



September 1, 2008

Whom it may concern

A&D Company, Limited
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President & CEO
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**Notification for the conclusion of a basic agreement concerning
the acquisition of the shares of Best Instruments Co., Ltd.**

A&D Company, Limited would like to announce that at the board meeting held on September 1, 2008, we resolved to acquire the shares of Best Instruments Co., Ltd. and executed a basic agreement with Best Instruments Co., Ltd. as follows:

1. Purpose for acquisition of shares

Best Instruments Co., Ltd. has been developing environmental measuring instruments since being established in 1987, and has acquired a favorable reputation both in the Japanese market and overseas for its engine exhaust measuring system.

At the same time, A&D Company, Limited has positioned DSP (measurement, control and simulation systems) to be our core business in the future, and we have been actively concentrating on developing technology for the automotive industry and on penetrating new markets. The integration of Best Instruments Co., Ltd.'s environmental measuring technology with our DSP technology will make it possible to develop even more advanced usability systems. Furthermore, by addressing the market demand for global environmental conservation and the demand to streamline the automotive development process, the A&D group is definitively on a path towards future growth.

2. Outline of the new subsidiary

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| 1) Company name | Best Instruments Co., Ltd. |
| 2) Representative | President & CEO, Kotaro Takahashi |
| 3) Office Location | 111 Nakatsutsumi, Kouzuya, Yawata-City, Kyoto 614-8176 |
| 4) Date of establishment | May 1, 1987 |
| 5) Main business | Manufacturing and sales of environmental measuring instruments (engine exhaust gas measurement systems, fuel cell related measurement systems, various gas analysis systems, etc.) |
| 6) Accounting term | April 30 |
| 7) Number of employees | 47 |
| 8) Main offices | Kyoto and 6 other offices nationwide |
| 9) Amount of Capital | Yen 20 million |
| 10) Total shares issued | 400 (including own shares of 129) |
| 11) Major shareholders and ownership ratio (basis for shareholder voting rights) | |

Kotaro Takahashi	221 shares (81.5%)
Kyoko Takahashi	48 (17.7%)
Masaki Takahashi	2 (0.7%)

12) Performance results for the last 2 fiscal years

(Unit: million/yen)

	April 2007	April 2008
Net Sales	1,508	1,807
Gross profit from sales	529	1,020
Operating Income	14	456
Ordinary Income	4	486
Net Income	44	278
Total Assets	1,540	2,210
Net Assets	190	468
Dividend per share	0	0

3. Acquisition of shares

1) Contents

Major shareholder, Kotaro Takahashi and 2 other persons

2) Affiliations:

There are no capital, personnel or transactional affiliations between A&D Company, Limited and Best Instruments Co., Ltd.

4. Number of shares acquired, acquisition value, and pre/post acquisition ownership of shares

- 1) Ownership of shares before acquisition 0 (ownership percentage 0.0%)
(number of shareholder voting rights: 0)
- 2) Number of shares acquired 271 shares (ownership percentage 100.0%)
(number of shareholder voting rights: 271)
- 3) Ownership of shares after acquisition 271 shares (ownership percentage 100.0%)
(number of shareholder voting rights: 271)

5. Schedule

September 1, 2008

Execution of a basic agreement

Middle of October, 2008

Execution of transfer agreement of shares

Beginning of November, 2008

Date to acquire shares

6. Future prospects

At present, A&D Company, Limited does not expect the abovementioned acquisition of shares to have a significant impact on our consolidated performance for the fiscal year ending March 31, 2009. However, in the event that it becomes necessary to revise our consolidated performance forecast, A&D Company, Limited will promptly issue a notification.