

# **Results for the 3rd Quarter of FY2006**

## **(Nine months ended December 31, 2006)**

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February 15, 2007

**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 - 3Q Performance	Annual Forecast
<b>Net Sales</b>	<b>487.8</b>	<b>700.0</b>
Construction contracts	300.2	465.0
Design and supervision	7.1	10.0
Leasing and management	39.4	55.0
Real estate sale	138.3	166.0
Other	2.8	4.0
<b>Gross Profit</b>	<b>60.5</b>	<b>87.6</b>
Construction contracts	37.3	57.6
[Profit ratio of construction contracts]	(12.4%)	(12.4%)
Design and supervision	4.2	6.3
Leasing and management	5.4	7.4
Real estate sale	13.2	15.8
Other	0.3	0.5
SG&A	17.8	23.6
<b>Operating income</b>	<b>42.6</b>	<b>64.0</b>
[Operating income ratio]	(8.7%)	(9.1%)
Net interest income (expense)	(1.0)	(2.0)
Other	0.4	0.0
<b>Ordinary income</b>	<b>42.0</b>	<b>62.0</b>
[Ordinary income ratio]	(8.6%)	(8.9%)
<b>Net income</b>	<b>32.1</b>	<b>45.0</b>

### <Non-Consolidated>

(Billions of Yen)

	07/3	
	1Q - 3Q Performance	Annual Forecast
<b>Net Sales</b>	<b>399.3</b>	<b>570.0</b>
Construction contracts	265.1	410.0
Commissioned work	11.9	17.0
Design and supervision	7.1	10.0
Lease rentals of buildings	1.9	2.5
Real estate sale	113.3	130.5
<b>Gross Profit</b>	<b>46.8</b>	<b>66.5</b>
Construction contracts	26.0	41.0
Commissioned work	8.6	12.0
[Profit ratio of construction business]	(12.5%)	(12.4%)
Design and supervision	4.2	6.3
Lease rentals of buildings	0.5	0.4
Real estate sale	7.5	6.8
SG&A	11.4	15.0
<b>Operating income</b>	<b>35.4</b>	<b>51.5</b>
[Operating income ratio]	(8.9%)	(9.0%)
Net interest income	1.1	0.5
Other	0.4	0.0
<b>Ordinary income</b>	<b>37.0</b>	<b>52.0</b>
[Ordinary income ratio]	(9.3%)	(9.1%)
<b>Net income</b>	<b>28.9</b>	<b>39.5</b>

### Special Income & Loss

As for special income and losses, a special income of 1.2¥Billion was posted that included 0.5¥Billion of office building management goodwill assignment. However, Haseko group booked 11.2¥Billion for special losses, including 7.8¥billion of allowance for loss on litigation regarding as Hotel Sherena verdict.

# Consolidated Balance Sheets

(Billions of yen)

	3/31/2006	12/31/2006	Difference
<b>Current assets:</b>	<b>352.5</b>	<b>393.2</b>	<b>40.7</b>
Cash and bank deposits	77.6	36.4	(41.2)
Notes and accounts receivable, trade	83.2	87.8	4.6
Costs incurred on uncompleted contracts	23.5	32.5	9.0
Real estate for sale	144.6	196.9	52.3
Short-term loans	14.8	12.7	(2.1)
Deferred tax assets	10.6	12.0	1.4
Other current assets	9.3	26.0	16.7
Allowance for doubtful accounts	(11.0)	(11.1)	(0.1)
<b>Fixed assets:</b>	<b>147.4</b>	<b>147.2</b>	<b>(0.2)</b>
Property and Equipment, Leasehold rights	88.3	87.4	(0.9)
Investments in securities	6.4	7.5	1.0
Long-term loans	4.4	2.2	(2.2)
Long-term deferred tax assets	40.6	40.0	(0.6)
Other assets	12.5	12.8	0.3
Allowance for doubtful accounts	(4.8)	(2.7)	2.2
<b>Total assets</b>	<b>499.9</b>	<b>540.4</b>	<b>40.5</b>
<b>Current Liabilities</b>	<b>268.4</b>	<b>300.8</b>	<b>32.4</b>
Notes and accounts payable	155.4	149.0	(6.4)
Short-term debt	11.5	44.9	33.4
Current portion of long-term debt	27.8	28.3	0.5
Advances received on uncompleted contracts	37.1	42.7	5.7
Other	36.6	35.9	(0.7)
<b>Long-term Liabilities</b>	<b>122.3</b>	<b>128.7</b>	<b>6.4</b>
Long-term debt	111.7	111.2	(0.5)
Other	10.6	17.5	6.9
<b>Total liabilities</b>	<b>390.7</b>	<b>429.5</b>	<b>38.8</b>
Capital stock	50.0	50.0	-
Additional paid-in capital	12.8	-	(12.8)
Retained earnings	48.2	62.8	14.6
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)	(1.9)	0.0
Minority Interest	0.0	0.0	(0.0)
<b>Total Net assets</b>	<b>109.2</b>	<b>110.9</b>	<b>1.7</b>
<b>Total liabilities and net assets</b>	<b>499.9</b>	<b>540.4</b>	<b>40.5</b>

## Real Estate Balance

(Billions of yen)

	3/31/2006	12/31/2006	Difference
Land and building held for sale	17.7	45.0	27.3
Costs and advances for real estate operations	68.3	93.3	25.0
Real estate for development projects	58.6	58.7	0.0
Real estate for sale	144.6	196.9	52.3
Property and equipment & Leasehold rights	88.3	87.4	(0.9)
<b>Total</b>	<b>232.9</b>	<b>284.3</b>	<b>51.4</b>

## Interest-bearing Debt Balance

(Billions of yen)

	3/31/2006	12/31/2006	Difference
Interest-bearing Debt	151.0	184.4	33.4

## Preferred stock

### 【Cancelled】

Followings are cancelled on August 24, 2006.

#### Preferred stock (Class A II)

Purchased amount : 12.0 ¥Billion  
Issued amount : 2.7 ¥Billion

#### Preferred stock (Class AIV)

Purchased amount : 18.3 ¥Billion  
Issued amount : 13.0 ¥Billion

### 【Class A I conversion to common stock status】

Following is the conversion status of Class A I as of January 31, 2007 which has possible to convert to common stock from October 1, 2006.

As of September 30, 2006 37,599,500 shares  
Converted to common stock 34,363,500 shares (Conversion ratio 91.4%)  
As of January 31, 2007 3,236,000 shares

Common stock issued as of January 31, 2007 1,032,108,101 shares

### 【Measures to conversion of Class preferred stock】

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.

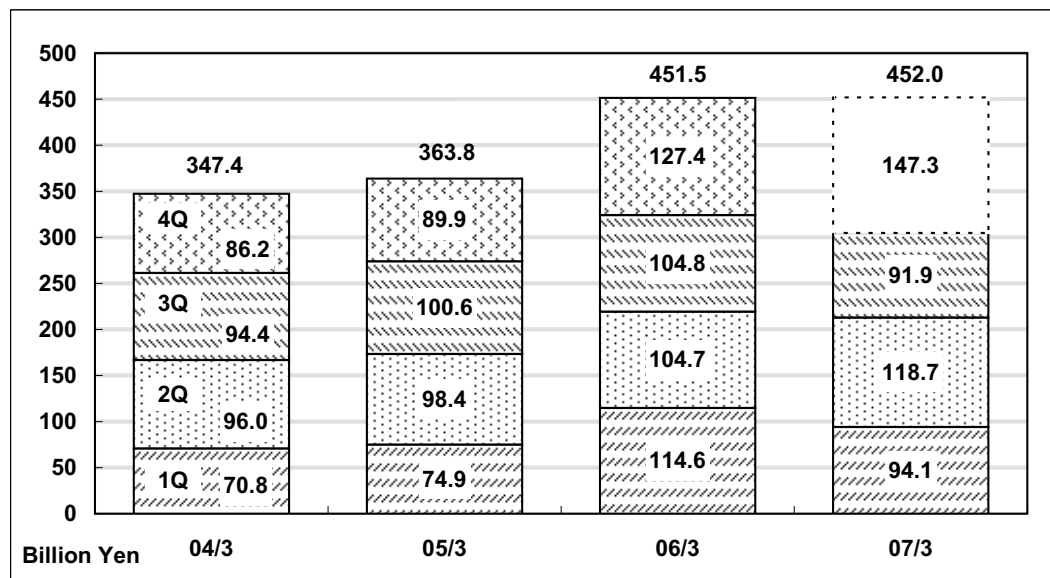
# Non-consolidated Order Received

## Orders

(Billions of yen)

	06/3 1Q-3Q	07/3 1Q-3Q	YOY	07/3	
				Interim Performance	Annual Forecast
				Orders	324.1
Construction business	316.4	295.8	(20.6)	206.5	441.0
Private-sector condominiums	294.9	255.8	(39.1)	178.1	400.0
General construction	7.2	21.8	14.7	16.6	20.0
Civil engineering	1.8	4.2	2.4	2.8	4.0
Consulting contracts	12.6	14.0	1.4	9.1	17.0
Design/supervision business	7.7	8.9	1.2	6.2	11.0

## Quarterly orders



## Order by Size Private-sector condominiums

(Billions of yen)

	06/3		07/3		YOY
	1Q-3Q	Share	1Q-3Q	Share	
Under 200 units	105.1	36.5%	98.9	39.4%	(6.2)
200-399 units	89.2	31.0%	64.7	25.8%	(24.4)
400 units or more	93.6	32.5%	87.1	34.7%	(6.5)
Total	287.8	100.0%	250.7	100.0%	(37.1)

\* Excluding additional construction orders

## Order by Region

(Billions of yen)

	06/3		07/3		YOY
	1Q-3Q	Share	1Q-3Q	Share	
Tokyo Metropolitan Area	241.1	74.4%	228.4	75.0%	(12.7)
Osaka Metropolitan Area	83.0	25.6%	76.3	25.0%	(6.7)
Total	324.1	100.0%	304.7	100.0%	(19.4)

\*Tokai area is included in the Osaka figures

## Primary Orders

Project name	Project Owner	Location	Total units
Columbus City	Yuraku real estate etc.	Mihama-ku Chiba	896
Grande Maison Higashi Totsuka	Sekisui house etc.	Totsuka-ku Yokohama	743
Reisia Court Hirano Nagahara	Meitetsu real estate etc.	Hirano-ku Osaka	244
MarksGate Kyoto South	Meitetsu real estate etc.	Minami-ku Kyoto	210