

June 14, 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  
(Tel: 048-593-1111)

### **Notice regarding the establishment of a new company by joint capital investment**

This notice details below the decision made at the June 14, 2013 meeting of the Board of Directors of this company to accept a capital subscription from SMBC Venture Capital, Limited (Head Office: Chuo Ward, Tokyo; Representative Director: Kohei Katsukawa; hereafter referred to SMBC-VC), a subsidiary of Mitsui Sumitomo Banking Group and establish a new company, which is described below.

#### 1. Purpose of establishment of new company

A&D Company, Limited is presently engaged in the design and development of testing equipment applying digital signal processing (DSP) technology for use in the automotive industry, as well as introducing this testing equipment to the production site. Manufacturers in the automotive industry are presently facing many development issues they must address such as environmental regulations, stabilization of quality measures, intensification of competition from carmakers in Western and emerging countries, development of next generation vehicles, etc. They also must deal with the issue of increasing development man-hours.

In order to answer these needs in the automotive industry, contracted consulting and testing and measurement services will be offered to automotive industry companies, using our latest facilities capitalizing on the Model Based Simulation technology of A&D. Bench testing services shall be offered using vehicle models to simulate actual driving conditions. Through these services, A&D Company, Limited would like to contribute to cost reductions and a shortening of development time in the automotive industry.

#### 2. Overview of new company

Company name: MBS Company, Limited  
Address: 1-243 Asahi, Kitamoto City, Saitama Prefecture

Representative: Hikaru Furukawa, Representative Director & President  
 Capital: Approximately 1 billion yen (scheduled)  
 (A&D: 50%; SMBC-VC: 50% (scheduled))

### 3. Time schedule

June 14, 2013 Decision of Board of Directors to establish new company and conclude memorandum of understanding with SMBC-VC  
 Early July 2013 Establishment of MBD, Limited (scheduled)  
 Mid July 2013 Increase in capital from SMBC-VC (scheduled)

### 4. Overview of investing companies

	A&D Company, Limited	SMBC Venture Capital, Limited
Address	3-23-14 Higashi Ikebukuro, Toshima Ward, Tokyo	1-13-12 Nihonbashi Kayabacho, Chuo Ward, Tokyo
Established	1977	2005
Capital	6,388 million yen	500 million yen
Main business	Development, manufacture and sale of electronic measurement devices, industrial-use weighing devices, electronic scales, medical-use electronic devices, testing devices and other electronic devices	Private equity investment

### 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.