

27 June, 2011

Sumitomo Precision Products Co., Ltd.

Representative: Representative Director Susumu Kaminaga
(Code: 6355, Tokyo Stock Exchange 1st Section)

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Announcement Regarding Transfer of All Shares in Consolidated Subsidiaries

Sumitomo Precision Products Co., Ltd. (“SPP”), announces that approval was granted at a Board Meeting held on 27 June 2011, to transfer all of the shares in SPP Process Technology Systems Limited and SPP Process Technology Systems KK and certain intellectual property rights used by SPTS to Sapphire Bidco Limited, which is an entity established for the purposes of undertaking the acquisition of SPTS, funded by Bridgepoint and current SPTS management team.

Also, SPP has executed a Share and Asset Purchase Agreement on 27 June 2011 which will result in SPTS being acquired by Sapphire Bidco Limited.

1. Rationale for the sale

SPTS develops, manufactures and markets semiconductor-related capital equipment. The business was established in the United Kingdom following the acquisition of Aviza Technology assets in October 2009 which were integrated with SPP’s existing UK business, Surface Technology Systems Ltd.

SPTS is a successful business in the global semiconductor-related market. SPTS has made significant developments in its business in recent years and has been focused on attracting and retaining experienced management and developing technologies that address niche markets. SPTS has now established itself as a leading player in its markets in Europe, North America and Asia.

In February 2011, the current SPTS management team comprising William Johnson (President and CEO), Kevin Crofton (COO), Richard Rees (CFO) (“The MBO Team”) made an offer to acquire SPTS.

SPP has carefully considered this offer and believes that this transaction is in the interests of both SPP and SPTS. SPP executed the SPA based on its judgment that it is the optimal solution to entrust the management of SPTS to the MBO Team, who are very much familiar especially in overseas with the character of semiconductor-related business sector, which may potentially be volatile, and to reduce its exposure to business of such nature. Also for SPP the transaction provides an opportunity to use the proceeds of the sale to invest in SPP’s core business interests such as aerospace, heat management, energy and environmental businesses as well as strengthening its financial position.

As to the semiconductor-related business sector in Japan where SPP group has been promoting its products, both parties expect to negotiate the terms of a joint venture formation, which would enable to expand and forward the related business in Japan to the next level. Furthermore, concurrently with this transfer, SPP will make investment for an equity stake in the acquisition vehicle (Sapphire Bidco Limited) to maintain the relationship with the business.

For SPTS the transaction presents the opportunity to exploit its market opportunities, to develop its business plan independently and unconstrained by SPP's priorities for its other business interests.

2. Background information on subsidiaries which are subject companies of this stock transfer

See attached.

3. Background information on Parties signing the SPA

Information of Sapphire Bidco Limited

(1) Company Name	Sapphire Bidco Limited	
(2) Head office	30 Warwick Street, London W1B 5AL United Kingdom	
(3) Name and Title of Representative	Director Christopher Bell	
(4) Primary Business Activities	Holding company for SPTS stocks	
(5) Shareholders and holding ratios(*1)	The MBO Team and SPTS employees : 35% Bridgepoint (*2) : 60% SPP : 3% Others : 2%	
(6) Affiliation with SPP	No	Except for capital relationship described in (5) above, no employee/business relationship is existing.

(*1) Shareholding ratios represent ratios of shareholding by each shareholder group after the completion of the transaction. Also, the investment in Sapphire Bidco Limited by each shareholder group is made indirectly through parent companies of Sapphire Bidco Limited.

(*2) Bridgepoint is a European private equity firm focusing on the acquisition of companies valued up to €1 billion. With some €1 billion of capital raised to date, it typically focuses on acquiring well managed companies in attractive sectors with the potential to grow. Bridgepoint has developed expertise in various sectors and it has offices throughout Europe, including London. See www.bridgepoint.eu.

4. Number of shares held prior to completion and number of shares transferred as part of the transaction

	SPTS	SPTS KK
(1) Shareholding before the transfer:	1,425,000,001 shares (Shareholding ratio : 100%)	100 shares (Shareholding ratio : 100%)
(2) Number of shares to be transferred:	1,425,000,001 shares	100 shares

5. Proceeds of the transaction

US\$ 156,600,000 (Japanese Yen 12,500Million)

6. Key Dates

(1) Board resolution: 27 of June, 2011 (Monday)

(2) Signing of SPA: 27 of June, 2011 (Monday)

(3) Expected Completion Date: End of July, 2011 (*)

(*) pending the receipt of certain competition clearances in European jurisdictions

7. Forecasts

If there is any amendment concerning the above information relating to transaction, we will notify you immediately. Please refer to the impact of this transaction on the performance of SPP Group which is separately disclosed by us in “Notification on event of special profit and modification of earnings forecast”.

(Attachment)

Background information on subsidiaries which are subject companies of this stock transfer

1 . SPP Process Technology Systems, Limited

(1)Company Name	SPP Process Technology Systems Limited	
(2)Head office	Ringland Way, Newport, Gwent, Wales, NP18 2TA U.K.	
(3)Name and Title of Representative	President & CEO William Johnson	
(4)Primary Business Activities	Development, manufacture and sale of capital equipment used in the manufacturing process of semiconductor-related industries (etching and deposition capital equipment) through subsidiaries	
(5)Share capital	GBP28,500,000	
(6)Date of Incorporation	12 October 2009	
(7)Shareholders	SPP 100%	
(8)Affiliation with SPP	Share holding relationship	1,425,000,001 stocks (100%) owned by SPP
	Employee Relationships	SPP's officers (President Susumu Kaminaga and Managing Director Eizo Yasui) and 2 employees serve as Directors (Chairman and Directors) of SPTS as of this date.
	Business Relationships	Both purchasing and selling capital equipment used in the manufacturing process of semiconductor-related industries, and its parts
(9)Financial Information (in Million Yen)		
Fiscal Year	Year ended 31 December 2010	Year ended 31 December 2009 (*)
Net Assets	4,322	1,640
Gross Assets	13,019	9,908
Annual Sales	16,641	4,239
Operating Profit	4,029	1,056
Net Profit	4,875	2,252

(*) Financial Information section only covers business years after the incorporation of SPP Process Technology Systems, Limited. Also, financial information for the business year which ended on 31 December 2009 includes financial information of Surface Technology Systems Limited which was integrated into SPTS.

2 . SPP Process Technology Systems KK

(1)Company Name	SPP Process Technology Systems KK	
(2)Head office	1-8-11 Harumi, Chuo-ku Tokyo 104-6108 Japan	
(3)Name and Title of Representative	President Seiichi Ogino	
(4)Primary Business Activities	Sale and service of capital equipment used in the manufacturing process of semiconductor-related industries (etching and deposition capital equipment)	
(5)Share capital	JPY10,000,000	
(6)Date of incorporation	1 October 2009	
(7)Shareholders	SPP 100%	
(8)Affiliation with SPP	Share holding relationship	100 stocks (100%) owned by SPP
	Employee Relationship	SPP's 1 employee serves as Director of SPTS KK as of this date.
	Business relationship	SPP purchases capital equipment used in the manufacturing process of semiconductor-related industries, and its parts and services from SPP Process Technology Systems KK.
(9)Financial Information (in Million Yen) (*)		
Fiscal Year	Year ended 31 December 2010	Year ended 31 December 2009
Net Assets	67	23
Gross Assets	429	548
Annual Sales	811	70
Operating Profit	74	16
Net Profit	43	13

(*) Financial information shown here only covers the information after the incorporation of the company.