



Strategic Business Alliance with Fitech Laboratories, Inc.

The TEC Group and its strategic alliance partner Fitech Laboratories Inc., a company specializing in securities and finance-related systems development, have made a noteworthy joint financial IT development program. Toyo Engineering Corporation and its affiliated company Toyo Business Engineering Corporation, initiated this alliance with Fitech Labs to develop a petty cash settlement system for Internet banking services, utilizing Fitech Labs' advanced xTrade®* object-oriented systems development platform. This joint development began in October 2001 at Fitech Labs headquarters in San Francisco, and client-side implementation followed since the end of that year. Currently, the final preparations are underway for the launch of the service.

This joint development is the first step in what promises to be a mutually collaborative strategic business alliance between TEC Group and Fitech Labs. Both companies are actively and intimately strengthening their synergetic relationship aiming to meet the ever-diversifying, highly specialized IT market requirements of Japanese securities and financial institutions. Following this joint development, the parties will aggressively promote a wide variety of solutions principally for the domestic market, such as Internet banking, finance portals, account aggregation and securities trading (front and middle office).

* xTrade is an object-oriented component infrastructure for financial transactions, a landmark development incorporating the latest technology from the U.S., and leveraging the experience Fitech Labs gained in creating the legendary "NetStock" online trading system for Matsui Securities Co., Ltd. The company's built-in advanced load migration/sharing server technology produces superior operational stability, and the development process can be minimized by installing the system using previously developed components. As a result, this integrated solution promises to be an extremely effective investment for the securities and financial institutions that make use of it.



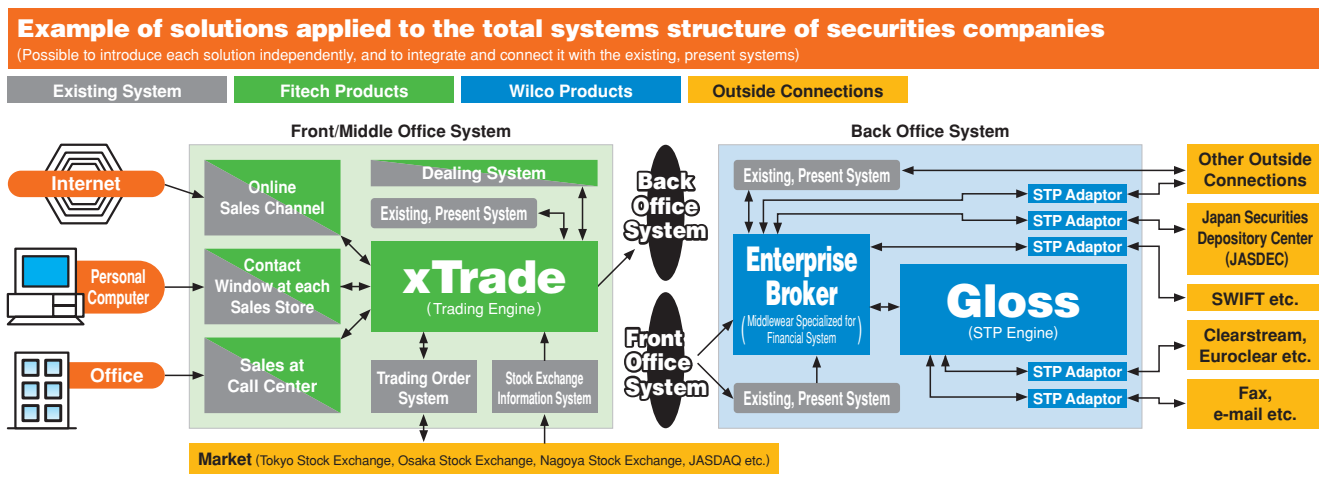
TEC Group Concludes Regional Alliance Partnership Agreement with Wilco International

Toyo Engineering Corporation and its affiliated company Toyo Business Engineering Corporation, two companies in the TEC Group, have recently concluded a regional alliance partnership agreement with Wilco International, a London-based, wholly-owned subsidiary of ADP Inc. of the U.S. The purpose of this partnership is to promote Wilco's outstanding software products through joint sales and marketing, as well as coordinated systems integration in Japan.

Wilco is the market leader in advanced software solutions for automated securities trading and settlement processing. Their Gloss system is an integrated package that handles everything from straight-through processing (STP) of trade orders to next-day (T+1) settlement processing. The Gloss system is currently in use in major international financial institutions throughout the U.S. and Europe, with overwhelming results. The global trend in securities trading is toward complete automation; Wilco is leading this trend.

Many mid- to large-sized Japanese firms have already introduced these systems in their overseas branches such as in London or Hong Kong, and as many as nine major securities companies and multinational securities companies in Tokyo are currently using a Wilco system as their core solutions for business reform. This clearly indicates that these systems are readily compatible even with the complexities of domestic securities businesses.

Through domestic sales of Wilco products and implementation of settlement systems, TEC Group is actively promoting STP for Japanese securities and financial institutions, thereby aggressively helping these companies recover their competitive position in the international market.





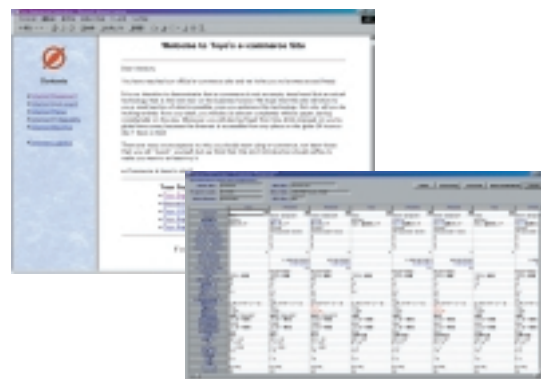
Steady Sales of e-Commerce System *Internet INQ*

TEC has been conducted sales of its independently developed application e-procurement system, *Internet INQ*, since last year. The revolutionary e-procurement system is the first of its kind, providing the procurement of materials to suit design and engineered items. The system has been gathering attention and receiving high evaluations.

TEC is one of the first engineering companies to implement the change to various operational systems, the e-commerce system is also one of them. The features of the *Internet INQ* are corresponding to the competitive bid of engineered items and allowing comparison of technical specifications and linkage of the design system. In addition, combining with the Bill of Material (BOM) management system, it enables procurement collaboration whereby the design department, procurement department and supplier all share BOM data. This leads to reduced procurement lead-times and helps ensure the procurement of materials that strike a balance between quality and cost.

TEC commenced operations of the *Internet INQ* system for projects involving TEC Group companies in fiscal 1999. The system is now being used around the entire world through TEC's procurement network, which is not only in Japan, but also throughout Europe, the United States and Asia, as a result contributing to efficiency in procurement operations. TEC has already received orders to construct this system from a certain number of customers in Japan and has since been receiving a lot more requests.

TEC is contributing to the reform of customers' internal systems and to Business Process Reengineering (BPR), by proposing of not only e-commerce systems but also total solutions including management integration systems such as ERP.



Urea ACES Technical Meeting Held

The Urea ACES Technical Meeting was held in Jakarta, Indonesia in February 2002. This meeting gathers licensees of TEC's ACES Urea Process and is held every year. Eight companies participated from Indonesia, Pakistan and Japan, and it became a great meeting. Technical presentations and discussions were conducted about the operation and maintenance of urea plants, trends of the fertilizer market and new technology, and it became the venue for valuable information exchange.

TEC always maintains close interaction with users of TEC urea technology, and while providing the latest technology, continues activities to grasp the needs of customers. As one example, TEC developed the ACES 21 Urea Process together with PT Pupuk Sriwidjaja of Indonesia as an advanced version of its ACES Process with even further energy and cost reductions.

TEC was awarded the contract for a retrofitting project to increase daily urea production capacity from 1,620 tons to 2,460 tons and to save energy by 30% for Sichuan Chemical Works Group, Ltd. of China based on this technology. The engineering is progressing smoothly and the project is scheduled to be completed in 2003.



TEC Renewed Olefin Technologies Cooperation with ABB Lummus Global Inc.

TEC renewed a long-lasting cooperation agreement with ABB Lummus Global (LGI) of the USA in November 2001 on LGI's olefins technologies which includes the newly improved ethylene production process technologies. Since the introduction of LGI's engineering technology in 1962, TEC has been maintaining the business relationship with LGI for 40 years and has completed 60 ethylene projects including 35 "grass root" ethylene plants. In December 2001, TEC and LGI held a joint seminar for Japanese olefins producers to introduce LGI's new technologies, which can almost double the propylene production by conventional naphtha cracking and enable ethylene producers to meet the urgent requirements by domestic producers to balance growing demand and lagging supply of the propylene, and this epoch-making new technologies can save investment costs and energy consumption dramatically comparing to the prevailing technology. TEC, in collaboration with LGI, is expecting new orders with the application of these new ethylene technologies.

