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For Immediate Release

## **Mitsui to Exclusively Off-take Southwall's Sputtered Films**

Mitsui Chemicals, Inc. (MCI) of Japan and Southwall Technologies, Inc. of the U.S. (STI) have entered into an agreement under which MCI will exclusively off-take sputtered film products made by STI, MCI announced today.

The agreement executed at the end of last month will secure for MCI a stable supply of STI's high-quality sputtered films which Japan's leading chemical manufacturer will use to make its proprietary flagship products "FILTOP" optical filter for plasma display panels (PDPs) and "SILVER REFLECTOR" high reflective films going into liquid crystal displays (LCDs). They are a part of MCI's display materials business which the company is intensively strengthening and expanding as one of its core businesses.

The arrangement this time has grown out of the long and productive cooperative relationship which the two companies have maintained for nearly 20 years as important strategic partners, says MCI.

A leading supplier of thin-film coatings for the automotive glass, electronic displays and architectural markets headquartered in Palo Alto, California, STI offers an extensive supply of high-quality sputtered films fabricated at its state-of-the-art, large-scale plants in Palo Alto and Tempe, Arizona in the U.S., and Dresden in Germany.

Under the leadership of President and CEO Thomas G. Hood, STI recorded a turnover of 69 million dollars in 2002.

In the background of the cooperation this time is the large expansion being registered by worldwide demand for PDP optical filters and LCD reflective films. With such a backdrop, MCI intends to pursue further expansion as a leading supplier to the display materials market by fully leveraging its latest alliance with STI, and at the same time, to develop new businesses in the field of sputtering application products.

MCI is targeting its display materials sales for Year 2007 at 40 billion yen, a figure 2.5 times the current level.

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