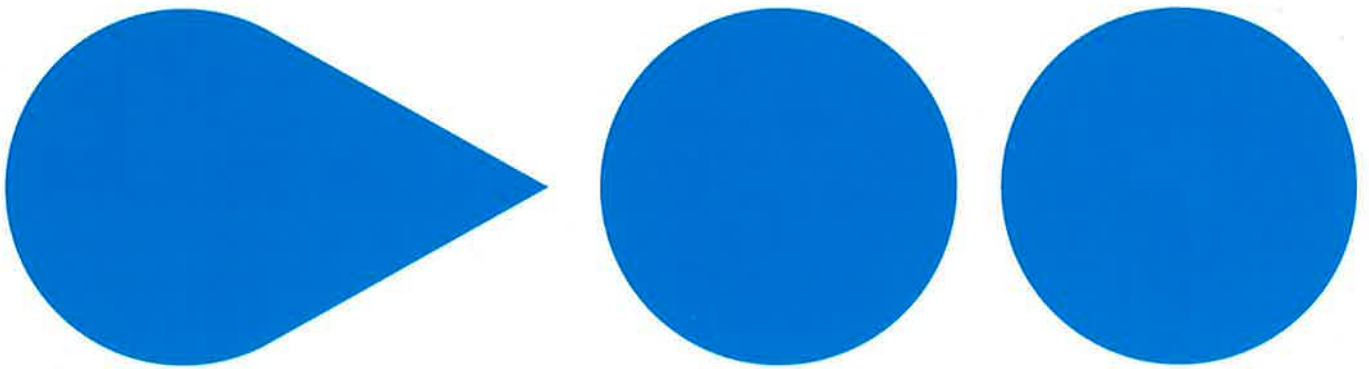


ORGANO

Organo Corporation.
Six decades of
making water better



A Message from the Management



Masahiko Denda
Chairman



Kiyoshi Hashimoto
President & CEO

An established world leader in the development and provision of water purification and treatment technologies and equipment, Organo Corporation is increasingly extending its operations beyond the borders of its home market in Japan to other markets in Asia and around the world. The purpose of this English-language brochure is to give current and potential customers, investors, employees and other stakeholders from these countries and regions some insight into Organo's history, operations and objectives.

We feel sure that virtually all our stakeholders are striving, as we are, to make advances in this era of dramatic change. Foremost among challenges characterizing this new era are explosive globalization of markets and intense pressure on the global environment.

Organo is positioned at the intersection of these two great currents. Since our foundation, over sixty years ago, we have dedicated ourselves to the development of technologies for use in the utilization and conservation of water resources. We have pursued these activities in accordance with principles suggested by the slogan "Heart and Technology."

"Heart," a translation of the Japanese kokoro, which also means "spirit," represents our unwavering commitment to improving and preserving water in all its aspects. We are, and will remain, specialists in the field of water, the source and sustainer of life on Earth. This commitment is reflected in our strong corporate culture of respect for the environment.

"Technology" expresses our commitment to technological innovation. We are the acknowledged technology leader in Japan in the field of water engineering and the supplier of choice for mission-critical equipment.

Thus, although a relative newcomer to the world stage, we bring six decades of experience, a dedicated workforce and the world's most advanced water engineering technologies with us as we seek to globalize our operations.

We hope that reading this brochure will give you a good understanding of our Company, our technologies, our products and our values. There is nothing on earth more important than water, and we are excited by the opportunities and challenges ahead as we pursue our mission of providing the world's peoples with water precisely suited to their many and varied needs.

Business Concept

Ecologically Clean

Water is a gift to Earth that is shared by all human beings and all other life on the planet. Valuing this "gift of water" above all else, Organo studies it, makes use of it in various aspects of life and industry, and creates new value with this priceless asset. Keeping "what's best for the earth" in mind, Organo is expanding its operations with respect to water in fields ranging widely from our daily lives to our social infrastructure and advanced industries.

Corporate Philosophy

Organo looks ahead to the future of the earth, and creates value through the use of water with "Heart and Technology."



Organo Corporation

Responding to Water-Related Issues with Technology

It is no exaggeration to say that the history of Organo Corporation represents the history of water purification in Japan. The Company was founded in May 1946 by Masatake Maruyama to market a heat-free water distillation system that he had developed based on experiments conducted as a government medical researcher. His first product was a small device for the production of injection liquid that obtained water of similar purity by filtering it through ion exchange resins. These porous resin materials, whose surfaces have electrical properties that collect cations and anions from the water, are also called "organic zeolites," from which the Company derives its name.

Organo has continuously provided water treatment technology and products directly connected to the life and commerce of the day. These technologies and products were provided to meet government demand for waterworks in every region and sewage treatment plants during the postwar reconstruction period. They were also supplied to coal and nuclear energy generators in the energy generation field and oil refinery field during periods of high growth and, in recent years, they have been provided to a range of electronics fields. Today, the IT industry, centered on LSI, LCD, and materials for electric devices fabrication, accounts for the largest portion of the Company's sales.



Information technology

Ultra pure water is essential to semiconductor fabrication, whose clean rooms require tons of water every hour to wash the chips at every stage of the fabrication process. At Organo, we use the most advanced ion exchange technology in combination with other cutting-edge technologies to remove microscopic impurities. Ultra pure water is also used in large quantities in different processes for manufacturing LCDs, including the process of cleaning liquid crystal panel glass.

It is therefore vital for the IT industry to make effective use of water, specifically by introducing wastewater treatment technologies and their derivative recycling technologies. Organo provided the world's first closed-water treatment system for a semiconductor factory and supplies the largest number of such systems in Japan. Clearly Organo excels not simply in ultrapure water production technologies, but also in general water treatment engineering, including wastewater treatment technology. It is able to meet the demands of many users and to provide solutions for achieving both the effective use of water resources and energy conservation.



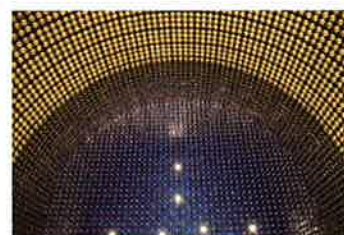
Manufacturing

In the days before the emergence of the IT industry, manufacturing and research represented an even larger part of the Organo customer base than it does today. To serve its traditional customer base, Organo manufactures, for example, pure water equipment used for power generation boilers in the petrochemical,

chemical, and paper and pulp industries and injectable water production systems for pharmaceutical factories. Of particular note is the fact that it manufactures systems for refining sugar and distilled spirits using ion exchange technology.

Research

Organo's ultra pure water is a critical factor not merely for water treatment plants for industry, but for leading-edge research institutes as well. It has found practical application in research laboratories in analytical chemistry and pharmaceuticals production, including Super-Kamiokande, a research facility of the University of Tokyo that contributed to Nobel Prize-winning research into neutrinos. Organo makes a highly valued contribution as a key partner for researchers.



Public utilities

Although these areas of sophisticated technology constitute the Company's core customers today, the sale of ultra pure water supply equipment to electric utilities and of water treatment equipment to the waterworks and sewerage industries provided its primary sources of revenue for many years. Thermal and nuclear power plants throughout Japan rely on Organo systems to provide the pure water they need to generate steam without residue buildup in the tanks or pipes. Similarly, our water engineering technologies and systems make a significant contribution to the country's ability to provide members of the public with high-quality drinking water and to treat its sewage as well as to protect and purify its water sources.

History

1946

JAPAN ORGANO Co., Ltd. established in Suwa, Nagano Prefecture.

1951

Japan's first industrial-scale water-deionization plant completed.

1952

Exclusive distributor agreement signed with U.S. firm of Rohm and Haas for AMBERLITE™ ion exchange resins.

First delivery of water purification equipment to a thermal power plant marks entry into the electric power industry.

1953

Operations in the field of sugar refining based on ion exchange technology initiated.

1955

Headquarters relocated to Hongo, Bunkyo Ward, Tokyo Sales of water treatment chemicals initiated.

1957

First delivery of water purification equipment to the electronics industry marks entry into this industry.

1959

First delivery of distilled spirit refining system based on ion exchange technology.

1960

Operations in field of wastewater treatment for general industries initiated.

1961

Company's shares listed on the Second Section of the Tokyo Stock Exchange.

Delivery of water purification facility for public water supply marks entry into the public facility field.

1966

Ultrapure water purification equipment developed.

1969

First large-scale ultrapure water purification equipment delivered to electronics industry.

Water purification equipment for nuclear power plants completed (first in Japan).

1973

Japan's first ultrapure water equipment incorporating a reverse osmosis (RO) membrane developed and delivered.

1976

Overseas business initiated with receipt of order for water purification equipment for a power plant in Singapore.

1980

World's first closed-system ultrapure water treatment equipment completed and delivered.

1984

First delivery of the PURIC-R™ bench-top ultrapure water production system for laboratories.

1985

Company's shares listed on the First Section of the Tokyo Stock Exchange.

Full-fledged overseas business initiated with delivery of ultrapure water-treatment equipment to customer in Malaysia.



1986

Organo (Malaysia) Snd. Bhd. (currently Organo (Asia) Snd. Bhd) established in Malaysia.

1989

Organo (Thailand) Co., Ltd. established in Thailand.

Tsukuba Plant, world's largest ion exchange resin purification facility, completed.

1992

Company' name changed to Organo Corporation.

1993

Chemical-free ultrapure water treatment system equipped with EDI system delivered.

1994

SAN KAN OH™ multi-function water supply system developed.

Developed and delivered the ORFINE™ membrane water purification system.

1995

Ultrapure water-processing equipment delivered to "Super-Kamiokande," the University of Tokyo's Institute for Cosmic Ray Research's Kamioka Observatory, for use in elemental particle research.

1996

Developed ion adsorption membranes to enhance the purity of ultrapure water.

Developed a system for recovering valuable tetramethyl ammonium hydroxide (TMAH).

1997

Head Office moved to Toyo-cho, Koto Ward, Tokyo.

1998

Developed the ECOCRYSTA™ system for recovering valuable hydrogen fluoride (HF) from wastewater.

1999

Organo (UK) Ltd. established in the United Kingdom.

2000

Iwaki Plant, a water treatment equipment production facility, completed.

Developed and delivered the ORLITE F™ high-performance fluorine adsorben.

2001

Organo (Singapore) Pte Ltd established in Singapore. PT Organo Indonesia established in Jakarta.

2003

Organo (Suzhou) Water Treatment Co., Ltd. established in China.

2004

Organo (Suzhou) Plant, a water treatment equipment production facility, completed.

Developed and delivered the ORCHASER III™ chemical concentration control system for coolant systems.

2005

Organo Technology Ltd. established.

First delivery of the MPU™ series of ultrapure water production units with an electrodeionizer (EDI) and membranes.

First delivery of the STRATA-GX™ series of compact pure water production units.



Business Description

Organo operates three businesses: the plant business sells water treatment systems, the solution business maintains and manages delivered systems and the functional product business sells standard products and chemicals.

Plant Business

Water treatment systems for electronics industries

Ultra pure water for cleaning semiconductors, liquid crystal panels and other electronic materials and parts is used not only by leading Japanese manufacturers but also by overseas companies. In step with the trend towards larger factories, Organo responds to needs for large flow volumes of 2,000 cubic meters per hour and is working to promote environmentally friendly closed systems that emit no effluent.

Water treatment systems for general industries

Organo provides systems for efficiently manufacturing and treating process water, by effectively combining different systems to meet the needs of the chemical, oil refinery, food, paper and pulp, textile, dyeing, automotive, plating and other industries.

Water treatment systems for power stations

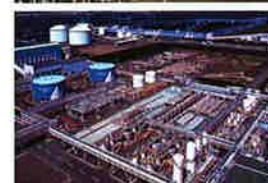
Water treatment systems for domestic thermal and nuclear power stations need to be highly reliable. Organo holds a 70% market share in this sector and a particularly high market share in the market for water treatment systems for nuclear power stations.

Water treatment systems for waterworks and sewage treatment

Waterworks and sewage treatment are essential services. Responsible for water treatment, waterworks and sewage treatment facilities take advantage of Organo's outstanding technologies, such as advanced treatment using activated carbon and ozone, membrane filtration, and biological treatment.

Water treatment systems for medical care and pharmaceutical industries

Organo effectively combines different technologies, including distilled water production equipment for producing injection water and pure water steam generators for protecting drug manufacturing facilities from bacteria. It does this under a quality control system that is based on a consistent philosophy of providing safe water with high purity and zero pyrogen (a fever-producing substance) content.



Solution Business

Maintenance

Based on expertise developed over many years, Organo provides maintenance services for water treatment systems, including repair, parts replacement, regular inspection and maintenance checks.

Proposal-type services

In addition to a facility check for existing water treatment systems, Organo makes proposals for improvement and other environmentally friendly solutions, including a reduction in chemicals consumption and in waste emissions.

Water treatment outsourcing services

Overall maintenance

Organo undertakes all maintenance work, including inspection of water treatment systems and replacement of consumable supplies in customers' factories.

Operation management

Organo dispatches operators to perform operation management of water treatment systems on behalf of the equipment staff of customers' factories.

Supply of treated water

Organo installs water treatment systems in customers' factories to supply treated water in quantities appropriate to consumption.

Remote monitoring

Organo has a monitoring center at its head office. The center responds to alerts about water treatment systems, and provides swift on-site support. Organo conducts predictive monitoring to detect any change in trends from the system operation data to reduce failures at water treatment plants.



Functional Product Business

Standard (ready-made) products

Organo's standard water treatment system is widely used according to users' needs. It earns high marks for its train feature, which allows a combination of different devices.



Water treatment chemicals

Organo offers a broad array of chemicals, including coolant and chemicals for boiler and waste water treatment, proposing a comprehensive system that combines different systems to ensure stable operation.















Lineup of ultra pure water systems

From a drip to thousands of tons

Providing a broad array of systems from desktop-type versions for research and analysis to plant-type models for semiconductor and liquid crystal panel factories, Organo supports different industries by supplying water with top-level purity in any quantity suited to their needs.

A lineup of the SAN KAN OH™, multi-functional water supply systems

With cleaning power boosted by dissolving hydrogen, ozone and other gas into ultra pure water, multi-functional water helps reduce chemical consumption in the cleaning process and shortens cleaning duration. It is mainly used in semiconductor factories and has recently found growing application in the food industry. SAN KAN OH™ series won the top-ranked Minister of Economy, Trade and Industry Prize at the 33rd Excellent Environmental Equipment Awards in Japan.

	For research and analysis		For fine chemical factories		For power stations	
			For semiconductor/LCD manufacturing factories			
Multi-functional water	 SAN KAN OH H300™	 Ionized alkaline water manufacturing system	 SAN KAN OH H2400™			
Ultra pure water	 PURELITE PRB™	 PURELAB ULTRA™	 ORTRIA™	 MPU™		
Pure water	 PURELITE PRA™	 PURELITE PRO™	 SUPER DESALINER™	 STRATA-GX™		
	10L/h	100L/h	1m ³ /h (1,000L/h)	10m ³ /h (10,000L/h)	100m ³ /h (100,000L/h)	1,000m ³ /h (1,000,000L/h)
	Water consumption					

Research & Development

Research facilities

The R&D Center houses a facility where research can take place in a clean room much like those found in semiconductor labs, an essential condition for analyzing the ultrapure water used in semiconductor manufacture and developing systems to provide it. The state-of-the-art Sagami-hara R&D Center, which opened in the spring of 2005, boasts facilities covering an area 2.5 times the size of the Tokyo Dome. It is fully equipped with this next-generation analysis equipment. Even with this equipment, however, it is becoming difficult to measure the purity of Organo's finest-quality ultrapure water, which is approaching the limits of measurement using currently available analysis technologies.

The R&D Center is constantly striving to refine the fundamental technologies that will support Organo's future. Specifically, it is working on technologies relating to wastewater treatment linked with global environmental issues, soil remediation technologies, fuel cell and other energy-related technologies, as well as on the development of new businesses.



Production facilities

The results of our research are realized at four factories that employ the technologies to manufacture products that make use of their cutting-edge facilities and technologies. The Tsukuba Plant, in particular, has earned international renown as a leader in the conditioning of ion exchange resins. In 2004, we completed the Suzhou Plant in China to supplement our major factory, the Iwaki Plant. The Suzhou Plant is now supplying a broad array of products to markets around the world. To further increase the production efficiency of water treatment systems and to reduce delivery lead time, our assembly plants in Iwaki, Suzhou, and other locations are adopting the latest technologies to advance the standardization and use of component equipment.



Tsukuba Plant , Japan



Iwaki Plant , Japan



Suzhou Plant , China



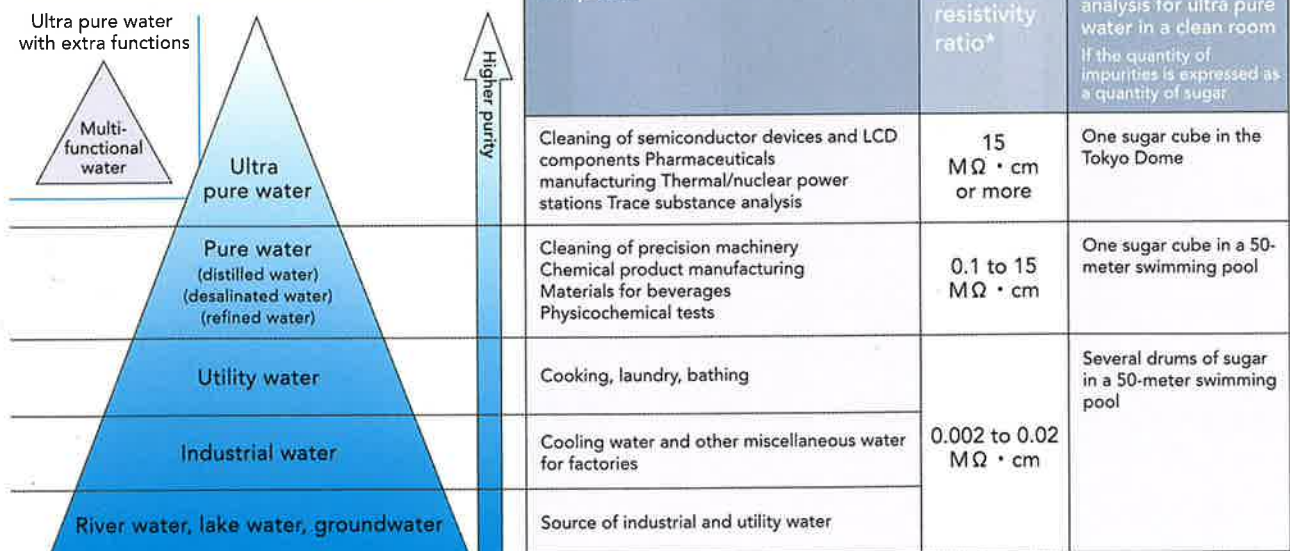
Organo(Asia) , Malaysia

What Is Ultra Pure Water ?

What is ultra pure water?

Ultra pure water refers to water with high purity that has been made as close as possible to H₂O by integrating all elemental technologies for water purification. The purity of water is upgraded to an ultra high level by removing not only solid substances and salts but also gas dissolved in water. Organo's industry-leading analysis technology is essential to the manufacture of ultra pure water.

Pure H₂O (theoretical pure water)



* The more the impurities, the more conductive and the lower electric resistivity ratio.

Corporate Information (As of March 31, 2007)

Corporate Data

Corporate Name

Organo Corporation

Head Office

2-8, Shinsuna 1-chome, Koto-ku, Tokyo, Japan

Officers

Masahiko Denda, Chairman
Kiyoshi Hashimoto, President and CEO

Fiscal year-end

March 31

Establishment

May 1, 1946

Paid-in capital

¥8,225,499,312.-

Stock Exchange Listings

First Section of the Tokyo Stock Exchange

Transfer Agent

The Chuo Mitsui Trust and Banking Co.,Ltd

Number of employees

1566 (on a consolidated base)
667 (on a non-consolidated base)

Branches

Hokkaido, Tohoku, Chubu, Kansai, Chugoku,
Kyushu, Taiwan

R&D Center

Sagamihara

Production facilities

Iwaki, Tsukuba, Satte, Nagasaki

Subsidiaries and Affiliates

< Japan >

Organo Hokkaido Corporation
Organo Tohoku Corporation
Organo Tokyo Corporation
Organo Chubu Corporation
Organo Kansai Corporation
Organo Kyushu Corporation
Organo Plant Service Corporation
ODF Co., Ltd.
Organo Yamashita Yakuin Co., Ltd.
Organo High Tech Co., Ltd.
Eco-Techno Corporation
Organo Acty Co., Ltd.
Tohoku Denki Tekko Co., Ltd.

< Asia >

Organo (Asia) Sdn.Bhd. , Malaysia
Organo (Suzhou) Water Treatment Co., Ltd., China
Organo Technology Co.,Ltd., Taiwan
Organo (Thailand) Co., Ltd., Thailand
Organo (Singapore) Pte Ltd., Singapore
PT. Organo Indonesia, Indonesia
Organo (Shanghai) Water Treatment Co., Ltd., China



Head Office

Profit and Loss Statement summary

(Unit: million yen)

	FY2002	FY2003	FY2004	FY2005	FY2006
Orders received	66,278	72,435	75,279	75,452	85,778
Net sales	66,751	69,211	77,613	75,700	78,467
Gross Profit	18,053	18,498	17,375	18,726	21,678
Gross Profit Margin(%)	27.0%	26.7%	22.4%	24.7%	27.6%
Selling, General and administrative Expenses	14,363	14,386	14,280	14,401	14,154
Operating Income	3,689	4,112	3,094	4,324	7,522
Operating Income Ratio(%)	5.5%	5.9%	4.0%	5.7%	9.6%
Ordinary Income	3,407	3,789	3,050	4,376	7,428
Ordinary Income Ratio(%)	5.1%	5.5%	3.9%	5.8%	9.5%
Net Income	1,467	1,990	1,803	2,090	4,475
Net Income Ratio(%)	2.2%	2.9%	2.3%	2.8%	5.7%

Financial Data

(Unit: million yen)

	FY2002	FY2003	FY2004	FY2005	FY2006
Net Assets	28,369	30,558	32,047	34,066	37,989
Total Assets	78,759	78,978	85,413	76,543	87,706
Cash Flow from Operating Activity	1,075	3,340	-571	4,269	850
Cash Flow from Investing Activity	-2,230	-2,374	-1,469	-1,298	785
Cash Flow from Financing Activity	-1,834	-3,871	953	-3,622	-1,660
Free Cash Flow	-1,155	966	-2,040	2,971	1,635
Capital Expenditures	729	1,927	1,530	386	1,452
R&D Expenses	1,578	1,640	1,499	1,921	1,798
Depreciation	1,258	1,173	1,086	1,170	1,126
Liabilities with Interest	18,855	15,605	17,128	14,174	13,026
Dividend (Yen)	8	8	8	8	12

Total Shareholders' Equity Ratio(%)	36.0%	38.7%	37.5%	44.5%	42.9%
Book-value Per Share (BPS)(Yen)	489.5	527.4	553.8	588.3	651.9
Earnings Per Share (EPS)(Yen)	24.4	33.2	30.1	34.8	77.5
Return on Equity (ROE)(%)	5.2%	6.8%	5.8%	6.3%	12.5%
Return on Assets (ROA)(%)	4.2%	4.8%	3.7%	5.4%	9.0%

Return on Equity (ROE) = (Net Income / Net Assets) × 100

Return on Assets (ROA) = (Ordinary Income / Total Assets) × 100

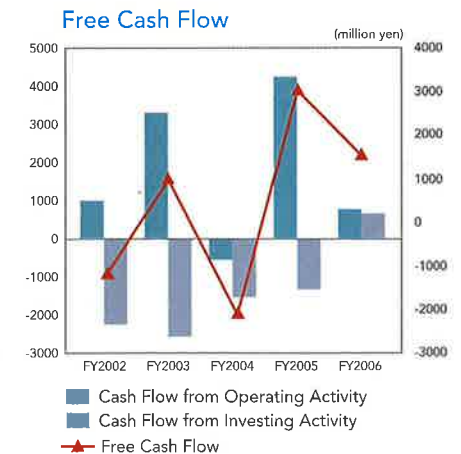
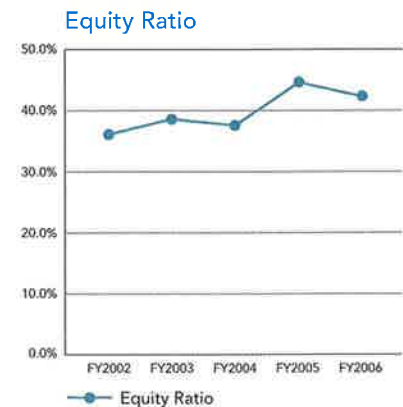
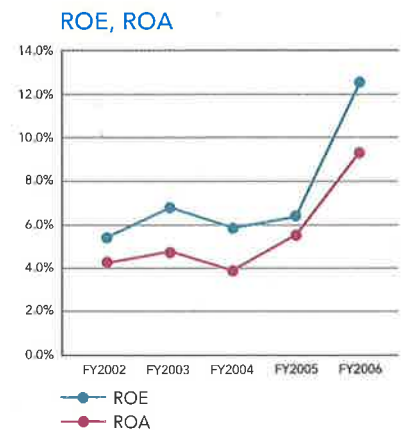
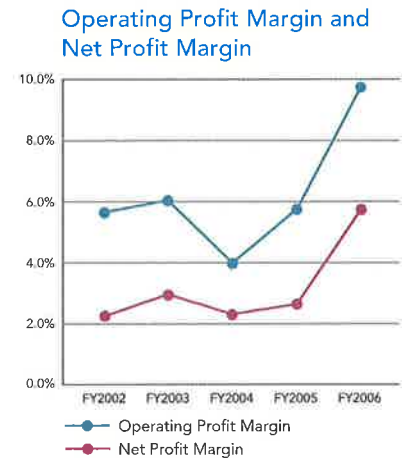
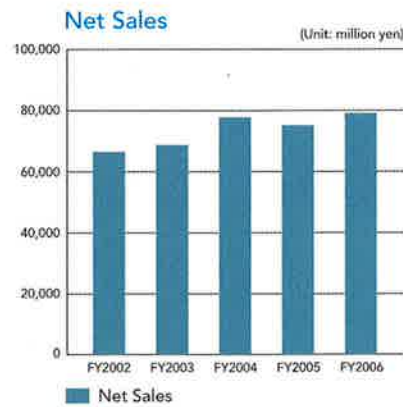
Balance Sheet summary

(Unit: million yen)

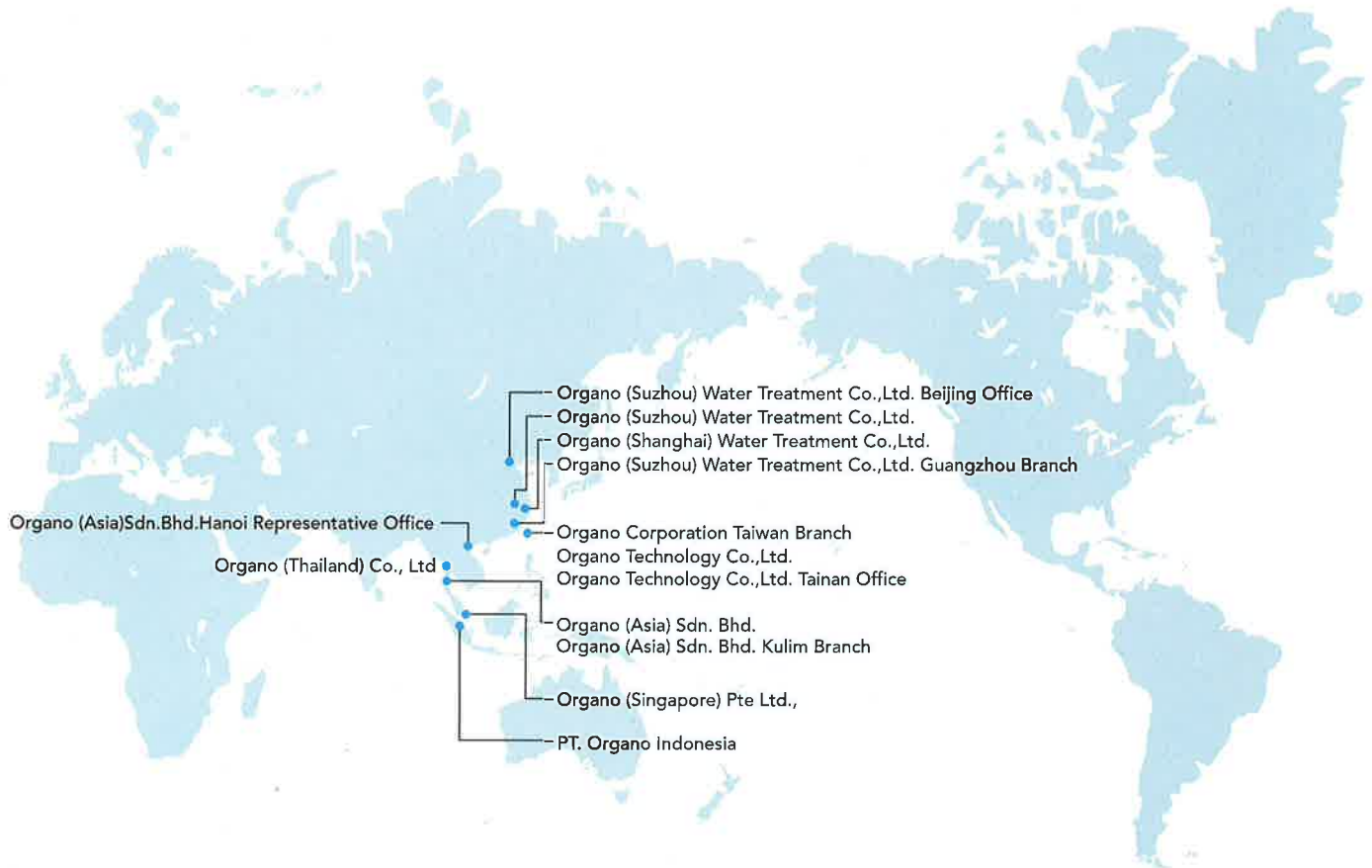
Assets	FY2002	FY2003	FY2004	FY2005	FY2006
Current assets					
Cash	9,614	6,857	6,031	5,823	6,476
Trade notes and accounts receivable	30,312	31,057	35,109	32,016	41,803
Inventories	7,918	8,879	11,164	6,591	8,653
Others	2,516	2,129	2,491	2,394	2,565
Total Current assets	50,360	48,922	54,795	46,824	59,497
Fixed assets					
Tangible fixed assets	21,033	21,870	22,490	21,940	22,473
Intangible fixed assets	545	588	581	588	553
Investments and other assets	6,820	7,597	7,546	7,190	5,182
Total fixed assets	28,398	30,055	30,617	29,719	28,209
Total assets	78,759	78,978	85,413	76,543	87,706

Liabilities	FY2002	FY2003	FY2004	FY2005	FY2006
Current liabilities					
Trade notes and accounts payable	18,668	19,968	23,553	17,809	22,812
Short-term borrowings	7,181	7,936	10,758	9,094	9,236
Others	17,035	6,562	7,030	5,210	9,114
Total Current liabilities	42,884	34,466	41,341	32,113	41,162
Long-term liabilities					
Long-term borrowings	959	7,669	6,370	5,079	3,790
Others	6,276	5,984	5,411	4,976	4,765
Total long-term liabilities	7,235	13,653	11,781	10,055	8,555
Total liabilities	50,120	48,120	53,112	42,168	49,717

Net assets	FY2002	FY2003	FY2004	FY2005	FY2006
Shareholders' equity	28,849	30,309	31,546	33,077	37,066
Valuation and translation adjustments	-480	249	501	988	566
Minority interests	269	299	243	308	357
Total net assets	28,638	30,857	32,290	34,373	37,989
Total liabilities and net assets	78,759	78,978	85,413	76,543	87,706



Organo Office Network



Overseas Affiliates

● Organo (Asia) Sdn.Bhd.

Lot 49 (PT.590) Jalan Bagan Terap 26/11, Seksyen 26 Kawasan Perindustrian HICOM 40000 Shah Alam, Selangor, Malaysia
Tel.: 60-3-5191-6666 E-mail: enquiry@organoasia.com

Branches

- Organo (Asia) Sdn. Bhd. Kulim Branch, Malaysia, Tel.: 60-4-4031575
- Organo (Asia) Sdn. Bhd. Hanoi Representative Office , Viet Nam, Tel.: 84-4-9446756

Organo(Asia) Group Company

- Organo (Thailand) Co., Ltd., Thailand, Tel.: 66-2902-2539 to 42
- Organo (Singapore) Pte Ltd., Singapore, Tel.: 65-6272-9693, E-mail: organo@pacific.com.sg
- PT. Organo Indonesia, Indonesia, Tel.: 62-21-8983-3200/57, 58, 59

● Organo (Suzhou) Water Treatment Co., Ltd.

No. 28 Sheng gang Rd. Suzhou Industrial Park, Suzhou 215126, China Tel.: 86-512-6283-6676

Branches

- Organo (Suzhou) Water Treatment Co., Ltd. Beijing Office, China, Tel.: 86-10-6284-9592
- Organo (Suzhou) Water Treatment Co., Ltd. Guangzhou Branch, China, Tel.: 86-20-8363-3056 / 3054

● Organo Technology Co.,Ltd.

2F-2, No. 93, Shui Yuan St., 300 Hsinchu City, Taiwan, R.O.C. Tel.: 886-35-733610

Branch

- Organo Technology Co., Ltd., Tainan Office, Taiwan, R.O.C, Tel.: 886-6-581-8311/8510

- Organo (Shanghai) Water Treatment Co., Ltd., China

Ecologically Clean



Organo Corporation

2-8, Shinsuna 1-chome, koto-ku,

Tokyo 136-8631, Japan

tel: +81-3-5635-5100

fax: +81-3-3699-7030

<http://www.organo.co.jp>