

Results for the Three Months Ended June 30, 2006

August 7, 2006

KYOWA EXEO CORPORATION

URL <http://www.exeo.co.jp>

1.Consolidated Figures

(1) Overview

(¥bn)

	FY 2005			FY 2006				
	1st Quarter	Interim		1st Quarter		Interim		
	Actual A	Actual B	Progress rate A/B	Actual C	YOY C/A	May 2006 Forecast D	YOY D/B	Progress rate C/D
Orders received	70.5	141.2	50%	81.6	116%	142.0	101%	57%
Net sales	48.5	111.7	43%	51.7	107%	128.0	115%	40%
Gross profit	-	(13.2%) 14.7	-	(11.5%) 5.9	-	(12.7%) 16.3	111%	36%
Selling, general and administrative expenses	-	(8.7%) 9.7	-	(9.6%) 4.9	-	(7.8%) 10.0	103%	49%
Operating income	-	(4.5%) 4.9	-	(1.9%) 0.9	-	(4.9%) 6.3	126%	16%
Ordinary income	-	(4.7%) 5.3	-	(2.7%) 1.3	-	(5.2%) 6.6	124%	21%
Net income	-	(3.2%) 3.5	-	(1.2%) 0.6	-	(3.0%) 3.8	107%	16%

Notes: All amounts less than ¥100 m are disregarded. Figures in parentheses are ratio to net sales.

1.Consolidated Figures

(2) Orders Received and Net Sales

(¥bn)

			FY 2005			FY 2006				
			1st Quarter	Interim		1st Quarter		Interim		
				Actual A	Actual B	Progress rate A/B	Actual C	YOY C/A	May 2006 Forecast D	YOY D/B
Orders received	ENGINEERING-SOLUTIONS	NTT-related telecoms facilities and equipment engineering	49.0	90.7	54%	57.1	117%	98.2	108%	58%
		Non-NTT telecoms, electrical facilities and civil engineering	11.7	28.2	42%	12.2	104%	25.8	91%	48%
	IT-SOLUTIONS		8.1	16.8	49%	7.7	94%	14.0	83%	55%
	ECO-SOLUTIONS		0.5	3.2	16%	3.4	672%	2.0	62%	174%
	Other		0.9	2.0	47%	0.9	98%	2.0	97%	48%
	TOTAL		70.5	141.2	50%	81.6	116%	142.0	101%	57%
Net sales	ENGINEERING-SOLUTIONS	NTT-related telecoms facilities and equipment engineering	34.8	75.9	46%	36.3	104%	91.4	120%	40%
		Non-NTT telecoms, electrical facilities and civil engineering	6.3	19.1	33%	7.5	119%	20.5	107%	37%
	IT-SOLUTIONS		6.1	13.1	47%	6.3	104%	12.5	95%	51%
	ECO-SOLUTIONS		0.2	1.3	20%	0.4	172%	1.6	118%	29%
	Other		0.9	2.0	45%	0.9	103%	2.0	98%	47%
	TOTAL		48.5	111.7	43%	51.7	107%	128.0	115%	40%

Notes: All amounts less than ¥100 m are disregarded.

1.Consolidated Figures

(3) Business Overview (by Group)

(¥bn; ratios)

	FY 2006		
	Wako Engineering Group	Daiwa Densetsu Group	KANAC Group
	1st Quarter Actual	1st Quarter Actual	1st Quarter Actual
Orders received	10.0	4.6	-
Net sales	7.4	3.2	1.1
Gross profit	(8.7%) 0.6	(4.0%) 0.1	(13.2%) 0.1
Selling, general and administrative expenses	(6.7%) 0.4	(8.1%) 0.2	(24.5%) 0.2
Operating income	(2.0%) 0.1	-(4.1%) -0.1	-(11.4%) -0.1
Ordinary income	(2.2%) 0.1	-(3.6%) -0.1	-(10.9%) -0.1
Net income	(1.2%) 0.0	-(2.7%) -0.0	-(5.7%) -0.0
Total assets	14.3	6.1	6.5
Net assets	8.4	3.1	3.3
Equity ratio (Shareholders' equity / Total assets)	59.1%	51.3%	50.6%

Notes 1: The above figures are prior to elimination of intercompany transactions between group companies.

Notes 2: All amounts less than ¥100m are disregarded. Figures in parentheses are ratio to net sales.

2.Non-consolidated Figures

(1) Orders Received

(¥bn)

			FY 2005			FY 2006				
			1st Quarter	Interim		1st Quarter		Interim		
				Actual A	Actual B	Progress rate A/B	Actual C	YOY C/A	May 2006 Forecast D	YOY D/B
ENGINEERING-SOLUTIONS	NTT-related telecoms facilities and equipment engineering	Cable engineering	14.5	26.9	54%	16.6	115%	29.0	107%	57%
		Civil engineering	2.9	6.4	46%	4.7	160%	6.0	94%	79%
		Telecoms network engineering	5.2	10.6	49%	4.4	86%	9.0	84%	50%
		Mobile communications engineering	17.3	29.3	59%	20.5	118%	35.0	119%	59%
		Total	40.0	73.4	55%	46.3	116%	79.0	108%	59%
	Non-NTT telecoms, electrical facilities and civil engineering	Telecoms facilities and equipment engineering	4.9	11.8	42%	5.9	122%	11.0	93%	54%
		Electrical facilities engineering	1.0	3.6	29%	1.3	131%	4.0	110%	34%
		Civil engineering	1.3	3.6	36%	0.9	75%	3.0	82%	33%
	Total	7.2	19.1	38%	8.3	115%	18.0	94%	46%	
	IT-SOLUTIONS			6.5	13.4	48%	5.8	90%	11.0	82%
ECO-SOLUTIONS			0.4	3.2	15%	3.4	710%	2.0	62%	174%
TOTAL			54.3	109.2	50%	64.1	118%	110.0	101%	58%
(NTT DoCoMo-related construction)			(20.7)	(36.8)	(56%)	(26.4)	(127%)	(43.0)	(117%)	(61%)

Notes: All amounts less than ¥100 m are disregarded.

2.Non-consolidated Figures

(2) Net Sales

(¥bn)

			FY 2005			FY 2006				
			1st Quarter	Interim		1st Quarter		Interim		
				Actual A	Actual B	Progress rate A/B	Actual C	YOY C/A	May 2006 Forecast D	YOY D/B
ENGINEERING-SOLUTIONS	NTT-related telecoms facilities and equipment engineering	Cable engineering	11.0	22.6	49%	12.9	117%	27.5	122%	47%
		Civil engineering	2.1	4.2	49%	1.7	84%	5.0	116%	36%
		Telecoms network engineering	3.6	9.2	40%	2.8	78%	8.5	92%	34%
		Mobile communications engineering	10.7	24.6	43%	11.0	103%	33.0	134%	33%
		Total	27.5	60.7	45%	28.6	104%	74.0	122%	39%
	Non-NTT telecoms, electrical facilities and civil engineering	Telecoms facilities and equipment engineering	2.4	7.4	33%	3.5	145%	7.5	101%	47%
		Electrical facilities engineering	0.2	2.9	10%	0.4	164%	4.0	136%	12%
		Civil engineering	1.0	2.7	40%	0.9	85%	3.0	111%	30%
	Total	3.7	13.0	29%	4.9	129%	14.5	111%	34%	
	IT-SOLUTIONS			5.1	10.6	48%	4.8	94%	10.0	94%
ECO-SOLUTIONS			0.2	1.3	20%	0.5	192%	1.5	111%	35%
TOTAL			36.7	85.8	43%	38.9	106%	100.0	116%	39%
(NTT DoCoMo-related construction)			(13.3)	(30.3)	(44%)	(13.3)	(100%)	(40.5)	(133%)	(33%)

Notes: All amounts less than ¥100 m are disregarded.

Disclaimer Regarding Forward-Looking Statements

Management of the Company has made estimates and assumptions relating to financial forecasts based on information available as of the reporting date. Actual results could differ from those estimates.

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