



September 18, 2008

Whom it may concern

A&D Company, Limited  
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## **Notification concerning the acquisition of the shares of SUM Electro Mechanics Co., Ltd.**

A&D Company, Limited would like to announce that at the board meeting held on September 18, 2008, we resolved to acquire all the shares of SUM Electro Mechanics Co., Ltd. and integrate SUM Electro Mechanics Co., Ltd. as a new subsidiary of A&D Company, Limited, as follows:

### 1. Purpose for acquisition of shares

We, the A&D Group, have positioned our measurement, control and simulation systems, known as DSP, to be our core business in the future. Congruent with this objective, we have been actively concentrating on developing technology for the automotive industry and on cultivating new markets.

SUM Electro Mechanics Co., Ltd., the subsidiary to be acquired, was established in 1965 as a testing equipment manufacturer specializing in hydraulic servo machines. Specifically, SUM Electro Mechanics Co., Ltd. has been developing a number of devices for strength and endurance test for all of the components of full-scale vehicles for the automobile industry, including steering, engine, etc. In the process, SUM Electro Mechanics Co., Ltd. has acquired an outstanding reputation among its customers.

The main strength of A&D Company, Limited and SUM Electro Mechanics Co., Ltd has been hydraulic servo technology, and the A&D Group in particular has built a reputation based on electronic circuitry and signal processing technology. Therefore, the synergy achieved by integrating SUM Electro Mechanics Co., Ltd. makes it possible for the A&D Group to further substantively strengthen and develop its DSP operations.

### 2. Outline of the new subsidiary

- |                          |  |
|--------------------------|--|
| 1) Company name          | SUM Electro Mechanics Co., Ltd.  |
| 2) Representative        | President, Kazuyuki Kikuchi  |
| 3) Office Location       | 9-20, Shimo-Renjyaku 8-chome, Mitaka-shi, Tokyo 181-0013,<br>JAPAN   |
| 4) Date of establishment | September 20, 1965   |
| 5) Main business         | Development, manufacture and sales of various testing<br>equipment (hydraulic fatigue testing systems, hydraulic<br>vibration testing systems, hydraulic excitation systems, etc.) |
| 6) Accounting term       | March 31   |
| 7) Number of employees   | 53   |
| 8) Main offices          | Tokyo, Aichi and Gunma   |

- 9) Amount of Capital Yen 330 million  
 10) Total shares issued 660,000  
 11) Major shareholders and ownership ratio Iseki & Co., Ltd.: 100%  
 12) Performance results for the last 2 fiscal years

(Unit: million/yen)

	March 2007	March 2008
Net Sales	1,150	965
Gross profit from sales	173	110
Operating Loss	64	117
Ordinary Loss	62	114
Net Loss	38	133
Total Assets	1,480	1,323
Net Assets	1,235	1,101
Dividend per share	0	0

3. Acquisition of shares
- 1) Corporate Name Iseki & Co., Ltd.
  - 2) Representative President, Seiichiro Gamo
  - 3) Head Office Location 700 Umaki-cho, Matsuyama-shi, Ehime-ken, 799-2692 JAPAN
  - 4) Main business Development, manufacture and sale of agricultural machinery
  - 5) Affiliations There are no capital, personnel or transactional affiliations between A&D Company, Limited and Iseki & 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 660,000 shares (ownership percentage 100.0%)  
(number of shareholder voting rights: 660,000)
  - 3) Ownership of shares after acquisition 660,000 shares (ownership percentage 100.0%)  
(number of shareholder voting rights: 660,000)
5. Schedule
- |                    |                                       |
|--------------------|---------------------------------------|
| September 18, 2008 | Board meeting resolution              |
| September 18, 2008 | Execution of share transfer agreement |
| October 01, 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.