

Sustainability Initiatives

A&D HOLON Holdings Company, Limited

Nov 26, 2025

Contents

1. Message from the President

2. Sustainability Policy

3. Materiality

4. Environment

- Disclosure Based on TCFD Recommendations
- Main Risks Related to Climate Change
- Business Opportunities Related to Climate Change
- Environmental Activities Data (Indicators & Targets)
- Environmental Contribution of Businesses
- Initiatives for Environmental Conservation and Reduction of Environmental Impact



5. Society

- Customer Relations & Contribution to Society
- Fundamental View on Human Resources
- Personnel and Education Systems
- Work-style Reform
- Occupational Health and Safety and Health Management
- Material Procurement Activities



6. Governance

- Corporate Governance
- IR Activities
- Stakeholder Relations



7. Reference Information

Main Updates

P.12

"Environmental Activities Data (Indicators and Targets)"
FY2024 Greenhouse Gas Emissions Results

P.14-17

"A&D HOLON ECO PRODUCT Certification System"
Certified Products in FY2025

P.18

"Utilization of Natural Energy", "Waste Reduction Activities and
Recycling Rates"
FY2024 Results

P.20

"Product Study Sessions for Distributors and Dealers" and
"Contribution to the Local Community"
FY2025 Initiatives Results

To Our Stakeholders

"We aim to be a corporate group that contributes to the development of science and technology, the advancement of industry, and the health of people's lives by providing society with the "measurement" technologies we have cultivated over many years. Doing so will contribute to the creation of a prosperous and sustainable society on a global scale." - this is our Group's corporate philosophy. Our unwavering dedication to our policy paves the way for sustainable growth and the generation of shared value. As we work to achieve our objectives, we would like to share our organization's perspective on sustainability and outline our related initiatives within this document.

Central to every technology we develop is the concept of 'Measurement.' This principle is crucial in building a sustainable society. Precise measurement is key to addressing a multitude of social and environmental challenges. In today's world, we confront numerous issues such as climate change, resource depletion, and social inequality. Amidst these rapid changes, our 'measurement' technology serves as a cornerstone supporting emerging industries and fostering innovation.

We will master the "measurement" technology we have been committed to developing since our founding and work together as a group to be a company that contributes to solving challenges faced by society and our customers in the global market.

Representative Director

G. Morishima



Sustainability Policy

Our Group aims to realize a prosperous and sustainable society and increase its corporate value over the medium-to-long term by contributing to solving social issues through our business activities in the fields of measuring and weighing, medical and health care, and semiconductors. We will do this by actively promoting environmental conservation and efforts to reduce our environmental impact through cutting-edge and diverse "measurement" technologies.

Contribute to advancement of the environment, society, and stakeholders by promoting materiality initiatives to realize our Sustainability Policy.

1 Enhance management capable of both solving social issues and realizing economic growth

We aim to be a company that is both socially and economically oriented by making the promotion of solutions to social issues, such as the reduction of environmental impact, the source of our growth and development.

Example measures

- ✓ Promote development and sales of eco-products
- ✓ Promote switching to more environmentally friendly production materials
- ✓ Promote efforts to achieve carbon neutrality etc.



3 Strengthen management of diverse and sustainable human capital

We aim to become a highly engaged company that is chosen by its employees by accelerating human capital investment that promotes self-improvement of each and every member of our diverse workforce.

Example measures

- ✓ Build a system that fosters talent development, engagement and retention
- ✓ Initiatives to improve employee engagement
- ✓ Provide growth opportunities to optimize employee careers etc.



2 Strengthen partnerships with local communities and stakeholders to become a sustainable company that enriches the future

By creating new value through the power of collaboration, we aim to be a sustainable company that contributes to the future of the Earth, its countries, regions, and stakeholders.

Example measures

- ✓ Conduct activities that contribute to regional and social development
- ✓ Provide assistance for natural disasters
- ✓ Strengthen partnerships etc.



4 Maximize customer and corporate value by building a strong corporate foundation

By integrating information technology into our management system, we aim to optimize and maximize customer value, and by further strengthening our highly transparent corporate management, we aim to become a global company of choice for our customers and society.

Example measures

- ✓ Streamline and create new added value through DX
- ✓ Create a mechanism for continued transparent corporate management etc.



Contents

1. Message from the President

2. Sustainability Policy

3. Materiality

4. Environment

- Disclosure Based on TCFD Recommendations
- Main Risks Related to Climate Change
- Business Opportunities Related to Climate Change
- Environmental Activities Data (Indicators & Targets)
- Environmental Contribution of Businesses
- Initiatives for Environmental Conservation and Reduction of Environmental Impact



5. Society

- Customer Relations & Contribution to Society
- Fundamental View on Human Resources
- Personnel and Education Systems
- Work-style Reform
- Occupational Health and Safety and Health Management
- Material Procurement Activities



6. Governance

- Corporate Governance
- IR Activities
- Stakeholder Relations



7. Reference Information



Background of Information Disclosure

Our Group recognizes that addressing environmental issues, including climate change, is an important management issue that will also lead to profit-earning opportunities, and is working to develop products that contribute to reducing CO₂ emissions and solving environmental problems. In 2022, we began to examine risks and opportunities based on the framework proposed by the TCFD. Below we disclose information related to climate change in line with TCFD recommendations.

Governance

The Sustainability Committee was established in April 2023 to support internal and external stakeholders in achieving a sustainable society and environment while increasing our Group's corporate value over the medium to long term. Chaired by the director in charge of the General Affairs Department and composed of internal directors and managers from our business divisions, the Committee sets basic policies for sustainability management, deliberates on measures to address issues, and oversees activities. Additionally, the Sustainability Committee supervises three subcommittees: the Social & Environmental Subcommittee, the Risk Management Subcommittee, and the Governance Subcommittee. These subcommittees implement climate change-related measures. The Sustainability Committee reports its deliberations to the Board of Directors as needed and regularly discloses information on sustainability policies and activities to internal and external stakeholders.



Strategy

Scenario Analysis

We conducted an analysis using two scenarios based on the framework proposed by the TCFD. Qualitative and quantitative risk analyses were conducted for 1.5°C/2°C and 4°C scenarios, referring to the World Energy Outlook (WEO) prepared by the International Energy Association (IEA) and the Representative Concentration Pathways (RCP) prepared by the Intergovernmental Panel on Climate Change (IPCC). The 1.5°C/2°C scenario refers to a scenario in which the transition to a decarbonized society progresses, and the 4°C scenario refers to a scenario in which current emission regulations, etc., are maintained. By analyzing these scenarios, we have examined how climate-related matters might affect our business, strategy, and financial plans. A summary of each scenario is shown in the following table.

		Less Than 1.5°C/2°C Scenario	4°C Scenario
Overview		The temperature rise in 2030 will be limited to approx. 1.5°C compared to pre-industrial times. Emission regulations such as carbon taxes and emissions trading, as well as energy conservation, have been tightened and business is greatly affected by transition risks.	The temperature rise in 2030 will increase to approx. 4°C compared to pre-industrial times. Emission controls and other regulations are unchanged, and business is greatly affected by the physical risks of extreme weather events and rising temperatures.
Scenario	Transition	Net-Zero Emissions by 2050 scenario (NZE) Sustainable Development Scenario (SDS)	Stated Policy Scenario (STEPS)
	Physical	Representative Concentration Pathways (RCP2.6)	Representative Concentration Pathways (RCP8.5)



Strategy

Qualitative Analysis - Risks & Opportunities

Based on a set of scenarios, we have qualitatively analyzed the events that are risks and opportunities for our business among the impacts caused by climate change. The table in the next section shows the events that have a significant impact.

The results of the analysis indicate that the transition risks in the 1.5°C/2°C scenario include financial impacts from policies such as carbon taxes and plastic regulations and reputational impacts from changes in customer and investor attitudes, whereas the physical risks in the 4°C scenario include the impacts from natural disaster response and response to rising temperatures. Our response to these issues is implemented and reviewed by the "Social & Environmental Committee" and the "Risk Management Committee".

Risk Management

The Group's Sustainability Committee is responsible for overall management of company-wide risks in accordance with the Risk Management Regulations. The Risk Management Subcommittee has been established under the Sustainability Committee to discuss issues and measures related to risk management. The Social & Environmental Subcommittee identifies climate change-related risks and these are shared with the Sustainability Committee by way of the Risk Management Subcommittee. The deliberations of the Sustainability Committee are reported to the Board of Directors on a case-by-case basis, and are reflected in the Group's strategies based on the deliberations of the Board of Directors.



Main Risks Related to Climate Change

Type	Category	Major Risks	Response Policies
Transition risk	Policy/ Regulation	- Increased manufacturing and procurement costs due to the introduction of a carbon tax that includes the company and its suppliers in the tax base - Costs incurred in switching to alternative materials due to restrictions on the use of disposable plastic materials for packaging materials	- Promoting electricity reduction through equipment upgrades and other measures - Introducing renewable energy - Setting goals and implement reduction plans toward carbon neutrality - Promoting initiatives to reduce plastic consumption
	Technology	- Lost sales opportunities due to delays in responding to customer demands, etc., in response to growing needs for decarbonization, renewable energy, and energy conservation - Decline in demand for hydraulic testing equipment and products for internal combustion engines due to the shift to electrification	- Early collection of information on changing customer requirements in sales regions, and development and sales promotion in response to such requirements - Development and sales promotion of testing equipment for electrification and electric vehicle development
	Reputation	Decrease in reputation and corporate value among stakeholders when climate change measures and information disclosure are deemed inadequate	- Establishment of interim targets for the next 10 years toward carbon neutrality in 2050 and efforts to reduce CO₂ emissions - Enhancement of information disclosure
Physical risk	Acute	Damage to the company's sites and impact on the supply chain due to severe extreme weather events	- Formulate and review Business Continuity Plan (BCP) - Establish a framework for stable procurement



Business Opportunities Related to Climate Change

Industry	Business Segment	Main Opportunities	Response Policies
Automobiles	Weighing Equipment/ DSP Equipment	• Increased demand for materials to increase production of rechargeable batteries and to extend cruising range for EVs • Increased demand for testing equipment, etc., due to accelerated development of environmentally friendly vehicles, such as EVs and FCVs • Increasing demand for new vehicle and tire testing equipment due to increased weight of electric vehicles	• Expansion of supply of high precision weighing sensors used in the production of rechargeable batteries for integration into production lines • Aim for expansion of applications, and promotion of support for testing systems for electric vehicles • Promotion of supply of tire testing machines that utilize high-capacity force sensors
Materials	Measuring Equipment/ Weighing Equipment	• Increased demand due to intensified development activity related to CO₂ Capture, Utilization, and Storage (CCUS) • Growing corporate and individual awareness of the need to curb climate change is driving substitution of renewable natural materials and the development of recycled materials	• Sales promotion of evaluation equipment (material testing machines and property testing machines) and analytical instruments (gas analyzers and analytical balances) for CCUS-related R&D • Sales promotion of evaluation equipment (material testing machines and property testing machines) for containers and packaging materials using recyclable materials
Energy	Measuring Equipment/ DSP Equipment	• Increased demand for related solutions due to accelerated development in pursuit of more efficient power supply and demand • Demand for related testing machines, etc., is increasing due to the promotion of substitution of alternative fuels, such as hydrogen and ammonia	• Promotion of development and supply of products that factor into efforts to improve the operational efficiency of power systems, etc. (utilizing existing iTest and HILS equipment) • Supply of solutions, such as gas analyzers for alternative fuels, systems to evaluate catalysts, etc.



Business Opportunities Related to Climate Change

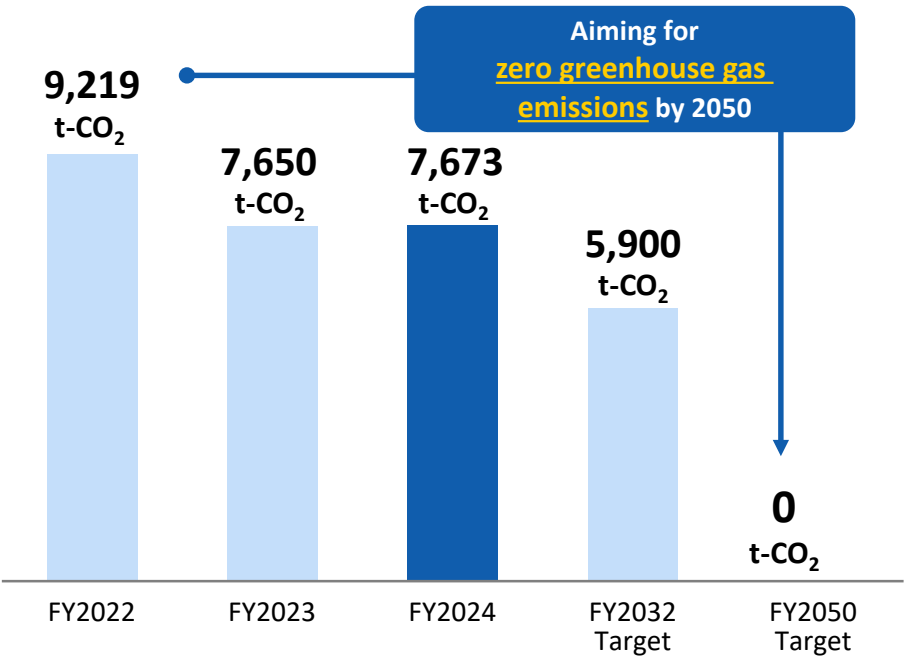
Industry	Business Segment	Main Opportunities	Response Policies
Food	Weighing Equipment	Increased demand for inspection equipment to check for foreign objects in food production and processing, reducing food wastage.	Strengthen supply of line inspection equipment, such as weight checkers, metal detectors, and X-ray inspection machines, and use AI technology to improve inspection accuracy.
Medical	Medical Equipment	- Increased demand for new markets due to progress in deregulation of telemedicine - Need for products with reduced environmental impact due to development of low-carbon materials, creating new demand.	- Promotion of development of new products that support healthcare data on the cloud - Promotion of development of lightweight and high-strength medical weighing equipment
Health	Healthcare Equipment	Growing awareness of the need to curb climate change and increasing demand for environmentally friendly products	- Promotion of development of rechargeable batteries and other renewable energy-compatible products - Promotion of development of products that lead to reduction of parts and materials (e.g. hoseless blood pressure monitors)
Semiconductors	Semiconductor-related	- Increasing need for higher functionality and faster processing speeds in semiconductor devices due to the advancement of DX - Increased demand for power semiconductors due to growing demand for higher efficiency (energy saving and power saving) mainly in the EV and industrial equipment markets	- Promotion of development of Photomask dimension measuring systems for miniaturization of semiconductor devices - Expansion of supply of semiconductor-related equipment, such as electron guns, power supplies, and A/D and D/A converters



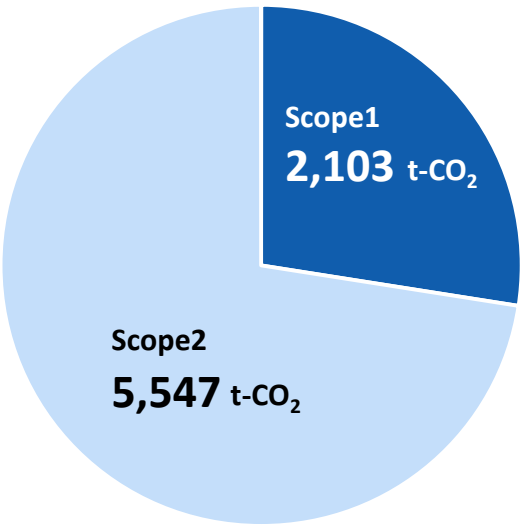
Indicators & Targets

In order to take climate change-related risks into account in our business strategies, we identify, assess, and manage climate change-related risks using greenhouse gas (GHG) emissions, especially carbon dioxide (CO₂) emissions, which are considered a cause of climate change, as an indicator. Our goal is to achieve carbon neutrality by 2050. Furthermore, we have set a quantitative target of a 36% reduction by FY2032 (compared to FY2022). Specifically, we envision that emissions will be reduced to a net zero by promoting the use of renewable energy sources while at the same time working to conserve energy. FY2024 Emissions Result was 7,673 t-CO₂ (+23 t-CO₂ year-on-year). Scope 2 emissions were reduced by 4.5% by reviewing power contracts and other measures. Although the scope of disclosure was expanded to include all consolidated subsidiaries, including seven overseas subsidiaries, total emissions increased by only 0.3% from the previous year. Calculation of Scope 3 emissions will be examined in the future.

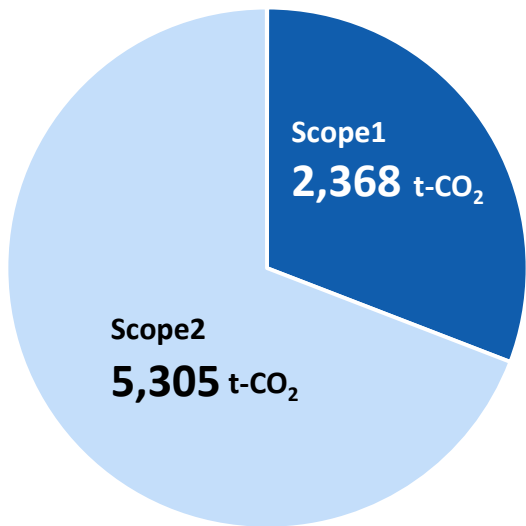
Greenhouse Gas Reduction Targets (Scope 1+2)



Breakdown of Emissions in FY2023



Breakdown of Emissions in FY2024

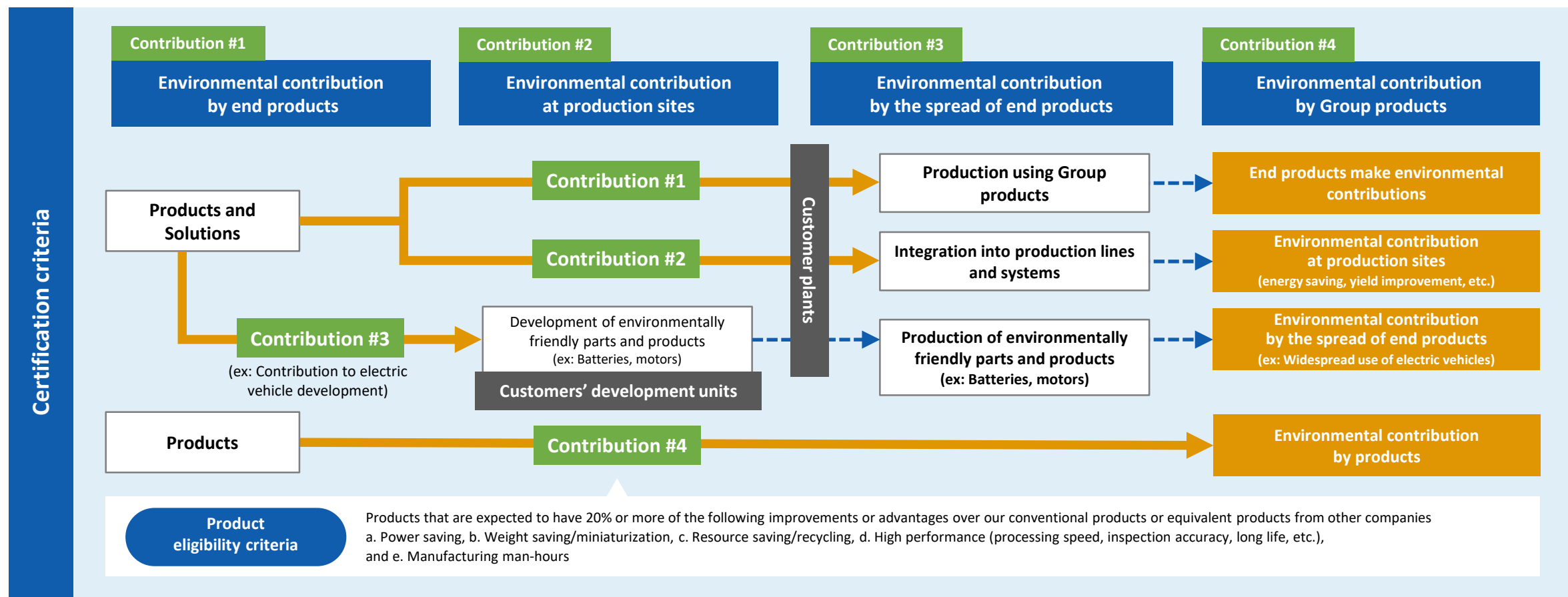


A&D HOLON Eco-Products Certification System

In November 2024, we introduced the A&D HOLON Eco-Products Certification System to certify our own environmentally friendly products. All products created within the Group are eligible for certification as eco-products if they meet certification criteria designed around the concept of environmental contribution. In FY2025, 13 products were certified under this system.

By encouraging the development and sales of environmentally friendly products, we will work to reduce environmental impact and preserve the global environment.

Certification label



Certified Products in FY2025

Measuring and Weighing instruments Business

Contribution
#4

Dustproof & Waterproof High-Capacity Precision Balance GX-M/GF-M Series



Dust & waterproof weighing equipment with IP65 rating. Equipped with impact shock detection, electronically controlled load (self-inspection), and flow rate measurement functions for use in production lines and research applications. Power consumption is reduced by 62% compared to conventional products, contributing to power savings.

Contribution
#4

Dustproof & Waterproof High-Capacity Precision Balance GX-L/GF-L Series



Dust & waterproof weighing equipment with IP65 rating. Equipped with impact shock detection, electronically controlled load (self-inspection), and flow rate measurement functions for use in production lines and research applications. Power consumption is reduced by 69% compared to conventional products, contributing to power savings.

Contribution
#3

High Capacity Wheel Force Sensor AD7814A-300



A high-capacity wheel force sensor capable of measuring the force applied to the wheels of an electric vehicle. Capable of evaluation of heavy vehicles in driving performance tests not possible with conventional products. Helping to reduce environmental impact through support for the development of electric vehicles.

Contribution
#3

Tire Rolling Resistance Test Machine



A device for measuring "rolling resistance," which affects the fuel efficiency performance of tires. It achieves high repeatability with a high-precision force sensor developed in-house. Supporting development of Eco tires leads to improved fuel efficiency and energy savings for vehicles, contributing to reduced environmental impact.

Certification
criteria

Contribution #1

Environmental contribution
by end products

Contribution #2

Environmental contribution
at production sites

Contribution #3

Environmental contribution
by the spread of end products

Contribution #4

Environmental contribution
by Group products

Sustainability Initiatives

Certified Products in FY2025

Measuring and Weighing instruments Business

Contribution
#3

System Products Including VT5100



Utilized for testing equipment for motors and batteries, which are key components of electric vehicles. By supporting development of electric vehicle motor, eAxle (*), and battery performance/durability tests, development with highly efficient evaluation is accelerated and environmental impact is reduced.

* Integrated motor/gearbox for electric vehicles

Contribution
#3

System Products Including Thermal Emulator



Utilized for test equipment for the development of thermal management systems for electric vehicles. Realizing temperature management of batteries, motors, and cabins by supporting development of thermal management, which is indispensable for improving the range of electric vehicles, and improving efficiency through energy reuse, thereby contributing to power savings.

Certification
criteria

Contribution #1

Environmental contribution
by end products

Contribution #2

Environmental contribution
at production sites

Contribution #3

Environmental contribution
by the spread of end products

Contribution #4

Environmental contribution
by Group products

* Japan's Good Design Award : a prestigious design recognition program honoring excellence in product design, usability, and innovation.

Certified Products in FY2025

Medical and Healthcare Equipment Business

Contribution
#4

Upper Arm Hoseless Blood Pressure Monitor UA-1120ECO

Good Design
Award 2024



"ECONomy & ECOlogy" is the concept of the ECO MODEL Series. Equipped with communication functionality, measurement data can be stored and managed by connecting to a mobile terminal. The use of rubber material has been reduced by eliminating the hose connecting the cuff to the blood pressure monitor main unit, and the amount of paint used has been reduced by adopting a simple design for the individual packaging box, contributing to resource conservation.

Contribution
#4

Hoseless Nocturnal Blood Pressure Monitor UA-1300BLE

Good Design
Award 2025



Can measure blood pressure automatically during sleep. Being quiet and having a low-profile design, it does not disturb sleep and it is also compact and easy to carry without a hose. Its body resin volume has been reduced to achieve a weight reduction of approximately 23% compared to the conventional product. Built-in rechargeable battery eliminates the need for dry batteries and contributes to resource conservation.

Certified Products in FY2025

Medical and Healthcare Equipment Business

Contribution #4

Upper Arm Blood Pressure Monitor
UA-655ECO, UA-704ECO



"ECONomy & ECOlogy" is the concept of the ECO MODEL Series. IHB (Irregular Heart Beat) display function detects irregular heartbeats and can detect signs of arrhythmia. Simple design of the individual packaging box reduces the amount of paint used and contributes to resource conservation.

Contribution #4

Medical Electronic Blood Pressure Monitor
UM-301



Medical electronic blood pressure monitor with a compact design allowing it to be stored in a pocket. It creates a comfortable working environment at medical practices with its simple construction and one-hand operation. Mechanical constant exhaust method significantly reduces power consumption and the number of battery replacements, contributing to power and resource savings.

Contribution #4

Nebulizers
UN-135ECO, UN-302ECO



"ECONomy & ECOlogy" is the concept of the ECO MODEL Series. Nebulizer with easy and quiet operation. Designed to moisturize the nose and throat with a mist to improve throat and nasal discomfort. Simple design of the individual packaging box reduces the amount of paint used and contributes to resource conservation.

Certification criteria



Contribution #1

Environmental contribution by end products

Contribution #2

Environmental contribution at production sites

Contribution #3

Environmental contribution by the spread of end products

Contribution #4

Environmental contribution by Group products



Medium-Term Targets for Certified Eco-Products

"Increase the sales ratio of eco-products to Group sales from **16%** in FY2024 to at least **20%** in FY2027."

List of
Certified
product
in 2025

Measuring and Weighing instruments Business



Main Initiatives

- Promote R&D of environmentally friendly products and expand certified products
- Strengthen sales overseas (Asia, North America)
- Acquire new customers, expand sales channels

Medical and Healthcare Equipment Business



Main Initiatives

- Promote R&D of environmentally friendly products and expand certified products
- Strengthen product promotion activities
- Acquire new customers, expand sales channels



Utilization of Natural Energy

Installation of solar power systems at A&D, HOLON and A&D Manufacturing.



▲A&D (Development and Technology Center)

Solar panels were installed at three sites - A&D (Development and Technology Center), HOLON (Headquarters), and A&D Manufacturing (Tsukuba Office) - to reduce electricity consumption and curb peak power consumption. The total amount of electricity generated in FY2024 was approximately 522MWh, resulting in a CO₂ reduction of approximately 203 t-CO₂/year. We will continue to contribute to the realization of a sustainable society by adding solar panels and promoting other energy-saving activities.

Recycling Rate

● A&D (Development and Technology Center)

	2022	2023	2024
Total waste (kg)	140,071	130,353	136,414
Recycling rate (%)*	92.0	91.8	92.7

* FY2024: Total amount of recycled waste 126,391 kg ÷ Total amount of waste 136,414 kg × 100 = 92.7 %
Total amount of non-recycled waste = 10,023 kg

Contents

1. Message from the President

2. Sustainability Policy

3. Materiality

4. Environment

- Disclosure Based on TCFD Recommendations
- Main Risks Related to Climate Change
- Business Opportunities Related to Climate Change
- Environmental Activities Data (Indicators & Targets)
- Environmental Contribution of Businesses
- Initiatives for Environmental Conservation and Reduction of Environmental Impact



5. Society

- Customer Relations & Contribution to Society
- Fundamental View on Human Resources
- Personnel and Education Systems
- Work-style Reform
- Occupational Health and Safety and Health Management
- Material Procurement Activities



6. Governance

- Corporate Governance
- IR Activities
- Stakeholder Relations



7. Reference Information



Streaming of Webinars

A&D

Study sessions on products and technologies are held annually to strengthen partnerships in Japan and overseas. These study sessions also play an important role as a forum for facilitating the interactive exchange of ideas and provide a valuable opportunity to deepen understanding with our partners. We will continue to further strengthen our collaboration with our partners and aim to build sustainable relationships.



▲Japan, Nov 2025 (Web seminar)
Medical and Healthcare Equipment
(Vital Data Connectivity Unit)



▲Malaysia, July 2025
Measuring and Weighing Equipment
(Analytical Balance)

Contribution to Society

HOLON

In October 2025, seven second graders from a nearby elementary school visited HOLON on a field trip as last year. Each of the children interviewed employees and gained a better knowledge of HOLON, the company in their local community.



Utilizing SDGs Lease MIRAI 2030®

A&D

We have signed a SDGs Lease MIRAI 2030® (donation type) contract provided by Sumitomo Mitsui Finance and Leasing Company, Limited. Principally, we will donate a portion of the lease for production facilities for medical and health care equipment through Sumitomo Mitsui Finance and Leasing Company, Limited to the Guide Dog & Service Dog & Hearing Dog Association of Japan to support people with disabilities.



Human Resource and Workplace Environment Policies

Our group's core management policy is to contribute to society through "measurement." We believe that human resources are the source of our competitiveness and our most valuable asset in providing "measurement" tools that meet the needs of an ever-changing society and are chosen by our customers.

Human Resource Development Policy

We believe that diversifying and developing human resources will lead to medium- and long-term improvements in corporate value. We will actively recruit women, foreigners, and mid-career employees, and provide systematic and effective education and training. Additionally, since sustainable corporate growth requires quick and flexible responses to environmental changes, we aim to develop human resources who can "flexibly respond to change" and "think and act on their own initiative."

Workplace Environment Improvement Policy

With a corporate culture based on respecting human rights, we will promote activities for health and safety and create a work environment where employees can work with peace of mind. Additionally, we will take measures to ensure that employees are highly motivated and provide an environment where each and every employee can maximize their potential and feel fulfilled in their work.

Diversity & Inclusion

To promote the activities of women, foreign nationals, senior employees, etc., we are working to create a workplace environment in which diverse human resources can maximize their potential.

Promotion of Senior Employees

A&D

Our company adopts a contract employee reemployment system from the retirement age of 60. Starting from FY2023, we have recognized those who have made significant contributions to the company in the technical field as "Meisters" and those who have made significant contributions in the management field as "Executives," and their contributions are reflected in their compensations. Currently we have 4 certified Meisters and 3 certified Executives. (As of November, 2025)

Promotion of Female Employees

We will strengthen recruitment of women among new graduates and mid-career hires to increase the ratio of female employees, leading to an increase in the ratio of female managers in the future.

	A&D			HOLON		
	FY22/23	FY23/24	FY24/25	FY22/23	FY23/24	FY24/25
Percentage of female employees (%)	9.0	9.9	11.1	11.5	12.7	14.2
Percentage of female managers (%)	0.5	0.5	0.6	5.0	4.7	5.5
Percentage of foreign employees (%)	1.5	1.4	1.5	17.3	16.3	19.6



Personnel System

A&D

Fair Evaluation and Human Resource Development

To appropriately evaluate and fairly treat employees' actions and results, we use a performance and work process evaluation system centered on target management. In process evaluation, competency* is established as a key element of job performance for each grade, aiming to foster gradual employee growth. In goal management, supervisors and subordinates collaboratively confirm set goals and results. Additionally, managers receive regular evaluator training to understand the evaluation system and prevent errors.

Respect for autonomy

We respect the independence of our employees from the viewpoint of aligning the right person for the right job. We have established a personnel system that enables our employees to realize their full potential.

System	Description
Internal recruitment system	Widely recruit the necessary personnel from employees in other departments. Personnel transfer system for selected applicants
Self-assessment system	Express opinions on work, the workplace, skill development, etc., respect the independence and autonomy of the individual, and motivate human resources to revitalize and develop their skills through appropriate placement.

Education System

A&D

We have established an education and training system that is being effectively utilized to enhance employee skills. We are also working to improve the training for new employees by extending the training period and increasing the hands-on experience at manufacturing sites.

Type	
Tiered training	Description Training to improve knowledge and abilities commonly required at all levels within the company.
	Training New employee training, mid-level employee training, new section manager training, new manager training, senior manager training
Job-specific training	Description Training for the purpose of acquiring the skills and knowledge necessary to perform the work for which one is responsible, and for the purpose of improving one's skills.
	Training OJT, in-house group training, in-house individual training, external training
Self-development training	Description Training to motivate employees to improve themselves and develop their own abilities.
	Training Distance learning support system, language training system, introduction and mediation of various training courses and materials, etc.



Work-style Reform

We will promote the development of a comfortable work environment and safety and health initiatives to enable employees to maximize their potential.

A&D

■ Improvement in Childcare Leave Acquisition Rate

- Set improved uptake of childcare leave by male employees as an action plan goal in accordance with the Act on the Promotion of Women's Active Engagement in Professional Life. Explain the system to eligible employees and provide the environment for them to take leave.

■ Reduction Of Overtime Hours

- No-overtime days on Wednesdays and Fridays to encourage employees to leave the office on time.
- Alert superiors of employees who exceed a certain number of work hours and hold meetings.

■ Promotion of Use of Annual Paid Leave

- Ensure acquisition through collective and planned assignment.
- Allow half-day increments (no upper limit).

Item	FY2022/23	FY2023/24	FY2024/25
Childcare leave acquisition rate(total) (%)	57.1	73.7	60.6
Childcare leave acquisition rate(male) (%)	55.0	73.7	56.3
Average monthly overtime (hours)	17.4	18.6	18.0
Annual paid leave taken (days)	16.7	18.2	16.9

■ Increased Work Engagement

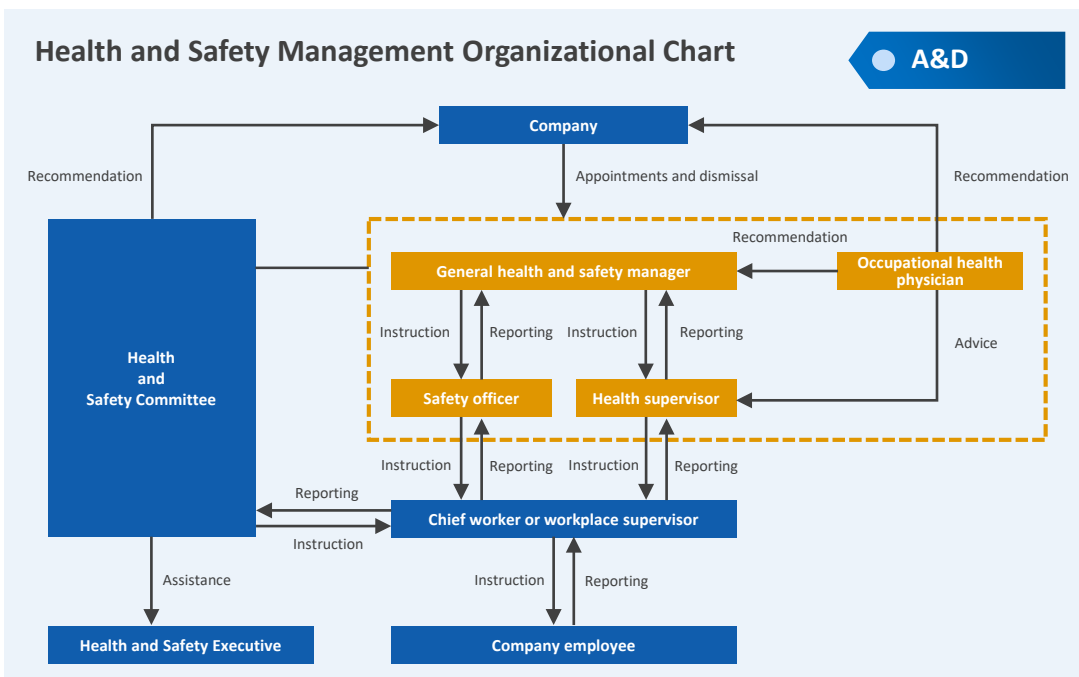
Since 2021, we have carried out an internal survey to evaluate improvements in the work environment, using a shortened version of the Utrecht Work Engagement Scale as one of the indicators. (Measured on the three factors of "vitality," "enthusiasm," and "immersion" in work. Score is out of 6 points.)

Item	FY2022/23	FY2023/24	FY2024/25
Work engagement	3.23	3.20	3.22



Occupational Health and Safety

We promote occupational health and safety activities to ensure the "safety" and "health" of our employees. We will establish an occupational health and safety management system to prevent injuries and illnesses among our employees. We work to prevent occupational accidents through continuous improvement of health and safety management by creating an environment where employees recognize the importance of health and safety and are aware of their own occupational health and safety obligations. This results in employees that can take initiatives and participate in activities to improve health and safety.



Health Management



A&D has established a Health Management Declaration to realize its management philosophy, focusing on "mental health," "physical health," and "work environment creation," and has been certified as "Excellent Corporation for Health Management (Large Corporation Division)" 2025

Health Management Declaration

A&D works to realize its management philosophy that will create a work environment in which each and every employee is healthy in mind and body and can maximize his or her potential by actively supporting employee health and activities that promote organized health promotion measures.

Promotion Structure

To promote health management, we have established the Health Management Declaration with top management in charge of implementing various initiatives. In charge: Representative Director, Executive Officer, President. Responsible department: Health Promotion Division, General Affairs Department

Specific Initiatives

- "Mental health consultation" and "women's health consultation" by public health nurses.
- We obtained "Consortium for Healthy Meal and Food Environment" certification and we offer a healthy meal menu (Smart Meal) every day at the company cafeteria.



*1 "Health Management" is a registered trademark of the NPO Kenkokeiei research society.

*2 "Smart Meal" is a registered trademark of the Consortium for Healthy Meal and Food Environment.

*3 The "Consortium for Healthy Meal and Food Environment" certification system recognizes the efforts of stores and offices that continually offer a healthy meal menu (Smart Meal) in a healthy environment.

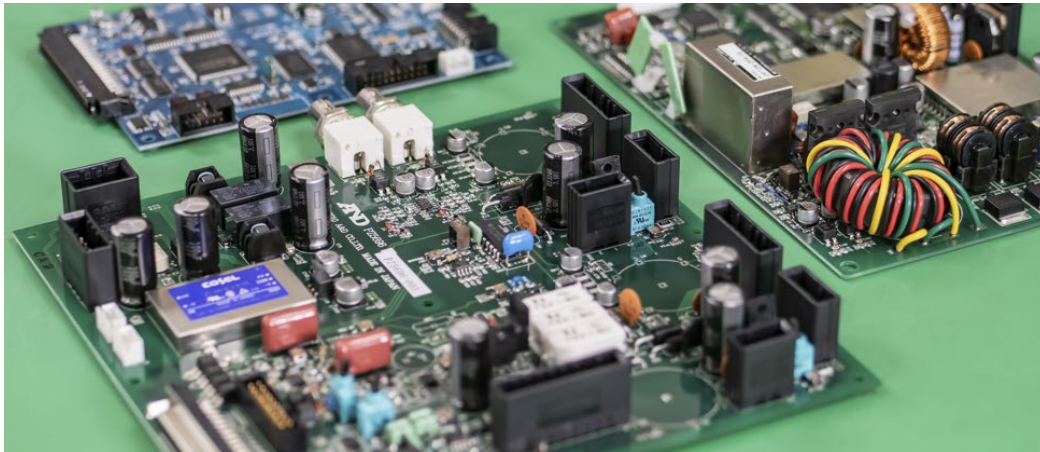


Procurement Policy

A&D

We will develop analog-to-digital conversion technology to contribute to the development of various industries and aid people in leading healthier lives. We shall support the creation of new customer value by providing tools that make full use of measurement and control technology.

In developing our businesses globally, we will emphasize compliance with laws and social norms and consideration for human rights, labor, and the environment throughout the supply chain, strive to build relationships of trust based on mutual understanding with our suppliers, and respect fair and free competition in our procurement activities.



Environmental Conservation

A&D

A&D HOLON Holdings will improve its environmental conservation system in accordance with the "A&D Green Procurement Guidelines" and "A&D Green Procurement Guidelines Related Documents."

This guideline contains information on our management practices to promote procurement of products (units, materials, parts, packaging materials, etc.) with low environmental impact.

We would appreciate our business partners' cooperation.



Contents

1. Message from the President _____

2. Sustainability Policy _____

3. Materiality _____

4. Environment _____

- Disclosure Based on TCFD Recommendations
- Main Risks Related to Climate Change
- Business Opportunities Related to Climate Change
- Environmental Activities Data (Indicators & Targets)
- Environmental Contribution of Businesses
- Initiatives for Environmental Conservation and Reduction of Environmental Impact



5. Society _____

- Customer Relations & Contribution to Society
- Fundamental View on Human Resources
- Personnel and Education Systems
- Work-style Reform
- Occupational Health and Safety and Health Management
- Material Procurement Activities



6. Governance _____

- Corporate Governance
- IR Activities
- Stakeholder Relations



7. Reference Information

Corporate Governance Structure

Fundamental View

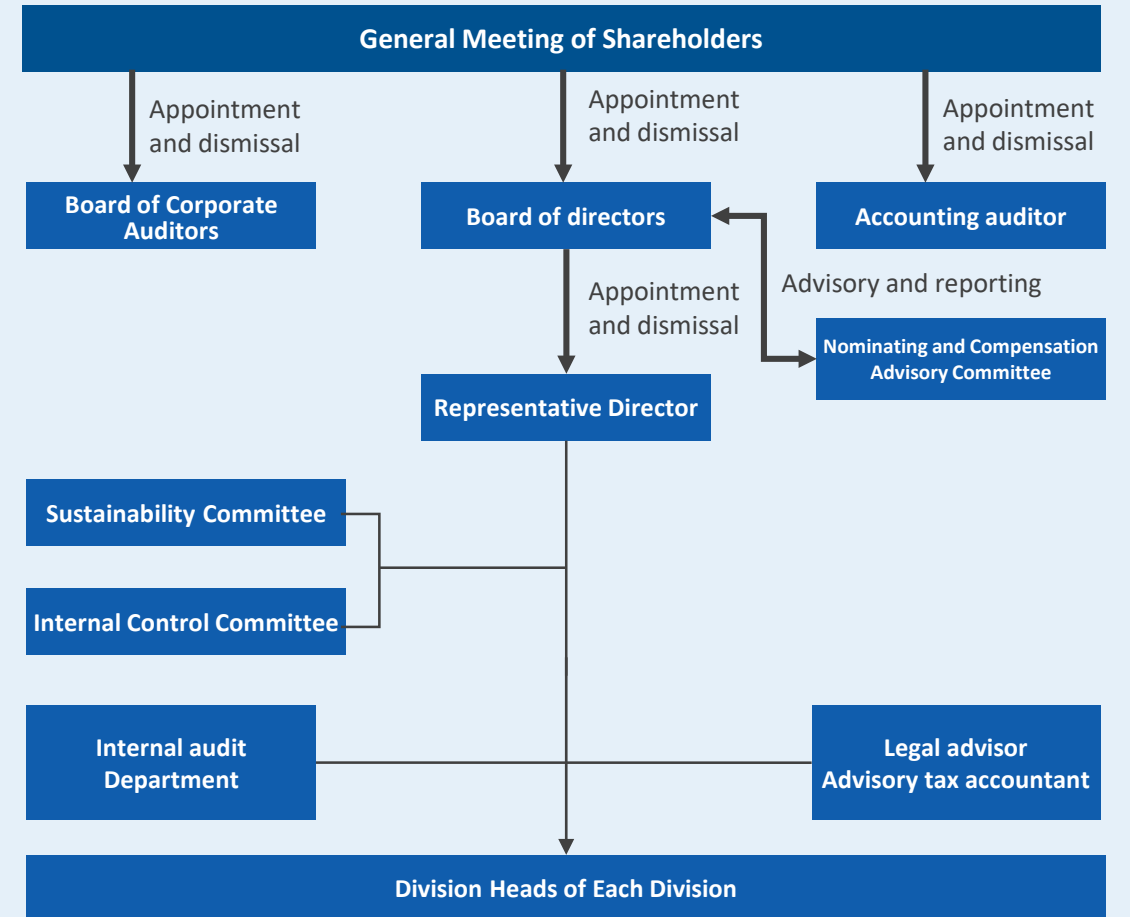
We recognize that enhancing corporate governance is one of the most important tasks for management, and we are working to improve this by establishing a management organizational structure and mechanisms to realize our management philosophy.

Sustainability Promotion Structure

The Sustainability Committee, chaired by the director in charge of the General Affairs Department and composed of internal directors and managers of divisions in charge, determines basic policies for implementing sustainability management, discusses measures to address issues, and manages and supervises activities.



Corporate Governance Structure Chart



Communication with Shareholders and Investors

Financial Results Briefing for Institutional Investors

A&D HOLON Holdings holds financial results briefings for institutional investors and securities analysts twice a year.

We explain our business performance and the progress of our mid-term business plan.

In addition, the company discloses briefing materials of financial results every quarter. We will continue to expand the contents so readers can have a better picture of our company's situation.

Financial Results Briefing for the Fiscal Year Ended March 31, 2025



Individual Investor Relations Meetings

We hold individual meetings and small meetings with institutional investors on a quarterly basis.

In addition to in-person meetings, we also make use of web conferencing and teleconferencing. In FY2024/25, we held 107 meetings in total.



Shareholder Communication

As part of our efforts to provide our shareholders information, we publish shareholder communications on our website biannually. We work hard to communicate the various initiatives our company is taking in an easy-to-understand manner.

> Shareholder Communication: Mar 31, 2025

President's Interview regarding the Long-Term Vision 2034 / Medium-Term Business Plan (FY2025-FY2027)



Index

- > Top Message
- > Financial Highlights
- > Long-term Vision & Medium-term Business Plan Interview
- > Topics

The Group is committed to strengthening partnerships with stakeholders through consistent communication in order to establish good relationships of trust.

Stakeholders	Main communication opportunities
Customers	Sales activities / Product operation briefings for distributors / Various exhibitions, Web seminars / Customer Service Center / A&D mail magazine, WAY information magazine / APS inventory search site
Shareholders and Investors	General Meeting of Shareholders / Financial Results Briefing for Institutional Investors / Company and Factory Tours / Individual Meetings with Institutional Investors / Web Shareholders' Newsletter
Employees	Labor-management conferences / Training by job level and job function / Business improvement suggestion system / In-house e-mail magazine "HEAT UP!"
Business Partners	Procurement activities / A&D cooperation meetings (new product briefings, business policy briefings, etc.) / Supplier visits / Cooperative factory audits
Community, Government, Local Government	Cooperation with local community associations (loan of parking lots, grounds, etc.) / Company and factory tours

Contents

1. Message from the President

2. Sustainability Policy

3. Materiality

4. Environment

- Disclosure Based on TCFD Recommendations
- Main Risks Related to Climate Change
- Business Opportunities Related to Climate Change
- Environmental Activities Data (Indicators & Targets)
- Environmental Contribution of Businesses
- Initiatives for Environmental Conservation and Reduction of Environmental Impact



5. Society

- Customer Relations & Contribution to Society
- Fundamental View on Human Resources
- Personnel and Education Systems
- Work-style Reform
- Occupational Health and Safety and Health Management
- Material Procurement Activities



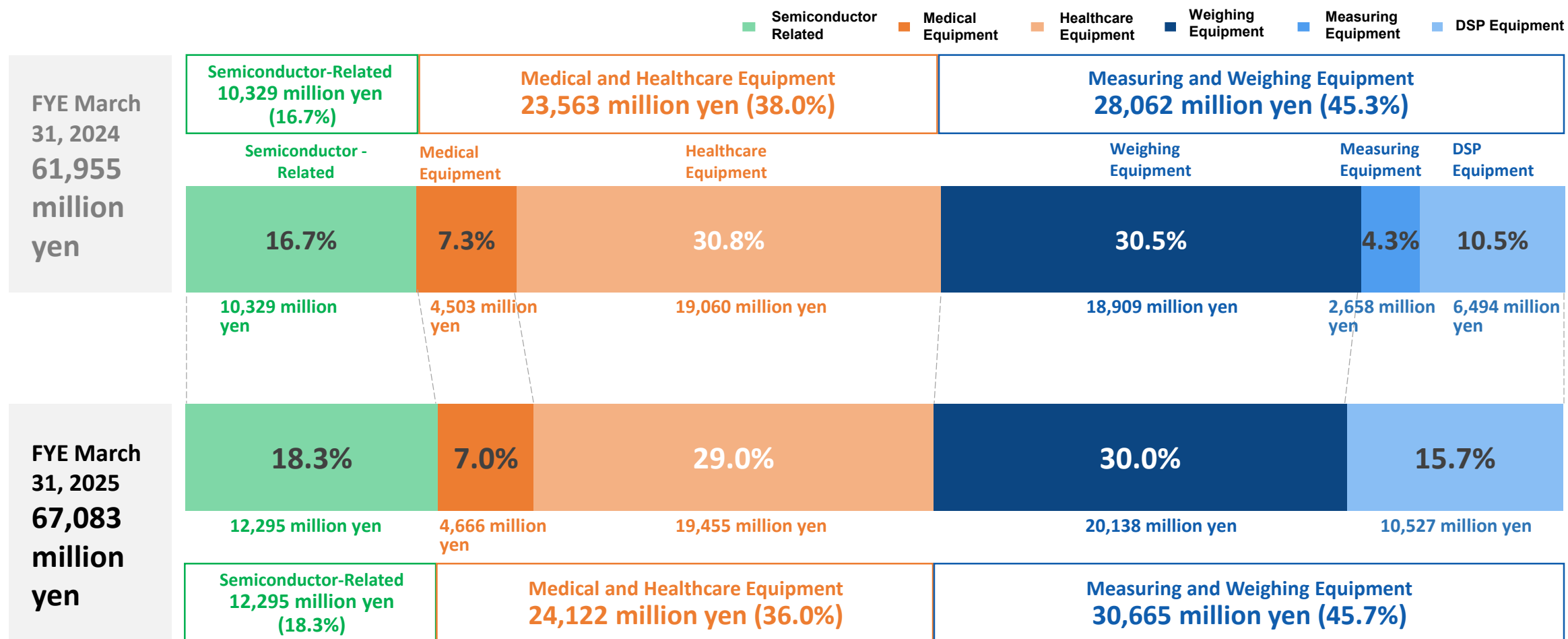
6. Governance

- Corporate Governance
- IR Activities
- Stakeholder Relations



7. Reference Information

Net Sales Composition by Business Segment



CD-SEM for Photomask



Fully Automatic BPM



Home BPM



Analytical Electronic Balances



Vehicle-mounted integrated Measurement System (VMS)



Tensile and Compression Testing Machine

Point of Contact



**3-23-14 Higashi-Ikebukuro, Toshima-ku, Tokyo
170-0013, Japan**



TEL: 03-5391-6124



**Public Relations and Investor Relations Section,
Corporate Strategy Department, A&D HOLON
Holdings Company, Limited**

