



August 8, 2008

Whom it may concern

A&D Company, Limited
Hikaru Furukawa
President & CEO
Company Code on the First Division of the Tokyo Stock Exchange: 7745
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Notification concerning the Establishment of a Subsidiary

A&D Company, Limited would like to announce the establishment of a subsidiary as follows:

1. Purpose for establishment of the subsidiary

A&D Company, Limited collaborated with IAV, a European engineering company, to develop a real-time measurement software for engine calibration systems (ORION). A&D Company, Limited has been selling ORION in the U.S and in Europe since October 2007.

Today, we are pleased to announce that we have decided to establish a subsidiary in Germany that will concentrate on the development of our DSP business in Europe by placing significant focus on ORION.

2. Outline of the subsidiary to be established

1) Company name	A&D Europe GmbH
2) Representative	Managing Director, Dr. Jurgen Bredenbeck Managing Director, Kazuhiko Shimizu
3) Office Location	Darmstadt, Germany
4) Date of establishment	August 8, 2008
5) Main business	Sales and technical support for measurement, control, and simulation systems
6) Accounting term	March 31
7) Amount of Capital	Euro 525,000
8) Number of employees	Several
9) Capital investors and Ownership percentage	A&D Company, Limited: 100 percent

3. Future prospects

The establishment of the abovementioned subsidiary will not have a significant impact on A&D Company, Limited or on its consolidated results for the fiscal year ending March 31, 2009.