



IT Joint Venture Set Up to Meet Software Needs of Manufacturing Sector in China

TEC and its affiliate Toyo Business Engineering Corporation (B-ENG), along with Shenzhen Bluenet Software Services Ltd., have established East Net Co., Ltd., an IT joint venture in Shenzhen, China, to provide software services for the manufacturing sector. The joint venture, which started operations on July 1, 2001, handles Electronic Data Interchange (EDI) for parts orders and delivery mainly for Japanese component manufacturers. East Net is also engaged in systems integration services, software sales, including customization, the development of distribution and logistics systems, and other operations.

The establishment of the joint venture is in line with TEC's globalization strategy targeting IT-related customer services and new business development activities promoted principally by TEC and B-ENG. We expect the joint venture to serve as antenna shops for better understanding and monitoring demand trends in China for TEC's e-Solutions business.



Exclusive Sales Rights in Asia for On-Line Corrosion Monitoring System

TEC has been awarded exclusive sales rights in Asia for the SmartCET/CETware on-line corrosion monitoring system licensed from InterCorr International, of the United Kingdom.

The on-line corrosion monitoring system is especially useful as a surveillance and maintenance tool for static equipment and as a tool for appraising equipment soundness to realize continuous, long-term operation. It can be used for oil well equipment, such as offshore rigs, and in refinery, nuclear power, paper manufacturing, chemical, and other plants.

TEC has begun sales of the system, and the Company plans to further enhance Plant-Clinic services as part of solution businesses in the area of operation and maintenance of plants after construction through the introduction of consulting services using this system.



NEWS

ASCOPE 2001 Exhibition

During November 2001, TEC participated in the 7th ASEAN Council on Petroleum Conference & Exhibition (ASCOPE 2001), the largest oil and gas related international conference and exhibition in the ASEAN region, held over four days in Kuala Lumpur, Malaysia. Attendees from TEC headquarters, headed by CEO/President Toshihiko Hirose, made a variety of presentations to visitors, along with staff of TEC's Malaysian affiliate, Toyo Engineering & Construction Sdn. Bhd.(TOYO-M).

Under the exhibition theme of "Syngas Network for Natural Gas Monetization," which refers to the conversion of natural gas to higher-value-added synthesis gas, TEC introduced its large-scale Dimethyl Ether (DME) manufacturing process with a capacity of about 2.5 million tons per year and demonstrated the economical features of the process. TEC's DME manufacturing process via methanol has the advantage of not requiring a significant amount of new equipment, making it easy to implement at plants, with just one DME reactor, even as large as 2.5 million tons per year. Thanks to such features plant construction costs are low.

The ASCOPE 2001 exhibition was a good opportunity for TEC to promote its technical capabilities and record of plant construction in refinery and petrochemical fields in Malaysia, its efforts to address clean energy issues, and the corporate profile of TOYO-M, which is increasing its staff to more than 60 and executing several projects and pursuing new ones. The TEC booth attracted more than 600 visitors over the four days, an indication of the interest the TEC Group is generating in the ASEAN region.

