

# Results for the Six Months Ended September 30, 2007

November 9, 2007

**KYOWA EXEO CORPORATION**

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

## 1.Consolidated Figures

### (1) Overview

(¥bn)

	FY 2006		FY 2007							
	Interim	Full year	Interim				Full year			
	A	B	May 2007 forecast C	Actual D	YOY D/A	Forecast accuracy D/C	May 2007 forecast E	Nov, 2007 forecast F	YOY F/B	Change in forecast F/E
Orders received	156.0	305.6	152.0	143.1	92%	94%	312.0	300.0	98%	96%
Net sales	128.1	303.5	136.0	115.2	90%	85%	310.0	291.0	96%	94%
Gross profit	(13.5%) 17.3	(13.3%) 40.2	(12.7%) 17.3	(12.0%) 13.8	80%	80%	(13.0%) 40.2	(12.4%) 36.2	90%	90%
Selling, general and administrative expenses	(8.0%) 10.2	(6.6%) 19.7	(7.5%) 10.2	(8.4%) 9.6	95%	95%	(6.4%) 19.7	(6.7%) 19.6	99%	99%
Operating income	(5.5%) 7.1	(6.7%) 20.4	(5.2%) 7.1	(3.6%) 4.1	59%	59%	(6.6%) 20.5	(5.7%) 16.6	81%	81%
Ordinary income	(6.0%) 7.7	(7.0%) 21.1	(5.6%) 7.6	(4.3%) 4.9	64%	65%	(6.9%) 21.3	(6.0%) 17.6	83%	83%
Net income	(3.5%) 4.4	(3.6%) 11.0	(3.2%) 4.3	(2.6%) 3.0	68%	70%	(3.9%) 12.0	(3.4%) 10.0	91%	83%

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 2006		FY 2007							
				Interim	Full year	Interim				Full year			
						May 2007 forecast	Actual	YOY D/A	Forecast accuracy	May 2007 forecast	Nov, 2007 forecast	YOY F/B	Change in forecast
				A	B	C	D	D/A	D/C	E	F	F/B	F/E
Orders received	ENGINEERING-SOLUTIONS	Telecommunications infrastructure	NTT Group engineering	104.2	200.4	99.5	93.1	89%	94%	195.0	188.0	94%	96%
			Non-NTT telecom engineering	26.9	56.9	27.0	27.4	102%	102%	63.0	63.0	111%	100%
		Sub-total		131.1	257.4	126.5	120.5	92%	95%	258.0	251.0	97%	97%
		Environmental and social infrastructure		17.2	33.2	18.5	14.3	83%	77%	39.0	34.0	102%	87%
		Sub-total		148.4	290.7	145.0	134.8	91%	93%	297.0	285.0	98%	96%
	SYSTEM-SOLUTIONS		7.6	14.8	7.0	8.3	109%	119%	15.0	15.0	101%	100%	
TOTAL		156.0	305.6	152.0	143.1	92%	94%	312.0	300.0	98%	96%		
Net sales	ENGINEERING-SOLUTIONS	Telecommunications infrastructure	NTT Group engineering	89.8	198.0	92.0	77.4	86%	84%	197.5	187.5	95%	95%
			Non-NTT telecom engineering	20.3	55.7	25.0	19.6	97%	79%	60.0	55.0	99%	92%
		Sub-total		110.1	253.7	117.0	97.0	88%	83%	257.5	242.5	96%	94%
		Environmental and social infrastructure		11.4	34.8	12.0	10.7	94%	90%	37.3	34.0	98%	91%
		Sub-total		121.6	288.5	129.0	107.8	89%	84%	294.8	276.5	96%	94%
	SYSTEM-SOLUTIONS		6.4	15.0	7.0	7.4	115%	106%	15.2	14.5	97%	95%	
TOTAL		128.1	303.5	136.0	115.2	90%	85%	310.0	291.0	96%	94%		

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

## 1.Consolidated Figures

### (3) Consolidated Balance Figures

(¥bn)

		FY 2006				FY 2007		
		Interim		Year-end		Interim		C-B
		A		B		C		
Current assets		109.6	(67.5%)	131.4	(70.5%)	106.1	(65.3%)	-25.2
Fixed assets		52.8	(32.5%)	55.0	(29.5%)	56.3	(34.7%)	1.3
Total assets		162.5	(100%)	186.4	(100%)	162.5	(100%)	-23.9
Liabilities	Current	49.3	(30.4%)	67.7	(36.3%)	44.6	(27.5%)	-23.1
	Long-term	28.2	(17.4%)	27.5	(14.8%)	25.1	(15.4%)	-2.4
Total liabilities		77.6	(47.8%)	95.3	(51.1%)	69.8	(42.9%)	-25.5
Shareholder's equity		78.5	(48.3%)	84.4	(45.3%)	86.0	(53.0%)	1.6
Minority interests and stock acquisition rights		6.3	(3.9%)	6.6	(3.6%)	6.6	(4.1%)	-0.0
Total liabilities and net assets		162.5	(100%)	186.4	(100%)	162.5	(100%)	-23.9

Notes: All amounts less than ¥100m disregarded.

## 1.Consolidated Figures

### (4) Business Overview (by Group)

(¥bn; ratios)

	Wako Engineering Group			Daiwa Densetsu Group			KANAC Group		
	FY 2006	FY 2007		FY 2006	FY 2007		FY 2006	FY 2007	
	Interim	Interim	YOY	Interim	Interim	YOY	Interim	Interim	YOY
Orders received	18.8	17.0	90%	9.2	9.0	98%	4.0	3.5	87%
Net sales	15.5	15.6	101%	6.8	6.9	101%	3.2	2.8	89%
Gross profit	(8.9%) 1.3	(7.1%) 1.1	80%	(6.9%) 0.4	(8.8%) 0.6	130%	(12.1%) 0.3	(12.8%) 0.3	94%
Selling, general and administrative expenses	(6.5%) 1.0	(6.6%) 1.0	102%	(7.5%) 0.5	(7.3%) 0.5	98%	(17.5%) 0.5	(17.8%) 0.5	90%
Operating income	(2.4%) 0.3	(0.5%) 0.0	22%	-(0.6%) -0.0	(1.5%) 0.1	-	-(5.5%) -0.1	-(4.9%) -0.1	-
Ordinary income	(2.5%) 0.3	(0.7%) 0.1	27%	-(0.3%) -0.0	(1.9%) 0.1	-	-(5.0%) -0.1	-(3.8%) -0.1	-
Net income	-(1.3%) -0.2	(0.2%) 0.0	-	-(0.2%) -0.0	(2.2%) 0.1	-	-(5.2%) -0.1	-(2.3%) -0.0	-
Total assets	14.9	15.5	104%	6.3	6.7	106%	6.4	6.3	98%
Net assets	8.2	8.4	103%	3.2	3.6	112%	3.2	3.2	101%
Equity ratio (Shareholders' equity / Total assets)	54.9%	54.6%		50.7%	53.1%		50.1%	51.7%	

Notes1: The above figures are prior to elimination of intercompany transactions between group companies.

Notes2: All amounts less than ¥100m are disregarded. Figures in parentheses are ratio to net sales.

## 2.Non-consolidated Figures

### (1) Overview

(¥bn)

	FY 2006		FY 2007							
	Interim	Full year	Interim				Full year			
	A	B	May 2007 forecast C	Actual D	YOY D/A	Forecast accuracy D/C	May 2007 forecast E	Nov, 2007 forecast F	YOY F/B	Change in forecast F/E
Orders received	121.6	238.5	119.0	111.9	92%	94%	243.0	237.0	99%	98%
Net sales	100.1	238.7	106.5	88.1	88%	83%	242.0	227.0	95%	94%
Gross profit	(12.0%) 12.0	(11.7%) 28.0	(11.2%) 11.9	(11.0%) 9.7	81%	82%	(11.6%) 28.1	(11.1%) 25.3	90%	90%
Selling, general and administrative expenses	(7.3%) 7.2	(5.8%) 13.8	(6.8%) 7.2	(7.9%) 6.9	95%	96%	(5.7%) 13.7	(6.0%) 13.6	98%	99%
Operating income	(4.7%) 4.7	(5.9%) 14.1	(4.4%) 4.7	(3.1%) 2.7	58%	59%	(6.0%) 14.4	(5.2%) 11.7	83%	81%
Ordinary income	(5.1%) 5.1	(6.0%) 14.2	(4.7%) 5.0	(3.6%) 3.1	62%	64%	(6.1%) 14.8	(5.3%) 12.1	85%	82%
Net income	(2.9%) 2.8	(3.0%) 7.1	(2.8%) 3.0	(2.1%) 1.8	64%	62%	(3.6%) 8.7	(3.1%) 7.0	99%	80%

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

## 2.Non-consolidated Figures



### (2) Orders Received

(¥bn)

				FY 2006		FY 2007							
				Interim	Full year	Interim				Full year			
						May 2007 forecast	Actual	YOY	Forecast accuracy	May 2007 forecast	Nov, 2007 forecast	YOY	Change in forecast
				A	B	C	D	D/A	D/C	E	F	F/B	F/E
<b>ENGINEERING-SOLUTIONS</b>	Telecommunications infrastructure	NTT Group engineering	Access engineering	35.3	67.5	34.0	33.5	95%	99%	70.0	67.0	99%	96%
			Network engineering	9.2	17.8	9.5	7.7	84%	82%	18.5	16.0	89%	86%
			Mobile engineering	39.4	74.0	35.0	31.8	81%	91%	66.5	66.5	90%	100%
		Sub-total	84.0	159.5	78.5	73.1	87%	93%	155.0	149.5	94%	96%	
	Non-NTT telecom engineering	20.6	43.9	22.0	21.7	105%	99%	50.0	50.0	114%	100%		
	Sub-total	104.6	203.5	100.5	94.8	91%	94%	205.0	199.5	98%	97%		
	Environmental and social infrastructure	10.1	21.8	12.5	9.7	96%	78%	24.5	24.0	110%	98%		
Sub-total	114.8	225.3	113.0	104.5	91%	93%	229.5	223.5	99%	97%			
<b>SYSTEM-SOLUTIONS</b>				6.7	13.1	6.0	7.3	109%	123%	13.5	13.5	103%	100%
<b>TOTAL</b>				121.6	238.5	119.0	111.9	92%	94%	243.0	237.0	99%	98%
(NTT DoCoMo-related construction)				(45.7)	(85.6)	(40.5)	(35.8)	(78%)	(88%)	(77.5)	(77.5)	(91%)	(100%)

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

## 2.Non-consolidated Figures



### (3) Net Sales

(¥bn)

				FY 2006		FY 2007							
				Interim	Full year	Interim			Full year			Change in forecast F/E	
						May 2007 forecast C	Actual D	YOY D/A	Forecast accuracy D/C	May 2007 forecast E	Nov, 2007 forecast F		YOY F/B
				A	B								
ENGINEERING-SOLUTIONS	Telecommunications infrastructure	NTT Group engineering	Access engineering	28.2	64.4	31.5	27.4	97%	87%	70.0	66.0	102%	94%
			Network engineering	7.6	17.3	9.5	7.1	93%	75%	19.0	16.0	92%	84%
			Mobile engineering	37.5	77.2	32.5	25.4	68%	78%	69.0	67.0	87%	97%
		Sub-total	73.5	159.0	73.5	60.0	82%	82%	158.0	149.0	94%	94%	
		Non-NTT telecom engineering	15.1	43.8	19.0	14.5	96%	77%	47.5	43.5	99%	92%	
		Sub-total	88.6	202.9	92.5	74.5	84%	81%	205.5	192.5	95%	94%	
	Environmental and social infrastructure	5.8	22.5	8.0	6.9	119%	87%	23.0	22.0	98%	96%		
	Sub-total	94.5	225.4	100.5	81.5	86%	81%	228.5	214.5	95%	94%		
SYSTEM-SOLUTIONS				5.6	13.2	6.0	6.5	116%	110%	13.5	12.5	94%	93%
TOTAL				100.1	238.7	106.5	88.1	88%	83%	242.0	227.0	95%	94%
(NTT DoCoMo-related construction)				(42.0)	(88.3)	(37.5)	(29.2)	(70%)	(78%)	(79.5)	(77.0)	(87%)	(97%)

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

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## 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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