

NEWS RELEASE

August 2, 2006

KOJIMA INSTRUMENTS INC.**KOFLOC agrees with SHOKO Co., Ltd.
on the sale of nitrogen generators for synthetic resin molding**

KOFLOC (KOJIMA INSTRUMENTS INC. at Kyotanabe, Kyoto; President: Hisatoshi Kojima) has agreed with SHOKO Co., Ltd. (Minato-ku, Tokyo; President: Hiroshi Matsubara; listed on the first section of the Tokyo Stock Exchange) that SHOKO would sell compact nitrogen gas generators manufactured by KOFLOC to the synthetic resin molding industry.

SHOKO, a member company of the Showa Denko Group, will take over the commercial right to the nitrogen gas generator that SHOWA DENKO K.K. has commissioned KOFLOC to manufacture, establishing a new framework in which KOFLOC functions as a manufacturer. KOFLOC will send sales engineers on loan to SHOKO to aggressively carry out sales activities by using the resin sales network of SHOKO. SHOKO plans sales of 250 million yen in 2008.

Infusion of nitrogen gas in the synthetic resin molding process to control black spots and other molding defects caused by oxygen and other activated gasses in the air will substantially increase the yield of products. On the occasion of the current sales agreement, KOFLOC will release on an OEM basis new nitrogen generators (KS Series) with a built-in compressor that is especially effective in synthetic resin molding lines.

Manufactured in consideration of dust generation and high temperature environment in synthetic resin molding factories, KS Series has been characterized by the adoption of a compressor with great durability as compared with conventional nitrogen gas generators for industrial use. Furthermore, a gas distributor has been provided as a special option for synthetic resin molding. In view of the cost-effectiveness, the price is relatively low.

[OUTLINE]

《KOJIMA INSTRUMENTS INC.》

Name KOJIMA INSTRUMENTS INC.

Registered trademark KOFLOC

Establishment July 1974

(Incorporated as Kojima Seisakusho, Co., Ltd.)

U R L : <http://www.kofloc.co.jp/>

President Hisatoshi Kojima

Capital ¥400,000,000

Number of employees 233

Business content Manufacturing and sales of area flow meters, fluid control valves, electronic flow meters, various fluid controllers, nitrogen, oxygen and ozone gas generators, fuel battery evaluation devices, deodorizers, water processors, medical equipment, etc.

annual turnover 3,500 million yen

(Reference)

《SHOKO CO.,LTD》

The head office 4-1, Shibakoen 2-chome, Minato-ku, Tokyo 105-8432

Establishment May 28, 1947

Capital ¥8,021,790,000

Business content Fertilizers and Feed, Agricultural and Livestock materials, Light Metals, Non-ferrous Metals, Heavy Metals, Ceramics, Graphite Electrodes, Fine Carbon, Petroleum and Fuels, Natural Products, Civil Engineering and Construction Materials, Electronic Materials, Precision Materials, Measurement Instruments, Machinery and Equipment, Real Estate and Insurance Agency

annual turnover 130 billion yen

A reference

KOJIMA INSTRUMENTS INC.<http://www.kofloc.co.jp>

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