
Results for the Six Months Ended September 30, 2005

Nov 18, 2005

KYOWA EXEO CORPORATION

1. Consolidated Figures

(1) Overview

(¥bn)

| | FY 2004 | | FY 2005 | | | | | | | |
|--|-----------------|-----------------|------------------------|-----------------|------------|--------------------------|------------------------|------------------------|------------|---------------------------|
| | Interim | Full year | Interim | | | | Full year | | | |
| | A | B | May 2005 forecast C | Actual D | YOY D/A | Forecast accuracy D/C | May 2005 forecast E | Nov 2005 forecast F | YOY F/B | Change in forecast F/E |
| Orders received | 122.6 | 255.9 | 125.0 | 141.2 | 115% | 113% | 268.0 | 290.0 | 113% | 108% |
| Net sales | 100.9 | 247.6 | 110.0 | 111.7 | 111% | 102% | 260.0 | 270.0 | 109% | 104% |
| Gross profit | (12.8%) 12.9 | (12.5%) 30.9 | (12.8%) 14.1 | (13.2%) 14.7 | 114% | 104% | (12.6%) 32.8 | (12.2%) 33.0 | 107% | 101% |
| Selling, general and administrative expenses | (9.0%) 9.1 | (7.7%) 18.9 | (9.1%) 10.0 | (8.7%) 9.7 | 106% | 97% | (7.8%) 20.3 | (7.4%) 20.0 | 105% | 99% |
| Operating income | (3.8%) 3.7 | (4.8%) 11.9 | (3.7%) 4.1 | (4.5%) 4.9 | 131% | 121% | (4.8%) 12.5 | (4.8%) 13.0 | 108% | 104% |
| Ordinary income | (4.2%) 4.2 | (5.0%) 12.3 | (4.2%) 4.6 | (4.7%) 5.3 | 125% | 115% | (5.1%) 13.3 | (5.2%) 14.0 | 113% | 105% |
| Net income | (2.2%) 2.1 | (2.6%) 6.4 | (2.1%) 2.3 | (3.2%) 3.5 | 163% | 155% | (2.7%) 7.0 | (3.0%) 8.0 | 125% | 114% |

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

1. Consolidated Figures

(2) Orders received and Net sales

(¥bn)

| | | | FY 2004 | | FY 2005 | | | | | | | |
|-----------------|-----------------------|---|---------|-----------|------------------------|-------------|------------|--------------------------|------------------------|------------------------|------------|---------------------------|
| | | | Interim | Full year | Interim | | | Full year | | | | |
| | | | A | B | May 2005 forecast C | Actual D | YOY D/A | Forecast accuracy D/C | May 2005 forecast E | Nov 2005 forecast F | YOY F/B | Change in forecast F/E |
| | | | | | | | | | | | | |
| Orders received | ENGINEERING-SOLUTIONS | NTT-related telecoms facilities and equipment engineering | 83.0 | 160.5 | 84.4 | 90.7 | 109% | 108% | 161.0 | 177.0 | 110% | 110% |
| | | Non-NTT telecoms, electrical facilities and civil engineering | 22.4 | 55.1 | 23.6 | 28.2 | 126% | 120% | 60.1 | 65.0 | 118% | 108% |
| | IT-SOLUTIONS | | 13.3 | 29.9 | 13.8 | 16.8 | 126% | 122% | 32.7 | 35.0 | 117% | 107% |
| | ECO-SOLUTIONS | | 2.3 | 7.4 | 1.6 | 3.2 | 135% | 202% | 9.2 | 9.0 | 121% | 98% |
| | Other | | 1.3 | 2.8 | 1.6 | 2.0 | 155% | 129% | 5.0 | 4.0 | 141% | 80% |
| | TOTAL | | 122.6 | 255.9 | 125.0 | 141.2 | 115% | 113% | 268.0 | 290.0 | 113% | 108% |
| Net sales | ENGINEERING-SOLUTIONS | NTT-related telecoms facilities and equipment engineering | 69.7 | 157.1 | 75.2 | 75.9 | 109% | 101% | 162.0 | 172.0 | 109% | 106% |
| | | Non-NTT telecoms, electrical facilities and civil engineering | 20.0 | 58.5 | 20.2 | 19.1 | 96% | 95% | 59.5 | 61.0 | 104% | 103% |
| | IT-SOLUTIONS | | 9.6 | 27.4 | 11.0 | 13.1 | 137% | 120% | 29.5 | 30.0 | 109% | 102% |
| | ECO-SOLUTIONS | | 0.1 | 1.5 | 1.5 | 1.3 | 750% | 88% | 4.2 | 3.0 | 192% | 71% |
| | Other | | 1.3 | 2.9 | 2.0 | 2.0 | 149% | 99% | 4.8 | 4.0 | 137% | 83% |
| | TOTAL | | 100.9 | 247.6 | 110.0 | 111.7 | 111% | 102% | 260.0 | 270.0 | 109% | 104% |

Notes: All amounts less than ¥100 m disregarded.

1. Consolidated Figures

(3) Consolidated Balance Figures

(¥bn)

| 区 分 | | FY 2004 | | | | FY 2005 | | |
|--|-----------|---------|---------|----------|---------|---------|---------|------|
| | | Interim | | Year end | | Interim | | C-B |
| | | A | | B | | C | | |
| Current assets | | 88.0 | (65.3%) | 105.4 | (68.3%) | 87.0 | (62.0%) | 18.3 |
| Fixed assets | | 46.7 | (34.7%) | 48.8 | (31.7%) | 53.2 | (38.0%) | 4.4 |
| Total assets | | 134.8 | (100%) | 154.2 | (100%) | 140.3 | (100%) | 13.9 |
| Liabilities | Current | 45.7 | (34.0%) | 62.3 | (40.4%) | 47.2 | (33.7%) | 15.1 |
| | Long-term | 21.3 | (15.8%) | 21.1 | (13.7%) | 16.8 | (12.0%) | 4.3 |
| Total liabilities | | 67.1 | (49.8%) | 83.5 | (54.1%) | 64.1 | (45.7%) | 19.4 |
| Minority interests | | 3.8 | (2.8%) | 3.6 | (2.4%) | 5.7 | (4.0%) | 2.0 |
| Shareholders' equity | | 63.9 | (47.4%) | 67.1 | (43.5%) | 70.5 | (50.3%) | 3.4 |
| Total liabilities, minority interests and shareholders' equities | | 134.8 | (100%) | 154.2 | (100%) | 140.3 | (100%) | 13.9 |

Notes: All amounts less than ¥100 m disregarded.

1. Consolidated Figures

(4) Business Overview (by Group)

(¥bn; ratios)

| | Wako Engineering Group | | Daiwa Densetsu Group | | KANAC Group | |
|--|------------------------|------|----------------------|------|-----------------|------|
| | Actual | YOY | Actual | YOY | Actual | YOY |
| Orders received | 15.5 | 106% | 6.8 | 102% | 3.9 | 98% |
| Net sales | 13.8 | 115% | 5.1 | 80% | 3.4 | 110% |
| Gross profit | (11.3%) 1.5 | 127% | (11.1%) 0.5 | 63% | (12.5%) 0.4 | 103% |
| Selling, general and administrative expenses | (8.4%) 1.1 | 99% | (11.1%) 0.5 | 82% | (15.0%) 0.5 | 101% |
| Operating income | (2.9%) 0.4 | 797% | (-0.1%) -0.0 | — | (-2.5%) -0.0 | — |
| Ordinary income | (3.0%) 0.4 | 625% | (0.3%) 0.0 | 13% | (-2.0%) -0.0 | — |
| Net income | (1.7%) 0.2 | 465% | (-2.3%) -0.1 | — | (-3.3%) -0.1 | — |
| Assets | 14.5 | 104% | 6.4 | 71% | 6.2 | 112% |
| Shareholders' equity | 8.1 | 107% | 3.0 | 80% | 3.3 | 131% |
| Equity/Assets ratio | 56.3% | — | 46.7% | — | 52.5% | — |

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

2. Non-consolidated Figures

(1) Overview

(¥bn)

| | FY 2004 | | FY 2005 | | | | | | | |
|--|----------------|-----------------|---------------------|----------------|---------|-----------------------|---------------------|---------------------|---------|------------------------|
| | Interim | Full year | Interim | | | | Full year | | | |
| | A | B | May 2005 forecast C | Actual D | YOY D/A | Forecast accuracy D/C | May 2005 forecast E | Nov 2005 forecast F | YOY F/B | Change in forecast F/E |
| Orders received | 96.6 | 204.6 | 98.0 | 109.2 | 113% | 111% | 210.0 | 228.0 | 111% | 109% |
| Net sales | 78.8 | 195.0 | 86.0 | 85.8 | 109% | 100% | 203.0 | 212.0 | 109% | 104% |
| Gross profit | (11.8%) 9.3 | (11.1%) 21.7 | (11.0%) 9.5 | (11.2%) 9.6 | 103% | 101% | (11.1%) 22.5 | (10.7%) 22.7 | 104% | 101% |
| Selling, general and administrative expenses | (8.1%) 6.4 | (6.8%) 13.3 | (8.0%) 6.9 | (7.7%) 6.6 | 104% | 96% | (6.8%) 13.9 | (6.5%) 13.8 | 103% | 99% |
| Operating income | (3.7%) 2.9 | (4.3%) 8.4 | (3.0%) 2.6 | (3.5%) 3.0 | 103% | 115% | (4.2%) 8.6 | (4.2%) 8.9 | 106% | 103% |
| Ordinary income | (3.7%) 2.9 | (4.1%) 8.0 | (3.1%) 2.7 | (3.6%) 3.0 | 105% | 113% | (4.3%) 8.7 | (4.2%) 9.0 | 112% | 103% |
| Net income | (1.9%) 1.5 | (2.0%) 4.0 | (1.7%) 1.5 | (2.1%) 1.8 | 120% | 120% | (2.3%) 4.6 | (2.2%) 4.6 | 114% | 100% |

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

2. Non-consolidated Figures

(2) Orders received

(¥bn)

| | | | FY 2004 | | FY 2005 | | | | | | | |
|--------------------------------------|---|--|---------|-----------|-------------------|--------|-------|-------------------|-------------------|-------------------|--------|--------------------|
| | | | Interim | Full year | Interim | | | | Full year | | | |
| | | | | | May 2005 forecast | Actual | YOY | Forecast accuracy | May 2005 forecast | Nov 2005 forecast | YOY | Change in forecast |
| | | | A | B | C | D | D/A | D/C | E | F | F/B | F/E |
| S E C T O R S - | NTT-related telecoms facilities and equipment engineering | Cable engineering | 27.8 | 50.5 | 26.0 | 26.9 | 97% | 104% | 51.5 | 53.0 | 105% | 103% |
| | | Civil engineering | 5.1 | 10.3 | 5.0 | 6.4 | 123% | 128% | 8.5 | 11.5 | 111% | 135% |
| | | Telecoms network engineering | 9.3 | 20.3 | 9.5 | 10.6 | 114% | 112% | 18.5 | 20.0 | 98% | 108% |
| | | Mobile communications engineering | 24.0 | 47.3 | 29.0 | 29.3 | 122% | 101% | 53.0 | 58.0 | 123% | 109% |
| | | Total | 66.4 | 128.6 | 69.5 | 73.4 | 111% | 106% | 131.5 | 142.5 | 111% | 108% |
| | Non-NTT telecoms, electrical facilities and civil engineering | Telecoms facilities and equipment engineering | 11.0 | 22.3 | 8.0 | 11.8 | 107% | 148% | 19.0 | 23.5 | 105% | 124% |
| | | Electrical facilities engineering | 2.7 | 10.9 | 4.0 | 3.6 | 133% | 91% | 11.0 | 10.0 | 91% | 91% |
| | | Civil engineering | 4.4 | 11.7 | 4.0 | 3.6 | 83% | 91% | 12.5 | 14.0 | 119% | 112% |
| | | Total | 18.1 | 45.0 | 16.0 | 19.1 | 105% | 119% | 42.5 | 47.5 | 105% | 112% |
| | IT-SOLUTIONS | | 9.6 | 23.4 | 11.0 | 13.4 | 140% | 123% | 27.0 | 29.0 | 124% | 107% |
| ECO-SOLUTIONS | | 2.3 | 7.4 | 1.5 | 3.2 | 134% | 214% | 9.0 | 9.0 | 121% | 100% | |
| TOTAL | | 96.6 | 204.6 | 98.0 | 109.2 | 113% | 111% | 210.0 | 228.0 | 111% | 109% | |
| (NTT DoCoMo-related construction) | | (30.3) | (62.4) | (37.5) | (36.8) | (121%) | (98%) | (64.5) | (72.5) | (116%) | (112%) | |

Notes: All amounts less than ¥100 m disregarded.

2. Non-consolidated Figures

(3) Net sales

(¥bn)

| | | | FY 2004 | | FY 2005 | | | | | | | |
|--|---|--|---------|-----------|-------------------|--------|---------|-------------------|-------------------|-------------------|---------|--------------------|
| | | | Interim | Full year | Interim | | | Full year | | | | |
| | | | | | May 2005 forecast | Actual | YOY D/A | Forecast accuracy | May 2005 forecast | Nov 2005 forecast | YOY F/B | Change in forecast |
| | | | A | B | C | D | D/A | D/C | E | F | F/B | F/E |
| S E N S I T I V E E N G I N E E R I N G | NTT-related telecoms facilities and equipment engineering | Cable engineering | 22.7 | 50.4 | 23.0 | 22.6 | 100% | 98% | 51.5 | 52.0 | 103% | 101% |
| | | Civil engineering | 3.3 | 9.6 | 4.0 | 4.2 | 127% | 107% | 9.0 | 11.0 | 115% | 122% |
| | | Telecoms network engineering | 10.4 | 21.8 | 8.5 | 9.2 | 89% | 108% | 18.0 | 20.0 | 92% | 111% |
| | | Mobile communications engineering | 18.8 | 43.7 | 26.0 | 24.6 | 131% | 95% | 54.5 | 57.0 | 130% | 105% |
| | | Total | 55.3 | 125.5 | 61.5 | 60.7 | 110% | 99% | 133.0 | 140.0 | 111% | 105% |
| | Non-NTT telecoms, electrical facilities and civil engineering | Telecoms facilities and equipment engineering | 9.1 | 25.6 | 8.0 | 7.4 | 82% | 93% | 20.0 | 23.0 | 90% | 115% |
| | | Electrical facilities engineering | 4.0 | 8.9 | 2.5 | 2.9 | 73% | 118% | 9.0 | 9.0 | 100% | 100% |
| | | Civil engineering | 3.0 | 12.1 | 3.5 | 2.7 | 90% | 77% | 13.0 | 12.0 | 99% | 92% |
| | | Total | 16.1 | 46.8 | 14.0 | 13.0 | 81% | 93% | 42.0 | 44.0 | 94% | 105% |
| | IT-SOLUTIONS | | | 7.2 | 21.0 | 9.0 | 10.6 | 147% | 118% | 24.0 | 25.0 | 119% |
| ECO-SOLUTIONS | | | 0.1 | 1.5 | 1.5 | 1.3 | 748% | 90% | 4.0 | 3.0 | 192% | 75% |
| TOTAL | | | 78.8 | 195.0 | 86.0 | 85.8 | 109% | 100% | 203.0 | 212.0 | 109% | 104% |

Notes: All amounts less than ¥100 m disregarded.

3. Dividends

(¥)

| | | FY 2004 | | FY 2005 | | | | | | | |
|----------------------|-------------------------|--------------|----------------------------|---------------------------|-------------|------------|-----------------------------|---------------------------|---------------------------|------------|------------------------------|
| | | Interim A | Total for the year B | Interim | | | Total for the year | | | | |
| | | | | May 2005 forecast C | Actual D | YOY D-A | Forecast accuracy D-C | May 2005 forecast E | Nov 2005 forecast F | YOY F-B | Change in forecast F-E |
| Non- consolidated | Dividends per Share | 5.0 | 11.0 | 5.0 | 7.0 | 2.0 | 2.0 | 11.0 | 15.0 | 4.0 | 4.0 |
| | Earnings per Share | 13.5 | 35.6 | 13.7 | 16.4 | 2.9 | 2.7 | 41.2 | 41.0 | 5.4 | -0.2 |
| | Dividends payment ratio | 37.0% | 30.9% | 36.5% | 42.7% | 5.7% | 6.2% | 26.7% | 36.6% | 5.7% | 9.9% |
| Consolidated | Earnings per Share | 19.7 | 56.6 | 21.0 | 32.5 | 12.8 | 11.5 | 62.4 | 71.3 | 14.7 | 8.9 |
| | Dividends payment ratio | 25.4% | 19.4% | 23.8% | 21.6% | -3.8% | -2.2% | 17.6% | 21.0% | 1.6% | 3.4% |

Disclaimer Regarding Forward-Looking Statement

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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