Sustainability Initiatives

A&D HOLON Holdings Company, Limited

May 26, 2025

TSE Prime Market: 7745

A&D HOLON Holdings

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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

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.

STEP 1
Identify issues

- Extensively identify issues facing the company from a perspective of ESG and the 17 SDGs goals
- Organize not only what the company is currently doing and what it can do in the future, but also what actions the company should take to solve social and environmental problems.

STEP 2
Evaluate issues

- Evaluate identified issues in terms of both "Internal importance" and "Priority for external dissemination".
- Evaluate the contribution to "Consistency with management philosophy," "Environment," "Society," "Economy," and "Education/Site improvement" on a point scale and narrow down to those with high ratings.

STEP 3
Identify materialities

- Among the narrowed down issues, group the possible materialities, including action items.
- Materialities are determined through deliberation by the Sustainability Committee and final approval by the Board of Directors.

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.

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.

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.

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.

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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 CO_2 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 CO_2 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 CO_2 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.

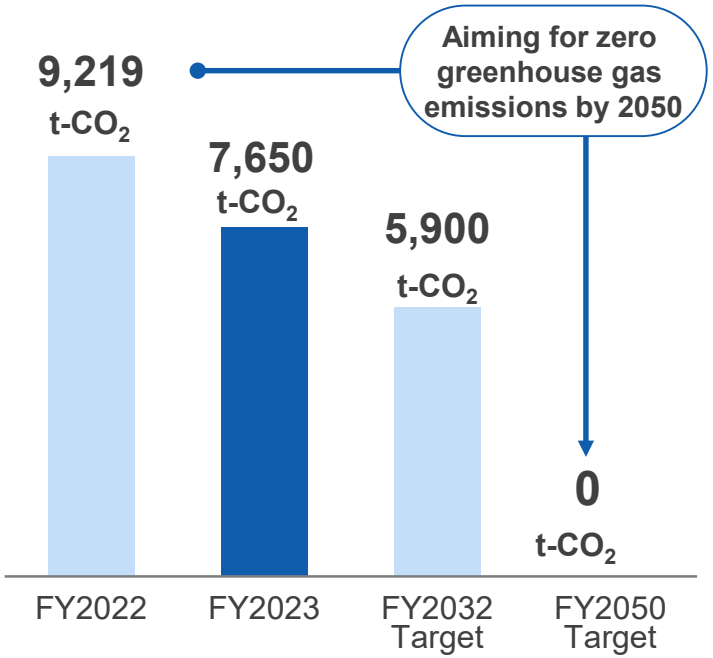
Business Opportunities Related to Climate Change

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 Care	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

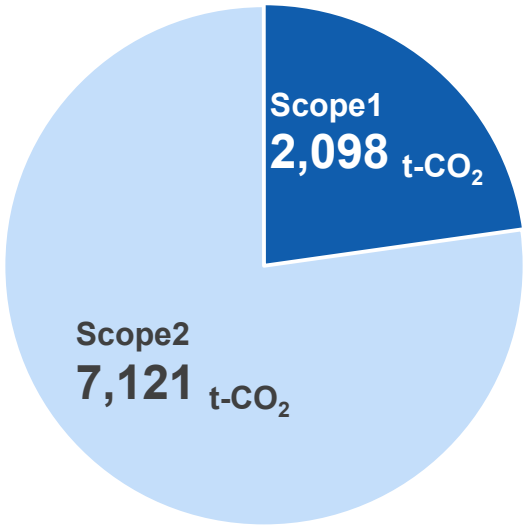
Indicators & Targets

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 (CO_2) emissions, which are considered a cause of climate change, as an indicator. While our goal is to achieve carbon neutrality by 2050, we have set a new quantitative target of a 36% reduction (compared to FY2022) by FY2032. 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. FY2023 Emissions Result was 7,650 t-CO_2 (-1,569 t-CO_2 year-on-year). The main reason for the decrease was a reduction in electricity consumption due to the installation of solar panels. Calculation of Scope 3 emissions will be examined in the future.

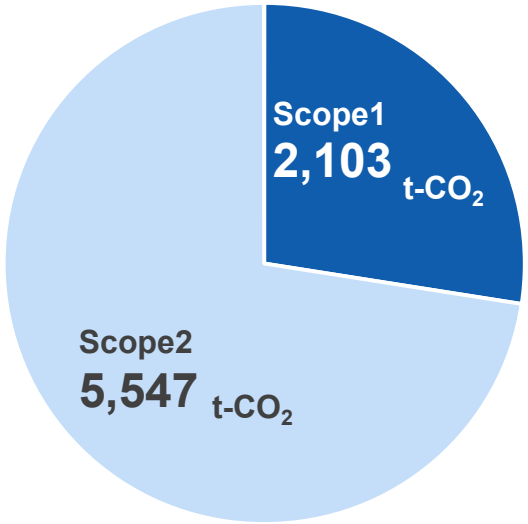
Greenhouse Gas Reduction Targets (Scope 1+2)



Breakdown of Emissions in FY2022



Breakdown of Emissions in FY2023



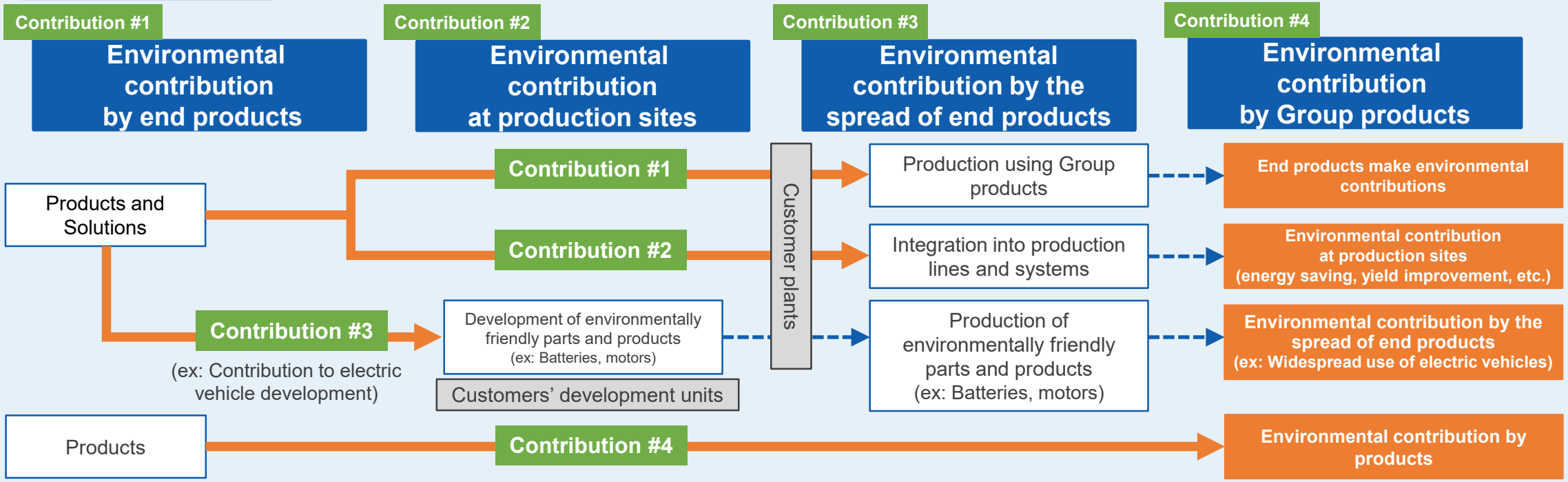
* Calculation Criteria: Calculated in accordance with GHG Protocol
* Aggregate Scope: 14 domestic and overseas group companies (data coverage: FY2022: 89.4% of sales,FY2023: 89.8% of sales)
* Scope 1: Direct emissions (gasoline, kerosene, diesel oil, LPG, city gas)
* Scope 2: Indirect energy-derived emissions (electricity)

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 FY2024, 10 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

Certification criteria



Contribution #4, Product eligibility criteria

Products that are expected to have 20% or more of the following improvements or advantages over our conventional products or equivalent products from other companies
a. Power saving, b. Weight saving/miniaturization, c. Resource saving/recycling, d. High performance (processing speed, inspection accuracy, long life, etc.), and e. Manufacturing man-hours

Certified products: Measuring and Weighing Equipment Business

Contribution #1 Contribution #4

AD-4212C Series: High-precision weighing sensors for integration into production lines

Versus conventional products, these are 27% smaller, 68% lower in power consumption, and 1.8 times faster in response time. These are used to check electrolyte fill volume on rechargeable battery production lines for electric vehicles, contributing to precise and safe rechargeable battery production.

Contribution #4

GX-A/GF-A Series: Analysis/General-purpose electronic balances

These products reduce power consumption by 34% compared to conventional products, and achieve high-speed response and high resolution thanks to a newly-developed sensor method. Their new functions (impact detection, flow measurement, and self-inspection) also meet a wide range of needs.

Contribution #2 Contribution #4

AD-4961A/AD-4976/AD-4991 Series: Weight checkers/Metal detectors/X-ray inspection machines

(Weight checkers) (Metal detectors) (X-ray inspection machines)

Weight checkers improve weighing accuracy by more than 60% compared to conventional products, contributing to yield improvement and energy saving at production sites. Metal detectors and X-ray inspection machines inspect and sort products for foreign object contamination, contributing to the reduction of food loss through the recovery and disposal of marketable products.

Contribution #3

Battery HILS (Simulator for battery development)

MBD* using this product eliminates problems associated with use of actual batteries, such as reproduction of battery degradation, long recharging time, and safety. These improvements for testing such important components of electric vehicles contributes to more efficient control development.

*MBD: Model-based development

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

Certified products: Medical and Healthcare Equipment Business

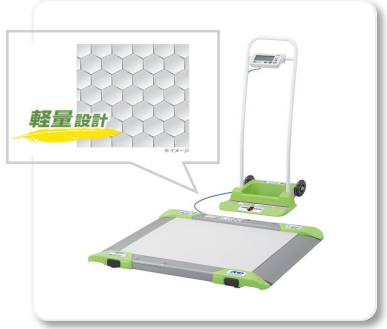
Contribution #4

UA-1100NFC: Upper arm hose-less blood pressure monitor

These products reduce rubber material used by eliminating the hose connecting the blood pressure monitor body to the cuff, and the compact design reduces the master carton volume to one-third, contributing to reduction in environmental impact.

Contribution #4

AD-6106R Series: Barrier-free scales for wheelchairs



The weighing platform has a honeycomb structure, reducing weight by approximately 30% versus conventional products while maintaining the same strength, which contributes to reduced environmental impact.

Certified products: Semiconductor-related Business

Contribution #2 Contribution #4

AD97XX Series: Power sources for semiconductor manufacturing equipment

These products are 60% smaller and approximately 50% lighter than conventional products, while achieving higher stability of lithography equipment through improved performance. This helps customers improve productivity and reduce environmental impact.

Contribution #1 Contribution #2 Contribution #4

ZX/LEXa-20: Dimensional measurement and defect review equipment for photomasks

These products achieve greater power savings and performance than conventional products, resulting in a 1.5-fold increase in productivity. Dimensional measurement and defect review for photomasks, which are essential for semiconductor manufacturing, contributes to lower power consumption and higher yields of semiconductor chips.

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

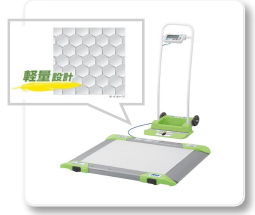
"Increase the sales ratio of eco-products to Group products from 16% in FY2024 to at least 20% in FY2027."

Certified Products in FY2024 [Measuring and Weighing Equipment Business]

[Main Initiatives]

- Promote R&D of environmentally friendly products and expand certified products
- Strengthen sales in priority areas (Japan, South Korea, U.S.)
- Develop new markets, acquire new customers

Certified Products in FY2024 [Medical and Healthcare Equipment Business]



[Main Initiatives]

- Promote R&D of environmentally friendly products and expand certified products
- Strengthen overseas expansion
- Strengthen sales through new distribution channels

Certified Products in FY2024 [Semiconductor-related Business]

[Main Initiatives]

- Promote R&D of environmentally friendly products and expand certified products
- Strengthen overseas expansion
- Expand into industries other than semiconductors

Utilization of Natural Energy

A&D (Development and Technology Center)

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

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 CO_2 reduction of approximately 203 t-CO_2/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)

	2007	2012	2017	2022	2023
Total waste (kg)	168,103	144,677	100,681	140,071	130,353
Recycling rate (%)*	84.6	78.1	96.2	92.0	91.8

* FY2023: Total amount of recycled waste 119,721 kg ÷ Total amount of waste 130,353 kg × 100 = 91.8%

Total amount of non-recycled waste = 10,632 kg

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Streaming of Webinars

A&D

We hold web seminars to share information and to promote sales over the web. We plan to stream a variety of seminars to meet the needs of our customers. In FY2024/25, we streamed 116 seminars .

アーカイブ配信

第十八改正日本薬局方　第二追補によるはかり（天びん）について

カテゴリ　天びん・はかり

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カテゴリ　家庭用血圧計

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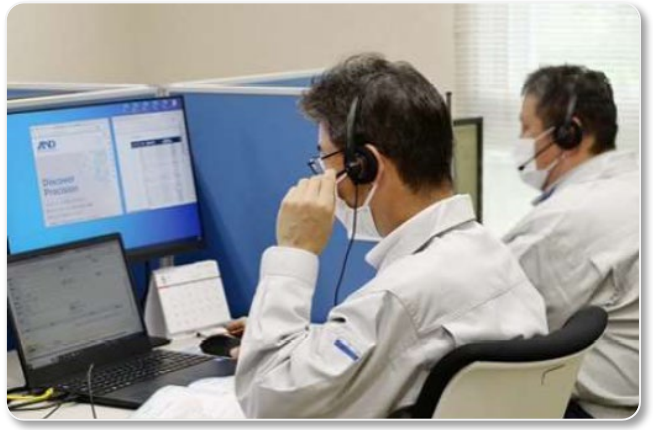
Establishment of a Pre-Sales Consultation Desk

A&D

Our Customer Service Center handled inquiries about products and services but, in May 2023, we set up the Pre-Sales Consultation Desk to strengthen our services for customers, distributors, and dealers who are considering purchasing our products. The desk has been well received by customers and business partners, with the number of inquiries increasing rapidly from 1,799 in FY2023 to 2,769 in FY2024.

Details of inquiries are shared with Sales, R&D, and other relevant divisions and used to improve sales activities and product development. We will continue to work hard to further improve customer satisfaction



Launched Special Website for the UA-1100NFC Upper Arm Hoseless Blood Pressure Monitor

This page introduces the UA-1100NFC, an upper arm hoseless blood pressure monitor without a hose connecting the blood pressure cuff to the main body of the blood pressure monitor, and provides information on how to use the product and where to purchase* it.

*As of June 30, 2024, only in the Japanese market

https://www.aandd.co.jp/products/hhc/special/ua1100nfc/

Fundamental View on Human Resources

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.

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.

* Competency: Actions that lead to consistently demonstrated results.

Work-style Reform

A&D

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

■ **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.)

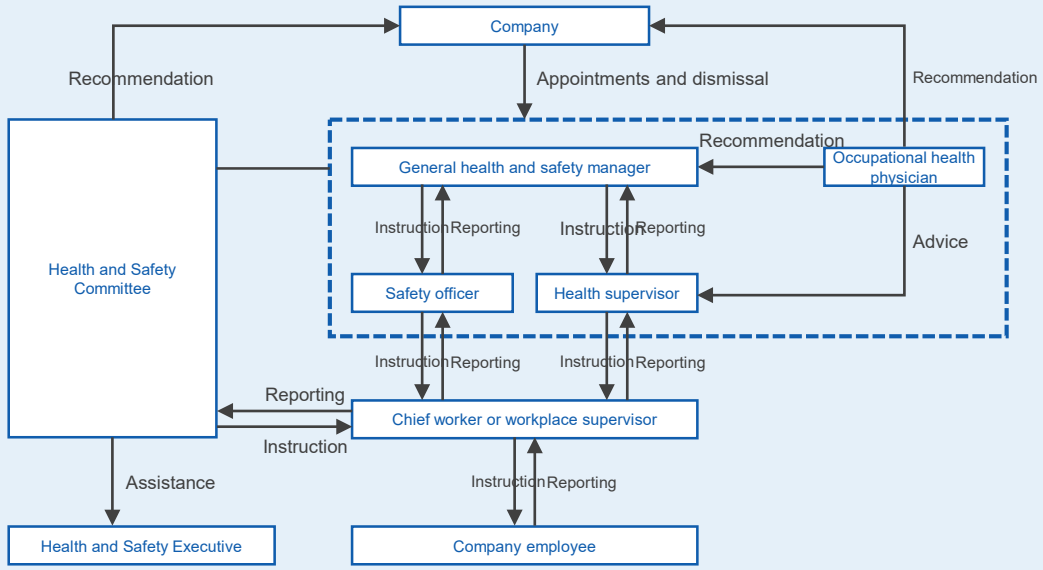
Item	FY2022/23	FY2023/24	FY2024/25
Work engagement	3.23	3.20	3.22

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 and Safety Management Organizational Chart

A&D



Health Management

A&D

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

A & D

- "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.

Contribution to the Community

A & D

The company loans the company ground to local youth sports teams and it loans employee parking spaces when events are held in the neighborhood.

HOLON

In November 2024, seven second graders from a nearby elementary school visited HOLON on a field trip. Each of the children interviewed employees and gained a better knowledge of the company, HOLON, located 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.

Free Lecture at Saitama University

A&D

In July 2024, A&D gave a face-to-face lecture on the company initiatives at Saitama University's Free Lecture "Introduction to Regional Finance & Regional Revitalization" sponsored by Saitama Resona Bank. On the topic of community and industry, A&D spoke to about 200 attendees about striving for new business and growth from our foundation in Kitamoto City, Saitama Prefecture, and our vision for the future. We will continue contributing to the local community.

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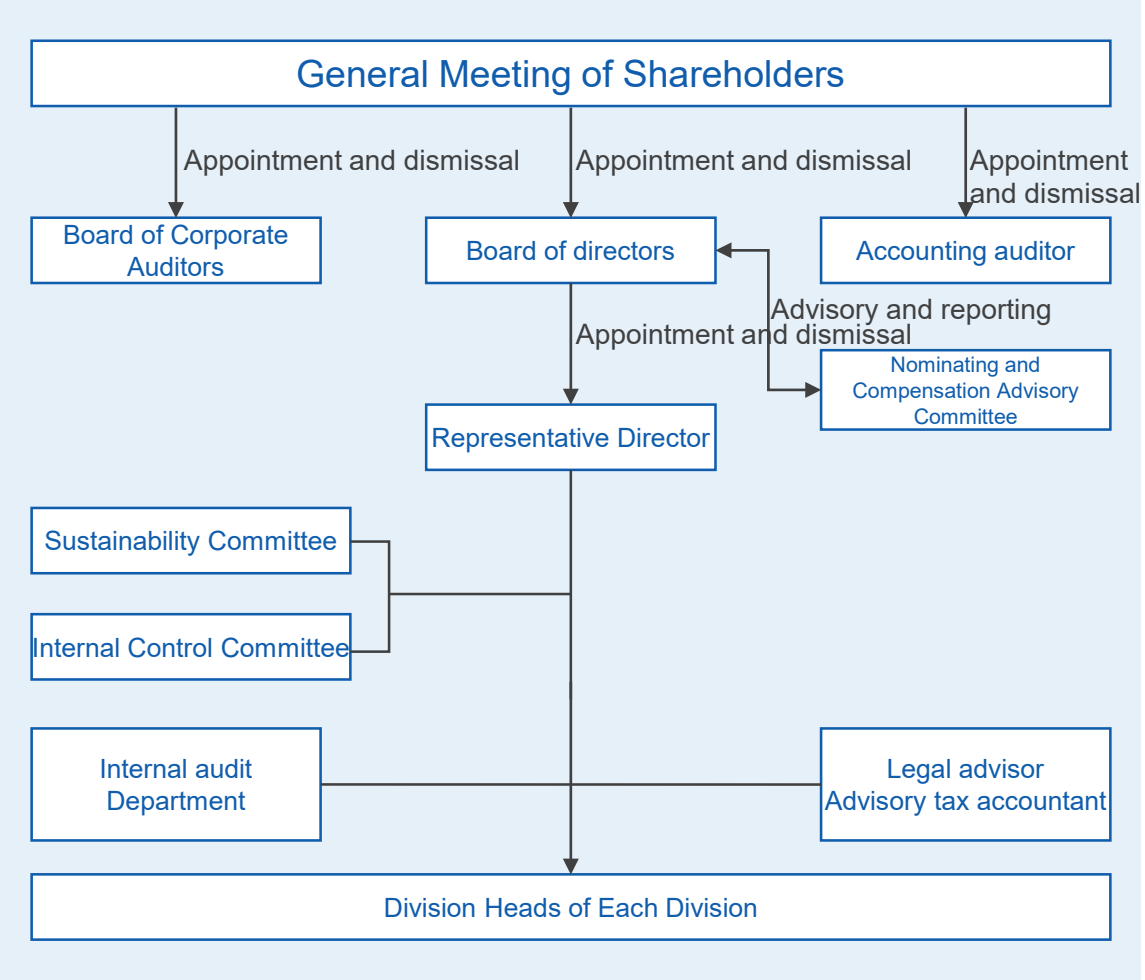
Corporate Governance Structure

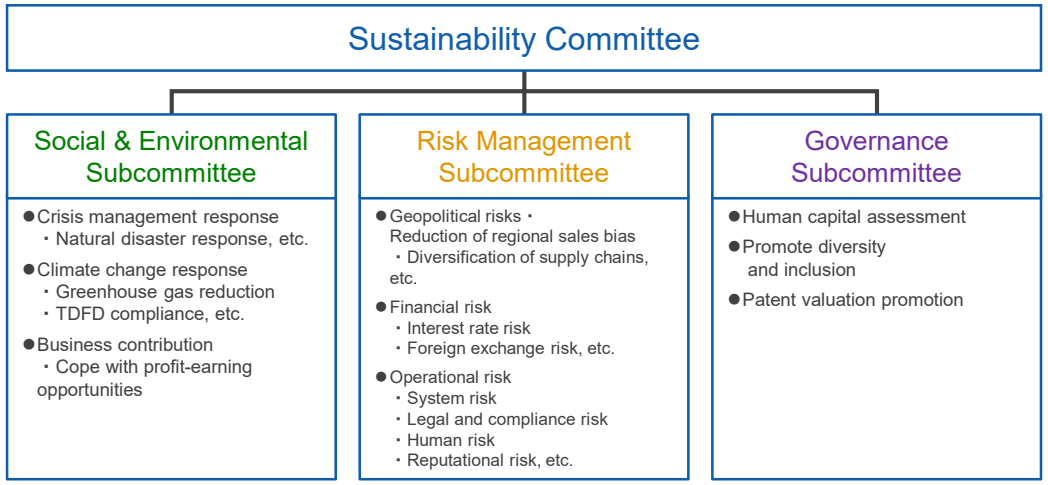


Fundamental View

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.



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 Second Quarter of the Fiscal Year Ended March 31, 2025

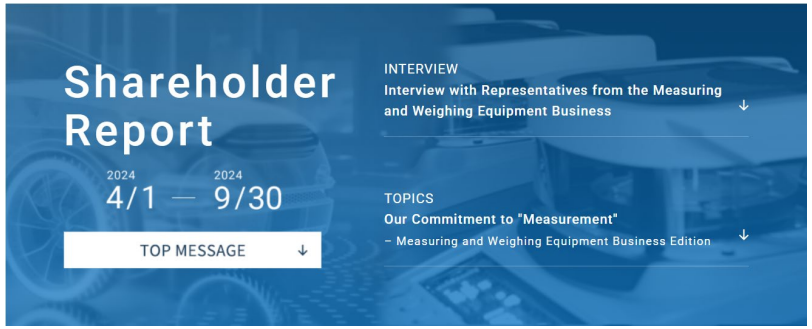
Individual Investor Relations Meetings

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.



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 / Sponsorship of local events / Summer vacation free study campaign for elementary and junior high school students

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Net Sales Composition by Business Segment

Semiconductor Related | Medical Equipment | Healthcare Equipment | Weighing Equipment | Measuring Equipment | DSP Equipment

	Semiconductor-Related	Medical Equipment	Healthcare Equipment	Weighing Equipment	Measuring Equipment	DSP Equipment
	Semiconductor-Related 10,329 million yen (16.7%)	Medical and Healthcare Equipment 23,563 million yen (38.0%)		Measuring and Weighing Equipment 28,062 million yen (45.3%)		
FYE March 31, 2024 61,955 million yen	16.7%	7.3%	30.8%	30.5%	4.3%	10.5%
	10,329 million yen	4,503 million yen	19,060 million yen	18,909 million yen	2,658 million yen	6,494 million yen
FYE March 31, 2025 67,083 million yen	18.3%	7.0%	29.0%	30.0%		15.7%
	12,295 million yen	4,666 million yen	19,455 million yen	20,138 million yen		10,527 million yen
	Semiconductor-Related 12,295 million yen (18.3%)	Medical and Healthcare Equipment 24,122 million yen (36.0%)		Measuring and Weighing Equipment 30,665 million yen (45.7%)		

CD-SEM for Photomask

Fully Automatic BPM

Home BPM

Analytical Electronic Balances

Vehicle-mounted integrated Measurement System (VMS)

Tensile and Compression Testing Machine

* As of FYE March 31, 2025, the breakdown of the Measuring and Weighing Equipment Business was changed. Measuring Equipment and DSP Equipment were combined as DSP Equipment.

Point of Contact

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A&D HOLON Holdings