

Transportation Systems Business Presentation Meeting

(Held at Plant and Transportation Systems Engineering
& Construction Center)



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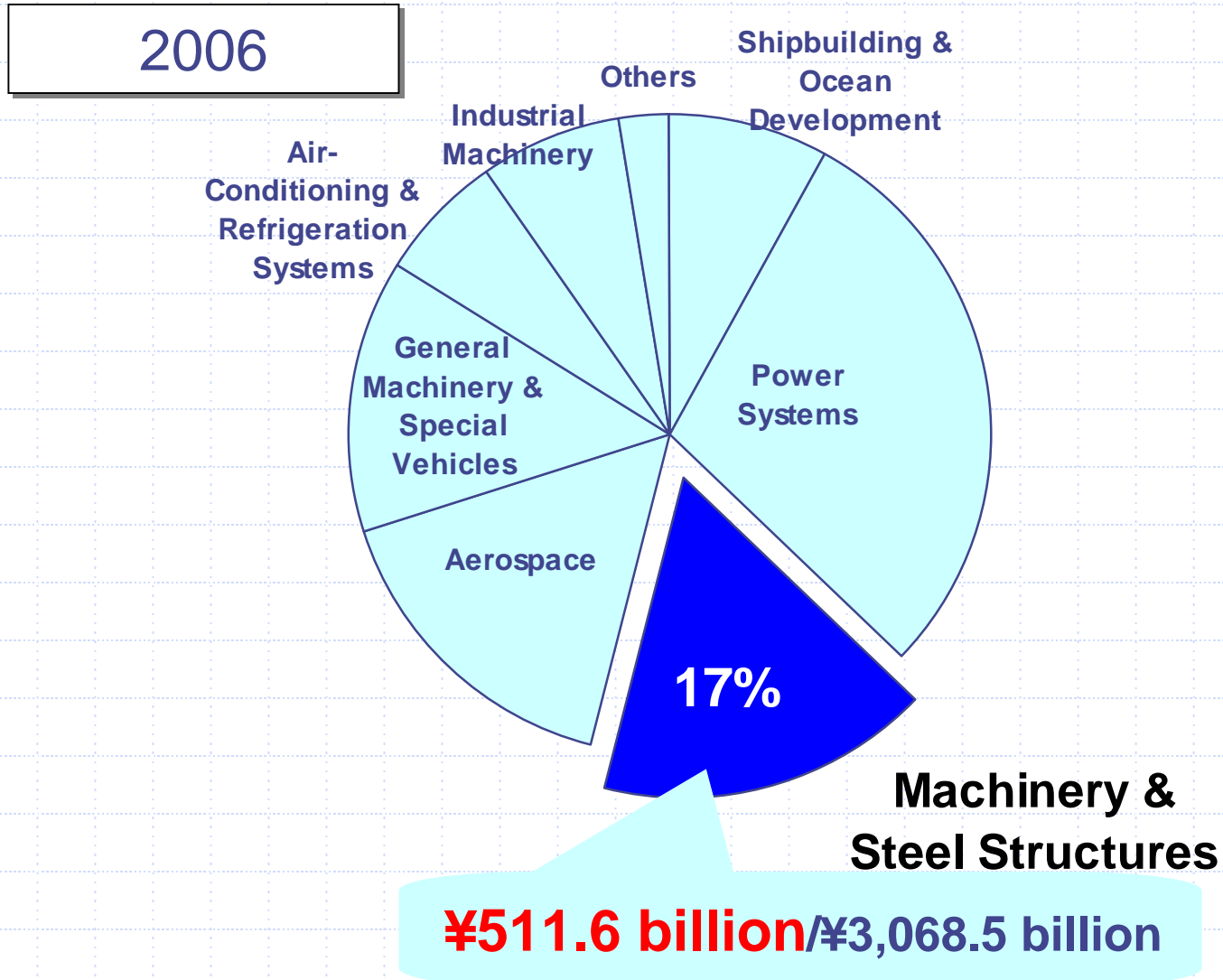
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1. Position of Machinery and Steel Structures

Financial results by segment (consolidated net sales)

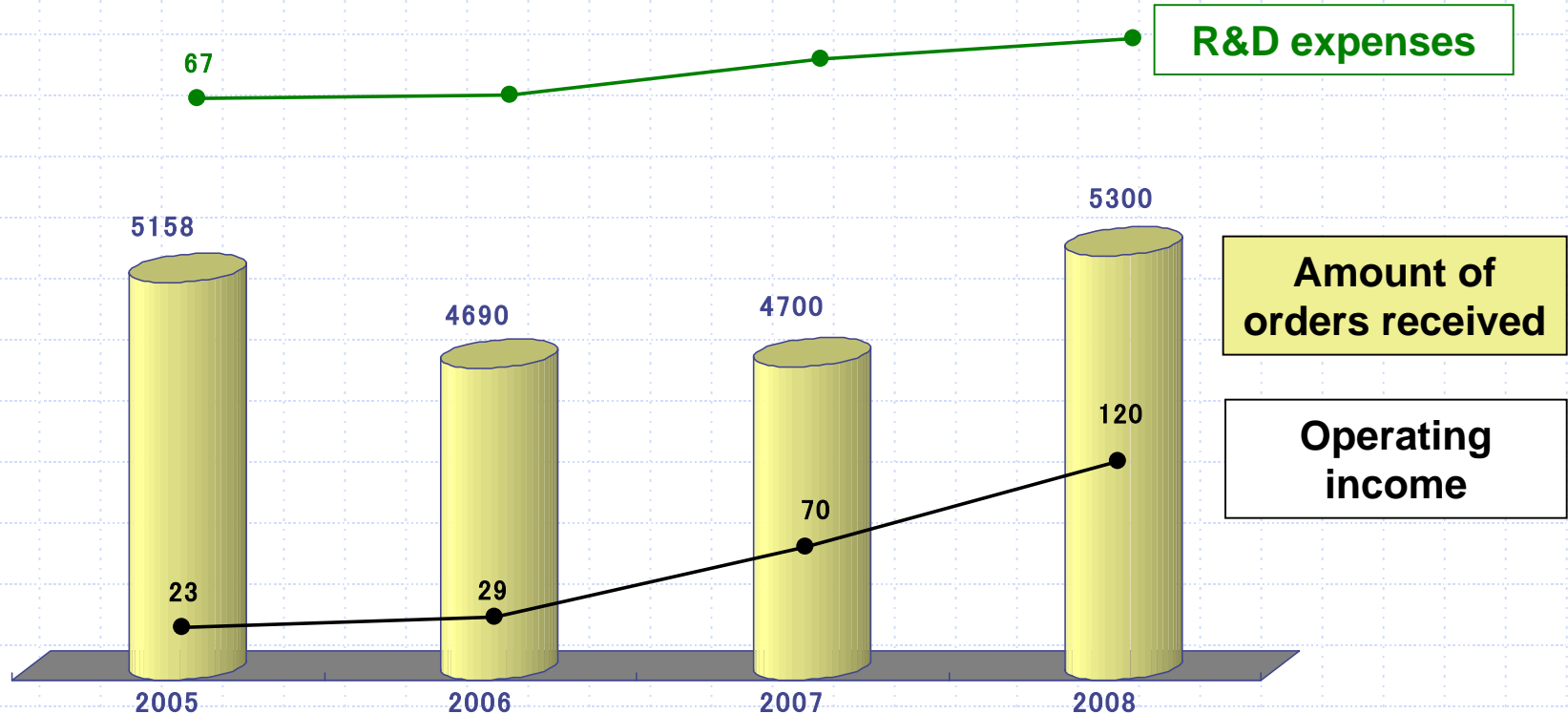


2. State of Machinery & Steel Structures Headquarters

(1) Amount of orders received, operating income and R&D expenses (consolidated)

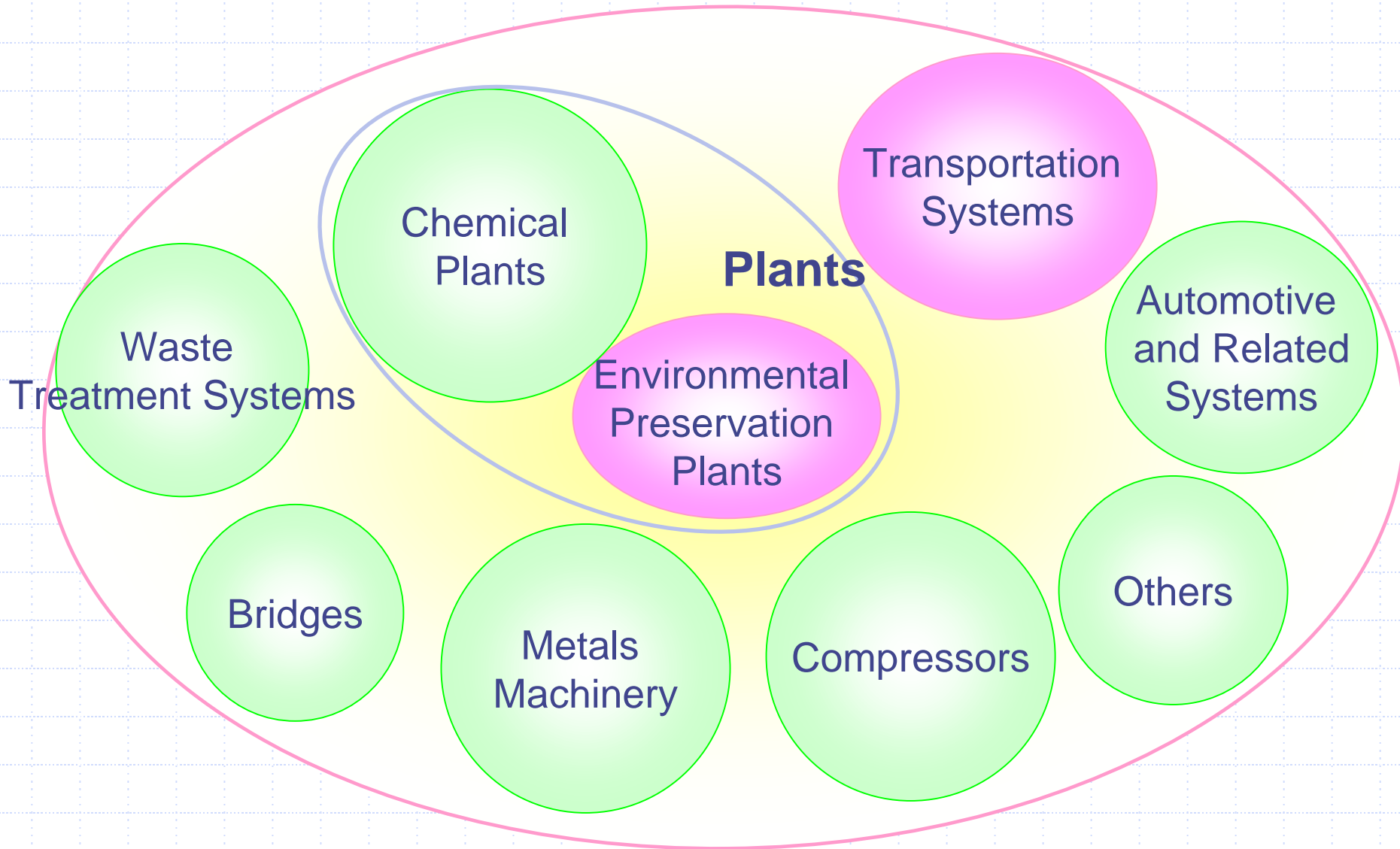
(Unit: ¥100 million)

The Company will step up R&D activities to respond to environmental requirements and advance technologies.



2. State of Machinery & Steel Structures Headquarters

(2) Business domains

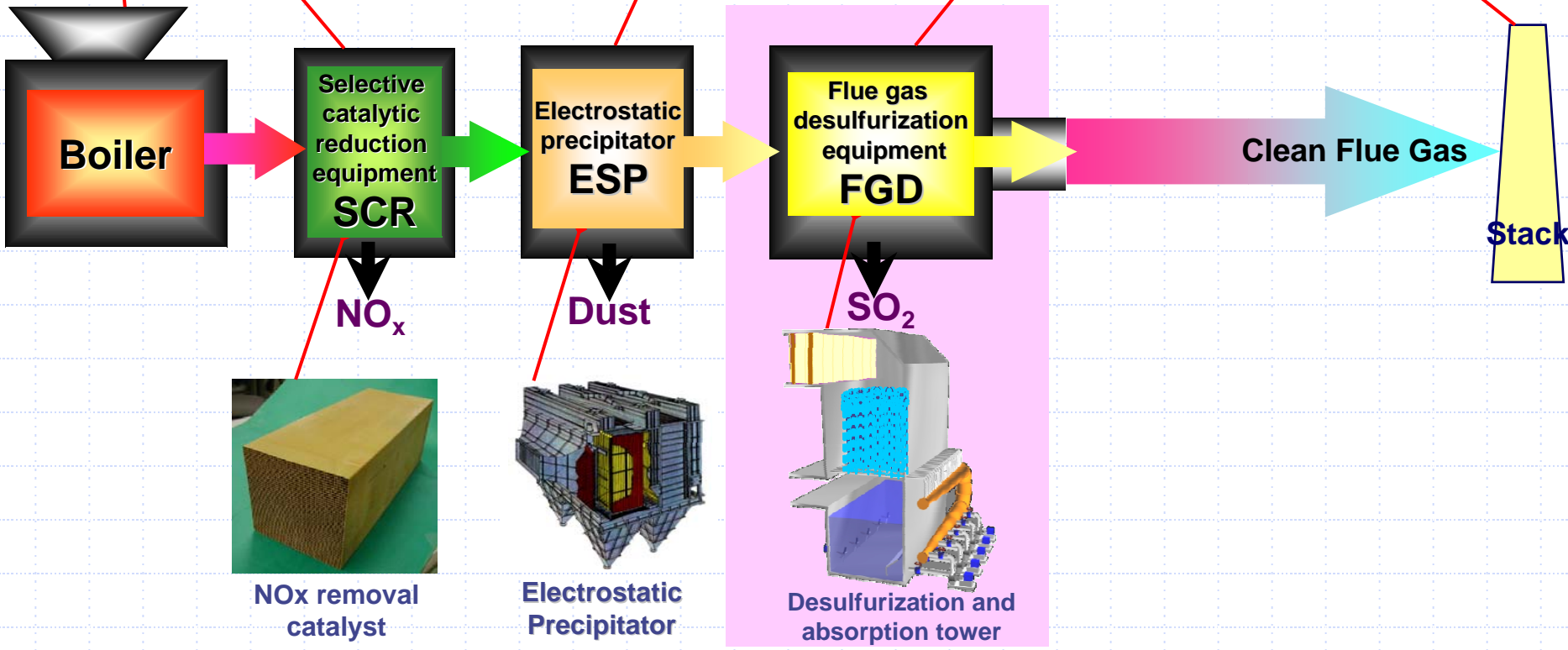


3. Environmental Preservation Plants



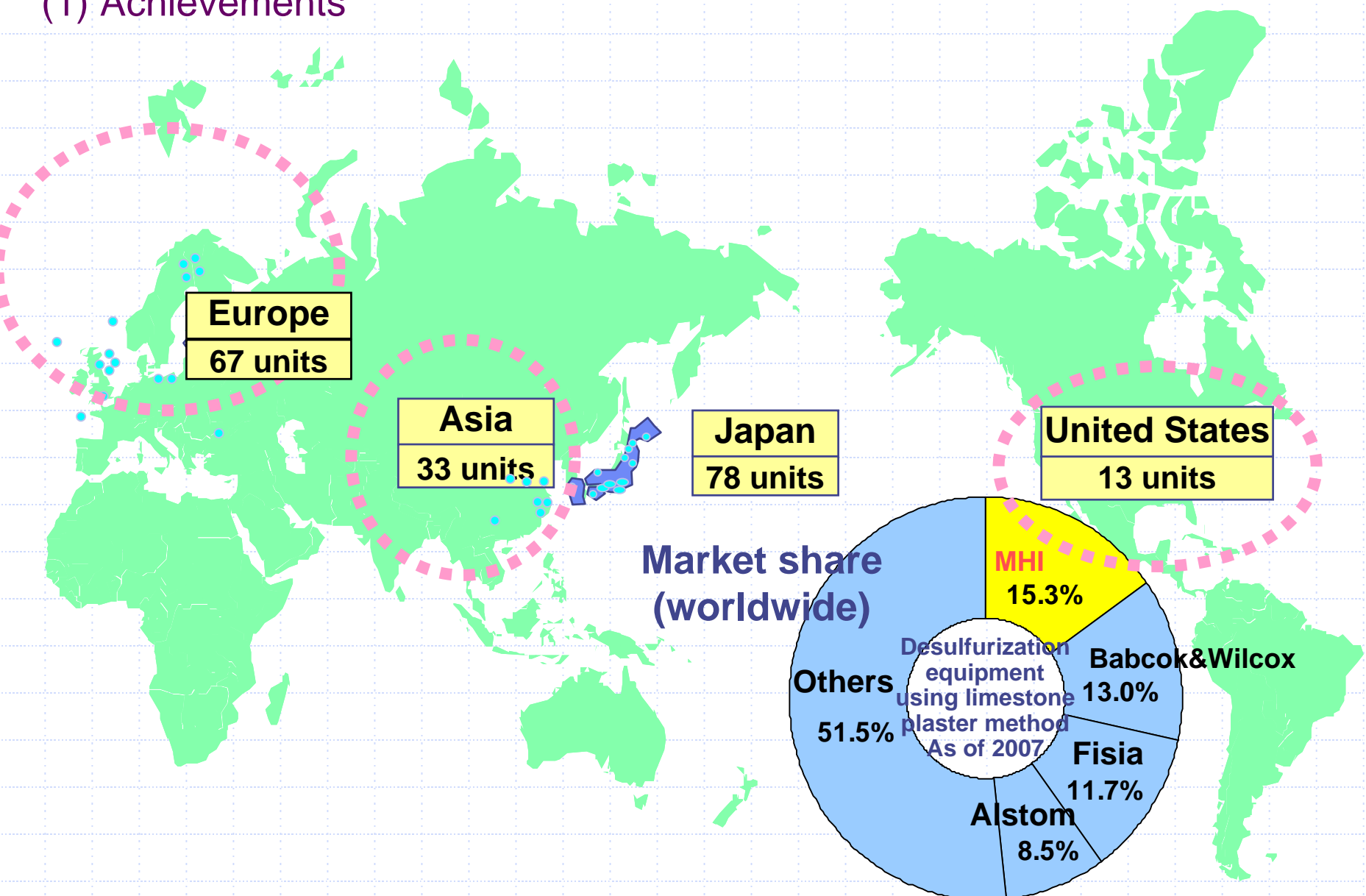
3. Environmental Preservation Plants – Response to Exhaust Gas

Facilities respond to exhaust gas



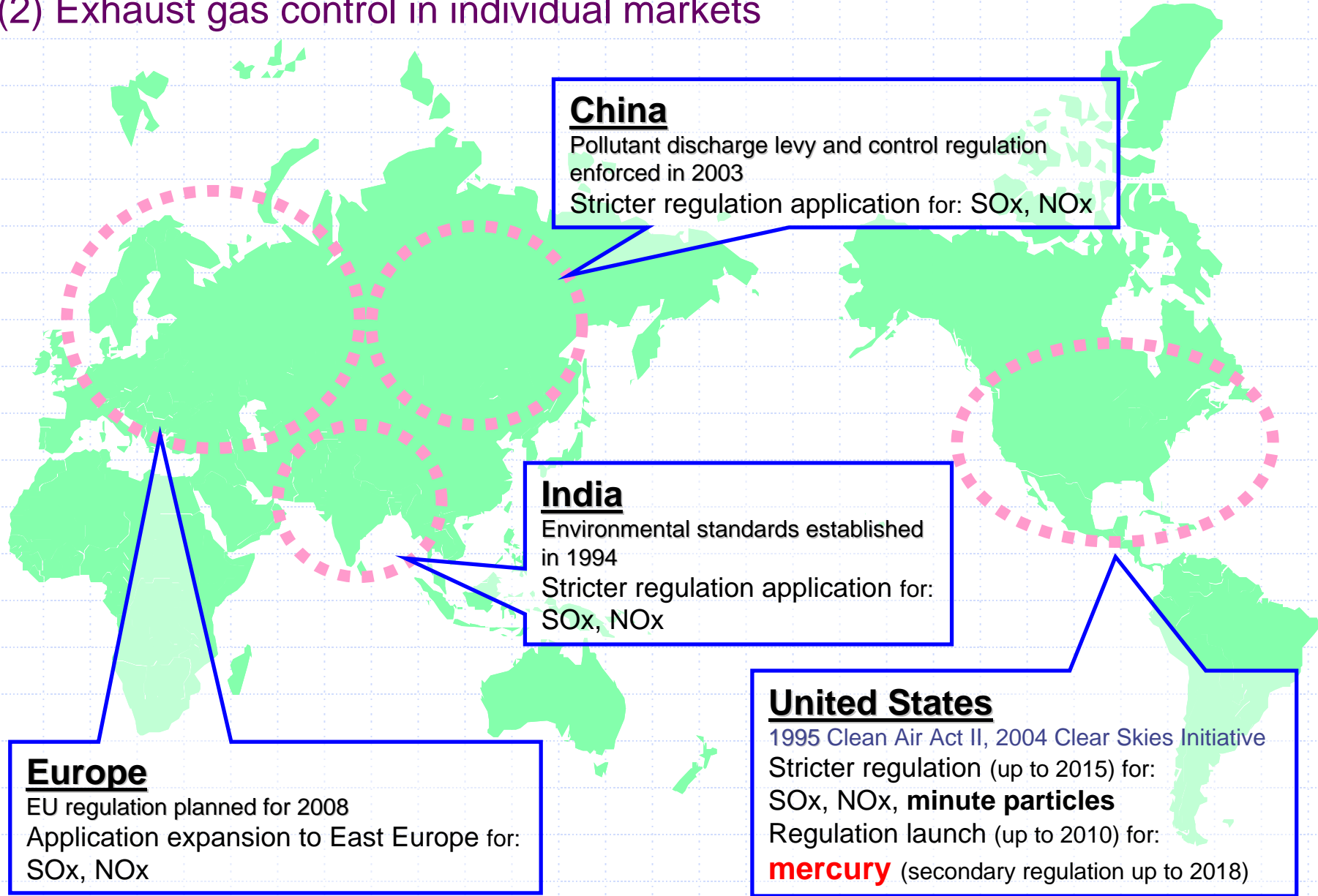
3. Environmental Preservation Plants – (1) Exhaust Gas Desulfurizers

(1) Achievements



3. Environmental Preservation Plants – (1) Exhaust Gas Desulfurizers

(2) Exhaust gas control in individual markets



(3) Actions for responding to the market (technological development)

◆ **Responses to stricter environmental regulations**

Original technologies for responding to mercury, SO₃ and minute particle regulations

◆ **Acceleration of operational speed**

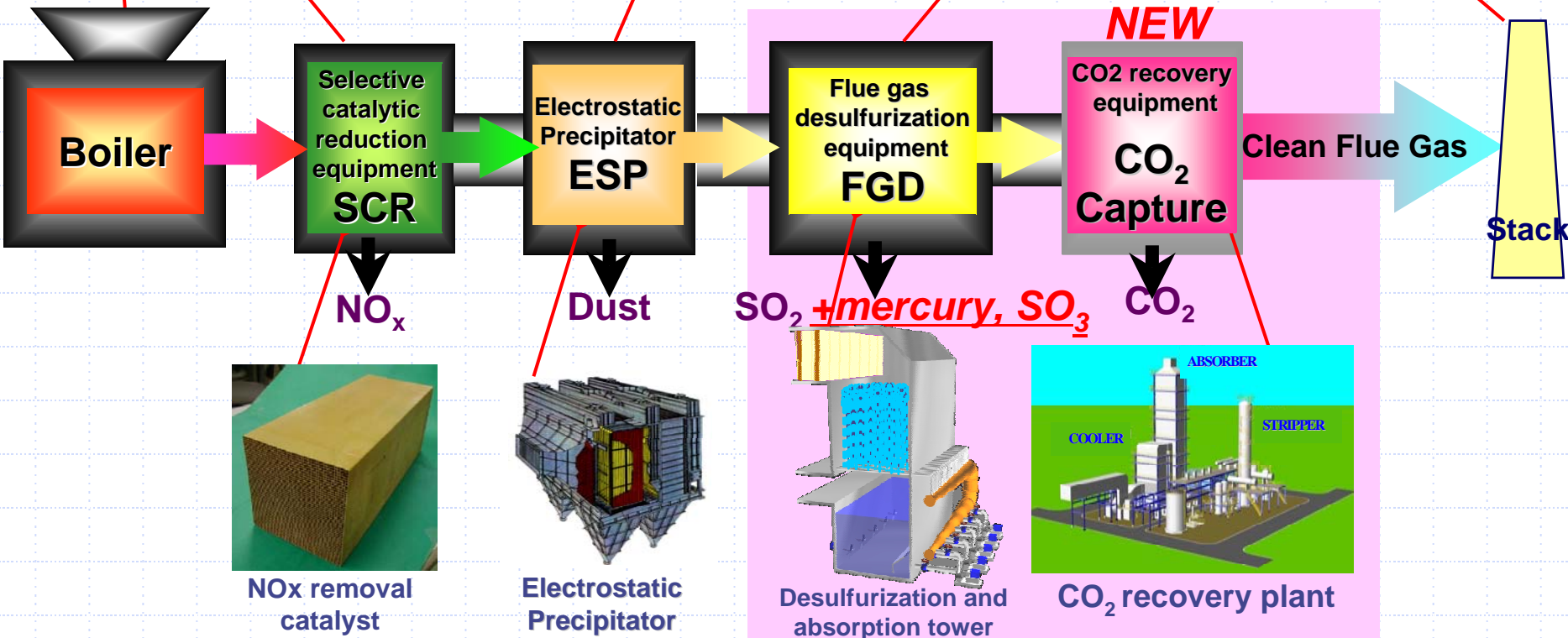
Introduction of large test equipment equaling production versions in functions



Large test equipment

3. Environmental Preservation Plants – Response to Exhaust Gas

Facilities respond to exhaust gas

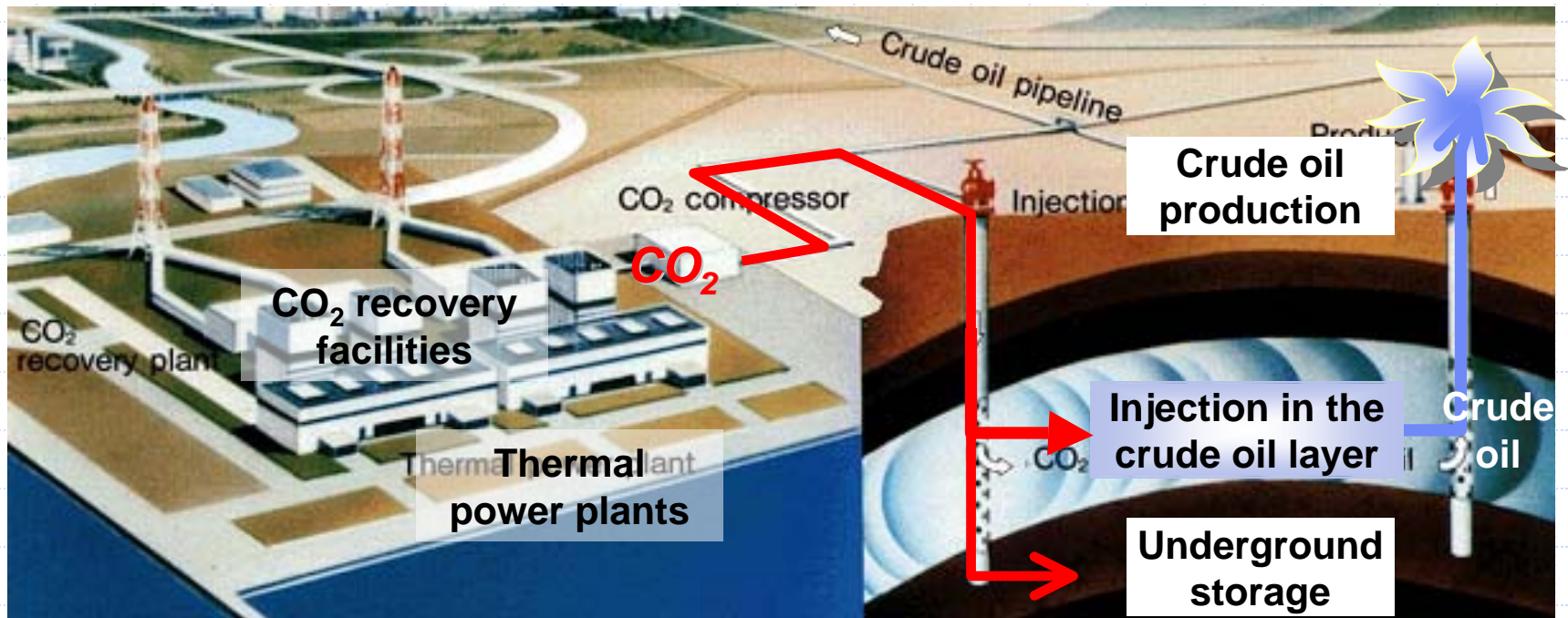


3. Environmental Preservation Plants – (2) C2 Recovery Equipment

(1) Market

Facilities that remove and recover CO₂ from combustion exhaust gas discharged by power plants, etc.

- ◆ Measures against global warming: recovery and underground storage of CO₂
- ◆ Crude oil production: injection in the crude oil layer for increasing crude oil recovery



3. Environmental Preservation Plants – (2) CO2 Recovery Plant

(2) Actions for responding to the market

◆ **R&D accumulation**

- Joint development with Kansai Electric Power Co., Inc. since 1990
- Reliability confirmed in long-term continuous operation of the test plant for a coal thermal power plant

◆ **Technical advantages** (amine absorbing solution)

- Only three companies in the world have the technology for practical application
- Energy savings of 20% or more (compared with other two companies)

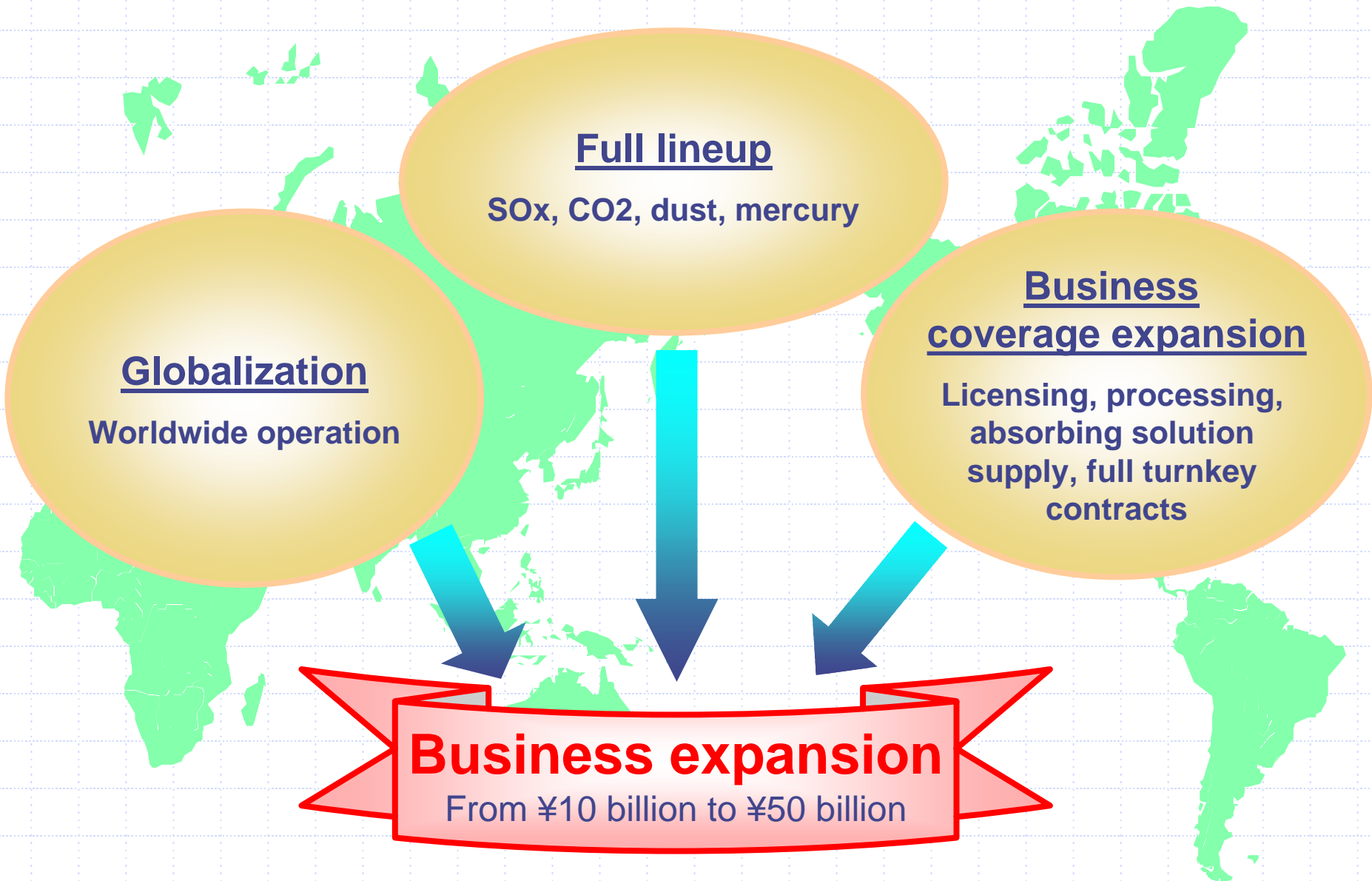
◆ **Achievement for CO2 Recovery plant**

Four commercial plants now in operation
(urea plants, etc.)



Urea plant in Malaysia
[CO2 recovery and recycling
for raw material use]

3. Environmental Preservation Plants – (3) Medium-Term Vision



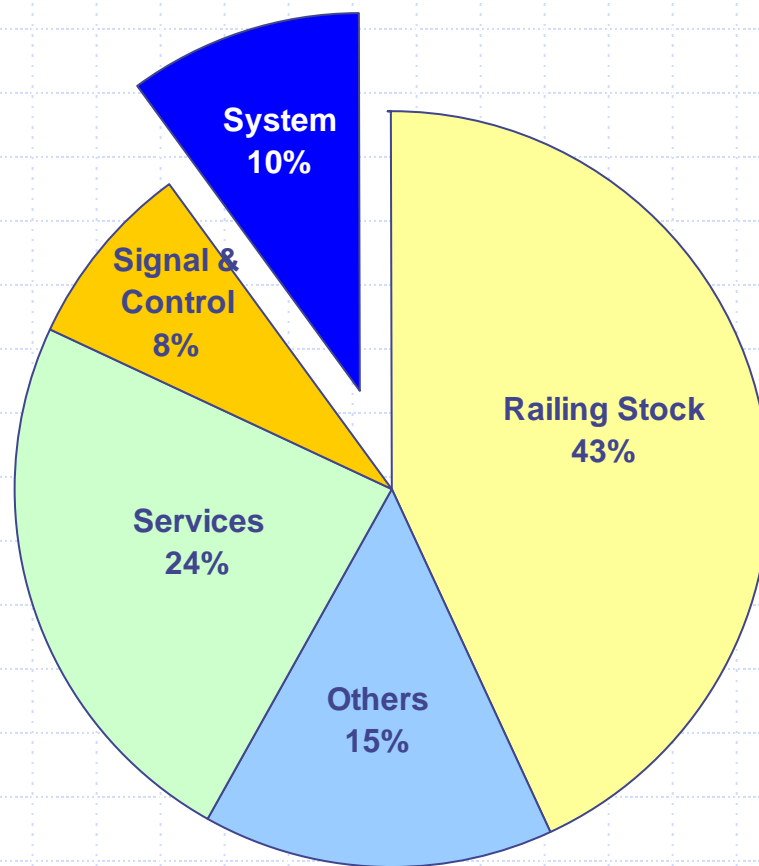
4. Transportation Systems



4. Transportation Systems – (1) Business Environment

(1) Market Segmentation – worldwide rail market

Global railroad market
<¥5,000 billion to ¥10,000 billion>



Average for 2003 to 2005

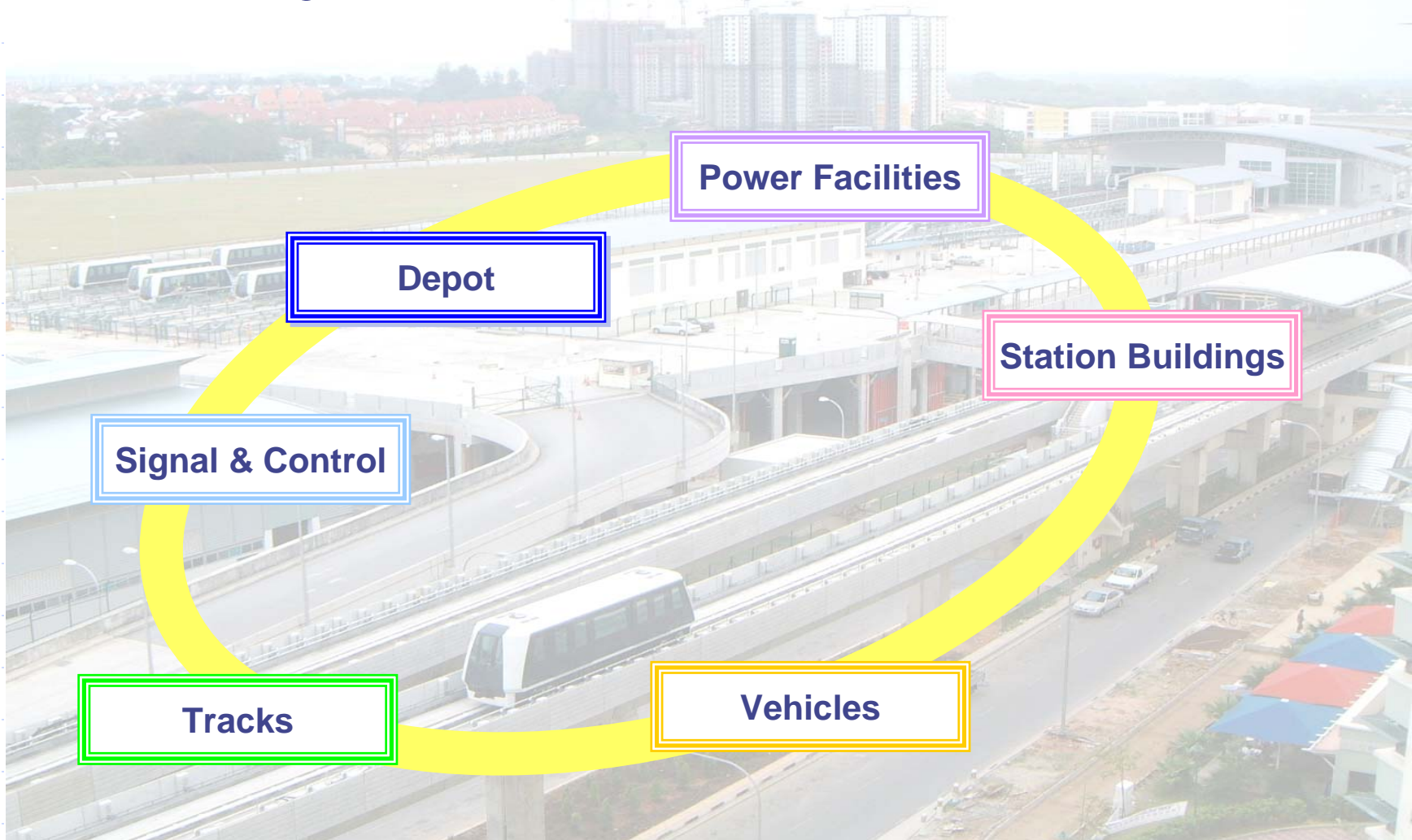
Main players in “System” segment

- Bombardier
- ALSTOM
- Siemens
- *MHI*

4. Transportation Systems – (1) Business Environment

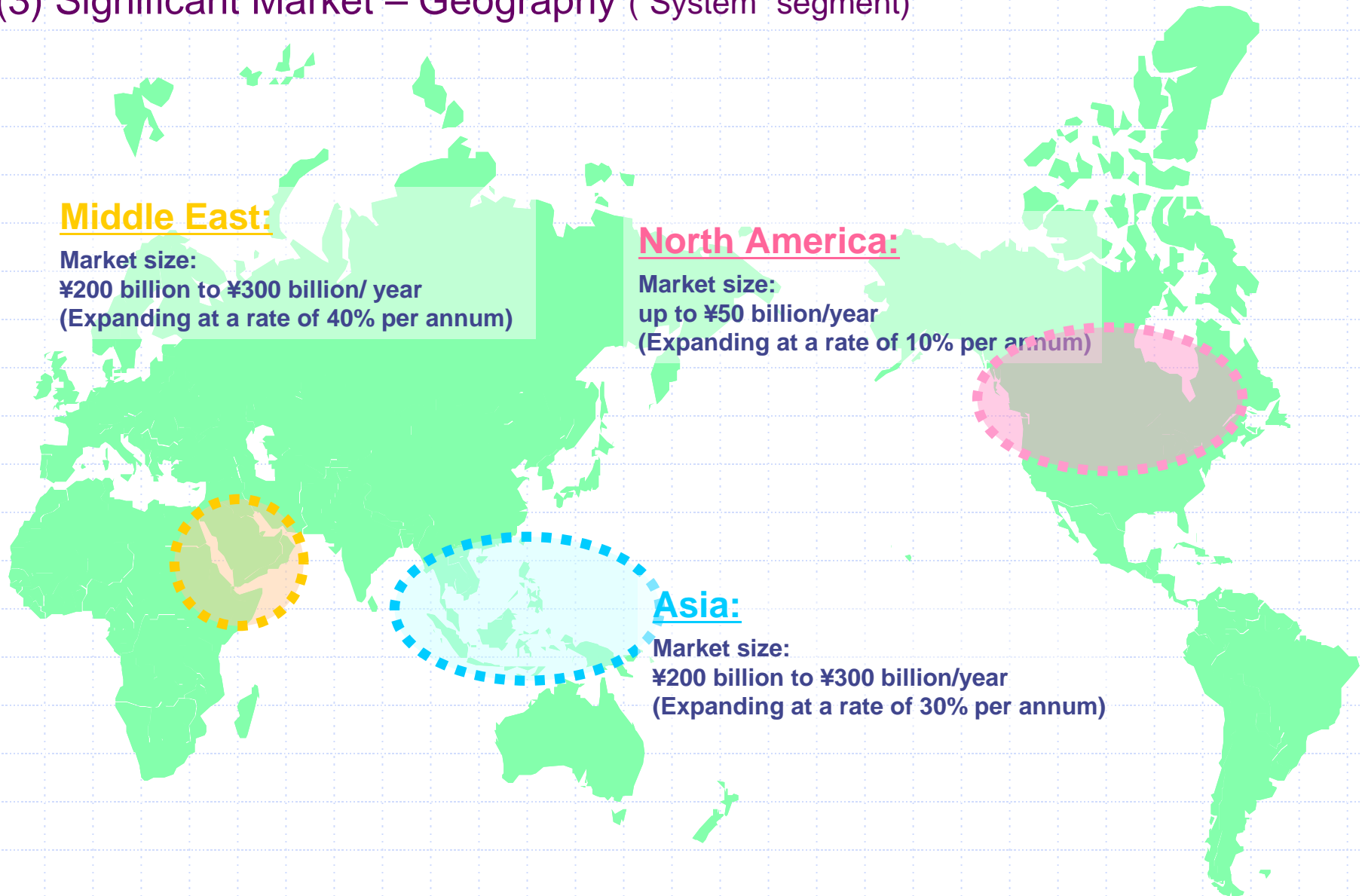
(2) Market Segmentation

- ◆ “System” segment: turnkey construction including all facilities like vehicles, signals, rail tracks, etc.



4. Transportation Systems – (1) Business Environment

(3) Significant Market – Geography (“System” segment)



Middle East:

Market size:
¥200 billion to ¥300 billion/year
(Expanding at a rate of 40% per annum)

North America:

Market size:
up to ¥50 billion/year
(Expanding at a rate of 10% per annum)

Asia:

Market size:
¥200 billion to ¥300 billion/year
(Expanding at a rate of 30% per annum)

4. Transportation Systems – (2) Business Domains

Main markets for the Company

Airport APM

**Automated People Mover
installed within large
airports and on airport
feeder lines**

Urban Transportation Systems

**Intra-city loop lines and
commuter trains installed
for easing traffic
congestion in large cities
and addressing
environmental problems,
etc.**

High Speed Railway

**Backbone lines that link
cities at high speeds**

* APM: Automated People Mover

4. Transportation Systems – (2) Business Domains

(1) Airport APM – achievements



APM at Hong Kong International Airport



APM at Incheon International Airport



APM at Washington Dulles International Airport



Washington D.C.

Seoul

UAE

Hong Kong

Singapore

Miami

Atlanta

APM at Dubai International Airport



APM at Singapore Changi International Airport



APM at Miami International Airport



APM at Hartsfield-Jackson Atlanta International Airport



4. Transportation Systems – (2) Business Domains

(1) Airport APM – future development



4. Transportation Systems – (2) Business Domains

(2) Urban transportation systems – achievements



Manila MRT 1



Manila MRT 2



Manila MRT 3



UAE

Dubai Metro



Manila

Singapore

Indonesia

Jakarta-Bogor Line

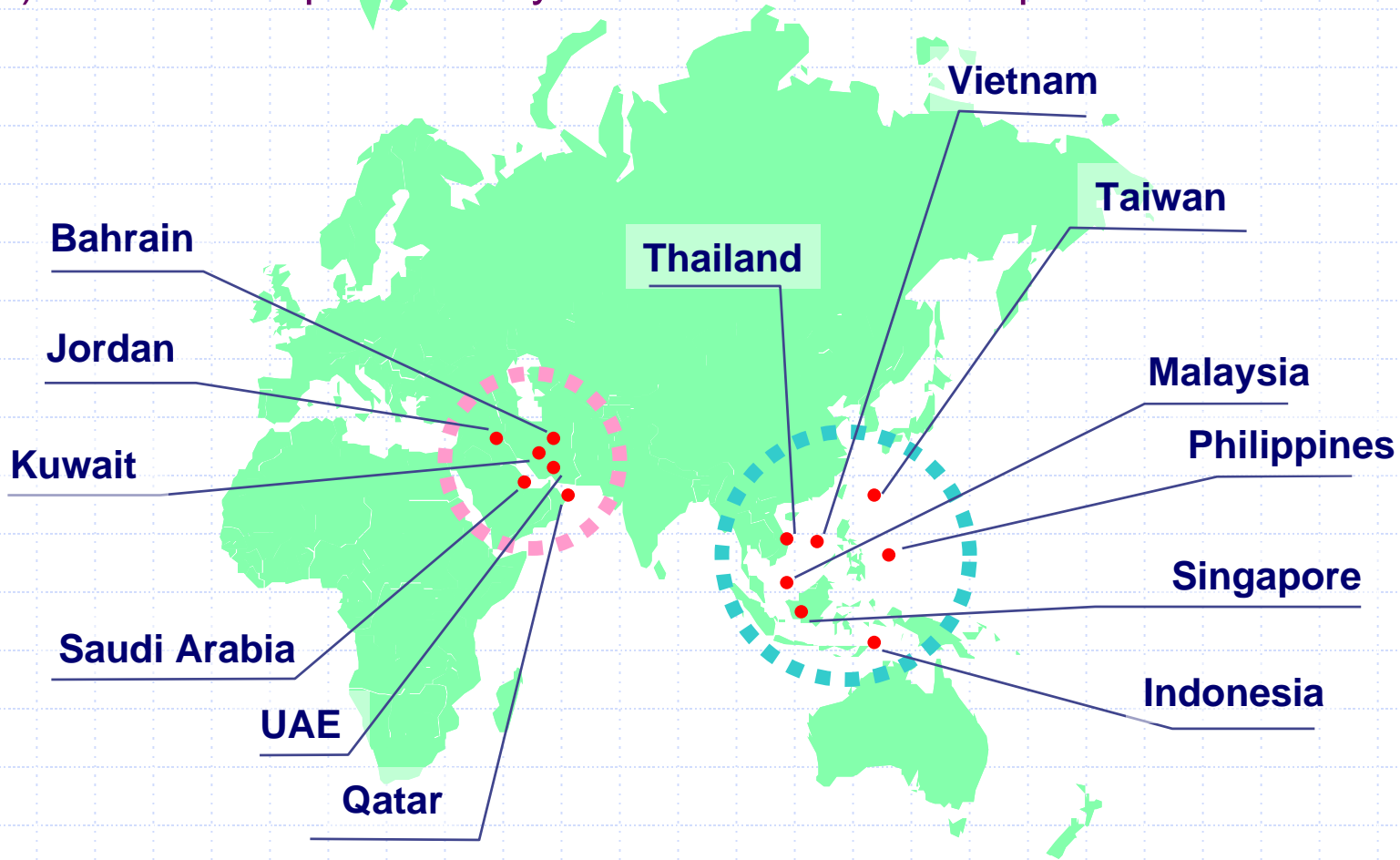


Sengkang/Punggol LRT in Singapore



4. Transportation Systems – (2) Business Domains

(2) Urban transportation systems – future development



Our main targets are emerging large cities centering on those in the Middle East and Asia.

4. Transportation Systems – (2) Business Domains

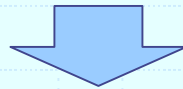
(3) Rapid railroad systems – achievements and future development



4. Transportation Systems – (3) Model Addition

Airport APM

Battery-type APM with Automatic Steering System



Simple and compact facilities

Urban transportation systems

HSST:
Electromagnetically
Levitated System



Very low noise

Low-floor LRT



Barrier-free

4. Transportation Systems – (4) Medium-Term Vision

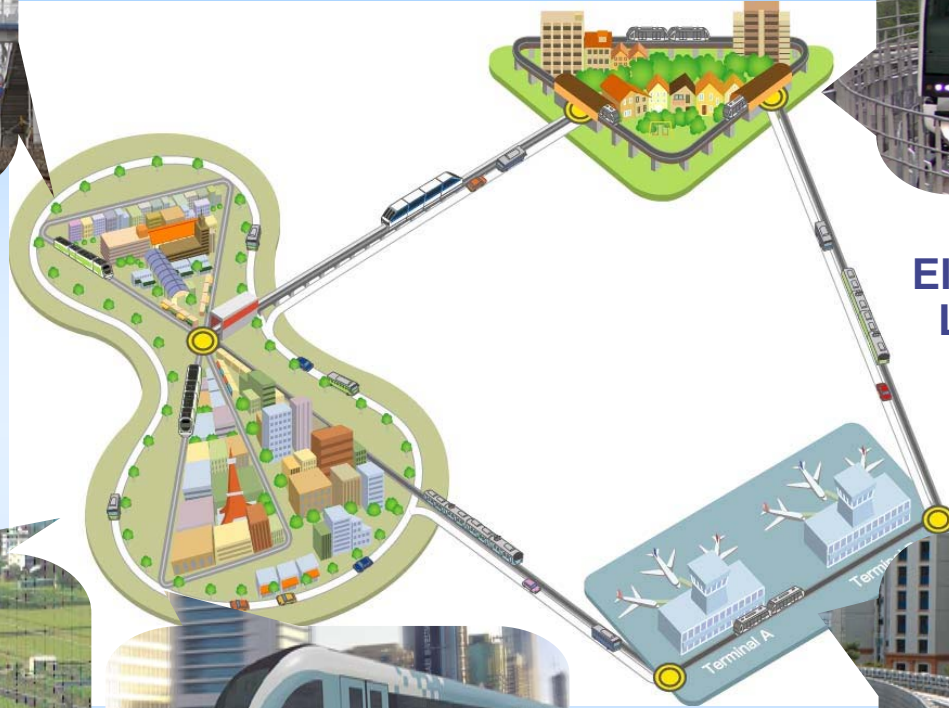
Full lineup of urban transportation systems



Low-floor LRT



HSST:
Electromagnetically
Levitated System



High Speed Train



Urban transportation
systems



Automated People Mover

4. Transportation Systems – (4) Medium-Term Vision

