



Company Contact:

Dwain Aidala
President & COO
sp3 Diamond Technologies, Inc.
t: +1-408-492-0630
e: daidala@sp3inc.com

Press Contact:

Dave Richardson
Vice President
Impress Public Relations
t: +1-415-994-1423
e: dave@impress-pr.com

sp3 Receives Major Investment from Seki Technotron

SANTA CLARA, Calif. — January 23, 2006 — sp3 Inc., a leading supplier of diamond film products, equipment and services, announced a major capital investment from existing partner Seki Technotron Corporation, a Japanese sales and marketing company specializing in high technology industries. The investment, which gives Seki more than 10 percent ownership, will allow sp3 to further develop the use of diamond in advanced technology applications as well as expand the penetration of sp3 Diamond Technologies' CVD diamond products into advanced technology markets.

“Seki's decision to expand its participation in sp3 as an investor speaks volumes about the growing markets for the use of diamond while Seki's willingness to invest in the development of sp3's products and technology highlights our leadership position in the diamond deposition market,” said Jim Herlinger, chairman and CEO of sp3, Inc. “This investment will allow us to bring to market additional thin-film and freestanding diamond products and applications that can be implemented across the spectrum of advanced technologies, including MEMS, wafer scale diamond and other semiconductor and electrochemical applications.”

Seki and sp3 entered into a business relationship in August 2004. Since that time Seki has served as the exclusive worldwide distributor for sp3's Hot Filament CVD Diamond Deposition Systems. Seki also offers sales and service of its own AX Series microwave

plasma CVD systems. The company maintains sales and services operations in Asia and the US, including Japan, China, Taiwan, Singapore, Korea, and California.

“As long time distributor of CVD diamond equipment, we've seen first hand the quality of sp3's products and their path to broad, cost effective commercialization of CVD diamond. Since this enhances the value of CVD diamond to manufacturers across a broad range of industries, making an investment in sp3 is a logical extension of our existing relationship with the company,” stated Makoto Seki, President of Seki Technotron Corp. “As a material diamond is poised, especially in technology and electronics applications, to move front and center because of its unique, cost-effective thermal properties. sp3 has the materials knowledge and product base to bring diamond to the manufacturing mainstream.”

Diamond offers a number of properties leading to its use in a variety of technology applications, including hardness, high stiffness, high thermal conductivity, electrical conductivity or electrical insulation for semiconductor applications, high biocompatibility and extreme chemical resistance. To bring these advantages to market, sp3 focuses on the development of diamond deposition processes using hot-filament and dc torch CVD reactors, and the application of diamond coatings and freestanding diamond to a broad range of industrial uses. sp3 also supplies hot-filament CVD reactors for research and production applications to further expand the use of diamond in manufacturing.

About sp3 Diamond Technologies, Inc.

Diamond is hard, durable, stiff, thermally conductive and electrically insulating. These are just some of the many qualities that diamond offers making it ideal for a wide variety of applications, from cutting tools to advanced semiconductor manufacturing. sp3 Diamond Technologies makes CVD (chemical vapor deposition) diamond for a broad range of applications where current materials have reached their limit. Our ability to make and deposit diamond is a direct result of our proprietary chemical vapor deposition diamond reactor technology and our coating services capability. It is this technology that allows us to deposit uniform thin-film diamond and do it cost-effectively. Consistent and cost-effective manufacture of CVD diamond is in turn

broadening the material's appeal throughout multiple industries where diamond could be considered the material of choice.

Based in Santa Clara, California, USA, the company provides diamond products for advanced thermal applications, diamond coating and material services, hot filament CVD reactors, and deposition consulting services. sp3 Diamond Technologies is a subsidiary of sp3 Inc., a full service provider of products and services relating to thin-film and freestanding diamond deposition and other diamond materials. For more information about the company and its products and services please visit www.sp3inc.com.

About Seki Technotron Corp.

Seki Technotron is a technical sales and marketing company with strong service capabilities and brings technology products to markets in Japan, Asia, the U.S. and Europe. The company was established in 1948, is publicly traded on JASDAQ and maintains sales and service operations in Tokyo and Osaka, Japan as well as Santa Clara, Ca. USA. Seki Technotron offers products to the semiconductor/FPD equipment, communications (commercial/defense), test and measurement, and research and scientific instruments markets.

For more information about the company and its products and services please visit www.sekicvdsolutions.com.

ENDS