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MTI Instruments Growing Presence in Japan Results in Record Orders

ALBANY, N.Y., May 7 /PRNewswire-FirstCall/ -- MTI Instruments, Inc. ("MTII"), a worldwide leader in precision measurement solutions and a subsidiary of Mechanical Technology Incorporated (MTI) (Nasdaq: MKTY), today announced record orders from its Japanese distributor, Koyo Precision Instruments ("Koyo"), who has placed orders for approximately two million dollars in the last three months. These orders include products sold to a global leader in photolithography equipment for the microelectronics manufacturing industry. Shipments under these orders have commenced and are expected to continue until early Fall of 2007.

In order to satisfy the most demanding requirements of their international customers, MTI Instruments has partnership agreements with distributors that provide local sales, service and support worldwide. In Japan, MTI Instruments has expanded its decade old relationship with Koyo Precision Instruments to now include all of its semiconductor metrology systems. Koyo supplies equipment sales, service and support for MTI Instruments products and customers throughout Japan, including equipment demonstrations, 24/7 support, and sample wafer analysis.

"We are very excited about our partnership with MTI Instruments," said Mr. Shiro Motohashi, CEO of Koyo. "MTI Instruments' products are of the highest quality and reliability and are very well received by both OEMs and end users in Japan like Nikon Corporation, Toyota, Nissan and Fuji Film. We continue to make significant investments in our relationship with MTI Instruments leading to the rapid expansion of sales and service with these products."

"Japan is a highly competitive environment," said Mr. Rhett Takagi, Director of Sales and Marketing of Koyo. "It's extremely difficult to penetrate this market with any product because Japanese customers insist on the highest quality at the lowest price and the shortest delivery. Only vastly superior products succeed and we have proved our capabilities with several large established companies."

MTII supplies Koyo with high precision non-contact measuring systems designed for a wide variety of displacement, position, vibration and dimensional gauging applications. These products serve various industries including semiconductor, automotive and computer disc drive. Part of MTII's strategic effort is to raise the company's profile by focusing on OEM sales and increasing revenue by at least 15% over last year.

"Our relationship with Koyo is an example of the meaningful partnerships and global reach we foster with distributors," said Robert Kot, Vice President and General Manager of MTI Instruments. "Our strategic thrust is to continue the growth of MTI Instruments by designing, manufacturing and distributing solutions to some of the world's largest companies. By partnering with world class distribution organizations like Koyo, our end

users and OEMs are able to obtain the most advanced measurement technology complimented by superior local sales and service."

About MTI Instruments, Inc.

MTI Instruments, Inc. (MTII), a subsidiary of Mechanical Technology Incorporated (Nasdaq: MKTY) headquartered in Albany, NY, is a worldwide supplier of precision non-contact physical measurement solutions, precision balancing equipment and semiconductor wafer inspection tools. MTII products use a comprehensive array of technologies to solve complex real-world applications in numerous industries including manufacturing, semiconductor, commercial/military aviation, automotive and data storage. Mechanical Technology Incorporated is also engaged in the development and commercialization of award winning Mobion(R) cord-free advanced portable power systems, through its subsidiary MTI MicroFuel Cells Inc.

Statements in this press release which are not historical fact including statements regarding management's intentions, hopes, beliefs, expectations, representations, projections, plans or predictions of the future are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, among others, MTII's sales dependence on a small number of customers; MTII's sales revenue growth may not be achieved; the importance of any relationship with Koyo or any other distribution partner; and, the fulfillment of orders to Koyo or any other distribution partner. All forward-looking statements are made as of today, and MTI and MTII disclaim any duty to update such statements. It is important to note that MTII's and MTI's actual results could differ materially from those projected in forward-looking statements. Factors that could cause the anticipated results not to occur include, among others, the risk factors listed from time to time in MTI's SEC reports including but not limited to, the annual report on Form 10-K and Quarterly Reports on Form 10-Q.

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