



Consolidated Financial Results
for the Six Months Ended September 30, 2024
(Interim Results) [Japanese GAAP]

November 8, 2024

Company name: A&D HOLON Holdings Company, Limited
Stock exchange listing: Tokyo Stock Exchange
Code number: 7745
URL: <https://andholon.com/en>
Representative: Yasunobu Morishima, President & CEO
Contact: Koji Takahashi, Director and Senior Executive Officer
Phone: +81-48-593-1590
Scheduled date of filing interim report: November 14, 2024
Scheduled date of commencing dividend payments: December 4, 2024
Availability of supplementary briefing material on interim financial results: Available
Holding of interim financial results briefing session: Scheduled (For Institutional Investors)

(Amounts of less than one million yen are truncated.)

1. Consolidated Financial Results for the Six Months Ended September 30, 2024 (Interim Results) (April 1, 2024 to September 30, 2024)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net profit attributable to parent company shareholders	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2024	30,375	3.5	3,273	3.5	3,184	(6.7)	1,769	(17.7)
September 30, 2023	29,335	8.0	3,163	73.2	3,411	52.8	2,150	46.7

Note: Comprehensive income Six months ended September 30, 2024: ¥840 million [(65.4)%]
Six months ended September 30, 2023: ¥2,428 million [(54.3)%]

	Basic earnings per share	Diluted earnings per share
Six months ended September 30, 2024	Yen 64.38	Yen 64.32
September 30, 2023	78.30	78.23

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
As of September 30, 2024	Million yen 66,655	Million yen 38,072	57.0%
As of March 31, 2024	71,986	37,762	52.3

Reference: Equity As of September 30, 2024: ¥37,997 million
As of March 31, 2024: ¥37,672 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2024	Yen -	Yen 15.00	Yen -	Yen 20.00	Yen 35.00
Fiscal year ending March 31, 2025	-	20.00	-	-	-
Fiscal year ending March 31, 2025 (Forecast)	-	-	-	20.00	40.00

Note: Revision to the forecast for dividends announced most recently: No

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 interim 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. Interim Consolidated Financial Statements and Primary Notes, (3) Notes to Interim 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)

September 30, 2024: 27,845,208 shares

March 31, 2024: 27,845,208 shares

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

September 30, 2024: 318,707 shares

March 31, 2024: 361,167 shares

3) Average number of shares during the period:

Six months ended September 30, 2024: 27,484,196 shares

Six months ended September 30, 2023: 27,462,316 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.

* The financial results (interim results) for the six months ended September 30, 2024 are outside the scope of review by certified public accountants or audit corporations.

* Explanation of the proper use of financial results forecasts and other notes

Forward-looking statements in this document, including financial results forecasts, are based on information available and certain assumptions deemed reasonable by the Company at present, and the Company does not guarantee their achievement. Actual business results, etc., may differ significantly due to various factors.

Table of Contents

1. Qualitative Information on Interim Financial Results for the Period.....	2
(1) Business Results	2
(2) Financial Position	2
(3) Consolidated Financial Results Forecast and Other Forward-looking Information.....	3
2. Interim Consolidated Financial Statements and Primary Notes.....	4
(1) Interim Consolidated Balance Sheets	4
(2) Interim Consolidated Statements of Income and Comprehensive Income	6
Interim Consolidated Statements of Income	
Six Months Ended September 30.....	6
Interim Consolidated Statements of Comprehensive Income	
Six Months Ended September 30.....	7
(3) Notes to Interim Consolidated Financial Statements.....	8
(Notes on going concern assumption).....	8
(Notes in the case of significant changes in shareholders' equity)	8
(Notes on changes in accounting policies).....	8
(Notes on accounting policies adopted specially for the preparation of interim consolidated financial statements)	
.....	8
(Notes on segment information, etc.).....	9

1. Qualitative Information on Interim Financial Results for the Period

(1) Business Results

During the six months ended September 30, 2024, the global economy continued to face an uncertain outlook due to geopolitical risks in areas such as Ukraine and the Middle East, exchange rate fluctuations caused by interest rate differences between Japan and the Western countries, and also the prolonged slowdown of the Chinese economy.

Amid such circumstances, A&D HOLON Holdings Company, Limited (the “Company”), and its subsidiaries (collectively, the “Group”), under a medium-term management plan for fiscal 2022 to 2024, have 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, although demand for the Company’s products remained robust as the recovery in the semiconductor market continued, there was a year-on-year decrease in both sales and profit due to the delay of some projects. In the Medical and Healthcare Equipment Business, factors such as fluctuations in demand by customer and region and the impact of currency exchange resulted in a year-on-year increase for sales and decrease for profit. In the Measuring and Weighing Equipment Business, there was a year-on-year increase in both sales and profit due to a partial recovery in demand in the Americas and continued robust demand in Asia.

As a result, net sales for the six months ended September 30, 2024, were ¥30,375 million (up 3.5% year-on-year), operating profit was ¥3,273 million (up 3.5% year-on-year), ordinary profit was ¥3,184 million (down 6.7% year-on-year), and net profit attributable to parent company shareholders was ¥1,769 million (down 17.7% year-on-year).

Business results by segment are as follows.

1) Semiconductor-related Business

Although we responded to customer requirements while orders continued to be robust, both sales and profit decreased due to the delay of some projects to the second half of the year.

As a result, net sales in the Semiconductor-related Business were ¥5,414 million (down 4.6% year-on-year) and operating profit was ¥1,814 million (down 16.1% year-on-year).

2) Medical and Healthcare Equipment Business

In Japan, although sales decreased due to sluggish shipments to major customers, profit increased as a result of an improvement to the product mix and productivity.

In the Americas, while sales were sluggish on a local currency base due to continued low demand for home blood pressure monitors, sales after yen-conversion increased due to the impact of currency exchange. Profit decreased due to increased personnel expenses associated with strengthening business activities.

In Europe, sales increased as a result of continued focus on maintaining local market share. Although profit decreased due to increased costs associated with strengthening sales activities and the impact of exchange rates, the rate of decrease in profit improved compared to the three months ended June 30, 2024.

As a result, net sales in the Medical and Healthcare Equipment Business were ¥11,693 million (up 4.7% year-on-year) and operating profit was ¥2,134 million (down 3.2% year-on-year).

3) Measuring and Weighing Equipment Business

In Japan, although sales decreased due to weak demand for Weighing Equipment and the reactionary decline from large projects in the previous fiscal year, profit increased as a result of an improvement to the product mix and productivity.

In the Americas, sales increased thanks to a partial recovery from the previous fiscal year's reactionary decline, which followed the special demand two fiscal years ago. In terms of profit, although an operating loss has persisted since Q1 due to increased personnel expenses accompanying the strengthening of sales activities and the impact of foreign exchange rates, the loss was reduced in line with the increase in sales.

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 ¥13,267 million (up 6.2% year-on-year) and operating profit was ¥543 million (up 50.1% year-on-year).

(2) Financial Position

(Assets, liabilities and net assets)

Total assets as of September 30, 2024, were ¥66,655 million, a decrease of ¥5,330 million compared to the end of the previous fiscal year. This was mainly due to a decrease in current assets by ¥4,871 million, primarily resulting from a decrease in notes and accounts receivable and contract assets.

Total liabilities as of September 30, 2024, were ¥28,583 million, a decrease of ¥5,640 million compared to the end of the previous fiscal year. This was primarily due to a decrease of ¥5,020 million in current liabilities owing to such factors as a reduction in short-term borrowings and accrued consumption taxes included in “Other”, as well as a decrease in fixed liabilities of ¥620 million due to a reduction of long-term borrowings and other factors.

Net assets as of September 30, 2024, were ¥38,072 million, an increase of ¥309 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 ¥1,256 million while accumulated other comprehensive income decreased ¥931 million compared to the end of the previous fiscal year.

(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. Interim Consolidated Financial Statements and Primary Notes

(1) Interim Consolidated Balance Sheets

(Million yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	14,642	13,471
Notes and accounts receivable and contract assets	17,869	13,526
Products	9,027	9,390
Unfinished goods	5,107	5,925
Raw materials and supplies	5,977	5,773
Other	1,858	1,491
Allowance for doubtful accounts	(115)	(82)
Total current assets	54,368	49,496
Fixed Assets		
Tangible fixed assets		
Land	5,912	5,881
Other, net	7,005	6,741
Total tangible fixed assets	12,918	12,623
Intangible fixed assets		
Goodwill	7	12
Other	1,337	1,338
Total intangible fixed assets	1,345	1,351
Investments, etc.	*1 3,354	3,184
Total fixed assets	17,618	17,159
Total assets	71,986	66,655
Liabilities		
Current liabilities		
Notes and accounts payable	5,265	4,423
Short-term borrowings	13,433	12,073
Long-term borrowings to be repaid within one year	1,258	1,035
Accrued corporate taxes, etc.	1,593	995
Provision for bonuses	1,388	1,455
Provision for product warranties	341	244
Other	6,614	4,649
Total current liabilities	29,896	24,876
Fixed liabilities		
Long-term borrowings	2,097	1,606
Provision for retirement benefits for directors (and other officers)	122	-
Provision for product warranties	25	21
Retirement benefit liabilities	1,010	1,034
Provision for share-based remuneration for directors (and other officers)	90	78
Other	980	965
Total fixed liabilities	4,327	3,707
Total liabilities	34,223	28,583

(Million yen)

	As of March 31, 2024	As of September 30, 2024
Net assets		
Shareholders' equity		
Share capital	6,388	6,388
Share capital surplus	8,319	8,345
Retained earnings	23,471	24,686
Treasury shares	(162)	(147)
Total shareholders' equity	38,017	39,273
Accumulated other comprehensive income		
Unrealized gains on other marketable securities	45	34
Foreign currency translation adjustments	(511)	(1,409)
Accumulated adjustment on retirement benefits	122	100
Total accumulated other comprehensive income	(344)	(1,275)
Non-controlling interests	89	74
Total net assets	37,762	38,072
Total liabilities and net assets	71,986	66,655

(2) Interim Consolidated Statements of Income and Comprehensive Income

Interim Consolidated Statements of Income

Six Months Ended September 30

(Million yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Net sales	29,335	30,375
Cost of sales	16,503	16,610
Gross profit	12,832	13,764
Selling, general and administrative expenses	9,669	10,491
Operating profit (loss)	3,163	3,273
Non-operating income		
Interest income	109	219
Foreign exchange gains	293	-
Rental income from land and buildings	24	26
Other	73	55
Total non-operating income	500	301
Non-operating expenses		
Interest expenses	202	174
Foreign exchange losses	-	173
Other	49	42
Total non-operating expenses	252	390
Ordinary profit (loss)	3,411	3,184
Extraordinary income		
Gain on sales of fixed assets	0	2
Total extraordinary income	0	2
Extraordinary loss		
Loss on sales of fixed assets	-	0
Loss on retirement of fixed assets	8	4
Loss on valuation of investment securities	-	2
Total extraordinary loss	8	7
Net profit (loss) before taxes	3,404	3,179
Corporate tax, resident income tax and business taxes	1,245	1,092
Corporate tax adjustments	(0)	304
Total corporate taxes	1,244	1,396
Profit (loss)	2,159	1,782
Net profit attributable to non-controlling interests	9	13
Net profit (loss) attributable to parent company shareholders	2,150	1,769

Interim Consolidated Statements of Comprehensive Income
Six Months Ended September 30

(Million yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Profit (loss)	2,159	1,782
Other comprehensive income		
Unrealized gains on other marketable securities	3	(11)
Foreign currency translation adjustments	289	(908)
Adjustment related to retirement benefits	(23)	(21)
Total other comprehensive income	268	(941)
Comprehensive income	2,428	840
(Breakdown)		
Comprehensive income attributable to parent company shareholders	2,418	837
Comprehensive income attributable to non-controlling interests	10	2

(3) Notes to Interim Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

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

Not applicable.

(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 six 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 Paragraph 20-3 as well as the proviso for "Implementation Guidance on Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022. Hereinafter "2022 Revised Guidance") Paragraph 65-2 (2). There is no impact on the interim consolidated financial statements due to this change.

Also, from the beginning of the six 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 interim consolidated financial statements consolidated financial statements and consolidated financial statements for the previous interim and previous fiscal year are presented after this retroactive application of standards. There is no impact on the interim consolidated financial statements and consolidated financial statements for the previous interim and previous fiscal year due to this change.

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

	For the six months ended September 30, 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 six months ended September 30, 2024, and multiplying profit before taxes by the estimated effective tax rate.

(Notes on segment information, etc.)

[Segment information]

I. For the six months ended September 30, 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	5,674	-	-	-	5,674
Inter-segment net sales or transfers	-	-	-	-	-
Total	5,674	-	-	-	5,674
Segment profit (loss)	2,163	-	-	-	2,163

	Medical and Healthcare Equipment Business				
	Japan	Americas	Europe	Asia and Oceania	Total
Net sales					
Net sales to outside customers	2,555	4,561	3,877	178	11,173
Inter-segment net sales or transfers	5,829	0	9	4,109	9,949
Total	8,385	4,561	3,887	4,288	21,123
Segment profit (loss)	1,395	276	284	246	2,203

	Measuring and Weighing Equipment Business					Adjustment (Note 1)	Amount recorded on Interim Consolidated Statements of Income (Note 2)
	Japan	Americas	Europe	Asia and Oceania	Total		
Net sales							
Net sales to outside customers	7,835	2,006	287	2,358	12,488	-	29,335
Inter-segment net sales or transfers	1,334	182	-	1,366	2,883	(12,833)	-
Total	9,170	2,189	287	3,724	15,371	(12,833)	29,335
Segment profit (loss)	185	26	(34)	184	361	(1,566)	3,163

- Notes: 1. The adjustment of ¥(1,566) million in segment profit (loss) includes corporate expenses of ¥(874) million not allocated to reportable segments and ¥(718) million in elimination of unrealized income on inventories in transactions between reportable segments. Corporate expenses are primarily general and administrative expenses for management departments.
2. Segment profit (loss) is adjusted with operating profit on the Interim Consolidated Statements of Income.

2. Information on impairment loss or goodwill, etc., for fixed assets by reportable segment

Not applicable.

II. For the six months ended September 30, 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	5,414	-	-	-	5,414
Inter-segment net sales or transfers	-	-	-	-	-
Total	5,414	-	-	-	5,414
Segment profit (loss)	1,814	-	-	-	1,814

	Medical and Healthcare Equipment Business				
	Japan	Americas	Europe	Asia and Oceania	Total
Net sales					
Net sales to outside customers	2,418	4,645	4,399	229	11,693
Inter-segment net sales or transfers	6,293	1	0	4,557	10,853
Total	8,712	4,646	4,399	4,787	22,546
Segment profit (loss)	1,567	144	221	199	2,134

	Measuring and Weighing Equipment Business					Adjustment (Note 1)	Amount recorded on Interim Consolidated Statements of Income (Note 2)
	Japan	Americas	Europe	Asia and Oceania	Total		
Net sales							
Net sales to outside customers	7,682	2,444	346	2,794	13,267	-	30,375
Inter-segment net sales or transfers	1,765	156	0	1,594	3,517	(14,370)	-
Total	9,448	2,600	346	4,389	16,784	(14,370)	30,375
Segment profit (loss)	301	(65)	(0)	307	543	(1,218)	3,273

Notes: 1. The adjustment of ¥(1,218) million in segment profit (loss) includes corporate expenses of ¥(925) million not allocated to reportable segments and ¥(203) million in elimination of unrealized income on inventories in transactions between reportable segments. Corporate expenses are primarily general and administrative expenses for management departments.

2. Segment profit (loss) is adjusted with operating profit on the Interim Consolidated Statements of Income.

2. Information on impairment loss or goodwill, etc., for fixed assets by reportable segment

There are no significant matters.