

August 30, 2005

Shibaura Mechatronics Corporation

**Notice of Dividend for Fiscal Year Ending March 31, 2006 (Term 97)**

The Board of Directors of Shibaura Mechatronics Corporation, meeting on August 30, 2005, resolved a plan for the payment of mid-term and year-end dividends for the fiscal year ending March 31, 2006 (term 97).

1. Basic Policy for Profit-Sharing

Shibaura Mechatronics believes that returning profit to shareholders is one of management's most important concerns, and observes a basic policy of maintaining a stable dividend supported by the Company's financial results. In following this policy, the Company takes full account of recent term results, market conditions, and business forecasts.

Alongside this policy, the company also makes full and effective use of retained earnings to develop new technologies and to undertake capital expenditure and research and development that will contribute to future business expansion. In doing so, the Company focuses on further strengthening its business base and improving its capacity to generate profit.

2. Dividend Plan

Shibaura Mechatronics proposes an interim and year-end dividend of 3.50 yen per share, a full-year dividend of 7.00 yen. This figure respects the Company's basic policy on profit sharing, and reflects full consideration of the fiscal year 2004 results announced on June 25, 2005 and the Company's forecasts for first half results in fiscal year 2005.

	Interim Dividend	Year-End Dividend	Total Dividend
Dividend Payment for Fiscal Year Ending March 31, 2006 (plan)	3.50 yen	3.50 yen	7.00 yen
Dividend Payment for Fiscal Year Ending March 31, 2005	3.00 yen	4.00 yen	7.00 yen