

**Investors Meeting
for intermediate Statement of 2007**

Terminology

21_{st} Nov. 2007

Water Environmental Business

*Life cycle business

Life cycle business is a contract scheme including EPC and operation, maintenance. It is a generic word including PFI or

DBO contracts and inclusive O&M contracts, and long-term O&M contracts.

*Contract operation/maintenance

Contract operation/maintenance is a scheme that a contractor makes a contract with a customer every year, it is different from inclusive O&M contracts and long-term O&M contracts.

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

A kind of life cycle business. Inclusive 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.

*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 creating 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 an 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.

*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.