



Sep. 28, 2005

Shibaura Mechatronics Corporation

Shibaura Mechatronics to Enhance Businesses in Korea

Shibaura Mechatronics Corporation (President and CEO: Shigeki Morita; Head Office: 2-5-1 Kasama, Sakae-ku, Yokohama-shi, Japan) and SCK Co., Ltd., (President: H.C.LEE) , Head Office: 893-4, Eoyeon-ry Cheongbook-myeon, Pyongtack-Si, Kyungki-do, Republic of Korea; hereinafter SCK), an affiliate of Shibaura Mechatronics Corporation, today announced an agreement under which Shibaura Mechatronics Corporation will proactively raise its interest in SCK's operations and strengthen business in Korea.

In order to strengthen and expand current business operations, Shibaura Mechatronics Corporation will own 80% of SCK's stock and raise the company's capitalization to 3 billion won (presently 330 million won) to reinforce its financial base.

SCK was established in 2000, allowing Shibaura Mechatronics Corporation to implement sales and after-sales services in Korea. The company was capitalized at 330 million, 40% from Shibaura Mechatronics Corporation and 60% from Korean shareholders. The company developed its business as a base for providing sales and after-sales services for flat panel displays (FPD) and semiconductor manufacturing equipment. In March 2003, SCK constructed manufacturing facilities in Kyungki-do, and has subsequently achieved significant results in manufacturing and sales of wet cleaning equipment for LCD panels and stripping equipment.

The scale of Shibaura Mechatronics Corporation's business in Korea has increased year by year and demand continues to grow, especially, in respect of FPD manufacturing equipment. In this business environment, Shibaura Mechatronics Corporation faces increasingly severe competition from Korean domestic manufacturers in terms of performance, price and services. In order to succeed against this tough competition, and to further expand businesses in Korea, the parent recognized the need to promote business operations as a unified Shibaura Group, with SCK positioned as "Shibaura in Korea."

The new organization will see a reinforced manufacturing system for Shibaura Mechatronics Corporation's equipment, and business operations directly connected to the market will be promoted by through further improvements in all operations, from sales and manufacturing to maintenance and after-sales services. Increased



sales and business development will be targeted through improving the customer satisfaction (CS) of Korean customers.

In January 2006, the company will change its name.

Outline of the new organization (plan)

- (1) Company name: Shibaura Mechatronics Korea (tentative), from January 2006
 - (2) President and CEO Choichi Kimura (present Executive Vice President of Shibaura Mechatronics Corporation) will be appointed President and CEO in January 2006.
The present President, H. C. Lee, will be appointed Chairman.
 - (3) Capitalization: 3 billion won (March 2006)
 - (4) Ratio of investment: Shibaura Mechatronics Corporation: 80%
Korean stockholders: 20%
- (The change in investment ratio will take place on October 5, 2005)
- (5) Head Office: Pyongtack-Si, Kyungki-do, Republic of Korea
 - (6) Headcount: Approximately 100 employees
 - (7) Business range: Businesses related to sales, manufacturing, maintenance and after-sales services of FPD manufacturing equipment, semiconductor manufacturing equipment, laser equipment and more.

