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A&D HOLON Holdings Company, Limited
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Notice Concerning Announcement of Incident of Subsidiary

A&D Company, Limited (Head office: Toshima-ku, Tokyo; Representative Director: Yasunobu Morishima) (the “Subsidiary”), a consolidated subsidiary of A&D HOLON Holdings Company, Limited (the “Company”), violated the Measurement Act in the repair of specified measuring instruments. The Subsidiary has posted the details of the incident and the serial numbers of the affected devices on its website to inform users of the products concerned.

We sincerely apologize for this situation. We would like to express our deepest apologies for the inconvenience and concern caused to all customers using the affected products and to all parties involved.

Details of the violation of the Measurement Act, causes of the incident, the process leading to the announcement, and corrective/preventive actions are provided below.

1. Details of violation

(1) Violation of Measurement Act: Article 49 “Removal of Verification Mark”

The Article stipulates that “A person who has performed...repair of a specified measuring instrument affixed with a verification mark, etc....must remove the verification mark, etc.” However, in non-compliance with the provision, the repair performed was different from the repair work reported, where the verification mark, etc., had not been removed.

Regarding the repair work performed at the Development and Technology Center (Kitamoto City, Saitama Prefecture), the Subsidiary has received administrative guidance of “Severe Warning” from the Saitama Prefecture Metrology Inspection Office dated September 12, 2025.

(2) Violation of Measurement Act: Article 46 “Notification of Business”

The Article stipulates that “A person...who intends to engage in the business of repairing specified measuring instruments...must provide notification...to the prefectural governor having jurisdiction over the location of the person's place of business...” However, the Subsidiary's offices in Nagoya, Osaka, Hiroshima, and Fukuoka, as well as one subcontractor, did not submit the required notifications.

2. Causes of the incident

(1) Violation of Measurement Act: Article 49 “Removal of Verification Mark”

Lack of awareness of the need to comply with regulations in the Subsidiary's repair department led the staff to skip explanation of the need to remove verification marks and reinspection after repairs to save time and labor for these tasks. As repair operations were consolidated into a single department, the department gave priority to its own operational efficiency. There was not a sufficient system in place to monitor and control the repair department and its operations, or to issue warnings. Consequently, operations were not managed appropriately.

(2) Violation of Measurement Act: Article 46 “Notification of Business”

1) Violations at Subsidiary's offices (Nagoya, Osaka, Hiroshima, and Fukuoka)

The Subsidiary had the misconception that since its Development and Technology Center in Kitamoto City, Saitama Prefecture, was registered as a “notifying manufacturing business operator,” there was no need for any other office to individually register as a “notifying repair business operator” on a company-wide basis. Business operators engaged in the repair of specified measuring instruments are required to file a notification as a “notifying repair business operator” with each prefectural government. Accordingly, in this case, only the Development and Technology Center is not required to file such a notification, but the Subsidiary's offices in other prefectures must file this notification.

2) Violation by a subcontractor

Both the Tokai office and its subcontractor were aware that registration as a “notifying repair business operator” was required. However, both parties ignored the violation because there was no inconvenience from having not filed the required notification. This was owing to the lack of awareness of the need to comply with regulations.

3. Violation of laws and regulations and background leading to announcement

(1) Violation of laws and regulations

- 1) The Subsidiary had been inappropriately treating repairs of specified measuring instruments bearing certification seals, etc., which actually require the removal of certification seals as minor or simple repairs that do not require the removal of certification seals since earlier than March 2020. The Subsidiary outsourced repair work to external contractors in addition to in-house operation and had instructed the subcontractors to perform the repairs in the same manner.
- 2) The number of units in this incident where verification marks may not have been removed is 5,109. As work reports related to repair operations are only available after April 2020, details prior to April 2020 cannot be verified. Accordingly, the applicable period for this incident is between April 2020 and July 2025.
- 3) In the course of addressing this incident, it was discovered that there were offices and a subcontractor that had not been registered as “notifying repair business operator,” as mentioned earlier.

(2) Background leading to announcement

Of the 5,109 units for which the verification mark may not have been removed, the Subsidiary is in the process of implementing corrective actions, such as re-repairs or replacement with new units, for the initially identified 1,044 units that were repaired by the Development and Technology Center. At this time, it has not been possible to identify the users of 88 devices so the Subsidiary has taken the appropriate measures of posting the device numbers on its website to allow users of the devices to send information.

4. Corrective actions and recurrence prevention measures

(1) Corrective actions

1) Violation of Measurement Act: Article 49 “Removal of Verification Mark”

Regarding the initially identified 1,044 units that were repaired by the Development and Technology Center, corrective actions are being implemented sequentially. As previously stated, the Subsidiary is working to identify affected users and take appropriate actions by the completion deadline of December 31, 2025.

The Subsidiary is also making preparations for other offices, including arranging for human resources, space, and substitute equipment to be able to start work as soon as possible.

2) Violation of Measurement Act: Article 46 “Notification of Business”

The Subsidiary has already begun preparations for the process of submitting “notifying repair business operator” notifications to the respective prefectural governors. The process is expected to take two to three months to complete. During this time, the concerned offices will not be allowed to engage in the repair of specified measuring instruments.

However, the subcontractor has completed its registration as a “notifying repair business operator”.

(2) Recurrence prevention measures

A “business improvement committee” headed by an external director of the parent has already been set up to take the following measures:

- 1) Manage progress of corrective actions and expedite implementation
- 2) Increase compliance and improve employee training
- 3) Improve repair operations and related administrative procedures
- 4) Review organizational structure and systems
- 5) Consider and implement disciplinary actions against involved parties

5. Other

The Company is currently reviewing the impact of this incident on the Group's performance. Any matters requiring disclosure will be promptly announced.