

Annual Results for the Fiscal Year Ended March 31, 2008

May 13, 2008

KYOWA EXEO CORPORATION

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

1.Consolidated Figures

(1) Overview

(¥bn)

	FY 2006		FY 2007						FY 2008			
	Interim	Full year	Interim		Full year				Interim		Full year	
	A	B	Actual C	YOY C/A	Nov. 2007 forecast D	Actual E	YOY E/B	Forecast accuracy E/D	Forecast F	YOY F/C	Forecast G	YOY G/E
Orders received	156.0	305.6	143.1	92%	300.0	297.8	97%	99%	140.0	98%	302.0	101%
Net sales	128.1	303.5	115.2	90%	291.0	287.7	95%	99%	125.0	108%	295.0	103%
Gross profit	(13.5%) 17.3	(13.3%) 40.2	(12.0%) 13.8		(12.4%) 36.2	(12.6%) 36.2	90%	100%	(12.4%) 15.5		(12.4%) 36.5	101%
Selling, general and administrative expenses	(8.0%) 10.2	(6.6%) 19.7	(8.4%) 9.6		(6.7%) 19.6	(6.9%) 19.8	101%	102%	(7.6%) 9.5	98%	(6.5%) 19.3	97%
Operating income	(5.5%) 7.1	(6.7%) 20.4	(3.6%) 4.1	59%	(5.7%) 16.6	(5.7%) 16.4	80%	99%	(4.8%) 6.0	143%	(5.8%) 17.2	105%
Ordinary income	(6.0%) 7.7	(7.0%) 21.1	(4.3%) 4.9	64%	(6.0%) 17.6	(6.0%) 17.2	81%	98%	(5.0%) 6.3	127%	(6.1%) 18.0	105%
Net income	(3.5%) 4.4	(3.6%) 11.0	(2.6%) 3.0	68%	(3.4%) 10.0	(3.7%) 10.6	97%	107%	(2.9%) 3.6	120%	(3.5%) 10.3	96%

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

1.Consolidated Figures

(2) Orders Received and Net Sales

(¥bn)

				FY 2006		FY 2007				FY 2008					
				Interim	Full year	Interim		Full year			Interim		Full year		
				A	B	Actual C	YOY C/A	Nov. 2007 forecast D	Actual E	YOY E/B	Forecast accuracy E/D	Forecast F	YOY F/C	Forecast G	YOY G/E
Orders received	ENGINEERING-SOLUTIONS	Telecommunications infrastructure	NTT Group engineering	104.2	200.4	93.1	89%	188.0	188.8	94%	100%	90.0	97%	184.0	97%
			Non-NTT telecom engineering	26.9	56.9	27.4	102%	63.0	59.6	105%	95%	29.0	106%	66.0	111%
		Sub-total	131.1	257.4	120.5	92%	251.0	248.5	97%	99%	119.0	99%	250.0	101%	
	Sub-total	Environmental and social infrastructure	17.2	33.2	14.3	83%	34.0	33.5	101%	99%	13.0	91%	35.5	106%	
		Sub-total	148.4	290.7	134.8	91%	285.0	282.0	97%	99%	132.0	98%	285.5	101%	
	SYSTEM-SOLUTIONS		7.6	14.8	8.3	109%	15.0	15.8	106%	106%	8.0	96%	16.5	104%	
TOTAL		156.0	305.6	143.1	92%	300.0	297.8	97%	99%	140.0	98%	302.0	101%		
Net sales	ENGINEERING-SOLUTIONS	Telecommunications infrastructure	NTT Group engineering	89.8	198.0	77.4	86%	187.5	183.6	93%	98%	85.0	110%	188.0	102%
			Non-NTT telecom engineering	20.3	55.7	19.6	97%	55.0	56.3	101%	102%	24.0	122%	61.0	108%
		Sub-total	110.1	253.7	97.0	88%	242.5	239.9	95%	99%	109.0	112%	249.0	104%	
	Sub-total	Environmental and social infrastructure	11.4	34.8	10.7	94%	34.0	32.2	93%	95%	9.5	88%	30.0	93%	
		Sub-total	121.6	288.5	107.8	89%	276.5	272.1	94%	98%	118.5	110%	279.0	103%	
	SYSTEM-SOLUTIONS		6.4	15.0	7.4	115%	14.5	15.5	104%	107%	6.5	88%	16.0	103%	
TOTAL		128.1	303.5	115.2	90%	291.0	287.7	95%	99%	125.0	108%	295.0	103%		

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

1.Consolidated Figures

(3) Consolidated Balance Figures

(¥bn)

		FY 2006				FY 2007				
		Interim		Year-end		Interim		Year-end		D-B
		A		B		C		D		
Current assets		109.6	(67.5%)	131.4	(70.5%)	106.1	(65.3%)	121.7	(68.8%)	-9.6
Fixed assets		52.8	(32.5%)	55.0	(29.5%)	56.3	(34.7%)	55.2	(31.2%)	0.1
Total assets		162.5	(100%)	186.4	(100%)	162.5	(100%)	176.9	(100%)	-9.5
Liabilities	Current	49.3	(30.4%)	67.7	(36.3%)	44.6	(27.5%)	56.5	(32.0%)	-11.1
	Long-term	28.2	(17.4%)	27.5	(14.8%)	25.1	(15.4%)	24.7	(14.0%)	-2.7
Total liabilities		77.6	(47.8%)	95.3	(51.1%)	69.8	(42.9%)	81.3	(46.0%)	-13.9
Shareholder's equity		78.5	(48.3%)	84.4	(45.3%)	86.0	(53.0%)	88.7	(50.2%)	4.2
Minority interests and stock acquisition rights		6.3	(3.9%)	6.6	(3.6%)	6.6	(4.1%)	6.8	(3.8%)	0.1
Total liabilities and net assets		162.5	(100%)	186.4	(100%)	162.5	(100%)	176.9	(100%)	-9.5

Notes: All amounts less than ¥100m disregarded.

1.Consolidated Figures

(4) Business Overview (by Group)

(¥bn; ratios)

	FY 2007								
	Wako Engineering Group			Daiwa Densetsu Group			KANAC Group		
	Interim	Full year		Interim	Full year		Interim	Full year	
			YOY			YOY			YOY
Orders received	17.0	34.2	93%	9.0	16.9	97%	3.5	8.2	94%
Net sales	15.6	34.9	101%	6.9	17.4	104%	2.8	7.8	90%
Gross profit	(7.1%) 1.1	(7.3%) 2.5	84%	(8.8%) 0.6	(8.7%) 1.5	115%	(12.8%) 0.3	(11.3%) 0.8	78%
Selling, general and administrative expenses	(6.5%) 1.0	(5.9%) 2.0	101%	(7.3%) 0.5	(6.2%) 1.0	104%	(17.8%) 0.5	(12.3%) 0.9	89%
Operating income	(0.5%) 0.0	(1.4%) 0.4	50%	(1.5%) 0.1	(2.5%) 0.4	152%	-(4.9%) -0.1	-(1.0%) -0.0	—
Ordinary income	(0.7%) 0.1	(1.5%) 0.5	52%	(1.9%) 0.1	(2.8%) 0.4	141%	-(3.8%) -0.1	-(0.3%) -0.0	—
Net income	(0.2%) 0.0	(0.8%) 0.2	190%	(2.2%) 0.1	(2.2%) 0.3	143%	-(2.3%) -0.0	-(0.7%) -0.0	—
Total assets	15.5	17.1	97%	6.7	8.2	102%	6.3	6.6	94%
Net assets	8.4	8.6	101%	3.6	3.8	107%	3.2	3.2	95%
Equity ratio (Shareholders' equity / Total assets)	54.6%	50.3%		53.1%	45.5%		51.7%	48.2%	

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

	FY 2006		FY 2007					FY 2008				
	Interim	Full year	Interim		Full year			Interim		Full year		
	A	B	Actual C	YOY C/A	Nov. 2007 forecast D	Actual E	YOY E/B	Forecast accuracy E/D	Forecast F	YOY F/C	Forecast G	YOY G/E
Orders received	121.6	238.5	111.9	92%	237.0	234.9	98%	99%	110.0	98%	240.0	102%
Net sales	100.1	238.7	88.1	88%	227.0	223.9	94%	99%	98.0	111%	233.0	104%
Gross profit	(12.0%) 12.0	(11.7%) 28.0	(11.0%) 9.7	81%	(11.1%) 25.3	(11.4%) 25.6	92%	101%	(11.2%) 11.0	113%	(11.1%) 25.8	101%
Selling, general and administrative expenses	(7.3%) 7.2	(5.8%) 13.8	(7.9%) 6.9	95%	(6.0%) 13.6	(6.3%) 14.3	103%	105%	(7.1%) 7.0	101%	(5.9%) 13.8	96%
Operating income	(4.7%) 4.7	(5.9%) 14.1	(3.1%) 2.7	58%	(5.2%) 11.7	(5.1%) 11.3	80%	97%	(4.1%) 4.0	143%	(5.2%) 12.0	106%
Ordinary income	(5.1%) 5.1	(6.0%) 14.2	(3.6%) 3.1	62%	(5.3%) 12.1	(5.2%) 11.5	82%	96%	(4.4%) 4.3	135%	(5.3%) 12.4	107%
Net income	(2.9%) 2.8	(3.0%) 7.1	(2.1%) 1.8	64%	(3.1%) 7.0	(3.2%) 7.0	100%	101%	(2.6%) 2.5	135%	(3.1%) 7.2	102%

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

2.Non-consolidated Figures

(2) Orders Received

(¥bn)

				FY 2006		FY 2007				FY 2008					
				Interim	Full year	Interim		Full year			Interim		Full year		
				A	B	Actual	YOY	Nov. 2007	Actual	YOY	Forecast	Forecast	YOY	Forecast	YOY
				C	C/A	D	E	E/B	E/D	F	F/C	G	G/E		
ENGINEERING-SOLUTIONS	Telecommunications infrastructure	NTT Group engineering	Access engineering	35.3	67.5	33.5	95%	67.0	65.0	96%	97%	32.5	97%	64.5	99%
			Network engineering	9.2	17.8	7.7	84%	16.0	17.3	97%	108%	8.5	109%	18.0	104%
			Mobile engineering	39.4	74.0	31.8	81%	66.5	67.3	91%	101%	30.0	94%	63.5	94%
		Sub-total	84.0	159.5	73.1	87%	149.5	149.7	94%	100%	71.0	97%	146.0	98%	
		Non-NTT telecom engineering	20.6	43.9	21.7	105%	50.0	48.3	110%	97%	23.5	108%	54.0	112%	
		Sub-total	104.6	203.5	94.8	91%	199.5	198.0	97%	99%	94.5	100%	200.0	101%	
		Environmental and social infrastructure	10.1	21.8	9.7	96%	24.0	23.2	106%	97%	8.5	87%	25.5	110%	
	Sub-total	114.8	225.3	104.5	91%	223.5	221.2	98%	99%	103.0	98%	225.5	102%		
SYSTEM-SOLUTIONS				6.7	13.1	7.3	109%	13.5	13.7	104%	101%	7.0	95%	14.5	106%
TOTAL				121.6	238.5	111.9	92%	237.0	234.9	98%	99%	110.0	98%	240.0	102%
(NTT DoCoMo-related construction)				(45.7)	(85.6)	(35.8)	(78%)	(77.5)	(77.3)	(90%)	(100%)	(35.0)	(98%)	(75.5)	(98%)

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

2.Non-consolidated Figures

(3) Net Sales

				FY 2006		FY 2007				FY 2008					
				Interim	Full year	Interim		Full year		Interim		Full year			
				A	B	Actual C	YOY C/A	Nov. 2007 forecast D	Actual E	YOY E/B	Forecast accuracy E/D	Forecast F	YOY F/C	Forecast G	YOY G/E
ENGINEERING-SOLUTIONS	Telecom communications infrastructure	NTT Group engineering	Access engineering	28.2	64.4	27.4	97%	66.0	65.3	101%	99%	29.0	105%	66.0	101%
			Network engineering	7.6	17.3	7.1	93%	16.0	15.8	91%	99%	9.0	126%	18.5	117%
			Mobile engineering	37.5	77.2	25.4	68%	67.0	62.7	81%	94%	30.0	118%	65.5	104%
		Sub-total	73.5	159.0	60.0	82%	149.0	143.9	90%	97%	68.0	113%	150.0	104%	
		Non-NTT telecom engineering	15.1	43.8	14.5	96%	43.5	44.3	101%	102%	20.0	137%	50.0	113%	
		Sub-total	88.6	202.9	74.5	84%	192.5	188.2	93%	98%	88.0	118%	200.0	106%	
		Environmental and social infrastructure	5.8	22.5	6.9	119%	22.0	22.1	98%	101%	4.5	65%	19.0	86%	
	Sub-total	94.5	225.4	81.5	86%	214.5	210.4	93%	98%	92.5	113%	219.0	104%		
SYSTEM-SOLUTIONS				5.6	13.2	6.5	116%	12.5	13.4	101%	108%	5.5	84%	14.0	104%
TOTAL				100.1	238.7	88.1	88%	227.0	223.9	94%	99%	98.0	111%	233.0	104%
(NTT DoCoMo-related construction)				(42.0)	(88.3)	(29.2)	(70%)	(77.0)	(71.0)	(80%)	(92%)	(35.0)	(120%)	(78.0)	(110%)

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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