

## Main business performance - Securing more order volumes than planned

### > Abrupt changes in management environment not expected when planned

(Structural reform in Japanese construction business, effects of exclusion from designated contractor lists, etc.)

### > More orders received for two consecutive terms though targets were not met

#### Reduction in general administrative expenses thanks to retirement of baby boom generation workers

- Fiscal 2005: Profits increased for three consecutive terms; Plan almost completed
- Fiscal 2006: Operating income reduced first in the four terms; Loss recorded for this term; Affected by exclusion from designated contractor list; Profits reduced in domestic civil-engineering works; and Special losses recorded such as losses in development projects
- Fiscal 2007: Recovered steadily but forecast at the beginning of the term not reached; and Domestic construction reduced profits due to hike in material and subcontracting expenses though profitability improved in domestic civil engineering and overseas projects

## Making financial positions healthier — by advancing projects

- Capital increase: CB for ¥15,000 million issued and converted (in fiscal 2005)
- Reduction of interest-bearing debts: Target fulfilled as planned
- Assets compressed: About 20% reduced when compared with those at fiscal 2004 end
- Real estate disposed of and evaluation reduced (fiscal 2005 to 2007)
- Investment securities disposed of (fiscal 2006)
- Employee pension trust added to (fiscal 2007)

## Evolution 21 Targets and Consolidated Results

(Millions of Yen)

	Evolution 21 Results			Initial Targets (May 2005)
	FY2005	FY2006	FY2007	FY2007
<b>Business Performance Targets</b>				
Consolidated Net Sales	¥354,657	¥323,265	<b>¥352,809</b>	¥355,000
Total Gross Profit	34,259	23,767	<b>26,528</b>	34,800
Selling, General and Administrative Expenses	20,082	19,123	<b>17,688</b>	18,800
Operating Income	14,177	4,644	<b>8,840</b>	16,000
Ordinary Income	11,341	2,078	<b>5,097</b>	13,500
Consolidated Net Income	3,876	-5,858	<b>2,571</b>	5,000
EPS* (Yen)	17.1	-23.8	<b>10.5</b>	20 or more
<b>Financial Targets</b>				
Total Assets	¥389,367	¥355,069	<b>¥340,233</b>	
Net Assets	66,891	57,605	<b>53,862</b>	
Shareholders' Equity Ratio (%)	17.2	16.2	<b>15.8</b>	20% or more
Interest-bearing Liabilities	135,699	110,463	<b>109,098</b>	110,000 or less
Ratio to Total Assets (%)	34.9	31.1	<b>32.1</b>	30% or less
D/E Net Ratio	1.1	1.1	<b>1.4</b>	
ROE (%)	6.8	-9.4	<b>4.6</b>	

\*Earning per Share (EPS) is based on consolidation of stocks.