



NIKKO CO., LTD. <Code No.: 6306, 1st Sec.,TSE/OSE>
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August 31st, 2006

Masaru Kishi, President
Nikko Co., Ltd. (Code:6306, 1st Sec.,TSE/OSE)
Hdqrs: Hyogo, Japan

FOR IMMEDIATE RELEASE

Nikko Co., Ltd. acquired Concrete-pump Business from Mitsubishi Heavy Industry, Ltd.

Hyogo Japan - Nikko Co., Ltd. ("Nikko"; Masaru Kishi, President) announced that it has agreed in principle with Mitsubishi Heavy Industries, Ltd ("Mitsubishi"; Kazuo Tsukuda, President) on the acquisition of Mitsubishi's concrete-pump division as from October 1st, 2006. The Basic Agreement was concluded on August 31st, 2006.

1. OBJECTIVES

Nikko is the company which has committed itself to increase its corporate value by enhancing the areas of core business. Nikko established NDC, Ltd. ("NDC"), wholly owned subsidiary company, to take over the concrete-pump division from Mitsubishi, which will enable Nikko to aggressively expand its concrete related business.

Mitsubishi has been doing concrete-pump business in Shimonoseki as its center of the operation since 1962 when it had aimed to expand the market by tie-up with Schwings GmbH of Germany. In 2000, it acquired concrete-pump division from Niigata Engineering Co., Ltd. Mitsubishi currently holds the state of art technologies, distinguished intellectual property rights and good clientele.

Through taking over the business and new line of products such as concrete pump truck for high-rise building construction from Mitsubishi, Nikko enables itself to reinforce and expedite its overall concrete business.

2. MITSUBISHI HEAVY INDUSTRIES, LTD.

- a) Established: January 11th, 1950
- b) Headquarters: 2-16-5 Minato-minami, Minato-ku, Tokyo, Japan
- c) President: Mr. Kazuo Tsukuda
- d) Capital: JP¥265.6 billion (US\$2.3 billion)
- e) Line of Business: Construction, sales, repair, and rescue dismantlement of ship and warship; Manufacturing of N-power plants, aerospace, engines and other heavy machines.

** U.S. dollar amounts have been converted at the rate of US\$1 = ¥117, for convenience only

3. NDC.,LTD., (A wholly owned Subsidiary of Nikko) **NDC shall change its company name to "NIKKO DIACRETE COMPANY., LTD.", after acquisition.

- a) Established: August 8th, 2006
- b) Headquarters: 8-33 Ogimachi, Nagafu, Shimonoseki, Yamaguchi, Japan
- c) President: Mr. Masaru Kishi
- d) Capital: JP¥20 million (US\$0.17 million) ** Scheduled to be increased to JP¥400 million(US\$3.42 million) by October 1st, 2006.

NIKKO Co., Ltd. Continued

- e) Line of Business: Development, manufacturing, and sales of concrete pump, sludge and mud pumping system for high density dredged slurry, Placing Booms and distributors.
- f) Number of Employees: Approximately 20
** U.S. dollar amounts have been converted at the rate of US\$1 = JP¥117, for convenience only
- g) Sales expected:
Current sales is about JP¥1.4 billion/yr (abt. US\$12million/yr), expected to be JP¥2.0 billion/yr.

4. ACQUISITION COST

About JP¥400 million (abt. US\$3.42 million) including fixed assets and an inventory.

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