

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2021	–	10.00	–	15.00	25.00
Fiscal year ending March 31, 2022	–	10.00	–		
Fiscal year ending March 31, 2022 (Forecast)				15.00	25.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022 (April 1, 2021 to March 31, 2022)

(% 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 year	51,500	6.4	5,360	21.7	5,410	18.5	3,430	2.7	166.06

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

* Notes:

(1) Changes in significant subsidiaries during the period: No

(Changes in specified subsidiaries accompanying changes to the scope of consolidation)

New: – companies (Company name) –; Excluded: – companies (Company name) –

(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, (Changes in accounting policies)” on page 11 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, 2021: 22,601,400 shares

March 31, 2021: 22,579,700 shares

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

December 31, 2021: 1,919,070 shares

March 31, 2021: 1,951,470 shares

3) Average number of shares during the period:

Nine months ended December 31, 2021: 20,664,428 shares

Nine months ended December 31, 2020: 20,628,334 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.

* These consolidated financial results are outside the scope of quarterly 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.

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1. Qualitative Information on Quarterly Financial Results for the Period

(1) Business Results

Looking back at the economic environment surrounding A&D Company, Ltd. (the “Company”) and its subsidiaries (collectively, the “Group”) during the nine months ended December 31, 2021, the severe situation caused by the COVID-19 pandemic gradually eased in Japan. As more people were vaccinated, corporate and economic activity gradually returned and positive developments emerged in the manufacturing sector, including capital investment moves. However, the situation remains uncertain due to the emergence of the omicron variant of the new coronavirus. Overseas, signs of recovery are seen in economic activity in the U.S., European countries and China, but the economic environment remains uncertain due to such factors as supply chain disruptions, spikes in material prices, shipping delays caused by a shortage of containers, and soaring transportation costs, aggravated by the risk that the omicron variant may cause a renewed spread of the pandemic.

Amid such circumstances, the Group focused on online marketing activities while working remotely and holding meetings online to prevent the spread of infection. As we expected increases in component and material prices and higher transportation costs, we worked to reduce production costs and made efforts to control fixed costs.

As a result, net sales for the nine months ended December 31, 2021 were ¥37,325 million (up 6.9% year-on-year), operating profit was ¥3,568 million (up 17.0% year-on-year), ordinary profit was ¥3,685 million (up 18.2% year-on-year), and net profit attributable to parent company shareholders was ¥2,160 million (down 2.7% year-on-year).

The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. effective from the beginning of the first quarter of the fiscal year. For details of the impact of this application on the financial position and business results, please refer to “2. Quarterly Consolidated Financial Statements and Primary Notes, (3) Notes to Quarterly Consolidated Financial Statements, (Changes in accounting policies) as well as (Segment information, etc.), [Segment information], 2. Disclosure of changes, etc. in reportable segments.”

Business results by segment are as follows.

1) Measurement and Weighing Instruments Business

In Japan, orders recovered from the year-earlier level as economic activity was beginning to return for the measurement and control simulation systems (DSP systems) business, but sales decreased. On the other hand, sales significantly increased for weighing instruments and equipment related to semiconductor production as capital expenditure-driven demand recovered and gained momentum. This, coupled with efforts to reduce costs, helped profit increase significantly from the year-earlier level.

In the Americas, orders returned for the measurement and control simulation systems (DSP systems) business, as they did in Japan, but the impact of this on sales in this business was delayed due to such factors as a slow supply of materials, resulting in sales staying largely flat from the year-earlier level. Still, sales increased, and profit doubled for the region as core weighing instruments grew, driven by a recovery in demand and new market entries, and as metal detectors and checkweighers grew.

In Europe, profit remained largely flat from a year earlier as expenses increased due to soaring transportation costs, but sales grew due to an effort to strengthen sales networks for weighing instruments.

In Asia and Oceania, both sales and profits grew, driven by a significant increase in weighing instruments sales in South Korea, strong sales of weighing instruments for the jewelry market in India, and strong sales in Australia of metal detectors and checkweighers as well as a growth in sales of weighing instruments.

As a result, net sales in the measurement and weighing instruments business were ¥21,232 million (up 11.5% year-on-year) and operating profit was ¥1,898 million (up 108.9% year-on-year).

2) Medical and Healthcare Business

Orders increased significantly for the medical and healthcare business as demand for blood pressure monitors remained high, but sales rose only slightly from a year earlier as production and shipment were restricted due to

difficulty to procure components, such as CPUs.

In Japan, both sales and profit declined as a pandemic-driven demand spike for thermometers, etc. seen in the previous fiscal year ran its course for the healthcare business, although the medical business remained solid due to a recovery in demand from capital expenditures at hospitals, nursing care facilities, etc.

In the Americas, shipment remained steady for a large-scale project and products for the U.S Department of Veterans Affairs, but sales remained largely unchanged from a year-earlier level partly because a pandemic-driven demand spike ran its course in Canada and soaring transportation costs pushed profit lower.

In Europe, both sales and profit increased, driven by a successful bid on a government contract for blood pressure monitors in Russia and market share expansions of many healthcare devices, including home-use blood pressure monitors, as a result of focusing on branding activities, such as sponsoring various events in the medical and healthcare areas, as well as strong e-commerce sales in the U.K.

As a result, net sales in the medical and healthcare business were ¥16,092 million (up 1.4% year-on-year) and operating profit was ¥3,186 million (down 9.0% year-on-year).

(2) Financial Position

(Assets, liabilities and net assets)

Total assets as of December 31, 2021 were ¥57,199 million, an increase of ¥3,080 million compared to the end of the previous fiscal year. This was attributable chiefly to an increase of ¥2,143 million in current assets, driven by increases of ¥1,942 million in unfinished goods and ¥1,343 million in raw materials and supplies despite a decrease of ¥1,343 million in cash and deposits as we took measures to secure materials in advance in response to a tight supply of components, in addition to an increase of ¥937 million in fixed assets mainly resulting from the construction of a new office building at HOLON Co., Ltd.

Total liabilities as of December 31, 2021 were ¥31,756 million, an increase of ¥1,025 million compared to the end of the previous fiscal year. This was due to an increase of ¥1,594 million in current liabilities driven mainly by increased notes and accounts payable as we took measures to secure materials in advance, partially offset by a decrease of ¥569 million in fixed liabilities driven mainly by a decrease in long-term borrowings.

Net assets as of December 31, 2021 were ¥25,442 million, an increase of ¥2,055 million compared with the end of the previous fiscal year. This was driven by ¥1,447 million growth in retained earnings, as well as ¥422 million growth in accumulated other comprehensive income which is due to growth in foreign currency translation adjustments.

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

There are no changes from the consolidated financial results forecast announced on November 9, 2021.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	13,118	11,775
Notes and accounts receivable	13,108	—
Notes and accounts receivable and contract assets	—	12,427
Products	6,583	7,346
Unfinished goods	2,259	4,201
Raw materials and supplies	3,606	4,950
Other	1,453	1,561
Allowance for doubtful accounts	(100)	(91)
Total current assets	40,028	42,171
Fixed assets		
Tangible fixed assets		
Land	5,104	5,107
Other, net	5,081	6,280
Total tangible fixed assets	10,185	11,388
Intangible fixed assets		
Goodwill	210	145
Other	1,427	1,337
Total intangible fixed assets	1,638	1,482
Investments, etc.	2,267	2,157
Total fixed assets	14,091	15,028
Total assets	54,119	57,199
Liabilities		
Current liabilities		
Notes and accounts payable	4,290	6,117
Short-term borrowings	11,374	11,698
Long-term borrowings to be repaid within one year	2,867	2,529
Accrued corporate taxes, etc.	850	363
Provision for bonuses	1,211	606
Provision for product warranties	178	180
Other	3,815	4,687
Total current liabilities	24,588	26,182
Fixed liabilities		
Corporate bonds	500	500
Long-term borrowings	3,825	3,347
Provision for product warranties	62	68
Retirement benefit liabilities	954	985
Provision for directors' share benefits	79	79
Other	721	593
Total fixed liabilities	6,143	5,574
Total liabilities	30,731	31,756

(Million yen)

	As of March 31, 2021	As of December 31, 2021
Net assets		
Shareholders' equity		
Share capital	6,388	6,388
Share capital surplus	6,413	6,413
Retained earnings	11,506	12,953
Treasury shares	(1,056)	(1,044)
Total shareholders' equity	23,252	24,711
Accumulated other comprehensive income		
Unrealized gains on other marketable securities	28	31
Foreign currency translation adjustments	(2,907)	(2,413)
Accumulated adjustment on retirement benefits	399	325
Total accumulated other comprehensive income	(2,479)	(2,056)
Non-controlling interests	2,614	2,788
Total net assets	23,387	25,442
Total liabilities and net assets	54,119	57,199

(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, 2020	For the nine months ended December 31, 2021
Net sales	34,904	37,325
Cost of sales	19,202	20,984
Gross profit	15,701	16,340
Selling, general, and administrative expenses	12,651	12,771
Operating profit	3,050	3,568
Non-operating income		
Interest income	39	53
Foreign exchange gains	41	39
Subsidy income	87	132
Rental income from land and buildings	29	33
Other	82	51
Total non-operating income	281	311
Non-operating expenses		
Interest expenses	127	104
Settlement package	—	44
Other	86	44
Total non-operating expenses	214	193
Ordinary profit	3,117	3,685
Extraordinary income		
Gain on sales of fixed assets	1	2
Total extraordinary income	1	2
Extraordinary loss		
Loss on theft	—	65
Loss on sales of fixed assets	0	1
Loss on retirement of fixed assets	2	0
Total extraordinary loss	2	67
Net profit before taxes	3,115	3,621
Corporate tax, resident income tax, and business taxes	702	820
Corporate tax adjustments	(3)	332
Total corporate taxes	699	1,153
Net profit	2,416	2,468
Net profit attributable to non-controlling interests	195	307
Net profit attributable to parent company shareholders	2,220	2,160

Quarterly Consolidated Statements of Comprehensive Income
 Nine Months Ended December 31

(Million yen)

	For the nine months ended December 31, 2020	For the nine months ended December 31, 2021
Profit	2,416	2,468
Other comprehensive income		
Unrealized gains on other marketable securities	11	3
Foreign currency translation adjustments	155	498
Adjustment related to retirement benefits	(73)	(74)
Total other comprehensive income	93	427
Comprehensive income	2,509	2,895
(Breakdown)		
Comprehensive income attributable to parent company shareholders	2,313	2,582
Comprehensive income attributable to non- controlling interests	196	312

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

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

Not applicable.

(Changes in accounting policies)

(Application of the "Accounting Standard for Revenue Recognition," etc.)

The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) (hereinafter, the "Revenue Recognition Standard"), etc. effective from the beginning of the first quarter of the fiscal year. Accordingly, the Company recognizes revenue at the amount expected to be received in exchange for promised goods or services at the time when the control of the goods or services is transferred to the customer. Major changes due to this application are as follows: For construction contracts, the Company had been applied the percentage of completion method for those whose outcome of construction activity could be estimated reliably, while applying the completed contract method for other constructions. However, from the beginning of the first quarter of the fiscal year, the Company recognizes revenue for construction contracts at the point of acceptance inspection. Regarding semiconductor-related equipment offered by HOLON Co., Ltd., a domestic subsidiary of the Company, for revenue from foreign markets, which had been recognized at the point of shipment, have now been recognized at the points of shipment and acceptance inspection. For revenue from domestic markets, which had been recognized at the point of acceptance inspection, have now been recognized at the points of delivery and acceptance inspection.

The application of the Revenue Recognition Standard, etc. follows the transitional treatment stipulated in the proviso of Paragraph 84 of the Revenue Recognition Standard. The cumulative effect of retrospective application for the new accounting policy to periods prior to the beginning of the first quarter of the fiscal year has been added to or deducted from the retained earnings at the beginning of the first quarter of the fiscal year, and applied the new accounting policy based on the balance.

As a result, net sales and cost of sales increased by ¥383 million and ¥338 million, respectively, for the nine months ended December, 2021. Selling, general, and administrative expenses decreased by ¥64 million. Operating profit, ordinary profit, and profit before taxes increased by ¥108 million each. The beginning balance of retained earnings and non-controlling interests decreased by ¥188 million and ¥85 million, respectively.

Since the Company has applied the Revenue Recognition Standard, etc., "Notes and accounts receivable," which were presented under "Current assets" on the consolidated balance sheets for the previous fiscal year, have been included in and presented as "Notes and accounts receivable and contract assets" from the first quarter of the fiscal year. In accordance with the transitional treatment stipulated in Paragraph 89-2 of the Revenue Recognition Standard, no reclassification has been made to the previous fiscal year's consolidated financial statements to conform to the new presentation.

(Application of the “Accounting Standard for Fair Value Measurement,” etc.)

The Company has applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019) (hereinafter, the “Fair Value Measurement Standard”), etc. effective from the beginning of the first quarter of the fiscal year. In accordance with the transitional treatment stipulated in Paragraph 19 of the Fair Value Measurement Standard and Paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019), the Company has decided to prospectively apply the new accounting policy set forth by the Fair Value Measurement Standard, etc. The application of the new accounting policy had no impact on the consolidated financial statements.

(Accounting policies adopted specially for the preparation of quarterly consolidated financial statements)

	For the nine months ended December 31, 2021
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.

(Additional information)

(Signing of share-exchange agreement between the Company and HOLON Co., Ltd. and transition to holding company structure)

At a November 29, 2021 meeting, the Company’s Board of Directors voted to approve a management integration plan with HOLON Co., Ltd. (“HOLON”) through share exchange and a plan to carry out a company split in which the Company becomes the splitting company as part of the Group’s transition into a holding company structure (the “Management Integration,” referring to this entire procedure).

In order to realize this Management Integration, the Board of Directors at the meeting voted to approve a share-exchange agreement (the “Share Exchange Agreement”) regarding share exchange with HOLON (the “Share Exchange”) and the Company signed the share exchange agreement with HOLON on the same day. Furthermore, at a December 21, 2021 meeting, the Board of Directors voted to approve a plan to execute an absorption-type company split agreement (the “Absorption-Type Company Split Agreement”) regarding a company split (the “Absorption-Type Company Split”) in which all of the businesses of the Company, excluding the group management and administration business and the asset management business, will be transferred to A&D Split Preparatory Company, Limited founded on December 15, 2021 as the Company’s wholly-owned subsidiary (the “New A&D”), and signed the Absorption-Type Company Split Agreement with the New A&D on the same day.

The Share Exchange Agreement and the Absorption-Type Company Split Agreement will take effect on April 1, 2022 after they are approved at extraordinary shareholders meetings of the respective companies to be convened on February 28, 2022.

1. Purpose of Management Integration

The Management Integration is aimed at making it possible to resolve tasks to be addressed by aligning the direction of the group more than before and creating a structure that can rapidly respond to the changing business environment while utilizing the strengths of the Company and HOLON. Specifically, by creating a holding company structure through the Management Integration, the Companies will endeavor to strengthen the group strategy function, effectively use group management resources, and maximize value for stakeholders. Additionally, the Company and

HOLON, which entered into a parent-subsidary relationship in 2018 and have mainly interacted in regard to technical matters, believe the Management Integration will lead to the achievement of synergies in such areas as purchase functions, production equipment and greater use of overseas operations, not just in technical matters, such as joint research and development.

2. Schedule of Management Integration

Board of directors meeting to approve execution of Share Exchange Agreement, establishment of Split Preparatory Company, and Absorption-Type Company Split (Company)	November 29, 2021
Board of directors meeting to approve execution of Share Exchange Agreement (HOLON)	
Execution of Share Exchange Agreement (Company and HOLON)	
Establishment of Split Preparatory Company (New A&D)	December 15, 2021
Execution of Absorption-Type Company Split Agreement (Company and New A&D)	December 21, 2021
Public announcement of record date for extraordinary shareholders meetings (Company and HOLON)	December 15, 2021
Record date for extraordinary shareholders meetings (Company and HOLON)	December 31, 2021
Extraordinary shareholders meetings (Company, HOLON and New A&D)	February 28, 2022 (planned)
Final trading date (HOLON)	March 29, 2022 (planned)
Delisting date (HOLON)	March 30, 2022 (planned)
Effective date of Share Exchange (Company and HOLON)	April 1, 2022 (planned)
Effective date of Absorption-Type Company Split (Company and New A&D)	
Change to trade names (Company and New A&D)	

- Notes:
1. The above schedule of the Management Integration is as planned at present; however, the above schedule may be changed in the future as procedures for the Management Integration are conducted due to the status of preparation for the Management Integration or other reasons.
 2. The trade names of the Company and New A&D will be changed to “A&D HOLON Holdings Company, Limited” and “A&D Company, Limited,” respectively, on condition that the Share Exchange and the Absorption-Type Company Split take effect on April 1, 2022 (planned).

3. Outline of Share Exchange

(1) Method of Share Exchange

The method of the Share Exchange will be a share exchange in which the Company will be the wholly-owning parent company resulting from share exchange and HOLON will be the wholly-owned subsidiary resulting from share exchange.

The Share Exchange is planned to be conducted with an effective date of April 1, 2022 after being approved by extraordinary shareholders meetings of the companies planned to be held on February 28, 2022.

(2) Share Exchange Ratio

	Company (wholly-owning parent company resulting from share exchange)	HOLON (wholly-owned subsidiary resulting from share exchange)
Share Exchange Ratio	1	3.60

Note: A total of 6,743,808 common shares in the Company are planned to be delivered through the Share Exchange. The Company plans to allocate some of the treasury shares it holds as part of the shares to be allotted. The breakdown of the allotment is as follows:

- 1) Number of common shares to be newly issued: 5,243,808
 - 2) Number of treasury shares to be allocated: 1,500,000
- (Total number of treasury shares owned as of December 31, 2021: 1,616,070)

The total number of treasury shares owned does not include the Company's shares held by Custody Bank of Japan, Ltd. (Trust E Account) as trust properties of the stock benefit trust system.

(3) Basis for Share Exchange Ratio

In deciding the share exchange ratio, the Company and HOLON selected Plutus Consulting Co., Ltd. ("Plutus") and Yamada Consulting Group Co., Ltd. ("Yamada Consulting") as their respective financial advisors.

Plutus performed the calculation using market price analysis because the Company's and HOLON's common shares are both listed on financial instruments exchanges and therefore have market prices, discounted cash flow analysis ("DCF Analysis") in order to reflect future business activities in the valuation, and comparable company analysis because it is possible to infer the share value through comparison to similar companies as there are listed companies that are comparable to the Companies. Plutus took the outcomes of these analyses from comprehensive angles in calculating the share exchange ratio.

Yamada Consulting performed the calculation by using the market price analysis because the companies are listed on financial instruments exchanges and therefore have market prices, DCF Analysis in order to reflect future business activities in the valuation, and comparable company analysis because it is possible to infer the share value through comparison to similar companies as there are multiple listed companies that are comparable to the Company and HOLON.

The share exchange ratio was decided through negotiation between the parties, with the above analyses used as guides.

(4) Outline of Company to Become Wholly-Owning Parent Company Resulting from Share Exchange (as of December 31, 2021)

Name	A&D Company, Limited
Address	3-23-14 Higashi Ikebukuro, Toshima-ku, Tokyo
Position and name of representative	Representative Director, Executive Officer, and President, Yasunobu Morishima
Business details	Research, development, manufacturing, and distribution of electronic measuring instruments, industrial scales, electronic balances, electronic medical instruments, testing machines, and other applied electronic equipment
Stated capital	¥6,388 million

End of fiscal year	March 31
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(5) Outline of Counterparty Company of Share Exchange (as of December 31, 2021)

Name	HOLON Co., Ltd.
Address	5-40-1 Kamisuna-cho, Tachikawa- shi, Tokyo
Position and name of representative	Representative Director and President, Hao Zhang
Business details	Development, manufacture, and distribution of semiconductor electron beam measurement and inspection equipment
Stated capital	¥1,764 million
End of fiscal year	March 31

4. Outline of Absorption-Type Company Split

(1) Method of Absorption-Type Company Split

The Absorption-Type Company Split will be conducted through an absorption-type company split in which the Company is the splitting company and New A&D, a wholly-owned subsidiary of the Company, is the succeeding company.

The Absorption-Type Company Split is planned to be conducted with an effective date of April 1, 2022 after being approved by the extraordinary shareholders meetings of both companies planned to be held on February 28, 2022.

(2) Shares to Be Issued Upon Company Split and Allotment

In conducting the Absorption-Type Company Split, New A&D will issue 225,000 common shares and allot all of them to the Company, the splitting company, as consideration for the businesses transferred through the Absorption-Type Company Split.

(3) Basis of Calculation for Number of Shares to Be Allotted

As all of the shares to be issued by New A&D in conducting the Absorption-Type Company Split will be allotted to the Company, no valuation has been conducted by a third-party valuation agency. The number of shares to be allotted was decided by taking account of such factors as the amount of stated capital of New A&D.

(4) Company Name After Absorption-Type Company Split

The Company plans to change its trade name to “A&D HOLON Holdings Company, Limited” on the condition that the Absorption-Type Company Split takes effect. New A&D will be given the trade name of A&D Company, Limited, the current trade name of the Company.

(5) Handling of Share Options and Bonds with Share Options Relating to Absorption-Type Company Split

The Company has issued share options, but the handling thereof will not be changed due to the Absorption-Type Company Split. Additionally, the Company has not issued any bonds with share options.

(6) Business Divisions to Be Split

All businesses of the Company, excluding the group management and administration business and the asset

management business.

(7) Performance of Business Divisions to Be Split

	Fiscal year ended March 31, 2021 (Million yen)
Net sales	33,135
Operating profit	1,990
Ordinary profit	2,735

(8) Assets and Liabilities of Business Divisions to Be Split (as of September 30, 2021)

Assets (Million yen)		Liabilities (Million yen)	
Item	Book value	Item	Book value
Current assets	16,092	Current liabilities	7,176
Fixed assets	14,293	Fixed liabilities	752
Total	30,386	Total	7,928

Note: As the above amounts were calculated based on the balance sheet as of September 30, 2021, the actual amounts will be the above amounts plus or minus the changes that may occur by the effective date.

(9) Outline of Succeeding Company in Absorption-Type Company Split (as of December 31, 2021)

Name	A&D Split Preparatory Company, Limited
Address	3-23-14 Higashi Ikebukuro, Toshima-ku, Tokyo
Position and name of representative	Representative Director, Yasunobu Morishima
Business details	Research, development, manufacturing, and distribution of electronic measuring instruments, industrial scales, electronic balances, electronic medical instruments, testing machines, and other applied electronic equipment
Stated capital	¥50 million
End of fiscal year	March 31

(Segment information, etc.)

[Segment information]

I. For the nine months ended December 31, 2020

1. Information on net sales and profit (loss) by reportable segment

(Million yen)

	Measurement and Weighing Instruments Business				
	Japan	Americas	Europe	Asia and Oceania	Total
Net sales					
Net sales to outside customers	13,642	2,348	587	2,462	19,040
Inter-segment net sales or transfers	1,847	110	27	1,631	3,617
Total	15,489	2,458	614	4,094	22,657
Segment profits	591	91	41	184	908

	Medical and Healthcare Business					Adjustment (Note 1)	Consolidation (Note 2)
	Japan	Americas	Europe	Asia and Oceania	Total		
Net sales							
Net sales to outside customers	4,731	5,465	5,396	269	15,863	–	34,904
Inter-segment net sales or transfers	6,923	3	2	5,265	12,194	(15,812)	–
Total	11,654	5,469	5,399	5,535	28,058	(15,812)	34,904
Segment profits	2,197	244	754	305	3,502	(1,361)	3,050

- Notes:
1. The adjustment of ¥(1,361) million in segment profit includes corporate expenses of ¥(1,175) million not allocated to any segments. Corporate expenses are primarily general and administrative expenses for management departments.
 2. Segment profits have been adjusted with operating profit on the quarterly consolidated statements of income.

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

Not applicable.

II. For the nine months ended December 31, 2021

1. Information on net sales and profit (loss) by reportable segment

(Million yen)

	Measurement and Weighing Instruments Business				
	Japan	Americas	Europe	Asia and Oceania	Total
Net sales					
Net sales to outside customers	14,674	2,683	696	3,178	21,232
Inter-segment net sales or transfers	2,429	177	0	2,006	4,613
Total	17,103	2,860	696	5,184	25,845
Segment profits	1,288	221	43	345	1,898

	Medical and Healthcare Business					Adjustment (Note 1)	Consolidation (Note 2)
	Japan	Americas	Europe	Asia and Oceania	Total		
Net sales							
Net sales to outside customers	4,202	5,482	6,012	394	16,092	–	37,325
Inter-segment net sales or transfers	7,628	10	4	5,808	13,452	(18,066)	–
Total	11,831	5,493	6,017	6,203	29,545	(18,066)	37,325
Segment profits	1,867	135	875	308	3,186	(1,516)	3,568

- Notes:
1. The adjustment of ¥(1,516) million in segment profit includes corporate expenses of ¥(1,168) million not allocated to any segments. Corporate expenses are primarily general and administrative expenses for management departments.
 2. Segment profits have been adjusted with operating profit on the quarterly consolidated statements of income.

2. Disclosure of changes, etc. in reportable segments

As stated in “(Changes in accounting policies),” the Company has applied the Revenue Recognition Standard, etc., and changed the accounting method for revenue recognition effective from the beginning of the first quarter of the fiscal year. In line with this change, the Company also changed the method of measurement of segment profits (losses).

As a result, for the nine months ended December 31, 2021, net sales and segment profits of the measurement and weighing instruments business in Japan increased by ¥394 million and ¥108 million, respectively, and net sales and segment profits of the medical and healthcare business in Japan decreased by ¥11 million and ¥0 million, respectively, compared with those measured by the previous method.

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

Not applicable.