

Result for the 1st Quarter of FY2006

(Three months ended June 30, 2006)

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August 24, 2006

Haseko Corporation

The performance forecasts and projections entered in these materials are projections made by Haseko based on information that can be obtained presently and include latent risks and uncertainties. Please note that as a result changes in various factors may lead to very different results in the future from those entered here.

Income Statements

<Consolidated>

(Billions of Yen)

	07/3	
	1Q Performance	Annual Forecast
Net Sales	145.0	660.0
Construction contracts	94.3	475.0
Design and supervision	1.5	10.0
Leasing and management	13.1	55.0
Real estate sale	35.2	116.0
Other	1.0	4.0
Gross Profit	16.5	81.3
Construction contracts	11.2	57.6
[Profit ratio of construction contracts]	(11.9%)	(12.1%)
Design and supervision	1.0	6.3
Leasing and management	1.7	7.4
Real estate sale	2.5	9.5
Other	0.2	0.5
SG&A	5.5	23.0
Operating income	11.0	58.3
[Operating income ratio]	(7.6%)	(8.8%)
Net interest income (expense)	(0.3)	(2.0)
Other	0.1	(0.3)
Ordinary income	10.8	56.0
[Ordinary income ratio]	(7.5%)	(8.5%)
Net income (loss)	3.3	40.5

<Non-Consolidated>

(Billions of Yen)

	07/3	
	1Q Performance	Annual Forecast
Net Sales	118.4	520.0
Construction contracts	85.0	410.0
Commissioned work	2.8	17.0
Design and supervision	1.5	10.0
Lease rentals of buildings	0.6	2.5
Real estate sale	28.5	80.5
Gross Profit	12.2	61.0
Construction contracts	8.0	41.0
Commissioned work	2.1	12.0
[Profit ratio of construction business]	(11.5%)	(12.4%)
Design and supervision	1.0	6.3
Lease rentals of buildings	0.2	0.4
Real estate sale	1.0	1.3
SG&A	3.5	15.0
Operating income	8.7	46.0
[Operating income ratio]	(7.4%)	(8.8%)
Net interest income (expense)	1.9	0.5
Other	0.1	(0.5)
Ordinary income	10.7	46.0
[Ordinary income ratio]	(9.0%)	(8.8%)
Net income (loss)	3.5	33.5

Special Income & Loss

As for special income and losses, a special income of 0.7¥Billion was posted that included assignment of office building management goodwill.

However, Haseko group booked 7.8¥Billion for special losses, including 7.7¥billion of allowance for loss on litigation regarding as Hotel Sherena verdict.

Consolidated Balance Sheets

(Billions of yen)

	3/31/2006	6/30/2006	Difference
Current assets:	352.5	366.8	14.2
Cash and bank deposits	77.6	82.8	5.3
Notes and accounts receivable, trade	83.2	82.1	(1.1)
Costs incurred on uncompleted contracts	23.5	25.6	2.1
Real estate for sale	144.6	142.6	(2.0)
Short-term loans	14.8	13.4	(1.5)
Deferred tax assets	10.6	10.1	(0.5)
Other current assets	9.3	21.2	11.9
Allowance for doubtful accounts	(11.0)	(10.9)	0.1
Fixed assets:	147.4	146.1	(1.2)
Property and Equipment, Leasehold rights	88.3	86.6	(1.7)
Investments in securities	6.4	6.2	(0.2)
Long-term loans	4.4	4.4	0.0
Long-term deferred tax assets	40.6	41.1	0.5
Other assets	12.5	12.6	0.1
Allowance for doubtful accounts	(4.8)	(4.8)	0.0
Total assets	499.9	512.9	13.0
Current Liabilities	268.4	271.4	3.0
Notes and accounts payable	155.4	150.7	(4.7)
Short-term debt	11.5	1.7	(9.8)
Current portion of long-term debt	27.8	28.3	0.5
Advances received on uncompleted contracts	37.1	36.4	(0.7)
Other	36.6	54.2	17.6
Long-term Liabilities	122.3	129.2	7.0
Long-term debt	111.7	111.2	(0.5)
Other	10.6	18.0	7.5
Total liabilities	390.7	400.6	9.9
Capital stock	50.0	50.0	-
Additional paid-in capital	12.8	12.8	-
Retained earnings	48.2	51.5	3.3
Net unrealized gain on other securities	0.2	0.1	(0.1)
Treasury stock	(0.1)	(0.1)	(0.0)
Cumulative translation adjustments	(2.0)	(2.0)	(0.0)
Minority Interest	0.0	0.0	0.0
Total Shareholders' equity	109.2	112.3	3.1
Total shareholders' equity and liabilities	499.9	512.9	13.0

Real Estate Balance

(Billions of yen)

	3/31/2006	6/30/2006	Difference
Land and building held for sale	17.7	14.9	(2.8)
Costs and advances for real estate operations	68.3	69.7	1.4
Real estate for development projects	58.6	58.0	(0.7)
Real estate for sale	144.6	142.6	(2.0)
Property and equipment & Leasehold rights	88.3	86.6	(1.7)
Total	232.9	229.2	(3.7)

Interest-bearing Debt Balance

(Billions of yen)

	3/31/2006	6/30/2006	Difference
Interest-bearing Debt	151.0	141.2	(9.8)

【Buyback and redemption schedule】

Preferred stock (Class A II)

Purchase amount : 12.0 ¥Billion
 Issued amount : 2.7 ¥Billion
 Date of acquisition : July 31, 2006
 Date of cancellation: August 24, 2006

Preferred stock (Class AIV)

Redemption amount : 18.2 ¥Billion
 Issued amount : 13.0 ¥Billion
 Date of redemption : July 31, 2006
 Date of cancellation : August 24, 2006

【Measures to conversion of Class A I & A II】

Class A I will possible to convert to common stock from October 1, 2006. In order to keep to a minimum falling our share price due to dilution, we are requesting preferred shareholders to continuously hold the common stocks after being converted from preferred stocks. On the other hand, we are going to enforce an I.R. activity to large buyers.

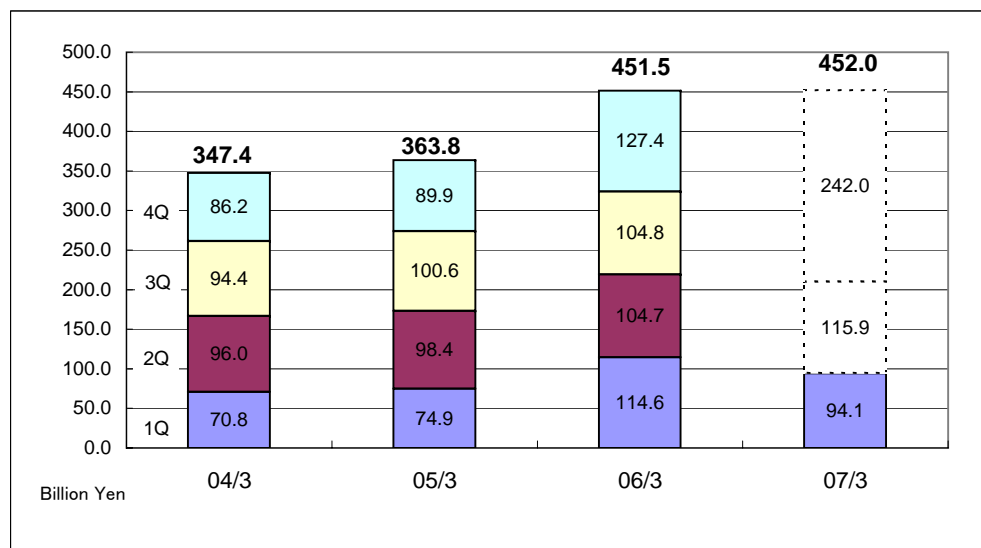
Non-consolidated Order Received

Orders

(Billions of yen)

	06/3 1Q	07/3 1Q	YOY	07/3	
				Interim Forecast	Annual Forecast
				Orders	114.6
Construction business	112.2	91.3	(20.9)	205.5	442.0
Private-sector condominiums	104.0	77.6	(26.4)	189.5	405.0
General construction	4.2	6.7	2.6	8.0	16.0
Civil engineering	0.3	2.5	2.3	2.0	4.0
Consulting contracts	3.8	4.5	0.7	6.0	17.0
Design/supervision business	2.4	2.8	0.4	4.5	10.0

Quarterly orders



Order by Size Private-sector condominiums

(Billions of yen)

	06/3		07/3		YOY
	1Q	Share	1Q	Share	
Under 200 units	47.4	46.4%	19.8	26.0%	(27.6)
200-399 units	8.4	8.2%	16.2	21.2%	7.8
400 units or more	46.4	45.4%	40.3	52.8%	(6.1)
Total	102.3	100.0%	76.3	100.0%	(26.0)

* Excluding additional construction orders

Order by Region

(Billions of yen)

	06/3		07/3		YOY
	1Q	Share	1Q	Share	
Tokyo Metropolitan Area	79.4	69.3%	77.6	82.4%	(1.8)
Osaka Metropolitan Area	35.2	30.7%	16.6	17.6%	(18.7)
Total	114.6	100.0%	94.1	100.0%	(20.5)

*Tokai area is included in the Osaka figures

Primary Orders

Project name	Project Owner	Location	Total units
Minami Senju	Towa real estate development, etc.	Arakawa-ku Tokyo	635
Shin Kawasaki Minami	Meitetsu real estate development, etc.	Saiwai-ku Kawasaki	411
Chiba Newtown Chuo	Towa real estate development, etc.	Inzai-shi Chiba	401
Takarazuka Yayoi	Toray Construction etc.	Takarazuka-shi Hyogo	302