



June 20, 2005

PRESS RELEASE

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Release for after 08:00 am Monday June 20, 2005 Japan time.

MDI Acquired Laser Separation Division of Schott AG in Germany
FPD Laser Separation Equipment Market Domination Strategy

Mitsubishi Diamond Industrial Co., Ltd. (hereinafter MDI, headquartered in Osaka Japan, President Yasuaki Miyake) and Schott AG (headquartered in Mainz, Germany) have signed a contract in an agreement that laser business unit of Schott AG had been transferred to MDI. MDI has acquired all intellectual assets and technological and marketing rights related in laser business by this. A development and marketing purposed base MSAP* has also been set up at the same time June 1, 2005 in Germany (Mainz city) intensifying laser separation technology of brittle materials including flat panel display. Human resources and research and development instruments attached to ex-Schott Advanced Processing** had been also transferred at this base.

Background and Purpose of Alliance

Higher quality and at the same time diversification are rapidly required in flat panel display separation in recent years. MDI has been up to present supplying equipment and tools with the latest concept in scribe and break equipment by glass cutting wheels, is positioned as a market leader present in the market of flat panel display scribe and break, beveling, and tools, and dominates the market share of laser separation mass production machines. While Schott AG had been developed glass separation machines by laser from the early stage, its unique technology was widely accepted and shared the market with MDI.

By integrating laser process technology mutually advanced by both parties, it will be progressive in development into new market, providing wide technology solution to emerging needs market by strengthening the technology development resources.



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Coming Schedule

Technology Side: Intellectual property rights such of patents and related technology transfer

Manufacturing Side: MDI will establish manufacturing structure after technological transfer.

Marketing Side: Maintenance/structure construction of sales route

(EU & USA Regions : MSAP Other Regions : MDI)

*) Schott Advanced Processing: Schott AG's business unit mainly researched and developed separation technology by laser for flat glass.

***) MSAP :

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