

Results for the Nine Months Ended December 31, 2006

February 9, 2007

KYOWA EXEO CORPORATION

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

1.Consolidated Figures

(1) Overview

(¥bn)

	FY 2005		FY 2006					
	3rd Quarter	Full year	3rd Quarter		Full year			
	A	B	Actual C	YOY C/A	Nov. 2006 forecast D	Feb. 2007 forecast E	YOY E/B	Change in forecast E/D
Orders received	212.8	281.2	233.5	110%	295.0	300.0	107%	102%
Net sales	171.1	278.8	194.2	114%	290.0	300.0	108%	103%
Gross profit	-	(12.3%) 34.3	(13.3%) 25.7	-	(12.6%) 36.5	(12.5%) 37.4	109%	102%
Selling, general and administrative expenses	-	(7.1%) 19.8	(7.7%) 14.9	-	(7.0%) 20.4	(6.8%) 20.3	102%	100%
Operating income	-	(5.2%) 14.5	(5.5%) 10.7	-	(5.6%) 16.1	(5.7%) 17.1	118%	106%
Ordinary income	-	(5.5%) 15.2	(6.0%) 11.7	-	(5.9%) 17.0	(6.0%) 18.0	118%	106%
Net income	-	(3.3%) 9.1	(3.5%) 6.7	-	(3.3%) 9.7	(3.4%) 10.2	111%	105%

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

1.Consolidated Figures

(2) Orders Received and Net Sales

(¥bn)

			FY 2005		FY 2006					
			3rd Quarter	Full year	3rd Quarter		Full year			
			A	B	Actual C	YOY C/A	Nov. 2006 forecast D	Feb. 2007 forecast E	YOY E/B	Change in forecast E/D
Orders received	ENGINEERING-SOLUTIONS	NTT-related telecoms facilities and equipment engineering	138.2	180.2	154.2	112%	187.2	193.7	107%	103%
		Non-NTT telecoms, electrical facilities and civil engineering	41.3	57.0	46.0	111%	58.3	61.8	108%	106%
	IT-SOLUTIONS		25.3	34.0	24.1	95%	34.5	33.0	97%	96%
	ECO-SOLUTIONS		4.5	5.2	5.5	123%	10.5	7.0	132%	67%
	Other		3.4	4.6	3.5	103%	4.5	4.5	97%	100%
	TOTAL		212.8	281.2	233.5	110%	295.0	300.0	107%	102%
Net sales	ENGINEERING-SOLUTIONS	NTT-related telecoms facilities and equipment engineering	117.9	176.2	136.2	115%	187.5	194.5	110%	104%
		Non-NTT telecoms, electrical facilities and civil engineering	27.6	58.8	32.8	119%	59.0	65.0	110%	110%
	IT-SOLUTIONS		20.6	34.7	20.3	98%	34.0	32.0	92%	94%
	ECO-SOLUTIONS		1.4	4.3	1.3	94%	5.0	4.0	92%	80%
	Other		3.4	4.6	3.4	100%	4.5	4.5	97%	100%
	TOTAL		171.1	278.8	194.2	114%	290.0	300.0	108%	103%

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

1.Consolidated Figures

(3) Business Overview (by Group)

(¥bn; ratios)

	FY 2006		
	Wako Engineering Group	Daiwa Densetsu Group	KANAC Group
	3rd Quarter	3rd Quarter	3rd Quarter
Orders received	27.9	13.1	-
Net sales	23.7	10.8	4.9
Gross profit	(8.6%) 2.0	(7.2%) 0.7	(11.8%) 0.5
Selling, general and administrative expenses	(6.3%) 1.5	(7.0%) 0.7	(16.6%) 0.8
Operating income	(2.3%) 0.5	(0.2%) 0.0	(4.8%) 0.2
Ordinary income	(2.4%) 0.5	(0.5%) 0.0	(4.2%) 0.2
Net income	(0.4%) 0.1	(0.3%) 0.0	(4.0%) 0.1
Total assets	15.3	7.2	7.3
Net assets	8.3	3.2	3.2
Equity ratio (Shareholders' equity / Total assets)	54.1%	45.4%	43.3%

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					
			3rd Quarter	Full year	3rd Quarter		Full year			
			A	B	Actual C	YOY C/A	Nov. 2006 forecast D	Feb. 2007 forecast E	YOY E/B	Change in forecast E/D
ENGINEERING-SOLUTIONS	NTT-related telecoms facilities and equipment engineering	Cable engineering	40.1	53.8	45.2	113%	59.0	59.0	110%	100%
		Civil engineering	9.9	12.1	10.4	104%	12.5	12.5	103%	100%
		Telecoms network engineering	15.2	19.2	13.9	91%	16.5	16.5	86%	100%
		Mobile communications engineering	46.4	60.2	54.7	118%	61.0	67.0	111%	110%
		Total	111.8	145.4	124.4	111%	149.0	155.0	107%	104%
	Non-NTT telecoms, electrical facilities and civil engineering	Telecoms facilities and equipment engineering	18.6	24.7	23.4	126%	29.0	30.0	121%	103%
		Electrical facilities engineering	4.6	7.6	6.1	132%	7.0	9.0	118%	129%
		Civil engineering	5.2	7.4	4.7	90%	6.5	7.0	94%	108%
	Total	28.5	39.8	34.3	120%	42.5	46.0	115%	108%	
	IT-SOLUTIONS			20.0	26.5	18.9	95%	28.5	27.0	102%
ECO-SOLUTIONS			4.4	5.3	5.5	126%	10.0	7.0	131%	70%
TOTAL			164.8	217.2	183.3	111%	230.0	235.0	108%	102%
(NTT DoCoMo-related construction)			(57.9)	(74.7)	(68.1)	(118%)	(76.0)	(82.0)	(110%)	(108%)

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

2.Non-consolidated Figures

(2) Net Sales

(¥bn)

		FY 2005		FY 2006						
		3rd Quarter	Full year	3rd Quarter		Full year				
		A	B	Actual C	YOY C/A	Nov. 2006 forecast D	Feb. 2007 forecast E	YOY E/B	Change in forecast E/D	
ENGINEERING-SOLUTIONS	NTT-related telecoms facilities and equipment engineering	Cable engineering	35.2	52.0	40.6	115%	59.0	59.0	113%	100%
		Civil engineering	6.8	11.3	8.2	121%	11.0	11.0	97%	100%
		Telecoms network engineering	14.4	19.2	12.6	88%	16.5	16.5	86%	100%
		Mobile communications engineering	37.5	58.7	49.2	131%	63.0	69.5	118%	110%
		Total	94.0	141.3	110.7	118%	149.5	156.0	110%	104%
	Non-NTT telecoms, electrical facilities and civil engineering	Telecoms facilities and equipment engineering	10.5	23.2	15.4	146%	27.0	30.0	129%	111%
		Electrical facilities engineering	4.1	9.2	4.9	121%	8.0	10.0	108%	125%
		Civil engineering	4.2	10.6	3.3	78%	7.5	9.0	85%	120%
	Total	18.9	43.1	23.7	125%	42.5	49.0	114%	115%	
	IT-SOLUTIONS		16.9	27.5	15.5	92%	28.0	26.0	94%	93%
ECO-SOLUTIONS		1.4	4.3	1.3	94%	5.0	4.0	93%	80%	
TOTAL		131.4	216.3	151.4	115%	225.0	235.0	109%	104%	
(NTT DoCoMo-related construction)		(48.0)	(74.4)	(61.1)	(127%)	(78.0)	(84.5)	(113%)	(108%)	

Notes: All amounts less than ¥100m 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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