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## **Applied Materials and Dainippon Screen Sign Final Agreement to Form Sokudo Joint Venture Company**

KYOTO, Japan, July 20, 2006 —Dainippon Screen Mfg. Co., Ltd. (Screen) and Applied Materials, Inc. today announced the signing of the final agreement to form a joint venture company called Sokudo, Co., Ltd. The new company brings together the complementary resources and capabilities of Screen and Applied Materials to deliver advanced, technically differentiated coat/develop track solutions for customers' critical semiconductor manufacturing requirements.

Sokudo Co., Ltd., headquartered in Kyoto, Japan, is 52% owned by Screen and 48% owned by Applied Materials. Screen's existing coat/develop track business and related intellectual property are being transferred to Sokudo, including employees, products and its installed base of systems. Applied Materials contributed ¥16.6 billion (approximately US\$151 million) to Sokudo and is transferring technology, related intellectual property and key development employees to the company.

Sokudo is operated as a separate entity headed by chief executive officer Takashige Suetake, executive vice chairman of Dainippon Screen Mfg. Co., Ltd. and president of Screen's Semiconductor Equipment Company.

Sokudo's Board of Directors includes Michael Splinter, CEO and president of Applied Materials; Menachem Erad, group vice president and chief of staff of Applied Materials; Farhad Moghadam, senior vice president and general manager of Applied's Thin Films Group; Masahiro Hashimoto, representative director and COO of Dainippon Screen Mfg. Co., Ltd.; and Tadahiro Suhara, corporate officer of Dainippon Screen Mfg. Co., Ltd. and vice president of Semiconductor Equipment Company.

"This joint venture demonstrates a strong commitment by both companies to provide our customers with innovative track solutions to meet the challenges of nanometer-scale manufacturing," said Mike Splinter. "Combining Applied and Screen's talents and resources will allow us to create advanced, highly competitive products with new levels of performance in a shorter timeframe. These track products will also enhance Applied's expanding portfolio of lithography-enabling solutions designed to help customers cost-effectively move forward into the next technology generations."

"Sokudo is a company that combines both the coat/develop track development and production expertise cultivated over many years by Screen with the advanced product technology and expertise possessed by Applied Materials. Screen has already established a strong reputation for its manufacturing technology and quality control, and we are constantly working to create systems that can deliver the products customers have come to expect in a shorter period of time." noted Takashige Suetake, "Sokudo has a clear road map of its direction, and this select Japan/U.S. team is thoroughly focused on the development and assessment of the advanced processes that will lead us forward into the next-generation of systems."

According to market researcher Gartner Dataquest, the market for track systems was estimated to be \$1.4 billion in 2005 and is forecast to grow to nearly \$2.0 billion in 2008.

## **Safe Harbor Statement**

This press release contains forward-looking statements relating to Applied Materials' joint venture with Dainippon Screen and expected benefits of the transaction, including new product development/commercialization and growth opportunities; Applied's and Screen's technology leadership and capabilities; and the market for track systems. These statements are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those stated or implied, including but not limited to: the satisfaction of closing conditions; successful integration of Applied's and Screen's respective contributions to the joint venture; the joint venture's ability to develop, manufacture and commercialize products; sustainability of demand in the semiconductor and semiconductor equipment industries, which is subject to many factors, including global economic conditions, business spending, consumer confidence, demand for electronic products and integrated circuits, and geopolitical uncertainties; Applied Materials' ability to develop, deliver and support a broad range of products and to expand its markets and develop new markets; retention of key employees; and other risks described in Applied Materials' Forms 10-K, 10-Q and 8-K filed with the Securities and Exchange Commission. All forward-looking statements are based on managements' estimates, projections and assumptions as of the date hereof and Applied Materials assumes no obligation to update any such statement.

**Sokudo Co., Ltd.**, headquartered in Kyoto, Japan, was established on July 3, 2006 for the development, manufacturing, sales and service of advanced coat/develop track equipment for semiconductor production. Its website is [www.sokudospeed.com](http://www.sokudospeed.com).

**Dainippon Screen Mfg. Co., Ltd.** was established in 1943 and is a top 10 supplier of semiconductor fabrication equipment, specializing in wafer cleaning systems, coat/develop track equipment, and next-generation flash anneal tools. Dainippon Screen is a public company quoted on the Tokyo stock exchange (TSE: 7735). Its website is [www.screen.co.jp](http://www.screen.co.jp).

**Applied Materials, Inc.** (Nasdaq: AMAT) is the global leader in nanomanufacturing technology™ solutions for the electronics industry with a broad portfolio of innovative equipment, service and software products. At Applied Materials, we apply nanomanufacturing technology to improve the way people live. Learn more at [www.appliedmaterials.com](http://www.appliedmaterials.com).

## **CONTACTS:**

### **Sokudo Co., Ltd.**

Helen Armer (press contact) 408/986-7592

### **Applied Materials**

Dave Miller (business media) 408/563-9582

Betty Newboe (technical media) 408/563-0647

Randy Bane (financial community) 408/986-7916

### **Dainippon Screen Mfg. Co., Ltd. (Kyoto, Japan)**

Hiroaki Nakamura (corporate communications department) [synchronize@screen.co.jp](mailto:synchronize@screen.co.jp)