

June 4, 2013

Company name: A&D Company Limited
Representative: Hikaru Furukawa, President & CEO
(Code: 7745, First Section of Tokyo Stock Exchange)
Inquiries: Sadao Ito, Director, Executive Officer
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Notice regarding the establishment of a new company and transfer of business

This notice details below the decision made at the June 4, 2013 meeting of the Board of Directors of this company to establish CM Seiki Company, Limited, a subsidiary of this company and enter into a contract with Mytech Kogyo, Limited and Taiheiyo Engineering Corporation, Limited for the transfer of business activities in June.

1. Purpose of the transfer of business

Mytech Kogyo, Limited designs and manufactures checkweighers and metal detectors for use in food processing factories, and Taiheiyo Engineering Corporation, Limited has handled sales and marketing of those products.

Meanwhile, A&D Company, Limited has been developing, manufacturing and selling a wide array of electronic measurement and weighing devices, based around a core of high precision and ultra-high speed analog/digital conversion technology, through that process contributing to the development of industry and society.

Presently, in the process of planning a possible expansion of product lineup which applies measurement and weighing technology, as part of its business strategy this company has established the subsidiary CM Seiki Company, Limited. By the transfer of business from Mytech Kogyo, Limited, and the transfer of sales and marketing of checkweighers and metal detectors from Taiheiyo Engineering Corporation, Limited to CM Seiki Company, Limited, a synergistic effect can be achieved through a cooperative venture from both technology and marketing aspects, leading to a significant improvement in business performance.

2. Overview of new company

Company name: CM Seiki Company, Limited

Address: 7-5 Ooaza Harajuku, Hidaka City, Saitama Prefecture
Representative: Atsushi Kunigou, Representative Director & President
Business: Production and sale of checkweighers and metal detectors
Capital: 50 million yen
Established: Scheduled for mid-June 2013

3. Overview of transferring companies

(1) Mytech Kogyo, Limited

Address: 7-5 Ooaza Harajuku, Hidaka City, Saitama Prefecture
Representative: Haruo Tsuyuki
Business: Production and sale of checkweighers and metal detectors
Capital: 10 million yen
Established: January 27, 1986

(2) Taiheiyo Engineering Corporation, Limited

Address: 8-4-6 Nishi Kasai, Edogawa Ward, Tokyo
Representative: Haruo Tsuyuki
Business: Plant engineering
Capital: 490 million yen
Established: April 1, 1976

4. Future forecasts

The effect of this new enterprise on the business performance of A&D Company, Limited will not be significant in the present financial year and there will be no change to forecasts for this period. If some change to forecasts does occur in the future, A&D Company, Limited will promptly inform of these.