

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% indicates changes from the previous corresponding period.)

	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
Full period	66,000	6.5	9,200	15.6	8,980	9.0	6,200	17.0	225.59

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

* Notes:

(1) Changes in significant subsidiaries during the period under review: Yes

New: - companies (Company name) - ; Excluded: 1 company (Company name) SUM Electro Mechanics Co., Ltd.

An absorption-type merger was conducted, effective April 1, 2024, with A&D Manufacturing Company, Limited as the surviving company and SUM Electro Mechanics Co., Ltd. as the non-surviving company.

(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, (Notes on 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, 2024: 27,845,208 shares

March 31, 2024: 27,845,208 shares

2) Total number of treasury stock at the end of the period:

December 31, 2024: 471,447 shares

March 31, 2024: 361,167 shares

3) Average number of shares during the period:

Nine months ended December 31, 2024: 27,479,128 shares

Nine months ended December 31, 2023: 27,469,611 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.

* Review of attached quarterly consolidated financial results by certified public accountants or audit corporations: No

* 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.

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1. Overview of Business Results, etc.

(1) Overview of Business Results during the period

During the nine months ended December 31, 2024, the outlook for the global economy continued to face an uncertain outlook due to factors including future policy trends in the USA, geopolitical risks in Ukraine and the Middle East, the prolonged slowdown of the Chinese economy, and also rapid fluctuations in exchange rates.

Amid such circumstances, A&D HOLON Holdings Company, Limited (the “Company”), and its subsidiaries (collectively, the “Group”), in the final fiscal year of the current medium-term management plan for fiscal 2022 to 2024, have continued to promote each business unit’s initiatives to respond flexibly to changes in the external environment and to strengthen group synergies.

In the Semiconductor-related Business, demand for our products remains strong backed by recovering demand for advanced semiconductors relating to generative AI and greater demand for CAPEX to strengthen the supply chain in each country, resulting in a year-on-year increase in both sales and profit. In the Medical and Healthcare Equipment Business, while there was a mix of fluctuations in demand by customers and region, the increased demand for products in overseas markets contributed to the rise in both sales and profit year-on-year. In the Measuring and Weighing Equipment Business, DSP equipment demand and weighing equipment demand in the Asian region was strong, resulting in a year-on-year increase in both sales and profit.

As a result, net sales for the nine months ended December 31, 2024, were ¥48,119 million (up 8.2% year-on-year), operating profit was ¥6,053 million (up 16.9% year-on-year), ordinary profit was ¥6,204 million (up 17.3% year-on-year), and net profit attributable to parent company shareholders was ¥3,986 million (up 9.7% year-on-year).

Business results by segment are as follows.

1) Semiconductor-related Business

While orders continue to be robust, projects that were postponed to the second half of the fiscal year were shipped during this third quarter, and we also responded to meet customer requirements for other projects, which resulted in increased sales. Although profit was affected by costs such as increased research and development expenses associated with new product development, it increased due to the contribution of high-value-added products.

As a result, net sales in the Semiconductor-related Business were ¥8,927 million (up 13.9% year-on-year) and operating profit was ¥3,107 million (up 9.9% year-on-year).

2) Medical and Healthcare Equipment Business

In Japan, although sales decreased due to sluggish shipments to major customers, profit increased due to product mix and improvements in productivity associated with increased shipments overseas.

In the Americas, while there are signs of recovery in local demand for home blood pressure monitors, sales continue to decline year-on-year on a local currency base. However, sales after yen-conversion increased due to the impact of currency exchange. Although profit decreased due to the continued impact of such factors as increased personnel expenses associated with strengthening our business activities, the rate of decrease in profit improved compared to the six months ended September 30, 2024.

In Europe, sales increased as a result of focusing on maintaining and expanding our local market share. Profit decreased due to increased costs associated with strengthening sales activities and the impact of exchange rates.

As a result, net sales in the Medical and Healthcare Equipment Business were ¥17,934 million (up 4.5% year-on-year) and operating profit was ¥3,487 million (up 9.7% year-on-year).

3) Measuring and Weighing Equipment Business

In Japan, although the weak demand for weighing equipment continues, efforts to improve profitability amid the strong demand for DSP equipment have been effective, resulting in an increase in both sales and profit.

In the Americas, sales increased due to partial capture in demand for weighing equipment and the strong demand for DSP equipment. Profit decreased due to the impact of factors such as increased personnel expenses associated with strengthening our sales activities and the impact of foreign exchanges.

In Asia and Oceania, weighing equipment demand was robust, primarily in Korea, Taiwan, and India, leading to increased sales and profit.

As a result, net sales in the Measuring and Weighing Equipment Business were ¥21,256 million (up 9.2% year-on-year) and operating profit was ¥1,396 million (up 63.5% year-on-year).

(2) Overview of Financial Position during the period

(Assets, liabilities and net assets)

Total assets as of December 31, 2024, were ¥68,852 million, a decrease of ¥3,134 million compared to the end of the previous fiscal year. This was mainly due to a decrease in current assets by ¥3,138 million, primarily resulting from a decrease in cash and deposits, notes and accounts receivable - trade, and contract assets.

Total liabilities as of December 31, 2024, were ¥28,715 million, a decrease of ¥5,508 million compared to the end of the previous fiscal year. This was primarily due to a decrease of ¥4,837 million in current liabilities owing to such factors as a reduction in short-term borrowings and income taxes payable, as well as a decrease in non-current liabilities of ¥670 million due

to a reduction of long-term borrowings and other factors.

Net assets as of December 31, 2024, were ¥40,136 million, an increase of ¥2,373 million compared to the end of the previous fiscal year. This was primarily due to an increase in retained earnings, which led to an increase in shareholders' equity of ¥2,619 million.

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

There are no changes from the consolidated financial results forecast announced on May 14, 2024.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	14,642	11,772
Notes and accounts receivable - trade, and contract assets	17,869	15,628
Merchandise and finished goods	9,027	10,564
Work in process	5,107	5,672
Raw materials and supplies	5,977	5,973
Other	1,858	1,707
Allowance for doubtful accounts	(115)	(87)
Total current assets	54,368	51,229
Non-current assets		
Property, plant and equipment		
Land	5,912	5,895
Other, net	7,005	7,378
Total property, plant and equipment	12,918	13,274
Intangible assets		
Goodwill	7	10
Other	1,337	1,321
Total intangible assets	1,345	1,332
Investments and other assets	3,354	3,015
Total non-current assets	17,618	17,622
Total assets	71,986	68,852
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,265	4,835
Short-term borrowings	13,433	12,091
Current portion of long-term borrowings	1,258	879
Income taxes payable	1,593	509
Provision for bonuses	1,388	702
Provision for product warranties	341	256
Other	6,614	5,783
Total current liabilities	29,896	25,059
Non-current liabilities		
Long-term borrowings	2,097	1,452
Provision for retirement benefits for directors (and other officers)	122	-
Provision for product warranties	25	22
Retirement benefit liability	1,010	1,045
Provision for share awards for directors (and other officers)	90	233
Other	980	903
Total non-current liabilities	4,327	3,656
Total liabilities	34,223	28,715

(Million yen)

	As of March 31, 2024	As of December 31, 2024
Net assets		
Shareholders' equity		
Share capital	6,388	6,388
Capital surplus	8,319	8,345
Retained earnings	23,471	26,349
Treasury shares	(162)	(446)
Total shareholders' equity	38,017	40,636
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	45	47
Foreign currency translation adjustment	(511)	(724)
Remeasurements of defined benefit plans	122	89
Total accumulated other comprehensive income	(344)	(587)
Non-controlling interests	89	87
Total net assets	37,762	40,136
Total liabilities and net assets	71,986	68,852

(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, 2023	For the nine months ended December 31, 2024
Net sales	44,455	48,119
Cost of sales	24,647	26,033
Gross profit	19,807	22,085
Selling, general and administrative expenses	14,628	16,032
Operating profit	5,179	6,053
Non-operating income		
Interest income	169	309
Foreign exchange gains	179	24
Rental income from land and buildings	36	40
Other	94	79
Total non-operating income	480	454
Non-operating expenses		
Interest expenses	307	252
Other	60	50
Total non-operating expenses	367	303
Ordinary profit	5,291	6,204
Extraordinary income		
Gain on sale of non-current assets	0	5
Total extraordinary income	0	5
Extraordinary losses		
Loss on sale of non-current assets	1	0
Loss on retirement of non-current assets	8	5
Loss on valuation of investment securities	-	2
Total extraordinary losses	9	7
Profit before taxes	5,282	6,202
Income taxes - current	1,335	1,651
Income taxes - deferred	298	545
Total income taxes	1,633	2,196
Profit	3,649	4,005
Profit attributable to non-controlling interests	15	19
Profit attributable to owners of parent	3,634	3,986

Quarterly Consolidated Statements of Comprehensive Income
 Nine Months Ended December 31

(Million yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Profit	3,649	4,005
Other comprehensive income		
Valuation difference on available-for-sale securities	5	2
Foreign currency translation adjustment	149	(216)
Remeasurements of defined benefit plans, net of tax	(35)	(32)
Total other comprehensive income	118	(247)
Comprehensive income	3,768	3,758
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	3,752	3,742
Comprehensive income attributable to non-controlling interests	15	15

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on changes in accounting policies)

(Application of “Accounting Standard for Current Income Taxes”, etc.)

The Company has applied the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022. Hereinafter “2022 Revised Accounting Standard”), etc. from the beginning of the nine months under review.

For revisions related to accounting categories for income taxes, etc. (tax on other comprehensive income), the Company applies transient handling established in the proviso for 2022 Revised Accounting Standard No. 20-3 as well as the proviso for “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022. Hereinafter “2022 Revised Guidance”) No. 65-2 (2). There is no impact on the quarterly consolidated financial statements due to this change.

Also, from the beginning of the nine months under review, the Company has applied the 2022 Revised Guidance for revisions related to the review of handling items on the consolidated financial statements in cases when deferring losses on sales from the sale of subsidiary shares, etc. between consolidated companies for tax purposes. The changes to these accounting standards is retroactively applied. The quarterly consolidated financial statements and consolidated financial statements for the previous quarter and previous fiscal year are presented after this retroactive application of standards. There is no impact on the quarterly consolidated financial statements and consolidated financial statements for the previous quarter and previous fiscal year due to this change.

(Notes on accounting policies adopted specially for the preparation of quarterly consolidated financial statements)

	For the nine months ended December 31, 2024
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.

(Notes on segment information, etc.)

[Segment information]

I. 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 non-current assets by reportable segment

Not applicable.

II. For the nine months ended December 31, 2024

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	8,927	-	-	-	8,927
Inter-segment net sales or transfers	-	-	-	-	-
Total	8,927	-	-	-	8,927
Segment profit (loss)	3,107	-	-	-	3,107

	Medical and Healthcare Equipment Business				
	Japan	Americas	Europe	Asia and Oceania	Total
Net sales					
Net sales to outside customers	3,597	7,331	6,630	375	17,934
Inter-segment net sales or transfers	10,243	1	0	6,646	16,890
Total	13,840	7,333	6,630	7,021	34,825
Segment profit (loss)	2,564	367	319	235	3,487

	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	12,675	3,825	492	4,263	21,256	-	48,119
Inter-segment net sales or transfers	2,674	352	0	2,484	5,512	(22,402)	-
Total	15,350	4,177	493	6,748	26,769	(22,402)	48,119
Segment profit (loss)	932	(23)	(16)	505	1,396	(1,938)	6,053

Notes: 1. The adjustment of ¥(1,938) million in segment profit (loss) includes corporate expenses of ¥(1,497) million not allocated to reportable segments and elimination of unrealized gains on inventories in inter-segment transactions of ¥(322) 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 non-current assets by reportable segment

There are no significant matters.

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

Not applicable.

(Notes on going concern assumption)

Not applicable.

(Notes on quarterly consolidated statement of cash flows)

The Company has not prepared a quarterly consolidated statement of cash flows for the nine months ended December 31, 2024. Further, depreciation (including depreciation related to intangible assets excluding goodwill) and amortization of goodwill for the nine months ended December 31 are as follows.

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Depreciation	¥1,282 million	¥1,318 million
Amortization of goodwill	26	14