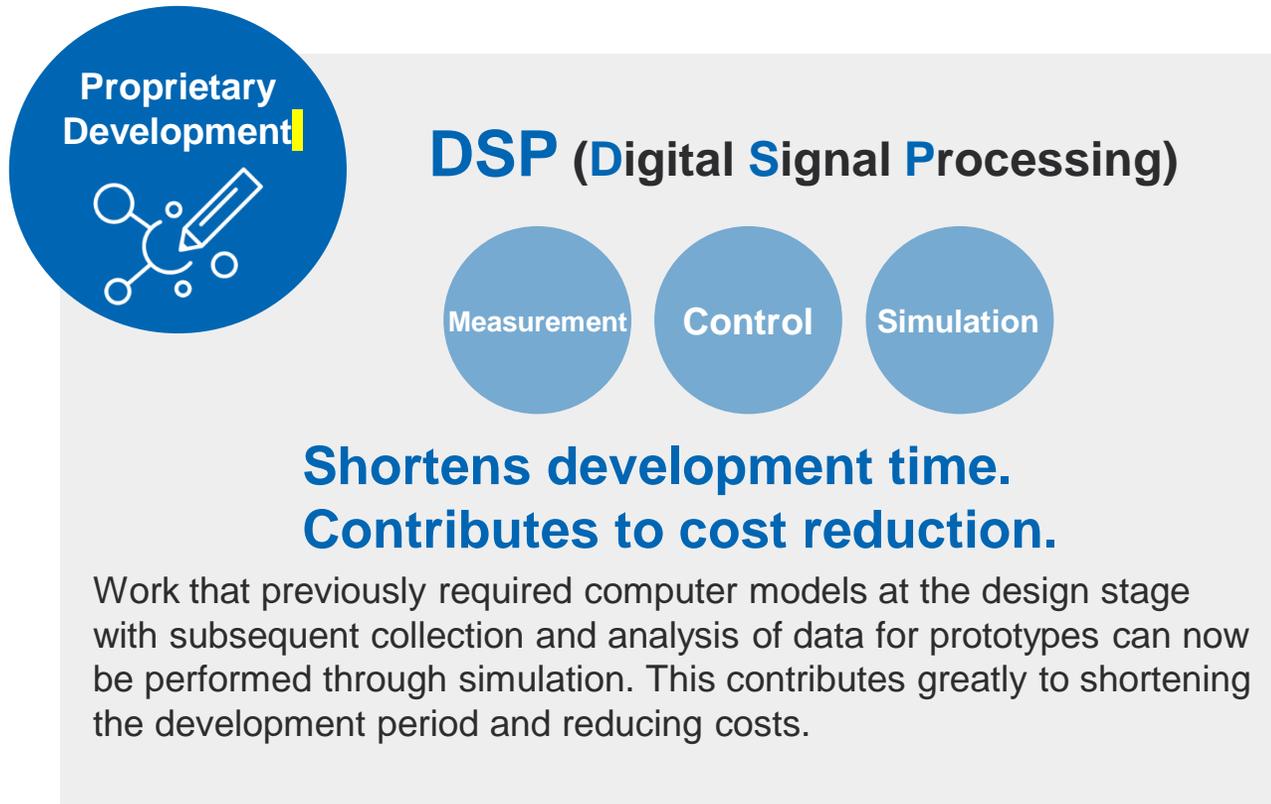
**In 2040
Electric vehicles are
expected to account
for more than 50% in
the world**

The electric vehicle market is expected to grow rapidly due to increasing demand for low-emission vehicles and government initiatives to accelerate the introduction of electric vehicles

Source: Based on IEA "Energy Technology Perspectives (ETP) 2017"
Electric vehicles include fuel cell vehicles (FCV), electric vehicles (EV), plug-in hybrid vehicles (PHV), and hybrid vehicles (HV).

Superiority in technological capabilities

We possess the technologies necessary for rapid development of electric vehicles. Our unique technology integrates measurement, control, and simulation, which no other company can offer.



Fields of application

Vehicle design verification through simulation

SILS (Software in the Loop Simulation)
HILS (Hardware in the Loop Simulation)

Drivetrain (motor, eAxle, engine, etc.) unit testing

Test bench

Vehicle dynamics testing

VDT

(Vehicle Dynamics Testing)

Real vehicle driving tests

VMS

(Vehicle Measurement System)

Participation in **JAMBE**, a project led by the Ministry of Economy, Trade and Industry that promotes cutting-edge development of a mobility society **toward the realization of a carbon-neutral society**

We aim to contribute to the improvement of Model Based Development (MBD) throughout the automotive industry.

We are evolving our technology into the second generation of accurate measurement (measurement using MBD) to improve the accuracy of plant models, which is the core of model-based development.

Going forward, we aim to contribute to the dramatic improvement of MBD in the automotive industry not only by strengthening the collection of information on MBD and strengthening our relationship with member companies and organizations, but also by providing information on measurement and modeling technologies to our member companies through JAMBE activities.



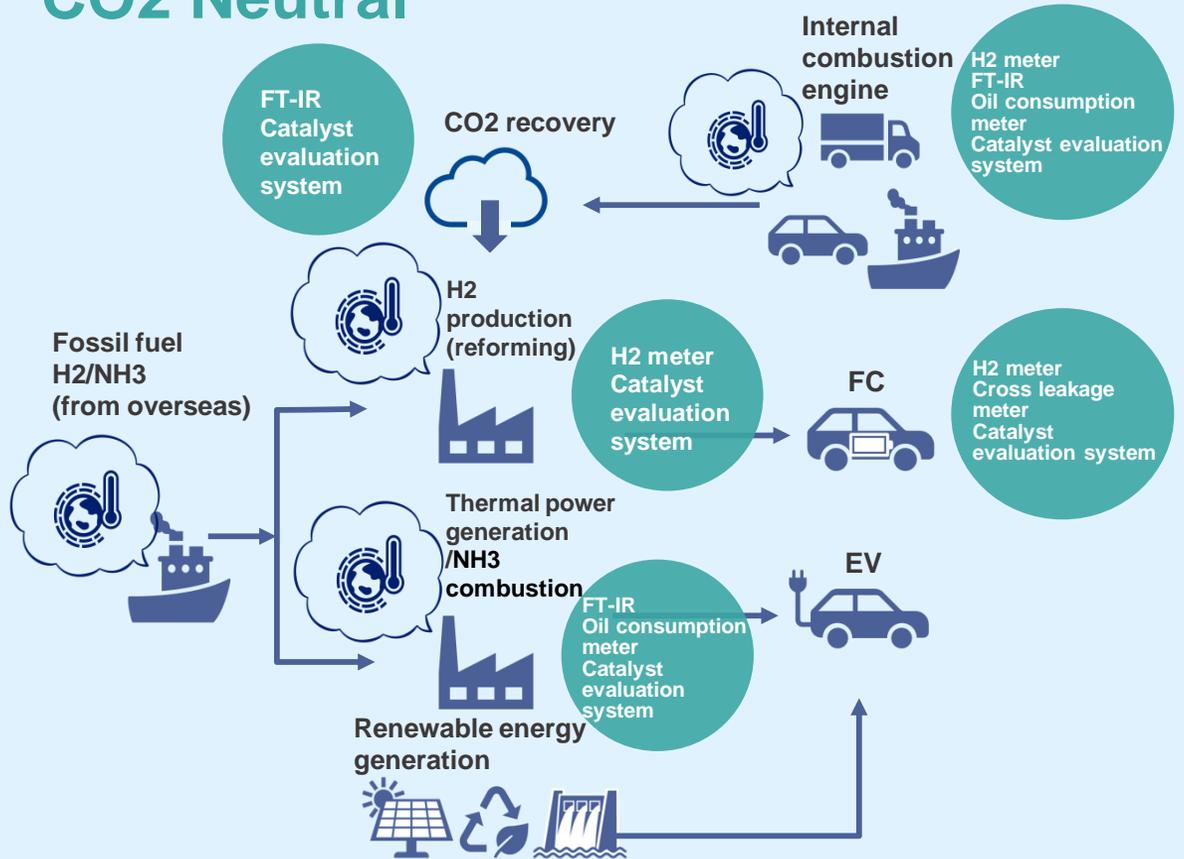
* Japan Automotive Model-Based Engineering center (abbreviated name: JAMBE) was launched on July 9, 2021, with the aim of realizing a state-of-the-art development community for the mobility society that enables high-level manufacturing with total optimization and high efficiency with no reworking.

* MBD (Model-based development) is a development style in which design and development activities are based on computer-generated models rather than actual prototypes, thereby significantly shortening or reducing the time and effort required for performance conception, design, prototyping, and testing for efficient development.

Supporting carbon neutrality: advantages of our technology and products

Our goal is to provide measurement technologies and equipment essential to the realization of a carbon-neutral society. We contribute to the achievement of zero emissions with our cutting-edge measurement technologies to address this global challenge.

CO2 Neutral



Many FTIR analyzers have already been installed in combustion-related research and development sites

Strengths of our products

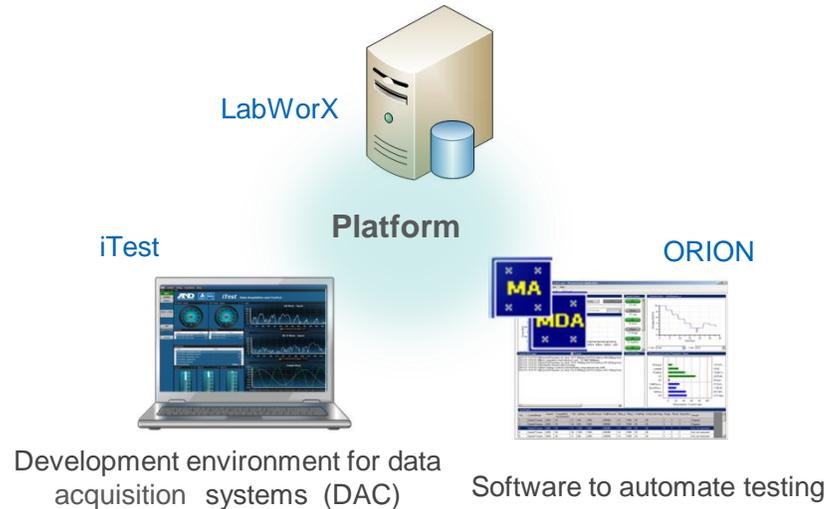
- Extensive experience related to hydrogen and ammonia combustion (Deliveries to government agencies, research institutes, and private companies)
- Highly accurate measurement of unburned components and H2O at high concentration coexistence through our own calibration technology
- Robust design for shared use between lab and field, high earthquake resistance
- NH3 resistance and contamination resistance through decompression sampling
- Hardware configuration flexibility

Enhanced support for connected/automation

Automation and adoption of remote testing throughout the automotive industry and other fields are possible by utilization of our platform

Utilize our platform to build diverse systems. This is one of our key strengths.

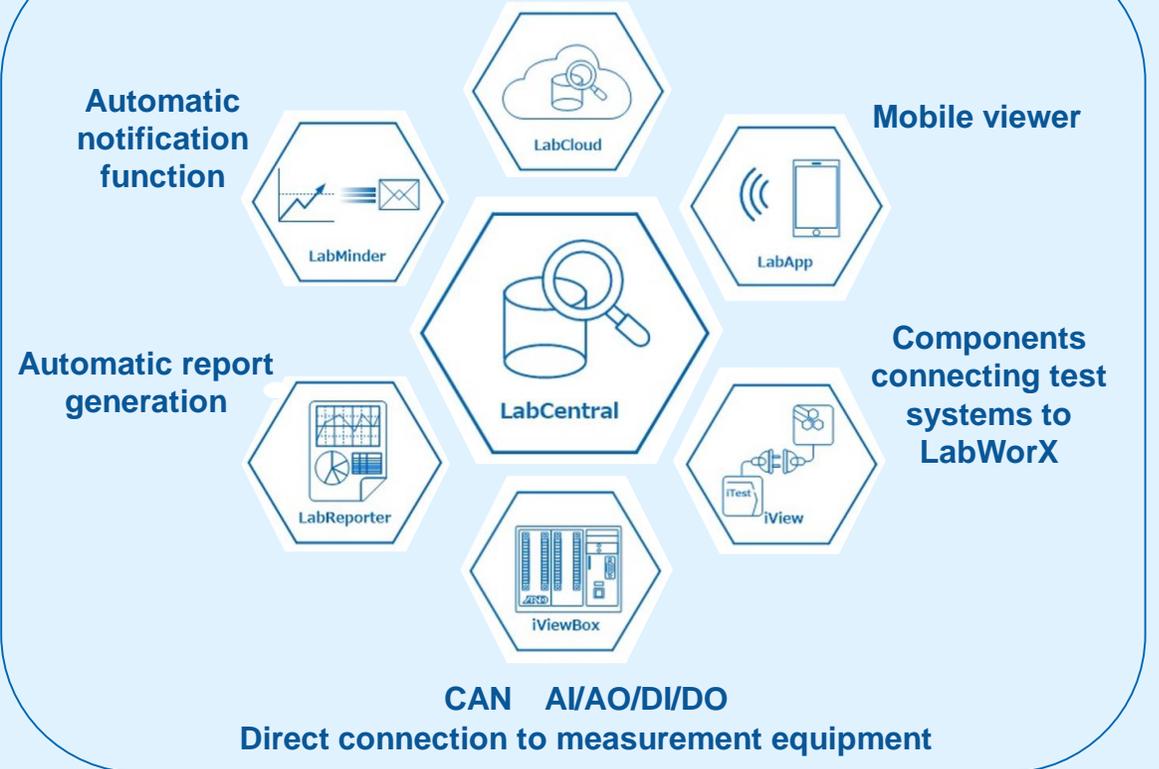
Integrated test cell and test management environment



Automation and adoption of remote testing throughout the automotive industry and other fields

LabWorX

Cloud version of LabCentral



Enhanced support for electrification

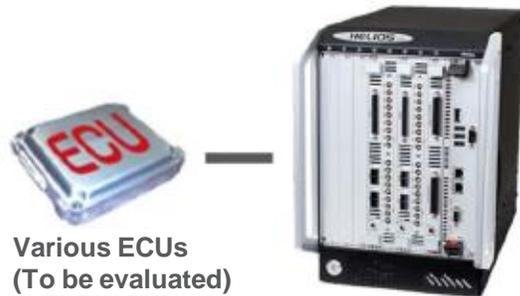
Jointly developed and launched EV-Sim HELIOS Edition, a real-time simulator for electric vehicle development



Contributes to more efficient control development and verification

EV-Sim HELIOS Edition (Overall image)

- Compact size that can be installed on a desk
- Size: W: 224.84 / H: 350 / D: 403 mm
- Weight: approximately 11.6 kg



Various ECUs
(To be evaluated)

New development

High-precision model
Motor/boost converter



Implementation

Vehicle / control / battery
(To be prepared by customer)



Implementation

High capacity
FPGA board (*)



CPU board

Controls for electric vehicles are becoming more complex and sophisticated in order to improve their marketability, and much of the verification is spent on evaluation of actual equipment.



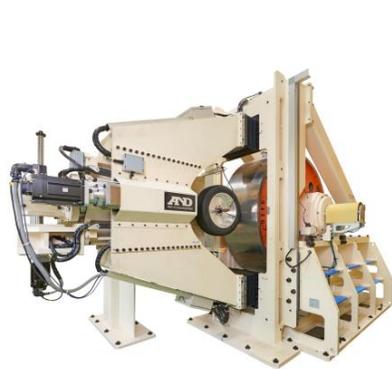
EV-Sim HELIOS Edition enables real-time simulation of electric vehicles using a **high-precision model (motor/boost converter) equivalent to that of the vehicle**, making it possible to perform on a desktop what has been conventionally evaluated within the actual vehicle.

* FPGA: Abbreviation for field programmable gate array, an electronic component for digital circuits that can be rewritten any number of times

Strengthen overseas expansion

Strengthen collaboration with clients by expanding sales through our existing global bases and strengthening maintenance and servicing offerings.

- Expand sales through overseas subsidiaries (North America, China, Europe)
- Promote overseas expansion of various testing equipment by utilizing distributors (China)
- Capture maintenance demand and expand maintenance proposals
- Promote regular maintenance contracts



Tire testing machines



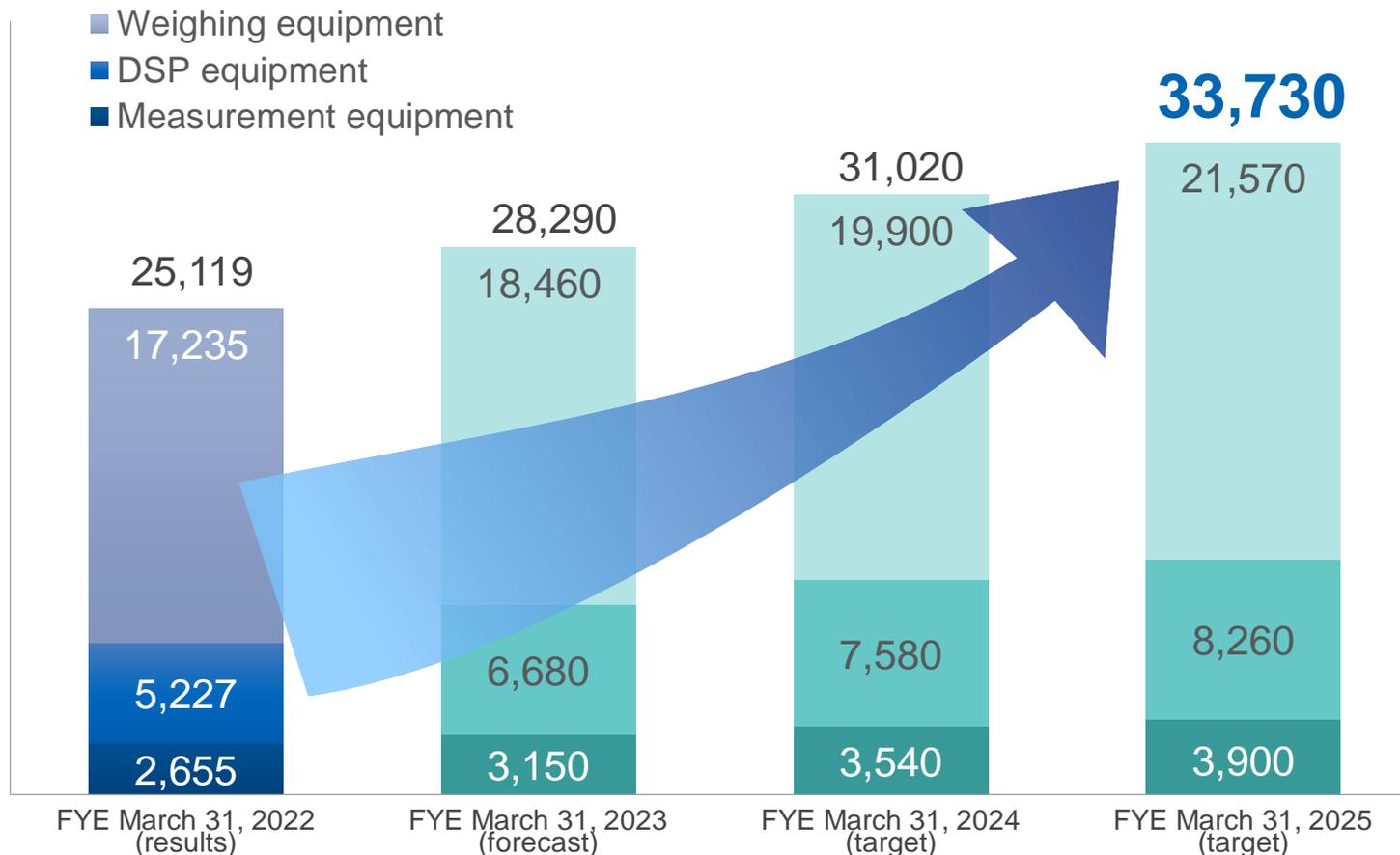
Materials testing machines



Measuring and weighing equipment business

Millions of yen

- Weighing equipment
- DSP equipment
- Measurement equipment



Compared to FYE
March 31, 2022

FYE March 31, 2025

134.3%

Measurement equipment

146.9%

Weighing equipment

125.1%

DSP equipment

158.0%

AND

HOLON

A&D HOLON Holdings