

# Results for the Three Months Ended June 30, 2008

August 8, 2008

**KYOWA EXEO CORPORATION**

URL <http://www.exeo.co.jp/overseas/index.html>

# 1. Business Overview (Consolidated and Non-consolidated)

(¥bn)

	Consolidated					Non-consolidated		
	FY 2007	FY 2008				FY 2008		
	1st Quarter	1st Quarter		Interim	Progress	1st Quarter	Interim	Progress
	Actual	Actual	YOY	May. 2008 Forecast	rate	Actual	May. 2008 Forecast	rate
	A	B	B/A	C	B/C	D	E	D/E
Orders received	76.7	75.6	99%	140.0	54%	59.8	110.0	54%
Net sales	52.6	56.0	107%	125.0	45%	43.7	98.0	45%
Gross profit	(12.4%) 6.5	(13.1%) 7.3	112%	(12.4%) 15.5	47%	(12.7%) 5.5	(11.2%) 11.0	51%
Selling, general and administrative expenses	(9.6%) 5.0	(8.1%) 4.5	90%	(7.6%) 9.5	48%	(7.4%) 3.2	(7.1%) 7.0	46%
Operating income	(2.8%) 1.4	(5.0%) 2.7	190%	(4.8%) 6.0	46%	(5.4%) 2.3	(4.1%) 4.0	59%
Ordinary income	(3.8%) 1.9	(5.8%) 3.2	164%	(5.0%) 6.3	52%	(6.1%) 2.6	(4.4%) 4.3	62%
Net income	(2.2%) 1.1	(3.2%) 1.8	159%	(2.9%) 3.6	50%	(3.5%) 1.5	(2.6%) 2.5	62%

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

## 2. Orders Received and Net Sales (Consolidated)

(¥bn)

				FY 2007		FY 2008				
				1st Quarter	Interim	1st Quarter		Interim		Progress rate
				Actual	Actual	Actual	YOY	May. 2008 Forecast	YOY	
				A	B	C	C/A	D	D/B	C/D
Orders received	ENGINEERING-SOLUTIONS	Telecommunications infrastructure	NTT Group engineering	50.4	93.1	49.1	98%	90.0	97%	55%
			Non-NTT telecom engineering	14.4	27.4	14.5	101%	29.0	106%	50%
		Sub-total	64.8	120.5	63.7	98%	119.0	99%	54%	
	ENGINEERING-SOLUTIONS	Environmental and social infrastructure	6.9	14.3	7.4	107%	13.0	91%	57%	
		Sub-total	71.8	134.8	71.2	99%	132.0	98%	54%	
	SYSTEM-SOLUTIONS		4.8	8.3	4.4	91%	8.0	96%	56%	
TOTAL		76.7	143.1	75.6	99%	140.0	98%	54%		

Net sales	ENGINEERING-SOLUTIONS	Telecommunications infrastructure	NTT Group engineering	35.9	77.4	38.4	107%	85.0	110%	45%
			Non-NTT telecom engineering	8.5	19.6	10.7	126%	24.0	122%	45%
		Sub-total	44.5	97.0	49.2	110%	109.0	112%	45%	
	ENGINEERING-SOLUTIONS	Environmental and social infrastructure	4.7	10.7	3.4	73%	9.5	88%	37%	
		Sub-total	49.3	107.8	52.7	107%	118.5	110%	44%	
	SYSTEM-SOLUTIONS		3.2	7.4	3.3	102%	6.5	88%	52%	
TOTAL		52.6	115.2	56.0	107%	125.0	108%	45%		

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

### 3. Orders Received and Net Sales (Non-consolidated)

(¥bn)

				Orders Received			Net Sales		
				FY 2008			FY 2008		
				1st Quarter	Interim	Progress	1st Quarter	Interim	Progress
				Actual	May. 2008	rate	Actual	May. 2008	rate
				A	Forecast	A/B	C	Forecast	C/D
					B		D		
ENGINEERING-SOLUTIONS	Telecommunications infrastructure	NTT Group engineering	Access engineering	16.2	32.5	50%	12.6	29.0	43%
			Network engineering	4.9	8.5	59%	4.4	9.0	49%
			Mobile engineering	17.3	30.0	58%	13.0	30.0	44%
		Sub-total	38.5	71.0	54%	30.0	68.0	44%	
		Non-NTT telecom engineering	11.9	23.5	51%	8.7	20.0	44%	
		Sub-total	50.5	94.5	54%	38.8	88.0	44%	
		Environmental and social infrastructure	5.4	8.5	64%	1.8	4.5	42%	
	Sub-total	55.9	103.0	54%	40.7	92.5	44%		
SYSTEM-SOLUTIONS				3.8	7.0	56%	3.0	5.5	56%
TOTAL				59.8	110.0	54%	43.7	98.0	45%
(NTT DoCoMo-related construction)				(19.8)	(35.0)	( 57% )	(14.6)	(35.0)	( 42% )

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

## 4. Business Overview (by Group)

(¥bn)

	Wako Engineering Group			Daiwa Densetsu Group			KANAC Group		
	FY 2007	FY 2008		FY 2007	FY 2008		FY 2007	FY 2008	
	1st Quarter	1st Quarter	YOY	1st Quarter	1st Quarter	YOY	1st Quarter	1st Quarter	YOY
Orders received	9.1	-	-	5.1	4.0	79%	-	-	-
Net sales	7.7	7.3	95%	3.5	3.3	93%	1.2	0.9	77%
Gross profit	(6.9%) 0.5	(7.5%) 0.5	104%	(9.0%) 0.3	(7.6%) 0.2	79%	(9.5%) 0.1	(3.2%) 0.02	26%
Selling, general and administrative expenses	(6.8%) 0.5	(6.6%) 0.4	92%	(7.1%) 0.2	(7.3%) 0.2	96%	(21.8%) 0.2	(20.1%) 0.1	71%
Operating income	(0.1%) 0.00	(0.9%) 0.06	1054%	(1.9%) 0.06	(0.2%) 0.00	12%	(-12.2%) -0.1	(-16.9%) -0.1	-
Ordinary income	(0.2%) 0.01	(1.0%) 0.07	510%	(2.2%) 0.07	(0.9%) 0.02	37%	(-10.9%) -0.1	(-16.0%) -0.1	-
Net income	(0.0%) 0.00	(0.9%) 0.06	3958%	(3.8%) 0.13	(1.8%) 0.06	45%	(-5.8%) -0.06	(-36.1%) -0.3	-
Total assets	15.9	15.3	96%	6.4	6.3	98%	6.0	6.3	104%
Net assets	8.4	8.5	101%	3.6	3.8	106%	3.3	2.9	89%
Equity ratio (Shareholder's equity/Total assets)	52.8%	56.0%		55.7%	59.8%		54.0%	45.8%	

Notes: The above figures are prior to elimination of intercompany transactions between group companies. All amounts less than ¥100m are disregarded. Figures in parentheses are ratio to net sales.

## 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.

### **KYOWA EXEO CORPORATION**

3-29-20 Shibuya, Shibuya-ku,  
Tokyo 150-0002 JAPAN

E-mail: [exeo.ir@en2.exeo.co.jp](mailto:exeo.ir@en2.exeo.co.jp)  
<http://www.exeo.co.jp/overseas/index.html>  
TEL: (81)3-5778-1073  
FAX: (81)3-5778-1228