

Nov. 16, 2009

Company :TOKYO KEIKI INC

Exchange Listing :7721(TSE1)

President :Kenichi WAKI

Contact :Tsuyoshi Ando Corporate Planning & Administration Office

Telephone :+81-3-3732-2111

Company :OVAL Corporation

Exchange Listing :7727(TSE2)

President :Kenji Kondo

Contact :Hiroshi Gotoh Management Planning Div.

Telephone :+81-3-3360-5009

## **Announcement of Business Tie-up and Capital Alliance between TOKYO KEIKI INC. and OVAL Corporation**

TOKYO KEIKI INC. (hereinafter referred to as "TOKYO KEIKI") and OVAL Corporation (hereinafter referred to as "OVAL"), by the resolve in the both companies' board of directors' which held today, have agreed to enter into the basic contract for the comprehensive business tie-up in the flow measurement and related markets and form the capital alliance to strengthen the mutual cooperation.

### **1. Reason of the business tie-up:**

In recent years, due to the technology development, high performance and cost reduction by overseas productions, the competition is heating up in the flow measurement market. Also, under the circumstances of Japanese markets which becoming mature, we need to undertake more global strategies and to create a new value.

Considering such business environment, this business tie-up is to expect the synergy effect by using the management resources effectively of the both parties, and by strengthening the competitive edges of the both, we are to build up a sustainable growth cycle in the market, aiming for improving the corporate values.

### **2. Contents of the business tie-up:**

Focusing on the development of ultrasonic flowmeters, the both are to cooperate as follows:

#### **2-1. Sales tie-up:**

By mutually selling the other party's specialty products, try to enrich its product lineup each other, expecting to expand the business chances.

#### **2-2. Development in Overseas Markets:**

Worldwide water shortages are concerned and the need in water control and related markets are becoming globalized too. OVAL intends to sell TOKYO KEIKI's flow measurement instruments through OVAL's overseas sales networks.

**2-3. Development of New and Original Products:**

By combining the special technologies of the both, develop unique and original products and systems, expecting to expand our businesses. We already have started to develop jointly high accuracy ultrasonic flowmeters for oil measurement.

**2-4. Mutual Utilization of Management Resources:**

By mutually utilizing the management resources such areas as product development capability, production facilities, and sales/service networks, the business is expected to develop more efficiently.

**3. Capital alliance:**

To strengthen the cooperative relationship and build up a further mutual trust, the two companies are to form the capital alliance.

**4. Outline of Both Companies (as of March 31,2009)**

1)Trade Name	TOKYO KEIKI INC.	OVAL Corporation
2)Main Businesses	Manufacture/sales of marine/port instruments, hydraulic/air pressure instruments, flow measuring instruments, defense/information & communication instruments and etc.	Manufacture/sales of various types of flowmeters, receiving instruments/analyzers, flow control devices and etc.
3)Establishment	Dec., 1948	May, 1949
4)Head Office	16-46, Minami Kamata 2-chome Ohota-ku, Tokyo	10-8, Kamiochiai 3-chome Shinjuku-ku, Tokyo
5)President	Kenichi WAKI	Kenji Kondo
6)Capital	¥ 7.218 billion	¥ 2.2 billion
7)Accounting term	March 31	March 31
8)Employee number (as group)	1,400	585

**5. The effect of the tie-up/alliance on the business results:**

The effects of the tie-up/alliance on the business results as of the end of March 2010 of the two companies and their groups are estimated to be minor both in individual and consolidated.