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July 2, 2026

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 regarding the exploration of establishing a joint venture to strengthen revenue base
of the injection molding machine business in the Southern Europe market

SHIBAURA MACHINE CO., LTD. (the “Group”) hereby announces that the Group has decided to execute a Memorandum of Understanding (“MOU”) to begin exploring the establishment of a joint venture with E.P.F. Elettrotecnica S.r.l. (the “EPF”) in Italy, specializes in supporting the construction of automated production lines for smart factories, with the aim of strengthening the revenue base of the injection molding machine business in the Southern Europe market.

1. Background of the transaction

Based on the mid-term management plan, "Medium-Term Management Plan 2026", which ends in fiscal year 2026, the Group is implementing various measures, primarily focused on transforming its business portfolio. One of these measures is to develop the European market. Shibaura Machine Europe S.R.L. (the “SME”), our wholly owned subsidiary, and its distributor EPF have expanded the injection molding machine business in the Southern Europe market including Italy. However, in recent years, customer demands for automation and labor-saving have been increasing, and there is a growing need not for standalone machinery sales but also for strengthened engineering solution capabilities that enable us to provide entire manufacturing lines, expanding upstream and downstream processes. In response to these demands, we believe that by transferring the sales and service functions currently handled by EPF to SME, and by having EPF focus its resources on supporting the construction of automated production lines, this will clarify the division of roles and enable them to conduct business in a way that leverages their respective strengths.

2. Overview of the transaction

Under the MOU, we aim to establish SME a joint venture whose shareholders are both Group and EPF, in a way that EPF transfers its injection molding business to SME as an investment in SME. SME is expected to be an Italy-based company engaged in the sale and servicing of injection molding machines, in which Group holds approximately a 60% stake. By holding approximately 40% of SME’s shares, EPF plans to continue working closely with Group and, in conjunction with the support EPF provides for building automated production lines, jointly conducts sales activities.

3. Outline of EPF

(1)	Name	E.P.F. Elettrotecnica S.r.l.
(2)	Address	Via Langhe, 24 - 12061 Carrù (CN) Italy
(3)	Name and title of representative	Franco Filippi (CEO & Chairman)
(4)	Business	Automation solution for industries such as injection molding turn-key solution, sales and service of related equipment
(5)	Capital	78,520 euro
(6)	Date of foundation	September 1, 1961

4. Schedule

(1)	Execution of MOU	July 2, 2026
(2)	Execution of definitive agreements	Second half of 2026 (planned)
(3)	Transaction date	End of 2026 (planned)

5. Future outlook

The MOU sets forth the basic policy and other necessary matters and the actual transaction is contingent upon the execution of definitive agreements. We plan to continue discussions with EPF based on the MOU and aim to execute definitive agreements in the second half of 2026. While this transaction will have a minor impact on our current fiscal year's performance, we will promptly notify you should any developments requiring disclosure arise.