

**Investors Meeting
for FY2008 2nd Quarter financial results**

Glossary

20th.Nov. 2008

Water Environmental Business

*Plants and process equipment

This segment is for making contracts business, it includes plants construction and installation of process equipment.

*Maintenance

'Maintenance' is a scheme that contractor makes a contract with customer every year, it is different from comprehensive O&M contracts and long-term O&M contracts.

*Life cycle business

"Life cycle business" is a contract scheme including EPC and operation, maintenance. It is generic word including PFI or DBO contracts and comprehensive O&M contracts, and long-term O&M contracts.

*Comprehensive O&M contracts and long-term O&M contracts

A kind of life cycle business. Comprehensive O&M contracts include operation and maintenance for the plant and procurement of oil and electricity and so on. Long-term O&M contracts are operation and maintenance services for plural years.

*Synthetic evaluation method

"Synthetic evaluation method" is a kind of bid method. This method is required not only price but technological proposal and credit stability to make a successful bid.

This method was introduced to prevent deterioration of quality in public works and to protect sub-contractors by low price bid in Japan.

*PFI [Private Finance Initiative]

PFI is a new method to construct, maintain and manage public facilities by using private capital, management skills, and technical abilities. In 1999, "PFI Law" was enacted in Japan. There are three kinds of scheme in Japan, BOT (Build Operate Transfer), BTO (Build Transfer Operate), BOO (Build Own Operate).

*Energy creation

It is not only energy saving but to create new energy by conversion from waste or sludge.

*Sludge to fuel recycling systems

It is a new sewage sludge utilization technology which makes fuel from sewage sludge by carbonization. The fuel can be used as a fuel in power plants.

*Pressurized fluidized combustion systems

This system is a new incineration system which applies pressure into incinerator to burn sludge cakes efficiently. This system can reduce the power consumption for 40% against usual fluidized combustion system.

Industrial Business

*STD (Steam Tube Dryer)

STD is a representative machine of Tsukishima Kikai. It is used in petrochemical field and steel and food manufacturing field and various field. Especially, STD is proud of 70% share in the world's purified terephthalic acid manufacturing plant. STD's feature is to treat large quantities for drying, and to have wide applicable range, and to be easy operation, and to minimize inert gas emission by adopting indirect heating. We have achieved to install more than 400 units in the world.

*Purified terephthalic acid(PTA)

It is material for polyester fiber used to PET bottles. Recently, the demands for para-xylene is pressed, so manufacturing PTA is reducing gradually, but major suppliers of PTA plan to consider demand and supply after 2010. So we expect to grow the PTA demands in China and India.

*BPA(BISPHENOL A)

The 70% of BPA is used for material of polycarbonate. As the demands for polycarbonate, BPA demands is also growing. Usage of polycarbonate is electrical appliances, office automation equipments. And recently, demands for polycarbonate is spread to the field of optical products and automobile parts.

*Coal drying

It is a method to improve coal calorie value. As recent rise of oil and coal price, some customers are introducing the coal drying system. Main customer is steel industry.

*Para-xylene

It is material for PTA. Recently, the demands of PTA are reducing but the demands for para-xylene are increasing.

*POM(polyacetal, polyoxymethylene)

It is material for automobile parts and electric products. It has superior characteristics of abrasion resistance and easy molding.

*PC(Polycarbonate)

It is material for automobile parts and electric products and optical products. Main material is BPA(BISPHENOL A), it has superior characteristics of clearness and heat resistance, stability for molding or sizing.

*Liquid-waste combustion system

It is a combustion system and technology for liquid-waste of ethylene and relative material. It is installed in petrochemical and chemical field, pulp industry and so on. It is applied to ethylene and styrene, caprolactam liquid-waste.

*Vacuum chamber

When thin film coating and microfabrication is needed, this vessel is used to form vacuum. Tsukishima Kikai is proud to manufacture the large vacuum chamber (a two by two meter square) united aluminum-base alloy by electron beam welding machine. This vacuum chamber have been adopted to the liquid crystal panel manufacturing equipments.

*EBW(Electron beam welding)

It is a kind of welding methods. It is possible to weld efficiently and to avoid deformation of material under vacuum environment. Tsukishima Kikai has two EBW equipments which is the largest class in Japan.