



December 8, 2005

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## Announcement on the Settlement of a Lawsuit

This is to announce that on December 8, 2005, our company entered into a settlement concerning a lawsuit that our company filed on June 17, 2004.

1. Party against whom the lawsuit was filed  
Bosch Rexroth AG (German corporation)  
Bosch Rexroth Corporation (former Bosch Rexroth Automation Corporation)
2. Content of the lawsuit  
Our company had warned Bosch Rexroth Corporation of its infringement of a patent for our linear-motion rolling guide device (linear-motion system) (hereinafter called the "Patent") and requested the company to discontinue the import and the sale of its products containing the Patent. However, Bosch Rexroth Corporation and Bosch Rexroth AG filed an invalidation trial with the Patent Office. On December 16, 2003, the Patent Office rejected the filing and decided on appeal that the Patent is effective. Given those circumstances, our company expected that the two Bosch Rexroth companies would voluntarily discontinue the import and the sale of the infringing product based on the decision on appeal. However, disagreeing with the decision on appeal, both companies filed an action for cancellation of the patent decision on appeal with the Tokyo High Court on April 25, 2004 (the action was later transferred to an intellectual property high court on April 1, 2005), thus showing its attitude of contending against our company. Consequently, our company responded to the above action for cancellation of the patent decision on appeal, and filed a principle suit and a provisional disposition against Bosch Rexroth Corporation for an injunction of the sale of the product that infringes the Patent, based on infringement of the Patent. In addition, our company filed a petition for damages with the Tokyo District Court on June 17, 2004. These suits were pending.
3. Content of the settlement  
A settlement has been reached at the intellectual property high court that our company and the two companies, Bosch Rexroth AG and Bosch Rexroth Corporation, shall cross-license the Patent and a patent for an actuator, which Rexroth Mechatronics GmbH owns, between both parties, and Bosch Rexroth Corporation shall acknowledge the effectiveness of the Patent and pay settlement package. As a result, our company and Bosch Rexroth Corporation have withdrawn their respective lawsuits.
4. Future prospects  
The impact on the performance of our company in the present term will be minimal.