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September 26, 2025

To whom it may concern:

Company Name: SHIBAURA MACHINE CO., LTD.
Representative: Shigetomo Sakamoto, President,
Chief Executive Officer and Chief Operating Officer
(Securities Code: 6104, Tokyo Stock Exchange, Prime Market)
Inquiries: Minoru Aoki, Senior Manager of
Public Relations and Investor Relations Department

Notice Concerning Memorandum of Understanding for

Potential Acquisition of Stocks of LWB Steintl GmbH (to be Subsidiary)

SHIBAURA MACHINE CO., LTD. (the “Group”) hereby announces that the Group has decided to execute a Memorandum of Understanding to acquire stocks of LWB Steintl GmbH (“LWB”), which will become our wholly owned subsidiary company through the Group’s consolidated subsidiary SHIBAURA MACHINE EMEA GmbH, as described below.

1. Reason for discussion of the acquisition

The Group is implementing various measures, primarily focused on transforming its business portfolio, based on its med-term business plan, “Medium-term Management Plan 2026”, which ends in fiscal year 2026. One of these measures is to develop the European market. In addition to the existing Italian subsidiary, the Group established a German subsidiary in May 2025 to expand sales, primarily of injection molding machines, and has also been considering M&A that will contribute to the expansion of its European business.

Headquartered in Germany, LWB has specialized technology for efficient and precise modular injection molding machines, primarily for rubber processing. As one of Europe's leading manufacturers of vertical injection molding machines for rubber and plastics, LWB boasts a proven track record, know-how, and strong brand since its founding in 1962. By incorporating LWB into our group, we will strengthen our production bases and sales and service capabilities for our injection molding machine business in Europe, and by leveraging LWB brand we will gain a strong foothold for entering the European market. Furthermore, by utilizing our resources such as our Indian factory, we will cooperate to reduce its product costs and expand sales in the Asian market.

As such synergies are expected to promote expansion of the Group's business in Europe, primarily in injection molding machines, the two companies have concluded a Memorandum of Understanding to commence discussions regarding the acquisition. After the acquisition, LWB's name will be changed to "SHIBAURA MACHINE LWB GmbH".

2. Outline of change of subsidiary (LWB Steinl GmbH)

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|-----|--|---|------|
| (1) | Name | LWB Steinl GmbH | |
| (2) | Address | Sonnenring 35, 84032 Altdorf, Germany | |
| (3) | Name and title of representative | Peter Steinl (Managing Director) | |
| (4) | Business | Manufacture and sale of industrial machinery, mainly injection molding machines | |
| (5) | Capital | 500 thousand euro | |
| (6) | Revenue | About 40 million euro | |
| (7) | Date of foundation | February 18, 1986 | |
| (8) | Major shareholder and stock ownership ratio | Peter Steinl, individual shareholders The individual shareholders who are the acquisition counterparties will not be disclosed due to the obligation of confidentiality. | |
| (9) | Relationship between the listed company and this company | Capital relationship | None |
| | | Human relationship | None |
| | | Business relationship | None |

3. Outline of the company from which the stocks are acquired

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|-----|---|---|
| (1) | Name | Peter Steinl, individual shareholders The individual shareholders who are the acquisition counterparties will not be disclosed due to the obligation of confidentiality. |
| (2) | Address | The individual shareholders who are the acquisition counterparties will not be disclosed due to the obligation of confidentiality. |
| (3) | Relationship between the listed company and such individual | There are no capital, human, or business relationships that should be described between the Group and such shareholders or their immediate families. Nor does it qualify as a related party relationship. |

4. Number of stocks acquired and status of stock holding before/after acquisition

Through this transaction, we plan to acquire 80% of the total stocks of LWB from its existing shareholders. We will disclose at the time of signing the Definitive Agreement. We also plan to make LWB a wholly owned subsidiary within three years after the closing.

5. Schedule

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| (1) | Execution of the Memorandum of Understanding | September 26, 2025 |
| (2) | Execution of the Definitive Agreement | Early October, 2025 (planned) |
| (3) | Stock transfer | Late November - Mid December, 2025 (planned) |

6. Future outlook

If any major effect on our future business results becomes clear, we will promptly notify you thereof.