

Brief Report on the Mid-term Financial Statements for the Period Ending March 2008

November 15, 2007

Name of listed company: DAI-DAN Co., Ltd.

Listed Stock Exchanges: The first section of Tokyo and Osaka

Code No.: 1980

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

Representative of Company: Toshikazu ANDO, President

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Scheduled date of semiannual report submission: December 14, 2007 Starting date for delivery of dividends December 3, 2007

(To be rounded down to the million yen)

1. Consolidated performance for the mid-term period ended September, 2007 (From April 1, 2007 to September 30, 2007)

(1) Consolidated management performance

(% indicates the fluctuation ratio against the previous year mid term)

| | Sales amount | | Operating profit | | Ordinary profit | | Current net profit (mid-term) | |
|----------------------------------|--------------|------|------------------|---|-----------------|---|-------------------------------|---|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| Mid-term period ended Sept. 2007 | 93,903 | 51.0 | -1,673 | — | -1,617 | — | -1,213 | — |
| Mid-term period ended Sept. 2006 | 62,179 | 3.9 | -1,131 | — | -1,000 | — | -882 | — |
| Period ended March 2007 | 159,043 | 4.7 | 423 | — | 704 | — | 529 | — |

| | Current net earnings per share (mid-term) | | Current net earnings per share after making potential share adjustments (mid-term) | |
|----------------------------------|-------------------------------------------|-----|------------------------------------------------------------------------------------|-----|
| | Yen | Sen | Yen | Sen |
| Mid-term period ended Sept. 2007 | -26.97 | | — | |
| Mid-term period ended Sept. 2006 | -19.63 | | — | |
| Period ended March 2007 | 11.78 | | — | |

(Reference) Investment profit or loss on equity method Mid-term period ended September 2007: - million yen,
Period ended March 2007: - million yen

Mid-term period ended September 2006 : - million yen,

(2) Consolidated financial condition

| | Total assets | Shareholder's capital | Shareholders capital rate | Shareholder's capital per share |
|----------------------------------|--------------|-----------------------|---------------------------|---------------------------------|
| | Million yen | Million yen | % | Yen Sen |
| Mid-term period ended Sept. 2007 | 116,222 | 43,612 | 37.5 | 967.67 |
| Mid-term period ended Sept. 2006 | 127,868 | 45,281 | 35.3 | 1,004.28 |
| Period ended March 2007 | 142,944 | 45,945 | 32.1 | 1,021.29 |

(Reference) Shareholders' equity Mid-term period ended September 2007: 43,608 million yen, Mid-term period ended September 2006 : 45,133 million yen,
Period ended March 2007: 45,896 million yen

(3) Consolidated cash flow condition

| | Cash flow on sales activities | Cash flow on investment activities | Cash flow on financial activities | Period end balance of cash and equivalent items |
|----------------------------------|-------------------------------|------------------------------------|-----------------------------------|-------------------------------------------------|
| | Million yen | Million yen | Million yen | Million yen |
| Mid-term period ended Sept. 2007 | 1,366 | 204 | -374 | 22,211 |
| Mid-term period ended Sept. 2006 | 818 | -14 | -947 | 22,983 |
| Period ended March 2007 | -2,786 | 1,718 | -942 | 21,071 |

2. State of cash dividend

| | Cash dividend per share | | |
|------------------------------------|-------------------------|-------------|---------|
| (Record date) | End of mid-term | End of term | Annual |
| | Yen Sen | Yen Sen | Yen Sen |
| Period ended March 2007 | 5.00 | 11.00 | 16.00 |
| Period ended March 2008 | 5.00 | — | |
| Period ended March 2008 (Estimate) | — | 11.00 | 16.00 |

3. Estimate of consolidated performance for the period ending March 2008 (From April 1, 2007 to March 31, 2008)

(% indicates fluctuation rate against the previous term)

| | Sales amount | | Operating profit | | Ordinary profit | | Current net profit | | Current net earnings per share (mid-term) | |
|--------------|--------------|-----|------------------|------|-----------------|-------|--------------------|-------|-------------------------------------------|-----|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % | Yen | Sen |
| Total period | 173,000 | 8.8 | 500 | 18.0 | 400 | -43.2 | 200 | -62.2 | 4.45 | |

(Reference) Estimated amount of work order received 143,000 million yen

4. Others

- (1) Changes of important subsidiaries within the period (Change of specific subsidiaries involving amendment of the scope of consolidation): N/A
- (2) Changes in the principles, procedures, and indicating method of accounting process related to preparation of the mid-term consolidated financial statements (Items included in the amendments of Basic important items for producing mid-term period consolidated financial statements).
- 1) Changes resulted from revision of accounting standards: applicable
- 2) Changes other than stated in 1): applicable
- (Note) Please refer to Basic important items for producing mid-term period consolidated financial statements on page 16 – 17 (Change of accounting policy) for details.
- (3) Number of shares (common stock)
- 1) Number of issued stock as of the end of the period (including treasury stock)
- Mid-term period ending September 2007: 45,963,803 stocks Mid-term period ending September 2006: 45,963,803 stocks
- Period ending March 2007: 45,963,803 stocks
- 2) Number of treasury stock issued as of the end of the period
- Mid-term period ending September 2007: 898,555 stocks Mid-term period ending September 2006: 1,023,079 stocks
- Period ending March 2007: 1,024,532 stocks
- (Note) As for the number of stocks to be the basis for calculation of the mid-term (current) net profit (consolidated) per share, please refer to “Information per share” on page 23.

(Reference) Outline of respective items of operating performance

1. Respective items of operating performance for the mid-term period ending September 2007

(From April 1, 2007 to September 30, 2007)

(1) Respective items of management record

(% indicates the fluctuation ratio against the previous year mid term)

| | Sales amount | | Operating profit | | Ordinary profit | | Current net profit (mid-term) | |
|----------------------------------|--------------|------|------------------|---|-----------------|---|-------------------------------|---|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| Mid-term period ended Sept. 2007 | 93,291 | 53.8 | -1,637 | — | -1,497 | — | -1,086 | — |
| Mid-term period ended Sept. 2006 | 60,667 | 2.9 | -1,042 | — | -911 | — | -751 | — |
| Period ended March 2007 | 155,022 | 4.4 | 1,528 | — | 1,912 | — | 409 | — |

| | Current net earnings per share (mid-term) | |
|----------------------------------|-------------------------------------------|-----|
| | Yen | Sen |
| Mid-term period ended Sept. 2007 | -24.14 | |
| Mid-term period ended Sept. 2006 | -16.72 | |
| Period ended March 2007 | 9.12 | |

(2) Financial standing for the respective items

| | Total assets | Shareholder's capital | Shareholders capital rate | Shareholder's capital per share |
|----------------------------------|--------------|-----------------------|---------------------------|---------------------------------|
| | Million yen | Million yen | % | Yen Sen |
| Mid-term period ended Sept. 2007 | 115,357 | 43,328 | 37.6 | 961.46 |
| Mid-term period ended Sept. 2006 | 125,987 | 44,973 | 35.7 | 1,000.45 |
| Period ended March 2007 | 141,638 | 45,455 | 32.1 | 1,011.49 |

(Reference) Shareholders' equity Mid-term period ended September 2007: 43,328 million yen, Mid-term period ended September 2006: 44,973 million yen,
Period ended March 2007: 45,455 million yen

2. Earnings forecast for the respective items of operating performance for the period ending March 2008

(From April 1, 2007 to March 31, 2008)

(% indicates fluctuation rate against the previous term)

| | Sales amount | | Operating profit | | Ordinary profit | | Current net profit | | Current net earnings per share (mid-term) | |
|--------------|--------------|-----|------------------|-------|-----------------|-------|--------------------|-------|-------------------------------------------|-----|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % | Yen | Sen |
| Total period | 170,000 | 9.7 | 500 | -67.3 | 500 | -73.9 | 300 | -26.8 | 6.69 | |

(Reference) Estimated amount of work order received 140,000 million yen

Notes for appropriate reference of the earnings forecast, and other special instructions

(Notes about the descriptions related to future estimates, etc.)

The descriptions related to future estimates such as earnings forecast, etc. included in this document are based on the information currently available for our company and a certain degree of presumption that our company considers rational, thus actual business performance, etc. can vary greatly depending on various factors. Please refer to “1 Management Result (1) Analysis on Management Result” on page 3 for the assumptions based on our earnings forecast, as well as the notice in regard to the reference of the earnings forecast.

For the consolidated earnings forecast of the full financial year and the respective items of operating performance, please refer to “Announcement on the revision of the earnings forecast” published on October 18, 2007.

1. Operating Results

(1) Analysis of management results

1) Current mid-term management results

During the current mid-term consolidated accounting period, Japan's economy has continued to show a gradual recovery trend supported by favorable corporate performance, regardless of some causes for concern including steep rises of crude oil and raw material prices.

In the construction industry, even though private capital investment continued strong, public investment has remained on the decline. Furthermore, due to the intensified price-cutting competition, the construction business has continued to be in a severe situation.

Under these circumstances, our corporate group has made maximum concerted efforts to secure orders and profits. As a result, the consolidated record for the current mid-term was as shown below.

(in millions of yen)

| | | Previous mid-term accounting period (consolidated) | Current mid-term accounting period (consolidated) | Fluctuation |
|-------------------------------------|--------------------------|----------------------------------------------------------|---------------------------------------------------------|-------------|
| Amount of work order received | Electrical work | 15,714 | 18,201 | 2,487 |
| | Air conditioning work | 46,477 | 45,698 | -779 |
| | Plumbing/sanitation work | 15,703 | 12,872 | -2,831 |
| | Total | 77,895 | 76,772 | -1,123 |
| Amount of work completed | Electrical work | 11,936 | 19,778 | 7,842 |
| | Air conditioning work | 35,578 | 56,398 | 20,819 |
| | Plumbing/sanitation work | 14,664 | 17,726 | 3,061 |
| | Total | 62,179 | 93,903 | 31,724 |

As for the profits, due to significant drop in profitability shown by a part of the large scale works, operating loss totaled 1,673 million yen (increase of 542 million yen on the previous mid-term consolidated accounting period), ordinary loss totaled 1,617 million yen (increase of 616 million yen on the previous mid-term consolidated accounting period). As a result, the net loss for the mid-term period totaled 1,213 million yen (increase of 331 million yen on the previous mid-term consolidated accounting period).

Meanwhile, the work completion basis method had been applied to all the contracted works.

Starting at the current mid-term consolidated accounting period, however, the percentage of completion method for long-term contracts has been applied to those works whose construction schedule exceeds 1 year and the contract amount exceeds 100 million yen. The purpose is to cope with the international accounting criteria as well as to the quarterly reporting system, so that the construction work results of long-term contracts will be more adequately reflected to the periodic accounting of profit and loss.

As a result, the amount of completion work for the current mid-term consolidated accounting period has increased by 24.496 billion yen to reduce the operating loss and the ordinary loss by 330 million yen compared to the conventional method.

2) Outlook for the full-year period

It is expected that the Japanese economy will continue to show gradual recovery trend. However, economic uncertainty is now spreading inspired by the glowing concern about the global financial markets.

In the construction industry, it is predicted that private capital investments will continuously show steady transition supported by favorable corporate performance. However, the order receiving environments will still remain in a severe situation due to the sluggish public investments and the intensified cost-cutting competition, as well as the increase in the construction materials and labor costs.

Under these circumstances, regarding the outlook for the full-year period of our corporate group, we expect the consolidated amount of work orders received of 143 billion yen, completed work of 173 billion yen, operating profits of 500 million yen, ordinary profits of 400 million yen, and current net profit of 200 million yen.

We are determined to strive to further improve business performance by ensuring order and profit, with a unified effort by our corporate group.

(2) Analysis on Financial Standing

1) Situation of Assets and Debts

The assets as of the term-end of the current mid-term consolidated accounting period declined to 116.222 billion yen (declined 11.645 billion yen compared with the previous mid-term consolidated accounting period). This is mainly attributed to decrease incomplete work accounts receivable due to adoption of the percentage of completion method for long-term contracts since the current mid-term consolidated accounting period.

Regarding the debts, decrease in the amount received of incomplete works as a result of adoption of the percentage of completion method for long-term contracts has contributed to drop down of the debts by 9.976 billion yen, compared to the previous mid-term consolidated accounting period, to amount to 72.61 billion yen.

2) Status of cash flow

Cash and cash equivalent for the end of the current mid-term consolidated accounting period (hereinafter referred to as “the fund”) increased 1139 million yen compared with the end of the previous consolidated accounting year, to amount to 22.211 billion yen due to increase of funds mainly from operating activities.

(Cash flow from sales activities)

Cash flow relating to sales activities for the current mid-term consolidated accounting period, after posting Mid-term (current) period net loss before tax adjustments, increased 1.366 billion yen (increased 548 million yen compared with the previous mid-term consolidated accounting period) in the fund.

This can mainly be attributed to the fact that fund increase factors of declined accounts receivable (complete work accounts receivable) and decrease in the incomplete work expenditures have exceeded the fund decrease factors, including decrease in the amount of procurement credits (other work accounts payable) and the incomplete work accounts received.

(Cash flow from investing activities)

Cash flow relating to investing activities for the current mid-term consolidated accounting period increased 204 million yen in the fund (increased 219 million yen compared to the previous mid-term consolidated accounting period) mainly due to profit on sales/ refundment of securities and sales of other fixed assets.

(Cash flow from financing activities)

Cash flow relating to financing activities for the current mid-term consolidated accounting period declined 374 million yen (increased 573 million yen compared with the previous mid-term consolidated accounting period) in the fund due to decrease in fund for dividend payment, which exceeded the fund increase mainly due to profits by sales of own shares.

Progress of cash flow related indexes

| | Mid-term period ending September 2005 | Period ending March 2006 | Mid-term period ending September 2006 | Period ending March 2007 | Mid-term period ending September 2007 |
|--------------------------------------------|------------------------------------------------|-----------------------------|------------------------------------------------|-----------------------------|------------------------------------------------|
| Shareholders' equity ratio | 34.7% | 36.4% | 35.3% | 32.1% | 37.5% |
| Shareholders' equity ratio at market value | 27.3% | 30.1% | 23.2% | 23.5% | 21.6% |
| Number of debt redemption years | 7.3 years | 9.9 years | 12.4 years | — | 7.6 years |
| Interest coverage ratio | 14.0 times | 5.5 times | 9.9 times | — | 13.8 times |

Shareholders' equity ratio:

Shareholders' equity ratio at market value:

Number of debt redemption years:

Interest coverage ratio:

Shareholders' equity/Total assets

Aggregate market value of shares/Total assets

Interest-bearing debt/Operating cash flow

Operating cash flow/Interest paid

* Indexes are all calculated by financial values on a consolidated basis.

* The aggregate market value of shares is calculated based on the number of outstanding shares excluding the common stock for treasury.

* For the operating cash flow, the cash flow from sales activities recorded in the Statement of consolidated cash flow is used.

* The interest-bearing debt is subject to all debts, which bear interest, among those recorded in the Consolidated balance sheet. Furthermore, for the interest paid, the amount of interest paid, which is recorded in the Statement of consolidated cash flow, is used.

(3) Basic policy on distribution of profits and dividends for the current period

We make it a basic policy to consider returning our profits to our shareholders through profit sharing as a top-priority management policy, thus working toward building a sound financial standing and further paying stable and continual dividends to them.

We declare a mid-term dividend of 5 yen per share of our company for the current period. Also, as for the term-end dividend for the current period, 11 yen per share is scheduled at present. The estimated annual cash dividends per share including the mid-term dividends will be 16 yen.

(4) Business risk, etc.

The following section describes risks that may have significant influence on the judgment of investors regarding the business of our corporate group. In this connection, our corporate group will recognize the potential for these risks to occur and then make efforts to prevent the risks from occurring and deal with them if occurred. Please note that the judgments of those items related to the future stated in the text were made by our corporate group, as of the term end of the current mid-term consolidated accounting period.

1) Unrecoverable sales credits

Whereas our corporate group has strengthened credit control, some of the account receivables owned by our corporate group may turn unrecoverable depending on the rapid worsening of the earning or financial standing of our customers, and thus affecting the business performance.

2) Steep rise in prices of materials and labor cost

If it is hard to pass steeply risen prices of equipment and materials or labor costs on to contract amounts, these prices may have an influence on our business performance.

3) Underperforming work

If any underperforming work results from an unexpected increase of construction cost or else arising in the course of construction, it can have influence on our corporate group performance.

4) Decline in values of owned assets due to their declined market prices

For immovable properties or securities owned by the company, if they should be treated as shrinkage loss due to decline in their market prices, that can have influence on our corporate group performance.

5) Disasters and accidents

Our corporate group executes construction on the basis of safety-first and exerts its utmost effort in quality control. However, if an unexpected disaster or accident occurs in the course of construction, it can result in compensation for damage, defect liability, or else and further have influence on the group performance.

6) Fluctuations in country risk and exchange rate

Our corporate group has been expanding its overseas business centering on Southeast Asian markets. The group performance can be influenced by the occurrence of terrorism or political instability, unexpected legislative modifications/amendments, worsening of market conditions, or exchange rate fluctuations.

2. Situation of the Corporate Group

Our corporate group consists of our company, 5 consolidated subsidiaries, and 5 non-consolidated subsidiaries as of the term end of the current mid-term consolidated accounting period, mainly engaged in the business of designing, supervising, and executing electrical, air conditioning, and plumbing/sanitation works as well as other related business.

The position of our corporate group relating to business and the systematic chart of our business are as follows:

(1) Position of our group relating to business

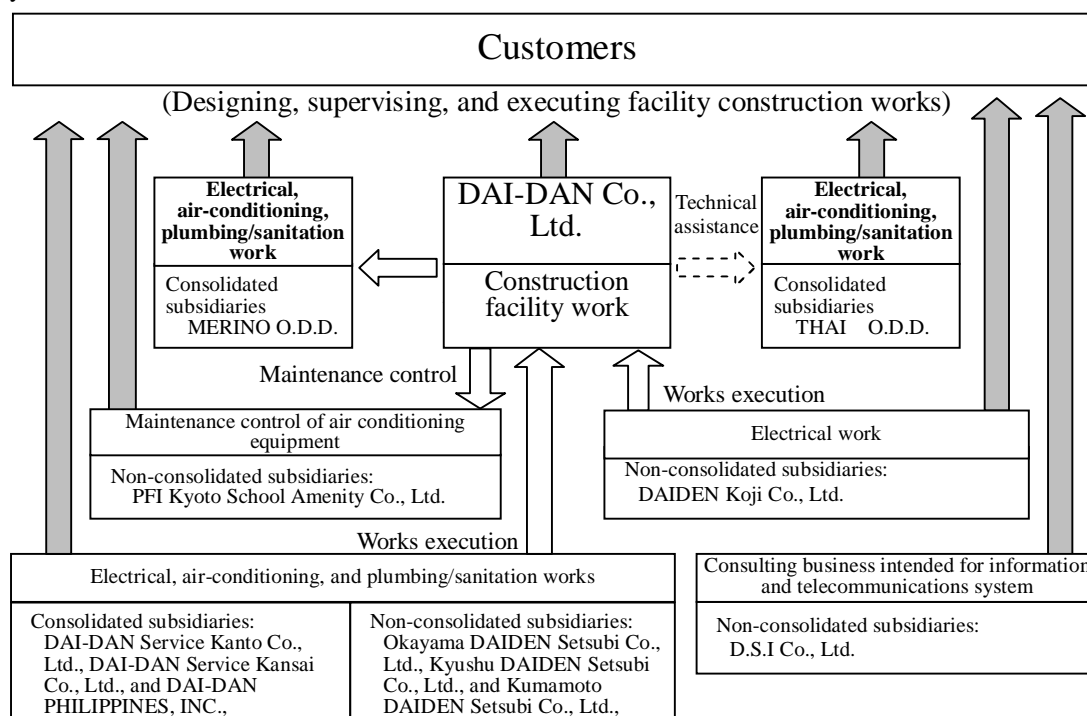
Execution of some of the works for which our company received orders are relegated to DAI-DAN Service Kanto Co., Ltd., DAI-DAN Service Kansai Co., Ltd., and DAI-DAN PHILIPPINES, INC., our consolidated subsidiaries. Also, technical assistance is being provided to THAI O.D.D.CO., LTD. Regarding MERINO O.D.D. SDN. BHD., we used to sell facilities and equipment to the company. However, the company has discontinued its new business at present.

DAIDEN Koji Co., Ltd., Okayama DAIDEN Setsubi Co., Ltd., Kyushu DAIDEN Setsubi Co., Ltd., and Kumamoto DAIDEN Setsubi Co., Ltd., are our non-consolidated subsidiaries, and execution of some of the works for which our company received orders are relegated to them. These four companies are excluded from the consolidation accounting starting from the current mid-term consolidated accounting period, since those companies have little influence on the mid-term net profit or loss and earned surplus, etc.

PFI Kyoto School Amenity Co., Ltd. assumes operation and maintenance of air-conditioning equipment in the PFI project.

In addition, D.S.I Co., Ltd. was established effective as of October 2007, for the purpose of consulting business development intended for information and telecommunications system in the building equipment business field.

(2) Systematic chart of business



3. Management Policies

(1) Basic policy on management

The Company, “as an integrated facility work contractor, enforces a basic management policy of challenging to create new values and contributing to the achievement of more favorable global environment and the progress of society at all times” and provides customers with technologies and services, which are ahead of their needs, thus working toward upgrading the corporate value. Furthermore, the company has an on-target grasp of changes in the industrial structure and conducts speedy and practical management with an eye toward becoming a vigorous company.

(2) Medium- and long-term management strategy and challenges

Now that our medium-term management plan has entered its 2nd year, we are making a company-wide concerted effort with the aim of securing earnings that enable continued progress of the Company and also establishing a structural basis for future growth.

Particularly, we have to address the challenge to enhance our corporate value as well as to increase profitability in order to win in the fierce competition of the construction business. To accomplish those challenges, we are pushing ahead with order securing activities, focusing on profitability. Furthermore, we are determined to meet our corporate social responsibilities by providing environmentally friendly technologies.

To be more specific, we are working toward providing techniques developed in consideration of reducing the effects on the environment through making use of our technical capabilities, as well as strengthening our business for the heat source renewal work with involvement in the ESCO business. In addition, we upgrade energy saving proposals capitalizing on our strength as a total facility construction work contractor to expand business in renewal works.

Furthermore, with a view to expanding our business in the future, we are cooperating in the study to achieve biogas reproducing energy supply business, aiming at reduction of green house effect gas.

Together with this, we are working toward cost reduction by sharing information as well as introducing integrated purchasing. Also a variety of measures taken for steady implementation of construction review sessions and completion assessment sessions to enhance quality and safety, and maintaining/ up killing human resources based on continued education and training system directly linked to working knowledge for engineers.

Through the above activities, we are determined to rebuild “DAI-DAN with Proud Technologies” to be committed ourselves to enhancing customer satisfaction and strengthening cost competitiveness.

For your reference, we have set ROE (Return on Equity) as our target management benchmark..

4. Mid-term period consolidated financial statements

(1) Mid-term period consolidated balance sheet

(in millions of yen)

| | Outstanding at the end of the previous mid-term consolidated accounting period (As of September 30, 2006) | | Outstanding at the end of the current mid-term consolidated accounting period (As of September 30, 2007) | | Summary consolidated balance sheet of the previous consolidated accounting year (As of March 31, 2007) | |
|----------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|--------------------|-------------------------------------------------------------------------------------------------------------------|--------------------|-----------------------------------------------------------------------------------------------------------------|--------------------|
| | Amount | Component ratio | Amount | Component ratio | Amount | Component ratio |
| (Assets) | | % | | % | | % |
| Current assets | | | | | | |
| Cash on hand and in banks | 23,210 | | 22,238 | | 21,098 | |
| Note receivables, completed work accounts receivables | 41,733 | | 55,601 | | 61,026 | |
| Securities | 300 | | 100 | | 200 | |
| Incomplete work expenditures | 33,191 | | 11,614 | | 29,948 | |
| Others | 5,218 | | 4,158 | | 7,256 | |
| Allowance for bad debts | -158 | | -13 | | -25 | |
| Total current assets | 103,495 | 80.9 | 93,699 | 80.6 | 119,504 | 83.6 |
| Fixed assets | | | | | | |
| Tangible fixed assets | 3,614 | | 3,464 | | 3,495 | |
| Intangible fixed assets | 473 | | 289 | | 400 | |
| Investments and other assets | | | | | | |
| Investment securities | 14,828 | | 13,024 | | 13,927 | |
| Others | 6,016 | | 6,389 | | 6,288 | |
| Allowance for bad debts | -560 | | -644 | | -672 | |
| Total investments and other assets | 20,285 | | 18,769 | | 19,543 | |
| Total fixed assets | 24,373 | 19.1 | 22,523 | 19.4 | 23,439 | 16.4 |
| Total assets | 127,868 | 100.0 | 116,222 | 100.0 | 142,944 | 100.0 |
| (Liabilities) | | | | | | |
| Current liabilities | | | | | | |
| Notes payable, work accounts payable | 47,985 | | 47,648 | | 63,291 | |
| Short-term loans payable | 7,684 | | 7,984 | | 8,098 | |
| Incomplete work accounts received | 15,567 | | 6,616 | | 14,518 | |
| Completed work compensation reserves | 152 | | 131 | | 155 | |
| Work loss reserves | 1,173 | | 1,240 | | 867 | |
| Others | 5,075 | | 4,702 | | 5,251 | |
| Total current liabilities | 77,639 | 60.7 | 68,324 | 58.8 | 92,182 | 64.5 |
| Fixed liabilities | | | | | | |
| Long-term loans payable | 1,845 | | 1,829 | | 1,680 | |
| Reserves for retirement benefits | 2,501 | | 1,844 | | 1,946 | |
| Reserves for directors' retirement benefits | 573 | | 607 | | 615 | |
| Others | 27 | | 3 | | 573 | |
| Total fixed liabilities | 4,948 | 3.9 | 4,285 | 3.7 | 4,815 | 3.4 |
| Total liabilities | 82,587 | 64.6 | 72,610 | 62.5 | 96,998 | 67.9 |

(in millions of yen)

| | Outstanding at the end of the previous mid-term consolidated accounting period (As of September 30, 2006) | | Outstanding at the end of the current mid-term consolidated accounting period (As of September 30, 2007) | | Summary consolidated balance sheet of the previous consolidated accounting year (As of March 31, 2007) | |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|--------------------|-------------------------------------------------------------------------------------------------------------------|--------------------|-----------------------------------------------------------------------------------------------------------------|--------------------|
| | Amount | Component ratio | Amount | Component ratio | Amount | Component ratio |
| (Net Assets) | | % | | % | | % |
| Shareholders' equity | | | | | | |
| Capital stock | 4,479 | 3.5 | 4,479 | 3.9 | 4,479 | 3.1 |
| Capital surplus | 4,783 | 3.7 | 4,811 | 4.1 | 4,783 | 3.4 |
| Earned surplus | 32,203 | 25.2 | 31,544 | 27.1 | 33,367 | 23.3 |
| Treasury stock | -519 | -0.4 | -462 | -0.4 | -523 | -0.4 |
| Total shareholders' equity | 40,946 | 32.0 | 40,374 | 34.7 | 42,106 | 29.4 |
| Evaluation / Currency translation difference, etc. | | | | | | |
| Evaluation difference of other securities | 4,247 | 3.3 | 3,164 | 2.7 | 3,801 | 2.7 |
| Deferred profits and losses on hedges | -1 | -0.0 | -0 | -0.0 | -0 | -0.0 |
| Currency translation adjustment account | -59 | -0.0 | 70 | 0.1 | -11 | -0.0 |
| Total evaluation / currency translation difference, etc. | 4,186 | 3.3 | 3,234 | 2.8 | 3,789 | 2.7 |
| Minority interest equity | 148 | 0.1 | 3 | 0.0 | 49 | 0.0 |
| Total net assets | 45,281 | 35.4 | 43,612 | 37.5 | 45,945 | 32.1 |
| Total liabilities and net assets | 127,868 | 100.0 | 116,222 | 100.0 | 142,944 | 100.0 |

(2) Mid-term period consolidated profit and loss statement

(in millions of yen)

| | The previous mid-term consolidated accounting period (From April 1, 2006 to September 30, 2006) | | The current mid-term consolidated accounting period (From April 1, 2007 to September 30, 2007) | | Summary of consolidated profit and loss statement of the previous consolidated accounting year (From April 1, 2006 to March 31, 2007) | |
|---------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|------------|---------------------------------------------------------------------------------------------------|------------|------------------------------------------------------------------------------------------------------------------------------------------|------------|
| | Amount | Percentage | Amount | Percentage | Amount | Percentage |
| | | % | | % | | % |
| Completed work amount | 62,179 | 100.0 | 93,903 | 100.0 | 159,043 | 100.0 |
| Completed work cost | 58,587 | 94.2 | 91,148 | 97.1 | 148,901 | 93.6 |
| Completed work gross profit | 3,591 | 5.8 | 2,754 | 2.9 | 10,142 | 6.4 |
| Selling expenses and general administrative expenses | 4,723 | 7.6 | 4,428 | 4.7 | 9,718 | 6.1 |
| Operating profit or operating loss (-) | -1,131 | -1.8 | -1,673 | -1.8 | 423 | 0.3 |
| Non-operating revenue | (225) | 0.4 | (190) | 0.2 | (482) | 0.3 |
| Interests received | 11 | | 24 | | 31 | |
| Dividends received | 99 | | 106 | | 162 | |
| Insurance claim received | 46 | | 44 | | 46 | |
| Currency translation profit | 53 | | - | | 216 | |
| Others | 14 | | 13 | | 26 | |
| Non-operating expenses | (94) | 0.2 | (134) | 0.1 | (201) | 0.2 |
| Interest payable | 85 | | 108 | | 179 | |
| Payment guarantee charge | 4 | | 7 | | 10 | |
| Currency translation loss | - | | 16 | | - | |
| Others | 5 | | 2 | | 12 | |
| Ordinary profit or ordinary loss (-) | -1,000 | -1.6 | -1,617 | -1.7 | 704 | 0.4 |
| Special profits | (33) | 0.0 | (1) | 0.0 | (982) | 0.6 |
| Profit on sales of fixed assets | 16 | | - | | 16 | |
| Profit on sales of investments in securities | - | | - | | 950 | |
| Profit gained by returning allowance for bad debts | 17 | | 1 | | 16 | |
| Special losses | (24) | 0.0 | (23) | 0.1 | (250) | 0.1 |
| Loss on sales of fixed assets | 6 | | - | | 7 | |
| Loss on retirement of fixed assets | 10 | | - | | 15 | |
| Evaluation loss on investments in securities | 6 | | 23 | | 7 | |
| Equity variable loss | - | | - | | 41 | |
| Liquidation loss of affiliate companies | - | | - | | 117 | |
| Others | - | | - | | 61 | |
| Mid-term period net loss before tax adjustments (-) or current period net profit before tax adjustments | -991 | -1.6 | -1,639 | -1.8 | 1,436 | 0.9 |
| Corporate tax, residence tax and business tax. | 77 | 0.1 | 55 | 0.0 | 164 | 0.1 |
| Adjustment amounts such as for corporate taxes | -179 | -0.3 | -482 | -0.5 | 724 | 0.5 |
| Profits or losses of minority interests (-) | -7 | -0.0 | 1 | 0.0 | 18 | 0.0 |
| Mid-term (current) period net profit (-) | -882 | -1.4 | -1,213 | -1.3 | 529 | 0.3 |

(3) Statement of changes in mid-term consolidated shareholders' equity, etc.

Previous mid-term consolidated accounting period (From April 1, 2006 to September 30, 2006)

(in millions of yen)

| | Shareholders' equity | | | | |
|-----------------------------------------------------------------------------------------------------------------------------|----------------------|-----------------|----------------|----------------|----------------------------|
| | Capital stock | Capital surplus | Earned surplus | Treasury stock | Total shareholders' equity |
| Balance as of March 31, 2006 | 4,479 | 4,782 | 33,581 | -511 | 42,332 |
| Amount of changes made during mid-term consolidated accounting period | | | | | |
| Dividend of earned surplus (Note) | | | -494 | | -494 |
| Directors' bonuses (Note) | | | -1 | | -1 |
| Mid-term period net loss | | | -882 | | -882 |
| Acquisition of treasury stock | | | | -9 | -9 |
| Disposition of treasury stock | | 0 | | 1 | 1 |
| Amount (net amount) of changes made in items other than shareholders' equity during mid-term consolidated accounting period | | | | | |
| Total amount of changes made during mid-term consolidated accounting period | - | 0 | -1,378 | -7 | -1,385 |
| Balance as of September 30, 2006 | 4,479 | 4,783 | 32,203 | -519 | 40,946 |

| | Evaluation / Currency translation difference, etc. | | | | Minority interest equity | Total net assets |
|-----------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|-----------------------------------------|-----------------------------------------|----------------------------------------------------------|--------------------------|------------------|
| | Evaluation difference of other securities | Profit or loss on hedge carried forward | Currency translation adjustment account | Total evaluation / currency translation difference, etc. | | |
| Balance as of March 31, 2006 | 5,093 | - | -23 | 5,070 | 158 | 47,561 |
| Amount of changes made during mid-term consolidated accounting period | | | | | | |
| Dividend of earned surplus (Note) | | | | | | -494 |
| Directors' bonuses (Note) | | | | | | -1 |
| Mid-term period net loss | | | | | | -882 |
| Acquisition of treasury stock | | | | | | -9 |
| Disposition of treasury stock | | | | | | 1 |
| Amount (net amount) of changes made in items other than shareholders' equity during mid-term consolidated accounting period | -846 | -1 | -36 | -883 | -10 | -894 |
| Total amount of changes made during mid-term consolidated accounting period | -846 | -1 | -36 | -883 | -10 | -2,280 |
| Balance as of September 30, 2006 | 4,247 | -1 | -59 | 4,186 | 148 | 45,281 |

(Note) 1 "Dividend of earned surplus" is the entry included in the profit liquidation of the submitting company presented at the periodic shareholders meeting of June 2006.

2 "Directors' bonuses" is the entry included in the profit liquidation of the consolidated subsidiaries presented at the periodic shareholders meeting of May 2006.

Current mid-term consolidated accounting period (from April 1, 2007 to September 30, 2007)

(in millions of yen)

| | Shareholders' equity | | | | |
|-----------------------------------------------------------------------------------------------------------------------------|----------------------|-----------------|----------------|----------------|----------------------------|
| | Capital stock | Capital surplus | Earned surplus | Treasury stock | Total shareholders' equity |
| Balance as of March 31, 2007 | 4,479 | 4,783 | 33,367 | -523 | 42,106 |
| Amount of changes made during mid-term consolidated accounting period | | | | | |
| Dividend of earned surplus | | | -494 | | -494 |
| Mid-term period net loss | | | -1,213 | | -1,213 |
| Acquisition of treasury stock | | | | -12 | -12 |
| Disposition of treasury stock | | 28 | | 73 | 102 |
| Exclusion from consolidation for affiliated companies | | | -114 | | -114 |
| Amount (net amount) of changes made in items other than shareholders' equity during mid-term consolidated accounting period | | | | | |
| Total amount of changes made during mid-term consolidated accounting period | - | 28 | -1,822 | 61 | -1,732 |
| Balance as of September 30, 2007 | 4,479 | 4,811 | 31,544 | -462 | 40,374 |

| | Evaluation / Currency translation difference, etc. | | | | Minority interest equity | Total net assets |
|-----------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|-----------------------------------------|-----------------------------------------|----------------------------------------------------------|--------------------------|------------------|
| | Evaluation difference of other securities | Profit or loss on hedge carried forward | Currency translation adjustment account | Total evaluation / currency translation difference, etc. | | |
| Balance as of March 31, 2007 | 3,801 | -0 | -11 | 3,789 | 49 | 45,945 |
| Amount of changes made during mid-term consolidated accounting period | | | | | | |
| Dividend of earned surplus | | | | | | -494 |
| Mid-term period net loss | | | | | | -1,213 |
| Acquisition of treasury stock | | | | | | -12 |
| Disposition of treasury stock | | | | | | 102 |
| Exclusion from consolidation for affiliated companies | | | | | | -114 |
| Amount (net amount) of changes made in items other than shareholders' equity during mid-term consolidated accounting period | -637 | 0 | 81 | -555 | -45 | -601 |
| Total amount of changes made during mid-term consolidated accounting period | -637 | 0 | 81 | -555 | -45 | -2,333 |
| Balance as of September 30, 2007 | 3,164 | -0 | 70 | 3,234 | 3 | 43,612 |

Statement of changes in mid-term consolidated shareholders' equity, etc.in the previous mid-term consolidated accounting period (from April 1, 2006 to March 31, 2007)

(in millions of yen)

| | Shareholders' equity | | | | |
|--------------------------------------------------------------------------------------------------------------------|----------------------|-----------------|----------------|----------------|----------------------------|
| | Capital stock | Capital surplus | Earned surplus | Treasury stock | Total shareholders' equity |
| Balance as of March 31, 2006 | 4,479 | 4,782 | 33,581 | -511 | 42,332 |
| Amount of changes made during consolidated accounting period | | | | | |
| Dividend of earned surplus (Note) | | | -718 | | -718 |
| Directors' bonuses (Note) | | | -1 | | -1 |
| Current period net loss | | | 529 | | 529 |
| Acquisition of treasury stock | | | | -20 | -20 |
| Disposition of treasury stock | | 0 | | 2 | 3 |
| Exclusion from consolidation for affiliated companies | | | -23 | 5 | -17 |
| Amount (net amount) of changes made in items other than shareholders' equity during consolidated accounting period | | | | | |
| Total amount of changes made during consolidated accounting period | - | 0 | -214 | -11 | -225 |
| Balance as of March 31, 2007 | 4,479 | 4,783 | 33,367 | -523 | 42,106 |

| | Evaluation / Currency translation difference, etc. | | | | Minority interest equity | Total net assets |
|--------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|-----------------------------------------|-----------------------------------------|----------------------------------------------------------|--------------------------|------------------|
| | Evaluation difference of other securities | Profit or loss on hedge carried forward | Currency translation adjustment account | Total evaluation / currency translation difference, etc. | | |
| Balance as of March 31, 2006 | 5,093 | - | -23 | 5,070 | 158 | 47,561 |
| Amount of changes made during consolidated accounting period | | | | | | |
| Dividend of earned surplus (Note) | | | | | | -718 |
| Directors' bonuses (Note) | | | | | | -1 |
| Current period net loss | | | | | | 529 |
| Acquisition of treasury stock | | | | | | -20 |
| Disposition of treasury stock | | | | | | 3 |
| Exclusion from consolidation for affiliated companies | | | | | | -17 |
| Amount (net amount) of changes made in items other than shareholders' equity during consolidated accounting period | -1,292 | -0 | 12 | -1,280 | -109 | -1,389 |
| Total amount of changes made during consolidated accounting period | -1,292 | -0 | 12 | -1,280 | -109 | -1,615 |
| Balance as of March 31, 2007 | 3,801 | -0 | -11 | 3,789 | 49 | 45,945 |

(Note) 1 "Dividend of earned surplus" is the entry included in the profit liquidation of the submitting company presented at the periodic shareholders meeting of June 2006.

2 "Directors' bonuses" is the entry included in the profit liquidation of the consolidated subsidiaries presented at the periodic shareholders meeting of May 2006.

(4) Statement of mid-term period consolidated cash flows

(in millions of yen)

| | The previous mid-term consolidated accounting period (From April 1, 2006 to September 30, 2006) | The current mid-term consolidated accounting period (From April 1, 2007 to September 30, 2007) | Summary of consolidated cash flow statement of the previous consolidated accounting year in:millions of yen (From April 1, 2006 to March 31, 2007) |
|-------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| | Amount | Amount | Amount |
| I. Cash flow on sales activities | | | |
| Mid-term net loss before tax adjustment or current term net profit before tax adjustment | -991 | -1,639 | 1,436 |
| Depreciation expenses | 200 | 208 | 403 |
| Goodwill depreciation amount | 1 | — | 2 |
| Increased or decreased amount of allowance for bad debts | -36 | -35 | -55 |
| Increased or decreased amount of reserves for retirement benefits and reserves for directors' retirement benefits | 182 | -70 | -208 |
| Earned interest and dividends received | -110 | -131 | -194 |
| Interest paid | 85 | 108 | 179 |
| Evaluation loss on investments in securities | 6 | 23 | 7 |
| Profit or loss on sales of investments in securities | — | — | -950 |
| Profit or loss on sales of fixed assets | -9 | — | -9 |
| Loss on retirement of fixed assets | 10 | — | 15 |
| Increased or decreased amount of sales credits | 13,199 | 5,140 | -6,247 |
| Increased or decreased amount of incomplete work expenditures | -10,835 | 18,219 | -7,663 |
| Increased or decreased amount of procurement credits | -1,368 | -15,410 | 13,891 |
| Increased or decreased amount of incomplete work received amount | 3,245 | -7,847 | 2,195 |
| Others | -2,664 | 2,904 | -5,425 |
| Sub-total | 914 | 1,469 | -2,623 |
| Received amount of interests and dividends | 111 | 131 | 194 |
| Paid interest amount | -82 | -98 | -186 |
| Paid amount of corporate tax, etc | -125 | -136 | -170 |
| Cash flow on sales activities | 818 | 1,366 | -2,786 |
| II. Cash flow on investment activities | | | |
| Expenditures by depositing of time deposits | -200 | — | -0 |
| Expenditures by acquiring of securities | -49 | -49 | -99 |
| Proceeds from sales/maturity of investment securities | 49 | 149 | 195 |
| Expenditures by acquiring of tangible fixed assets | -31 | -56 | -65 |
| Revenue by sales of tangible fixed assets | 45 | 2 | 511 |
| Expenditures by acquiring of investment securities | -2 | -163 | -91 |
| Proceeds from sales/maturity of investment in securities | 2 | 1 | 1,176 |
| Expenditures by loans | -25 | -7 | -45 |
| Revenue by recovery of loans | 54 | 50 | 105 |
| Expenditures by acquiring of other fixed assets | -13 | -62 | -214 |
| Revenue by sales of other fixed assets | 158 | 342 | 251 |
| Expenditures by decline in other fixed liabilities | -3 | -1 | -5 |
| Cash flow on investment activities | -14 | 204 | 1,718 |
| III. Cash flow on financial activities | | | |
| Revenue by short-term loans | 8,530 | 10,970 | 21,240 |
| Expenditures by return of short-term loans | -8,330 | -10,870 | -20,790 |
| Revenue by long-term loans | 800 | 1,300 | 2,200 |
| Expenditures by return of long-term loans | -1,444 | -1,365 | -2,845 |
| Revenue by new issue of stock | — | — | 18 |
| Expenditures by acquiring of treasury stocks | -9 | -12 | -20 |
| Revenue by sales of treasury stocks | 2 | 102 | 3 |
| Paid amount of dividends | -494 | -499 | -716 |
| Paid dividend to minority interests | -1 | — | -31 |
| Cash flow on financial activities | -947 | -374 | -942 |
| IV. Translation difference relating to cash and cash equivalents | -11 | 71 | 66 |
| V. Increased or decreased amount of cash and cash equivalents | -155 | 1,268 | -1,944 |
| VI. Balance of cash and cash equivalents at the beginning of period | 23,139 | 21,071 | 23,139 |
| VII. Decrease in cash and cash equivalents due to exclusion from consolidation | — | -128 | -123 |
| VIII. Balance of cash and cash equivalents at the end of mid-term period (term end) | 22,983 | 22,211 | 21,071 |

Basic important items for producing mid-term period consolidated financial statements

| The previous mid-term consolidated accounting period (From April 1, 2006 to September 30, 2006) | The current mid-term consolidated accounting period (From April 1, 2007 to September 30, 2007) | The previous consolidated accounting year (From April 1, 2006 to March 31, 2007) |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>1. Items relating to scope of consolidation</p> <p>(1) Eleven (11) subsidiaries are included in the consolidated financial statements. Names of major consolidated subsidiaries are described in “Section 1. Situation of the Corporate Group”. DAI-DAN Service Kanto Co., Ltd., DAI-DAN Service Kansai Co., Ltd., MERINO O.D.D.SDN.BHD. Kyo Gas Co., Ltd. had continued developing the business focusing on the gas piping work in Kyoto area. However, the company has decided to discontinue its business operation due to little prospect for management improvement, and the allegation for starting special clearance was made on November 22, 2006 at Kyoto District Court. Therefore the company has been eliminated from the scope of our major consolidated subsidiaries since the current mid-term consolidated accounting period.</p> <p>(2) Number of non-consolidated subsidiaries: One (1) The name of non-consolidated subsidiary is as described below. PFI Kyoto School Amenity Co., Ltd.</p> <p>(3) Reason to exclude the non-consolidated subsidiary from the scope of consolidated accounting The total assets, completed work amount, mid-term net profit/loss (worth the amount of the equity method), earned surplus (worth the amount of the equity method), and other factors all have no significant influence on the mid-term consolidated financial statements so that the company aforementioned is excluded from the scope of consolidation.</p> <p>2. Items relating to application of the equity method</p> <p>(1) We have no non-consolidated subsidiaries or affiliates to which the equity method was applied.</p> <p>(2) The following section shows non-consolidated subsidiaries or affiliates to which the equity method is not applied. PFI Kyoto School Amenity Co., Ltd.</p> | <p>1. Items relating to scope of consolidation</p> <p>(1) Five (5) subsidiaries are included in the consolidated financial statements. Names of major consolidated subsidiaries are described in “Section 1. Situation of the Corporate Group”. DAI-DAN Service Kanto Co., Ltd., DAI-DAN Service Kansai Co., Ltd., THAI O.D.D.CO., LTD MERINO O.D.D. SDN. BHD. DAI-DAN PHILIPPINES, INC. After reviewing description of business of our group, DAIDEN Koji Corp., Okayama DAIDEN Setsubi Co., Ltd., Kyushu DAIDEN Setsubi Co., Ltd., and Kumamoto DAIDEN Setsubi Co., Ltd., which had belonged to our consolidated subsidiaries, have been eliminated from the scope of our major consolidated subsidiaries since the current mid-term consolidated accounting period. This is because the four companies have no major schedules for business expansion, and they have minor impact on mid-term net profit or loss as well as to surplus earnings, thus comprising less important part for the whole group.</p> <p>(2) Number of non-consolidated subsidiaries: Five (5) The name of non-consolidated subsidiary is as described below. DAIDEN Koji Corp., Okayama DAIDEN Setsubi Co., Ltd., Kyushu DAIDEN Setsubi Co., Ltd., and Kumamoto DAIDEN Setsubi Co., Ltd., PFI Kyoto School Amenity Co., Ltd.</p> <p>(3) Reason to exclude the non-consolidated subsidiary from the scope of consolidated accounting same as on the left</p> <p>2. Items relating to application of the equity method</p> <p>(1) We have no non-consolidated subsidiaries or affiliates to which the equity method was applied.</p> <p>(2) The following section shows non-consolidated subsidiaries or affiliates to which the equity method is not applied. DAIDEN Koji Corp., Okayama DAIDEN Setsubi Co., Ltd., Kyushu DAIDEN Setsubi Co., Ltd., and Kumamoto DAIDEN Setsubi Co., Ltd., PFI Kyoto School Amenity Co., Ltd.</p> | <p>1. Items relating to scope of consolidation</p> <p>(1) Nine (9) subsidiaries are included in the consolidated financial statements. Names of major consolidated subsidiaries are described in “Section 1. Situation of the Corporate Group”. DAI-DAN Service Kanto Co., Ltd., DAI-DAN Service Kansai Co., Ltd., MERINO O.D.D.SDN.BHD. Kyo Gas Co., Ltd. , which had been included in our group, have been eliminated from the scope of our major consolidated subsidiaries since the current mid-term consolidated accounting period. This is because the company has completed decision of closing account within the current consolidated accounting year, and most of the debts and credits arrangement have been completed. In addition, DAIDEN Koji Co., Ltd., has been eliminated from the scope of our major consolidated subsidiaries since the current mid-term consolidated accounting period, since the possession ratio of shareholder voting rights of our company has decreased to 14.3% due to allocations of new shares to a third party and thus the company is no longer applicable to our affiliated companies.</p> <p>(2) Number of non-consolidated subsidiaries: One (1) The name of non-consolidated subsidiary is as described below. PFI Kyoto School Amenity Co., Ltd.</p> <p>(3) Reason to exclude the non-consolidated subsidiary from the scope of consolidated accounting The total assets, completed work amount, current term net profit (worth the amount of the equity method), earned surplus (worth the amount of the equity method), and other factors all have no significant influence on the consolidated financial statement so that the company aforementioned is excluded from the scope of consolidation.</p> <p>2. Items relating to application of the equity method</p> <p>(1) We have no non-consolidated subsidiaries or affiliates to which the equity method was applied.</p> <p>(2) The following section shows non-consolidated subsidiaries or affiliates to which the equity method is not applied. PFI Kyoto School Amenity Co., Ltd.</p> |

| The previous mid-term consolidated accounting period (From April 1, 2006 to September 30, 2006) | The current mid-term consolidated accounting period (From April 1, 2007 to September 30, 2007) | The previous consolidated accounting year (From April 1, 2006 to March 31, 2007) | | | | | | | | | | | | | | | | | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|--------|--------------------------|--------------------------|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|----------------------|--------|--------------------------|--------------------------|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|----------------------|--------|--------------------------|--------------------------|----------------|
| <p>(3) Reason not to apply the equity method Since the company aforementioned has minor influence on the mid-term net profit/loss, earned surplus, and other factors and further is of no importance in terms of the overall performance, it is excluded from the scope of application of the equity method.</p> <p>3. Items relating to accounting procedure basis</p> <p>(1) Depreciation and amortization method applied to important depreciable assets</p> <p>1) Tangible fixed assets</p> <p>Our company and domestic consolidated subsidiary companies</p> <table><tr><td>Buildings (excluding accessory equipment)</td><td>Straight-line method</td></tr><tr><td>Others</td><td>Declining balance method</td></tr></table> <p>Overseas consolidated subsidiary companies method</p> <p>Furthermore, the following section shows the depreciation periods of major assets.</p> <table><tr><td>Buildings and structures</td><td>15 to 50 years</td></tr></table> <p>2) Intangible fixed assets</p> <p>Straight line method</p> <p>Furthermore, as to software of the company's own use, the straight</p> | Buildings (excluding accessory equipment) | Straight-line method | Others | Declining balance method | Buildings and structures | 15 to 50 years | <p>(3) Reason not to apply the equity method same as on the left</p> <p>3. Items relating to accounting procedure basis</p> <p>(1) Depreciation and amortization method applied to important depreciable assets</p> <p>1) Tangible fixed assets</p> <p>Our company and domestic consolidated subsidiary companies</p> <table><tr><td>Buildings (excluding accessory equipment)</td><td>Straight-line method</td></tr><tr><td>Others</td><td>Declining balance method</td></tr></table> <p>Overseas consolidated subsidiary companies method</p> <p>Furthermore, the following section shows the depreciation periods of major assets.</p> <table><tr><td>Buildings and structures</td><td>15 to 50 years</td></tr></table> <p>(Change of accounting policy) According to the amendment of corporate tax law, our company has changed the depreciation method to be applied to the tangible fixed assets purchased after April 1, 2007, based on the corporate tax law after amendment since the current mid-term consolidated accounting period. The change will have minor impact on the profit or loss.</p> <p>(Additional information) According to the amendment of corporate tax law, as for the depreciation of tangible fixed asset purchased before March 31, 2007, the difference between the value corresponding to 5% of the acquisition cost and the reminder price has been evenly written off for 5 years to be included to the cost depreciation, as a result of application of depreciation method based on the corporate tax law before amendment. The change will have minor impact on the profit or loss.</p> <p>2) Intangible fixed assets</p> <p>same as on the left</p> | Buildings (excluding accessory equipment) | Straight-line method | Others | Declining balance method | Buildings and structures | 15 to 50 years | <p>(3) Reason not to apply the equity method Since the company aforementioned has minor influence on the current term net profit, earned surplus, and other factors and further is of no importance in terms of the overall performance, it is excluded from the scope of application of the equity method.</p> <p>3. Items relating to accounting procedure basis</p> <p>(1) Depreciation and amortization method applied to important depreciable assets</p> <p>1) Tangible fixed assets</p> <p>Our company and domestic consolidated subsidiary companies</p> <table><tr><td>Buildings (excluding accessory equipment)</td><td>Straight-line method</td></tr><tr><td>Others</td><td>Declining balance method</td></tr></table> <p>Overseas consolidated subsidiary companies method</p> <p>Furthermore, the following section shows the depreciation periods of major assets.</p> <table><tr><td>Buildings and structures</td><td>15 to 50 years</td></tr></table> <p>2) Intangible fixed assets</p> <p>same as on the left</p> | Buildings (excluding accessory equipment) | Straight-line method | Others | Declining balance method | Buildings and structures | 15 to 50 years |
| Buildings (excluding accessory equipment) | Straight-line method | | | | | | | | | | | | | | | | | | | |
| Others | Declining balance method | | | | | | | | | | | | | | | | | | | |
| Buildings and structures | 15 to 50 years | | | | | | | | | | | | | | | | | | | |
| Buildings (excluding accessory equipment) | Straight-line method | | | | | | | | | | | | | | | | | | | |
| Others | Declining balance method | | | | | | | | | | | | | | | | | | | |
| Buildings and structures | 15 to 50 years | | | | | | | | | | | | | | | | | | | |
| Buildings (excluding accessory equipment) | Straight-line method | | | | | | | | | | | | | | | | | | | |
| Others | Declining balance method | | | | | | | | | | | | | | | | | | | |
| Buildings and structures | 15 to 50 years | | | | | | | | | | | | | | | | | | | |

| The previous mid-term consolidated accounting period (From April 1, 2006 to September 30, 2006) | The current mid-term consolidated accounting period (From April 1, 2007 to September 30, 2007) | The previous consolidated accounting year (From April 1, 2006 to March 31, 2007) |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (2) Other important items for the mid-term period consolidated financial statements Completed works amount recording basis Work completion basis is adopted. For some works, however, we adopt deferred payment standards under Corporation Tax Law, thus counting the amount equivalent to profits corresponding to uncollected amount in the completed work costs to reschedule the profits and to return it at the time of collection. Furthermore, our overseas consolidated-subsidiaries record the completed works amount on the work progressing basis. | (2) Other important items for the mid-term period consolidated financial statements Completed works amount recording basis Work completion basis is adopted. The percentage of completion method for long-term contracts has been adopted and applied to those works whose construction schedule exceeds 1 year and the contract amount exceeds 100 million yen, as well as to the operation of our consolidated subsidiaries located overseas. Work completion basis is adopted. For some works, however, we adopt deferred payment standards under Corporation Tax Law, thus counting the amount equivalent to profits corresponding to uncollected amount in the completed work costs to reschedule the profits and to return it at the time of collection. | (2) Other important items for the mid-term period consolidated financial statements Completed works amount recording basis Work completion basis is adopted. For some works, however, we adopt deferred payment standards under Corporation Tax Law, thus counting the amount equivalent to profits corresponding to uncollected amount in the completed work costs to reschedule the profits and to return it at the time of collection. Furthermore, our overseas consolidated-subsidiaries record the completed works amount on the work progressing basis. |
| Unearned profit returned amount 4 million yen Unearned profit deducted amount – million yen | Unearned profit returned amount – million yen Unearned profit deducted amount – million yen | Unearned profit returned amount 27 million yen Unearned profit deducted amount – million yen |
| Total 4 | Total – | Total 27 |
| | (Change of accounting policy) Our company had adopted the work completion basis method for all the contracted works. Since the current mid-term consolidated accounting period, however, the percentage of completion method for long-term contracts has been applied to those works whose construction schedule exceeds 1 year and the contract amount exceeds 100 million yen. Under the corporate structure of our company, usually the amount of work completed in the second term comprises a greater part of the annual amount compared to those of the first term, which had resulted in a significant seasonal fluctuation for the amount of completed work between the first term and the second term based on the work completion basis method. Furthermore, the quarterly reporting system is scheduled to be introduced starting from the term of March, 2009. Considering the above situations, the percentage of completion method for long-term contracts has been adopted so that the construction work results of long-term contracts will be more adequately reflected to the periodic accounting of profit and loss, as well as to cope with the international accounting trend where the percentage of completion method for long-term contracts is becoming the principle accounting criteria to recognize profit. As a result, the amount of completion work for the current mid-term consolidated accounting period has increased by 24,496 million yen to reduce the operating loss, ordinary loss and mid-term net loss before tax adjustments by 330 million yen compared to the conventional method. | |

Please note that the items other than the above stated have had no significant change since the latest half-term report (submitted December 15, 2006), and thus the disclosure of the information are omitted in this report.

Changes of basic important items for producing mid-term period consolidated financial statements

| The previous mid-term consolidated accounting period (From April 1, 2006 to September 30, 2006) | The current mid-term consolidated accounting period (From April 1, 2007 to September 30, 2007) | The previous consolidated accounting year (From April 1, 2006 to March 31, 2007) |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>1. Accounting Standards for Presentation of Net Assets in Balance Sheet</p> <p>Since the current mid-term consolidated accounting period, we have applied the “Accounting Standards for Presentation of Net Assets in Balance Sheet” (Corporate Accounting Standard No. 5 published on December 9, 2005 by Corporate Accounting Standard Committee) and the “Implementation Guidance on Accounting Standards for Presentation of Net Assets in Balance Sheet, etc.” (Implementation Guidance on Corporate Accounting Standards No. 8 published on December 9, 2005 by Corporate Accounting Standard Committee). This application has no influence on profit and loss.</p> <p>Furthermore, the amount corresponding to the sum of the section on “Shareholders’ equity” under the previous standards is 45,134 million yen.</p> <p>Due to revision to the Rules for Presenting the Mid-term Consolidated Financial Statements, we have prepared the section on “Net assets” in the mid-term consolidated financial statements for the current mid-term consolidated accounting period in accordance with the revised “Rules for Presenting the Mid-term Consolidated Financial Statements”.</p> | <hr/> <hr/> | <p>1. Accounting Standards for Presentation of Net Assets in Balance Sheet</p> <p>Since the current consolidated accounting period, we have applied the “Accounting Standards for Presentation of Net Assets in Balance Sheet” (Corporate Accounting Standard No. 5 published on December 9, 2005 by Corporate Accounting Standard Committee) and the “Implementation Guidance on Accounting Standards for Presentation of Net Assets in Balance Sheet, etc.” (Implementation Guidance on Corporate Accounting Standards No. 8 published on December 9, 2005 by Corporate Accounting Standard Committee). This application has no influence on profit and loss.</p> <p>Furthermore, the amount corresponding to the he total of the “Equity section” is 45,896 million yen. According to the revision of the Rules for Presenting the Consolidated Financial Statements, we have prepared the section on “Net assets” in the consolidated financial statements for the current consolidated accounting year based on the revised “Rules for Presenting the Consolidated Financial Statements”.</p> <p>2. Accounting standards for directors’ bonuses</p> <p>Since the current consolidated accounting year, we have applied the “Accounting Standards for Ditectors’ Bonuses” (Corporate Accounting Standard No. 4 published on November 29, 2005 by Corporate Accounting Standard Committee). As a result, the operation profit, ordinary profit and the net profit of the current period before tax adjustments have been reduced by 70 million yen.</p> |

Notes

(Relating to mid-term period consolidated balance sheet)

| Outstanding at the end of previous mid-term consolidated accounting period (As of September 30, 2006) | Outstanding at the end of current mid-term consolidated accounting period (As of September 30, 2007) | End of the previous consolidated accounting period (As of March 31, 2007) |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>1. The accumulated amount of depreciation of tangible fixed assets amounts to 3,481 million yen.</p> <p>2. Pledged assets The assets given as security and the liabilities corresponding to the above are as follows: Pledged assets Time deposit 27 million yen Investment 535 million yen securities</p> <hr/> <p>Total 562</p> <p>Liabilities for the above Long-term loans 347 million yen expecting to return within 1 year. Long-term loans 75 million yen The amount 3,966 million yen equivalent of the contribution pro rata of our company, out of 33,692 million yen debts of the investing company</p> <hr/> <p>Total 4,388</p> <p>3. The amount of transfer of endorsed notes receivable is 16 million yen.</p> <p>4. Accounting for notes that mature on the closing date of the mid-term consolidated accounting period is processed on the clearing date of the notes. Also, since the closing date of the current mid-term consolidated accounting period fell on a holiday of financial institutions, the following notes that mature on the closing date of the mid-term consolidated accounting period are included in the balance as of the closing date of the current mid-term consolidated accounting period. Notes receivable 306 million yen Notes payable 903 million yen</p> | <p>1. The accumulated amount of depreciation of tangible fixed assets amounts to 3,354 million yen.</p> <p>2. Pledged assets The assets given as security and the liabilities corresponding to the above are as follows: Pledged assets Time deposit 27 million yen Investment 298 million yen securities</p> <hr/> <p>Total 325</p> <p>Liabilities for the above Long-term loans 100 million yen expecting to return within 1 year. The amount 2,989 million yen equivalent of the contribution pro rata of our company, out of 46,999 million yen debts of the investing company</p> <hr/> <p>Total 3,089</p> <hr/> <p>4. Accounting for notes that mature on the closing date of the mid-term consolidated accounting period is processed on the clearing date of the notes. Also, since the closing date of the current mid-term consolidated accounting period fell on a holiday of financial institutions, the following notes that mature on the closing date of the mid-term consolidated accounting period are included in the balance as of the closing date of the current mid-term consolidated accounting period. Notes receivable 568 million yen Notes payable 859 million yen</p> | <p>1. The accumulated amount of depreciation of tangible fixed assets amounts to 3,335 million yen.</p> <p>2. Pledged assets The assets given as security and the liabilities corresponding to the above are as follows: Pledged assets Time deposit 27 million yen Investment 481 million yen securities</p> <hr/> <p>Total 508</p> <p>Liabilities for the above Long-term loans 215 million yen expecting to return within 1 year. Long-term loans 25 million yen The amount 4,267 million yen equivalent of the contribution pro rata of our company, out of 46,998 million yen debts of the investing company</p> <hr/> <p>Total 4,507</p> <p>3. The amount of transfer of endorsed notes receivable is 21 million yen.</p> <p>4. Accounting for notes that mature on the closing date of the consolidated accounting period is processed on the clearing date of the notes. Also, since the closing date of the current consolidated accounting period fell on a holiday of financial institutions, the following notes that mature on the closing date of the consolidated accounting period are included in the balance as of the closing date of the consolidated accounting period Notes receivable 325 million yen Notes payable 1,121 million yen</p> |

(Relating to mid-term period consolidated profit and loss statement)

| The previous mid-term consolidated accounting period (From April 1, 2006 to September 30, 2006) | The current mid-term consolidated accounting period (From April 1, 2007 to September 30, 2007) | The previous consolidated accounting year (From April 1, 2006 to March 31, 2007) |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>1. The following section describes major expense items of the selling and general administrative expenses.</p> <p>Salaries and allowances to employees 1,651 million yen</p> <p>Reserves for retirement benefits -8 million yen</p> <p>Amounts transferred from reserves for directors' retirement benefits 41 million yen</p> <p>Amount of computers 516 million yen</p> <p>Communication and transportation expenses 432 million yen</p> <p>Amounts transferred from allowance for bad debts 21 million yen</p> <p>Depreciation expenses 198 million yen</p> <p>2. Paid amount of taxes and adjustment amount such as corporate taxes, etc. for the mid-term consolidated accounting period has been accounted by the amount for the current mid-term consolidated accounting period presuming that reserves for reduction on fixed assets be reversed by the disposal of predetermined profits in the current consolidated accounting year.</p> <p>3. Seasonal variations of the amount of completed works</p> <p>As for amount of completed works with our corporate group, since works to be completed during the second half of the accounting year absorb a larger percentage compared to those to be completed during the first half as normal business pattern of the company, there is a substantial difference in the amount of completed works between the first and second halves of the consolidated accounting year, thus resulting in seasonal variations of the performance between the first and second halves of the accounting year.</p> <p>The following section shows the amount of completed works for one year through the end of the current mid-term consolidated accounting period.</p> <p>Second half of the previous consolidated accounting year 91,995 million yen</p> <p>Current mid-term consolidated accounting period 62,179 million yen</p> <hr/> <p>Total 154,174</p> | <p>1. The following section describes major expense items of the selling and general administrative expenses.</p> <p>Salaries and allowances to employees 1,608 million yen</p> <p>Reserves for retirement benefits -12 million yen</p> <p>Amounts transferred from reserves for directors' retirement benefits 46 million yen</p> <p>Amount of computers 302 million yen</p> <p>Communication and transportation expenses 424 million yen</p> <p>Depreciation expenses 208 million yen</p> <p>2. same as on the left</p> <hr/> | <p>1. The following section describes major expense items of the selling and general administrative expenses.</p> <p>Salaries and allowances to employees 3,358 million yen</p> <p>Reserves for retirement benefits -32 million yen</p> <p>Amounts transferred from reserves for directors' retirement benefits 83 million yen</p> <p>Amount of computers 968 million yen</p> <p>Communication and transportation expenses 872 million yen</p> <p>Amounts transferred from allowance for bad debts 139 million yen</p> <p>Depreciation expenses 401 million yen</p> <hr/> |

(Relating to statement of changes in mid-term consolidated shareholders' equity)

The previous mid-term consolidated accounting period (from April 1, 2006 to September 30, 2006)

1. Items relating to the type and number of issued stocks

| Type of stock | End of the previous consolidated accounting year | Increase | Decrease | End of the current mid-term consolidated accounting period |
|---------------------------------------|--------------------------------------------------|----------|----------|------------------------------------------------------------|
| Common stock (in thousands of stocks) | 45,963 | — | — | 45,963 |

2. Items relating to the type and number of treasury stocks

| Type of stock | End of the previous consolidated accounting year | Increase | Decrease | End of the current mid-term consolidated accounting period |
|---------------------------------------|--------------------------------------------------|----------|----------|------------------------------------------------------------|
| Common stock (in thousands of stocks) | 1,013 | 12 | 2 | 1,023 |

(Outline of reasons for the fluctuation)

Major breakdown for the "Increase" is outlined as follows:

Increase resulting from the appraisal remedy of odd-lot stocks: 12 thousand stocks

Major breakdown for the "Decrease" is outlined as follows:

Decrease resulted from the request for sales of odd-lot stocks: 2 thousand stocks

3. Items relating to share warrant

Not applicable.

4. Items relating to dividend

(1) Paid amount of dividend

| Resolution | Type of stock | Total dividends (in millions of yen) | Dividend per stock (in yen) | Record date | Effective date |
|-----------------------------------------------------------|---------------|--------------------------------------|-----------------------------|----------------|----------------|
| Ordinary general meeting of shareholders on June 29, 2006 | Common stock | 494 | 11.00 | March 31, 2006 | June 30, 2006 |

(2) Dividends having effective date after the closing date of the current mid-term consolidated accounting period, out of those whose record date belong to within the current mid-term consolidated accounting period

| Resolution | Type of stock | Resource for dividend | Total dividends (in millions of yen) | Dividend per stock (in yen) | Record date | Effective date |
|-----------------------------------------|---------------|-----------------------|--------------------------------------|-----------------------------|--------------------|------------------|
| Board of directors on November 16, 2006 | Common stock | Surplus earnings | 224 | 5.00 | September 30, 2006 | December 4, 2006 |

Current mid-term consolidated accounting period (from April 1, 2007 to September 30, 2007)

1. Items relating to the type and the aggregated number of issued stocks

| Type of stock | End of the previous consolidated accounting year | Increase | Decrease | End of the current mid-term consolidated accounting period |
|---------------------------------------|--------------------------------------------------|----------|----------|------------------------------------------------------------|
| Common stock (in thousands of stocks) | 45,963 | — | — | 45,963 |

2. Items relating to the type and number of treasury stocks

| Type of stock | End of the previous consolidated accounting year | Increase | Decrease | End of the current mid-term consolidated accounting period |
|---------------------------------------|--------------------------------------------------|----------|----------|------------------------------------------------------------|
| Common stock (in thousands of stocks) | 1,024 | 17 | 143 | 898 |

(Outline of reasons for the fluctuation)

Major breakdown for the "Increase" is outlined as follows:

Increase resulting from the appraisal remedy of odd-lot stocks: 17 thousand stocks

Major breakdown for the "Decrease" is outlined as follows:

Decrease resulted from the request for sales of odd-lot stocks: 2 thousand stocks

Decrease resulted from disposition of the treasury stocks due to the third-party allocations: 141 thousand stocks

3. Items relating to share warrant
Not applicable.

4. Items relating to dividend

(1) Paid amount of dividend

| Resolution | Type of stock | Total dividends (in millions of yen) | Dividend per stock (in yen) | Record date | Effective date |
|-----------------------------------------------------------|---------------|-----------------------------------------|--------------------------------|----------------|----------------|
| Ordinary general meeting of shareholders on June 28, 2007 | Common stock | 494 | 11.00 | March 31, 2007 | June 29, 2007 |

(2) Dividends having effective date after the closing date of the current mid-term consolidated accounting period, out of those whose record dates belong to within the current mid-term consolidated accounting period

| Resolution | Type of stock | Resource for dividend | Total dividends (in millions of yen) | Dividend per stock (in yen) | Record date | Effective date |
|-----------------------------------------|---------------|-----------------------|-----------------------------------------|--------------------------------|--------------------|------------------|
| Board of directors on November 15, 2007 | Common stock | Surplus earnings | 225 | 5.00 | September 30, 2007 | December 3, 2007 |

Previous consolidated accounting year (from April 1, 2006 to March 31, 2007)

1. Items relating to the type and the aggregated number of issued stocks

| Type of stock | End of the previous consolidated accounting year | Increase | Decrease | End of the current consolidated accounting year |
|---------------------------------------|--------------------------------------------------|----------|----------|-------------------------------------------------|
| Common stock (in thousands of stocks) | 45,963 | — | — | 45,963 |

2. Items relating to the type and number of treasury stocks

| Type of stock | End of the previous consolidated accounting year | Increase | Decrease | End of the current consolidated accounting year |
|---------------------------------------|--------------------------------------------------|----------|----------|-------------------------------------------------|
| Common stock (in thousands of stocks) | 1,013 | 28 | 17 | 1,024 |

(Outline of reasons for the fluctuation)

Major breakdown for the “Increase” is outlined as follows:

Increase resulting from the appraisal remedy of odd-lot stocks: 28 thousand stocks

Major breakdown for the “Decrease” is outlined as follows:

Decrease resulted from the request for sales of odd-lot stocks: 4 thousand stocks

Decrease of cross-shareholding stocks due to exclusion from consolidation of affiliated companies: 12 thousand stocks

3. Items relating to share warrant
Not applicable.

4. Items relating to dividend

(1) Paid amount of dividend

| Resolution | Type of stock | Total dividends (in millions of yen) | Dividend per stock (in yen) | Record date | Effective date |
|-----------------------------------------------------------|---------------|-----------------------------------------|--------------------------------|--------------------|------------------|
| Ordinary general meeting of shareholders on June 29, 2006 | Common stock | 494 | 11.00 | March 31, 2006 | June 30, 2006 |
| Board of directors on November 16, 2006 | Common stock | 224 | 5.00 | September 30, 2006 | December 4, 2006 |

(2) Dividends having effective date in the next consolidated accounting year out of those whose record dates belong to within the current consolidated accounting year

| Resolution | Type of stock | Resource for dividend | Total dividends (in millions of yen) | Dividend per stock (in yen) | Record date | Effective date |
|-----------------------------------------------------------|---------------|-----------------------|-----------------------------------------|--------------------------------|----------------|----------------|
| Ordinary general meeting of shareholders on June 28, 2007 | Common stock | Surplus earnings | 494 | 11.00 | March 31, 2007 | June 29, 2007 |

(Relating to mid-term consolidated cash flow statement)

| Previous mid-term consolidated accounting period (From April 1, 2006 to September 30, 2006) | Current mid-term consolidated accounting period (From April 1, 2007 to September 30, 2007) | The previous consolidated accounting year (From April 1, 2006 to March 31, 2007) |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The following table shows the relationship between the balance of cash and cash equivalents at the end of the mid-term period (at the end of full-year period) and the amounts of accounts listed in the mid-term period consolidated balance sheet (full-year consolidated balance sheet) | The following table shows the relationship between the balance of cash and cash equivalents at the end of the mid-term period (at the end of full-year period) and the amounts of accounts listed in the mid-term period consolidated balance sheet (full-year consolidated balance sheet) | The following table shows the relationship between the balance of cash and cash equivalents at the end of the mid-term period (at the end of full-year period) and the amounts of accounts listed in the mid-term period consolidated balance sheet (full-year consolidated balance sheet) |
| Cash and cash account 23,210 million yen | Cash and cash account 22,238 million yen | Cash and cash account 21,098 million yen |
| Securities account 300 million yen | Securities account 100 million yen | Securities account 200 million yen |
| Total 23,510 million yen | Total 22,338 million yen | Total 21,299 million yen |
| Time deposits with time period of more than three months -227 million yen | Time deposits with time period of more than three months -27 million yen | Time deposits with time period of more than three months -27 million yen |
| Securities other than add-on type bond -300 million yen | Securities other than add-on type bond -100 million yen | Securities other than add-on type bond -200 million yen |
| investment trusts | investment trusts | investment trusts |
| Cash and cash equivalent objects 22,983 million yen | Cash and cash equivalent objects 22,211 million yen | Cash and cash equivalent objects 21,071 million yen |

(Segment Information)

1. Business segments information

For the previous mid-term consolidated accounting period (April 1, 2006 to September 30, 2006), the current mid-term consolidated accounting period (April 1, 2007 to September 30, 2007) and the previous full-year consolidated accounting period (April 1, 2006 to March 31, 2007),

Since our corporate group is engaged in facility construction works, there are no business types other than those, thus not applicable to this section.

2. Geographic segments information

For the previous mid-term consolidated accounting period (April 1, 2006 to September 30, 2006), the current mid-term consolidated accounting period (April 1, 2007 to September 30, 2007), and the previous full-year consolidated accounting period (April 1, 2006 to March 31, 2007),

Since the total sales amount of all segments of "Japan" exceeds 90%, the reference to geographic segments information is omitted.

3. Overseas sales

For the previous mid-term consolidated accounting period (April 1, 2006 to September 30, 2006), the current mid-term consolidated accounting period (April 1, 2007 to September 30, 2007), and the previous full-year consolidated accounting period (April 1, 2006 to March 31, 2007)

Since overseas sales amount is less than 10% of the total consolidated sales, the reference to overseas sales is omitted.

(Information per stock)

| Previous mid-term consolidated accounting period (From April 1, 2006 to September 30, 2006) | Current mid-term consolidated accounting period (From April 1, 2007 to September 30, 2007) | The previous consolidated accounting year (From April 1, 2006 to March 31, 2007) |
|------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| Net asset per stock: 1004 yen 28 sen | Net asset per stock: 967 yen 67 sen | Net asset per stock: 1021 yen 29 sen |
| Mid-term net loss amount per stock: -19 yen 63 sen | Mid-term net loss amount per stock: -26 yen 97sen | Current term net profit amount per stock: 11yen 78 sen |

(Note) (1) The mid-term net profit amount or the current term net profit amount per stock after residual securities adjustments are not described since we have no residual securities.

(2) The basis for calculation of the mid-term net loss amount per stock (-) or the current term net profit amount is shown below:

| | Previous mid-term consolidated accounting period (From April 1, 2006 to September 30, 2006) | Current mid-term consolidated accounting period (From April 1, 2007 to September 30, 2007) | The previous consolidated accounting year (From April 1, 2006 to March 31, 2007) |
|-------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| Mid-term net loss amount per stock (-) or current term net profit amount | | | |
| Mid-term net loss (-) or current term net profit amount | -882 million yen | -1,213 million yen | 529 million yen |
| The amount not belonging to the common stock | — | — | — |
| Mid-term net loss (-) or current term net profit amount related to the common stock | -882 million yen | -1,213 million yen | 529 million yen |
| Average number of shares outstanding for the common stock within the period | 44,944 thousand stocks | 44,990 thousand stocks | 44,939 thousand stocks |

(Post-balance sheet events of significance)

Not applicable

(Omission of disclosure)

Since we consider that notes related to the leases, securities and derivatives trading do not have much significance to be disclosed in the Mid-term Financial Brief Report, disclosure of these items is omitted.

In addition, we have no items applicable to the notes related to the business combination or stock option, etc.

5. Amount of work orders received / amount of work completed/ amount of work carried over per department(consolidated)

(in millions of yen)

| | | Previous mid-term consolidated accounting period | | Current mid-term consolidated accounting period | | The previous consolidated accounting year | |
|--------------------------------|-----------------------------|-----------------------------------------------------|----------------------|----------------------------------------------------|----------------------|----------------------------------------------|----------------------|
| | | (From April 1, 2006 to September 30, 2006) | | (From April 1, 2007 to September 30, 2007) | | (From April 1, 2006 to March 31, 2007) | |
| | | Amount | Component ratio % | Amount | Component ratio % | Amount | Component ratio % |
| Amount of work orders received | Electrical work | 15,714 | 20.2 | 18,201 | 23.7 | 32,928 | 22.9 |
| | Air conditioning | 46,477 | 59.7 | 45,698 | 59.5 | 80,817 | 56.1 |
| | Plumbing/sanitation work | 15,703 | 20.1 | 12,872 | 16.8 | 30,276 | 21.0 |
| | Total | 77,895 | 100.0 | 76,772 | 100.0 | 144,022 | 100.0 |
| | (Renewal work) | 35,739 | 45.9 | 31,462 | 41.0 | 65,277 | 45.3 |
| | (Overseas work) | 5,832 | 7.5 | 3,821 | 5.0 | 6,535 | 4.5 |
| Amount of work completed | Electrical work | 11,936 | 19.2 | 19,778 | 21.1 | 33,744 | 21.2 |
| | Air conditioning | 35,578 | 57.2 | 56,398 | 60.0 | 86,117 | 54.2 |
| | Plumbing/sanitation work | 14,664 | 23.6 | 17,726 | 18.9 | 39,181 | 24.6 |
| | Total | 62,179 | 100.0 | 93,903 | 100.0 | 159,043 | 100.0 |
| | (Renewal work) | 27,245 | 43.8 | 32,103 | 34.2 | 61,300 | 38.5 |
| | (Overseas work) | 3,936 | 6.3 | 7,745 | 8.3 | 10,588 | 6.7 |
| Amount of work carried over | Electrical work | 26,589 | 18.5 | 20,418 | 21.2 | 21,996 | 19.4 |
| | Air conditioning | 81,093 | 56.3 | 54,194 | 56.4 | 64,893 | 57.3 |
| | Plumbing/sanitation work | 36,350 | 25.2 | 21,552 | 22.4 | 26,406 | 23.3 |
| | Total | 144,034 | 100.0 | 96,165 | 100.0 | 113,296 | 100.0 |
| | (Renewal work) | 30,999 | 21.5 | 25,849 | 26.9 | 26,490 | 23.4 |
| | (Overseas work) | 17,831 | 12.4 | 7,958 | 8.3 | 11,882 | 10.5 |

6. Mid-term period Financial Statements

(1) Mid-term period balance sheet

(in millions of yen)

| | Outstanding at the end of the previous mid-term accounting period (As of September 30, 2006) | | Outstanding at the end of the current mid-term accounting period (As of September 30, 2007) | | Summary balance sheet of the previous accounting year (As of March 31, 2007) | |
|------------------------------------------------|-------------------------------------------------------------------------------------------------------|--------------------|------------------------------------------------------------------------------------------------------|--------------------|---------------------------------------------------------------------------------------|--------------------|
| | Amount | Component ratio | Amount | Component ratio | Amount | Component ratio |
| (Assets) | | % | | % | | % |
| Current assets | | | | | | |
| Cash on hand and in banks | 22,414 | | 21,536 | | 20,298 | |
| Note receivables | 8,852 | | 7,720 | | 8,447 | |
| Completed work Accounts receivables | 32,038 | | 46,841 | | 51,159 | |
| Securities | 300 | | 100 | | 200 | |
| Incomplete work expenditures | 32,904 | | 11,592 | | 29,890 | |
| Others | 5,791 | | 4,866 | | 7,986 | |
| Allowance for bad debts | -810 | | -13 | | -24 | |
| Total current assets | 101,491 | 80.6 | 92,644 | 80.3 | 117,959 | 83.3 |
| Fixed assets | | | | | | |
| Tangible fixed assets | 3,509 | | 3,453 | | 3,469 | |
| Intangible fixed assets | 469 | | 288 | | 398 | |
| Investments and other assets | | | | | | |
| Investment securities | 15,105 | | 13,256 | | 14,197 | |
| Others | 5,959 | | 6,354 | | 6,275 | |
| Allowance for bad debts | -549 | | -638 | | -661 | |
| Total investments and other assets | 20,516 | | 18,972 | | 19,810 | |
| Total fixed assets | 24,495 | 19.4 | 22,713 | 19.7 | 23,678 | 16.7 |
| Total assets | 125,987 | 100.0 | 115,357 | 100.0 | 141,638 | 100.0 |
| (Liabilities) | | | | | | |
| Current liabilities | | | | | | |
| Notes payable | 8,744 | | 8,242 | | 11,127 | |
| Work accounts payable | 38,720 | | 39,120 | | 51,842 | |
| Short-term loans payable | 7,684 | | 7,984 | | 8,098 | |
| Incomplete work accounts received | 15,362 | | 6,566 | | 14,505 | |
| Accrued income tax, etc | 61 | | 51 | | 161 | |
| Completed work compensation reserves | 151 | | 131 | | 155 | |
| Work loss reserves | 1,173 | | 1,240 | | 867 | |
| Others | 4,659 | | 4,406 | | 4,643 | |
| Total current liabilities | 76,557 | 60.8 | 67,743 | 58.7 | 91,402 | 64.5 |
| Fixed liabilities | | | | | | |
| Long-term loans payable | 1,845 | | 1,829 | | 1,680 | |
| Reserves for retirement benefits | 2,009 | | 1,844 | | 1,907 | |
| Reserves for directors' retirement benefits | 573 | | 607 | | 615 | |
| Others | 27 | | 3 | | 577 | |
| Total fixed liabilities | 4,455 | 3.5 | 4,285 | 3.7 | 4,780 | 3.4 |
| Total liabilities | 81,013 | 64.3 | 72,029 | 62.4 | 96,182 | 67.9 |

(in millions of yen)

| | Outstanding at the end of the previous mid-term accounting period (As of September 30, 2006) | | Outstanding at the end of the current mid-term accounting period (As of September 30, 2007) | | Summary balance sheet of the previous accounting year (As of March 31, 2007) | |
|-----------------------------------------------------------------|-------------------------------------------------------------------------------------------------|-----------------|------------------------------------------------------------------------------------------------|-----------------|---------------------------------------------------------------------------------|-----------------|
| | Amount | Component ratio | Amount | Component ratio | Amount | Component ratio |
| (Net Assets) | | % | | % | | % |
| Shareholders' equity | | | | | | |
| Capital stock | 4,479 | 3.5 | 4,479 | 3.9 | 4,479 | 3.2 |
| Capital surplus | | | | | | |
| Capital reserves | 4,716 | | 4,716 | | 4,716 | |
| Other capital surplus | 66 | | 95 | | 67 | |
| Total capital surplus | 4,783 | 3.8 | 4,811 | 4.2 | 4,783 | 3.4 |
| Earned surplus | | | | | | |
| Earned surplus reserve | 1,119 | | 1,119 | | 1,119 | |
| Other earned surplus | | | | | | |
| Fixed asset depreciation reserve | 88 | | 84 | | 84 | |
| Contingent reserve | 30,720 | | 30,720 | | 30,720 | |
| Earned surplus carried forward | 50 | | -589 | | 990 | |
| Total earned surplus | 31,978 | 25.4 | 31,335 | 27.1 | 32,915 | 23.2 |
| Treasury stock | -513 | -0.4 | -462 | -0.4 | -523 | -0.4 |
| Total shareholders' equity | 40,727 | 32.3 | 40,164 | 34.8 | 41,654 | 29.4 |
| Evaluation / currency translation difference, etc. | | | | | | |
| Evaluation difference of other securities | 4,247 | 3.4 | 3,164 | 2.8 | 3,801 | 2.7 |
| Deferred profits and losses on hedges | -1 | -0.0 | -0 | -0.0 | -0 | -0.0 |
| Total evaluation / currency translation difference, etc. | 4,246 | 3.4 | 3,163 | 2.8 | 3,800 | 2.7 |
| Total net assets | 44,973 | 35.7 | 43,328 | 37.6 | 45,455 | 32.1 |
| Total liabilities and net assets | 125,987 | 100.0 | 115,357 | 100.0 | 141,638 | 100.0 |

(2) Mid-term period profit and loss statement

(in millions of yen)

| | Previous mid-term accounting period (From April 1, 2006 to September 30, 2006) | | Current mid-term accounting period (From April 1, 2007 to September 30, 2007) | | Summary profit and loss statement of the previous accounting year (From April 1, 2006 to March 31, 2007) | |
|---------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|------------|----------------------------------------------------------------------------------|------------|-------------------------------------------------------------------------------------------------------------|------------|
| | Amount | Percentage | Amount | Percentage | Amount | Percentage |
| Completed work amount | 60,667 | 100.0 | 93,291 | 100.0 | 155,022 | 100.0 |
| Completed work cost | 56,662 | 93.4 | 90,607 | 97.1 | 144,209 | 93.0 |
| Completed work gross profit | 4,004 | 6.6 | 2,683 | 2.9 | 10,812 | 7.0 |
| Selling expenses and general administrative expenses | 5,047 | 8.3 | 4,321 | 4.7 | 9,284 | 6.0 |
| Operating profit or operating loss (-) | -1,042 | -1.7 | -1,637 | -1.8 | 1,528 | 1.0 |
| Non-operating revenue | (221) | 0.4 | (287) | 0.3 | (580) | 0.3 |
| Interests received | 10 | | 22 | | 28 | |
| Others | 210 | | 265 | | 551 | |
| Non-operating expenses | (90) | 0.2 | (147) | 0.1 | (195) | 0.1 |
| Interest payable | 85 | | 108 | | 178 | |
| Others | 4 | | 39 | | 17 | |
| Ordinary profit or ordinary loss (-) | -911 | -1.5 | -1,497 | -1.6 | 1,912 | 1.2 |
| Special profits | (31) | 0.0 | (0) | 0.0 | (982) | 0.6 |
| Profit on sales of fixed assets | 16 | | — | | 16 | |
| Profit on sales of investments in securities | — | | — | | 950 | |
| Profit gained by returning allowance for bad debts | 15 | | 0 | | 16 | |
| Special losses | (24) | 0.0 | (23) | 0.0 | (1,655) | 1.0 |
| Loss on sales/ retirement of fixed assets | 17 | | — | | 22 | |
| Evaluation loss on investments in securities | 6 | | 23 | | 7 | |
| Loss from stock evaluation for affiliated companies | — | | — | | 4 | |
| Loss from liquidation of affiliated companies | — | | — | | 1,614 | |
| Others | — | | — | | 6 | |
| Mid-term period net loss before tax (-) or current period net profit before tax | -904 | -1.5 | -1,521 | -1.6 | 1,239 | 0.8 |
| Corporate tax, residence tax and business tax. | 35 | 0.0 | 48 | 0.1 | 101 | 0.0 |
| Adjustment amounts such as for corporate taxes | -187 | -0.3 | -483 | -0.5 | 728 | 0.5 |
| Mid-term period net loss (-) or current period net profit | -751 | -1.2 | -1,086 | -1.2 | 409 | 0.3 |

(3) Statement of changes in mid-term shareholders' equity, etc.

The previous mid-term accounting period (From April 1, 2006 to September 30, 2006)

(in millions of yen)

| | Shareholders' equity | | | | |
|-----------------------------------------------------------------------------------------------------------------------|----------------------|------------------|-----------------------|-----------------------|------------------------|
| | Capital stock | Capital surplus | | | Earned surplus |
| | | Capital reserves | Other capital surplus | Total capital surplus | Earned surplus reserve |
| Balance as of March 31, 2006 | 4,479 | 4,716 | 66 | 4,782 | 1,119 |
| Amount of changes made during mid-term accounting period | | | | | |
| Reversal of technology development reserve (note) | | | | | |
| Reversal of fixed asset depreciation reserve (note) | | | | | |
| Reversal of contingent reserve (note) | | | | | |
| Dividends of earned surplus (note) | | | | | |
| Mid-term period net loss | | | | | |
| Acquisition of treasury stock | | | | | |
| Disposition of treasury stock | | | 0 | 0 | |
| Amount of changes made during mid-term accounting period, other than those items of shareholders' equity (net amount) | | | | | |
| Total amount of changes made during mid-term accounting period | — | — | 0 | 0 | — |
| Balance as of September 30, 2006 | 4,479 | 4,716 | 66 | 4,783 | 1,119 |

| | Shareholders' equity | | | | | | |
|-----------------------------------------------------------------------------------------------------------------------|--------------------------------|----------------------------------|--------------------|--------------------------------|----------------------|----------------|---------------------|
| | Earned surplus | | | | | Treasury stock | Total capital stock |
| | Other earned surplus | | | | Total earned surplus | | |
| | Technology development reserve | Fixed asset depreciation reserve | Contingent reserve | Earned surplus carried forward | | | |
| Balance as of March 31, 2006 | 580 | 91 | 31,820 | -386 | 33,225 | -505 | 41,981 |
| Amount of changes made during mid-term accounting period | | | | | | | |
| Reversal of technology development reserve (note) | -580 | | | 580 | — | | — |
| Reversal of fixed asset depreciation reserve (note) | | -3 | | 3 | — | | — |
| Reversal of contingent reserve (note) | | | -1,100 | 1,100 | — | | — |
| Dividends of earned surplus (note) | | | | -494 | -494 | | -494 |
| Mid-term period net loss | | | | -751 | -751 | | -751 |
| Acquisition of treasury stock | | | | | | -9 | -9 |
| Disposition of treasury stock | | | | | | 1 | 1 |
| Amount of changes made during mid-term accounting period, other than those items of shareholders' equity (net amount) | | | | | | | |
| Total amount of changes made during mid-term accounting period | -580 | -3 | -1,100 | 436 | -1,246 | -7 | -1,253 |
| Balance as of September 30, 2006 | — | 88 | 30,720 | 50 | 31,978 | -513 | 40,727 |

| | Evaluation / Currency translation difference, etc. | | | Total net assets |
|----------------------------------------------------------------------------------------------------------|----------------------------------------------------|-----------------------------------------|----------------------------------------------------------|------------------|
| | Evaluation difference of other securities | Profit or loss on hedge carried forward | Total evaluation / currency translation difference, etc. | |
| Balance as of March 31, 2006 | 5,093 | — | 5,093 | 47,075 |
| Amount of changes made during mid-term accounting period | | | | |
| Reversal of technology development reserve (note) | | | | — |
| Reversal of fixed asset depreciation reserve (note) | | | | — |
| Reversal of contingent reserve (note) | | | | — |
| Dividends of earned surplus (note) | | | | -494 |
| Mid-term period net loss | | | | -751 |
| Acquisition of treasury stock | | | | -9 |
| Disposition of treasury stock | | | | 1 |
| Amount of changes made during mid-term accounting period, other than those items of shareholders' equity | -846 | -1 | -847 | -847 |
| Total amount of changes made during mid-term accounting period (net amount) | -846 | -1 | -847 | -2,101 |
| Balance as of September 30, 2006 | 4,247 | -1 | 4,246 | 44,973 |

(Note) This refers to the items of disposal of profits presented at the ordinary general meeting of shareholders in June 2006.

Current mid-term accounting period (from April 1, 2007 to September 30, 2007)

(in millions of yen)

| | Shareholders' equity | | | | |
|-----------------------------------------------------------------------------------------------------------------------|----------------------|------------------|-----------------------|-----------------------|------------------------|
| | Capital stock | Capital surplus | | | Earned surplus |
| | | Capital reserves | Other capital surplus | Total capital surplus | Earned surplus reserve |
| Balance as of March 31, 2007 | 4,479 | 4,716 | 67 | 4,783 | 1,119 |
| Amount of changes made during mid-term accounting period | | | | | |
| Dividend of earned surplus | | | | | |
| Mid-term period net loss | | | | | |
| Acquisition of treasury stock | | | | | |
| Disposition of treasury stock | | | 28 | 28 | |
| Amount of changes made during mid-term accounting period, other than those items of shareholders' equity (net amount) | | | | | |
| Total amount of changes made during mid-term accounting period | - | - | 28 | 28 | - |
| Balance as of September 30, 2007 | 4,479 | 4,716 | 95 | 4,811 | 1,119 |

| | Shareholders' equity | | | | | |
|-----------------------------------------------------------------------------------------------------------------------|----------------------------------|--------------------|--------------------------------|----------------------|----------------|---------------------|
| | Earned surplus | | | | Treasury stock | Total capital stock |
| | Other earned surplus | | | Total earned surplus | | |
| | Fixed asset depreciation reserve | Contingent reserve | Earned surplus carried forward | | | |
| Balance as of March 31, 2007 | 84 | 30,720 | 990 | 32,915 | -523 | 41,654 |
| Amount of changes made during mid-term accounting period | | | | | | |
| Dividend of earned surplus | | | -494 | -494 | | -494 |
| Mid-term period net loss | | | -1,086 | -1,086 | | -1,086 |
| Acquisition of treasury stock | | | | | -12 | -12 |
| Disposition of treasury stock | | | | | 73 | 102 |
| Amount of changes made during mid-term accounting period, other than those items of shareholders' equity (net amount) | | | | | | |
| Total amount of changes made during mid-term accounting period | — | — | -1,580 | -1,580 | 61 | -1,490 |
| Balance as of September 30, 2007 | 84 | 30,720 | -589 | 31,335 | -462 | 40,164 |

| | Evaluation / Currency translation difference, etc. | | | Total net assets |
|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|-----------------------------------------|----------------------------------------------------------|------------------|
| | Evaluation difference of other securities | Profit or loss on hedge carried forward | Total evaluation / currency translation difference, etc. | |
| Balance as of March 31, 2007 | 3,801 | -0 | 3,800 | 45,455 |
| Amount of changes made during mid-term accounting period | | | | |
| Dividend of earned surplus | | | | -494 |
| Mid-term period net loss | | | | -1,086 |
| Acquisition of treasury stock | | | | -12 |
| Disposition of treasury stock | | | | 102 |
| Amount of changes made during mid-term accounting period, other than those items of shareholders' equity (net amount) | -637 | 0 | -636 | -636 |
| Total amount of changes made during mid-term accounting period | -637 | 0 | -636 | -2,127 |
| Balance as of September 30, 2007 | 3,164 | -0 | 3,163 | 43,328 |

Statement of changes in shareholders' equity, etc. in the previous accounting year (from April 1, 2006 to March 31, 2007)
(in millions of yen)

| | Shareholders' equity | | | | |
|------------------------------------------------------------------------------------------------------------|----------------------|------------------|-----------------------|-----------------------|------------------------|
| | Capital stock | Capital surplus | | | Earned surplus |
| | | Capital reserves | Other capital surplus | Total capital surplus | Earned surplus reserve |
| Balance as of March 31, 2006 | 4,479 | 4,716 | 66 | 4,782 | 1,119 |
| Amount of changes made during accounting year | | | | | |
| Reversal of technology development reserve (note) | | | | | |
| Reversal of fixed asset depreciation reserve (note) | | | | | |
| Reversal of fixed asset depreciation reserve | | | | | |
| Reversal of contingent reserve (note) | | | | | |
| Dividends of earned surplus (note) | | | | | |
| Current period net loss | | | | | |
| Acquisition of treasury stock | | | | | |
| Disposition of treasury stock | | | 0 | 0 | |
| Amount of changes made during accounting year, other than those items of shareholders' equity (net amount) | | | | | |
| Total amount of changes made during accounting year | — | — | 0 | 0 | — |
| Balance as of March 31, 2007 | 4,479 | 4,716 | 67 | 4,783 | 1,119 |

| | Shareholders' equity | | | | | | |
|------------------------------------------------------------------------------------------------------------|--------------------------------|----------------------------------|--------------------|--------------------------------|----------------------|----------------|---------------------|
| | Earned surplus | | | | | Treasury stock | Total capital stock |
| | Other earned surplus | | | | Total earned surplus | | |
| | Technology development reserve | Fixed asset depreciation reserve | Contingent reserve | Earned surplus carried forward | | | |
| Balance as of March 31, 2006 | 580 | 91 | 31,820 | -386 | 33,225 | -505 | 41,981 |
| Amount of changes made during accounting year | | | | | | | |
| Reversal of technology development reserve (note) | -580 | | | 580 | — | | — |
| Reversal of fixed asset depreciation reserve (note) | | -3 | | 3 | — | | — |
| Reversal of fixed asset depreciation reserve | | -3 | | 3 | — | | — |
| Reversal of contingent reserve (note) | | | -1,100 | 1,100 | — | | — |
| Dividends of earned surplus (note) | | | | -719 | -719 | | -719 |
| Current period net loss | | | | 409 | 409 | | 409 |
| Acquisition of treasury stock | | | | | | -20 | -20 |
| Disposition of treasury stock | | | | | | 2 | 3 |
| Amount of changes made during accounting year, other than those items of shareholders' equity (net amount) | | | | | | | |
| Total amount of changes made during accounting year | -580 | -6 | -1,100 | 1,377 | -309 | -17 | -326 |
| Balance as of March 31, 2007 | — | 84 | 30,720 | 990 | 32,915 | -523 | 41,654 |

| | Evaluation / Currency translation difference, etc. | | | Total net assets |
|------------------------------------------------------------------------------------------------------------|----------------------------------------------------|-----------------------------------------|----------------------------------------------------------|------------------|
| | Evaluation difference of other securities | Profit or loss on hedge carried forward | Total evaluation / currency translation difference, etc. | |
| Balance as of March 31, 2006 | 5,093 | — | 5,093 | 47,075 |
| Amount of changes made during accounting year | | | | |
| Reversal of technology development reserve (note) | | | | — |
| Reversal of fixed asset depreciation reserve (note) | | | | — |
| Reversal of fixed asset depreciation reserve | | | | — |
| Reversal of contingent reserve (note) | | | | — |
| Dividends of earned surplus (note) | | | | -719 |
| Current period net loss | | | | 409 |
| Acquisition of treasury stock | | | | -20 |
| Disposition of treasury stock | | | | 3 |
| Amount of changes made during accounting year, other than those items of shareholders' equity (net amount) | -1,292 | -0 | -1,292 | -1,292 |
| Total amount of changes made during accounting year | -1,292 | -0 | -1,292 | -1,619 |
| Balance as of March 31, 2007 | 3,801 | -0 | 3,800 | 45,455 |

(Note) This refers to the items of disposal of profits presented at the ordinary general meeting of shareholders in June 2006.

7. Amount of work orders received / amount of work completed/ amount of work carried over per department
(non-consolidation)

(in millions of yen)

| | | Previous mid-term accounting period | | Current mid-term accounting period | | Previous accounting year | |
|--------------------------------|-----------------------------|-----------------------------------------------|----------------------|-----------------------------------------------|----------------------|-------------------------------------------|----------------------|
| | | (From April 1, 2006 to September 30, 2006) | | (From April 1, 2007 to September 30, 2007) | | (From April 1, 2006 to March 31, 2007) | |
| | | Amount | Component ratio % | Amount | Component ratio % | Amount | Component ratio % |
| Amount of work orders received | Electrical work | 15,160 | 20.2 | 18,136 | 23.7 | 31,161 | 22.2 |
| | Air conditioning | 44,278 | 59.2 | 45,370 | 59.4 | 79,321 | 56.6 |
| | Plumbing/sanitation work | 15,397 | 20.6 | 12,897 | 16.9 | 29,696 | 21.2 |
| | Total | 74,836 | 100.0 | 76,404 | 100.0 | 140,179 | 100.0 |
| | (Renewal work) | 34,976 | 46.7 | 31,294 | 41.0 | 63,596 | 45.4 |
| | (Overseas work) | 3,896 | 5.2 | 3,557 | 4.7 | 4,784 | 3.4 |
| Amount of work completed | Electrical work | 11,409 | 18.8 | 19,614 | 21.0 | 31,974 | 20.6 |
| | Air conditioning | 34,774 | 57.3 | 55,995 | 60.0 | 84,459 | 54.5 |
| | Plumbing/sanitation work | 14,482 | 23.9 | 17,682 | 19.0 | 38,588 | 24.9 |
| | Total | 60,667 | 100.0 | 93,291 | 100.0 | 155,022 | 100.0 |
| | (Renewal work) | 26,650 | 43.9 | 31,873 | 34.2 | 59,655 | 38.5 |
| | (Overseas work) | 3,286 | 5.4 | 7,327 | 7.9 | 8,759 | 5.7 |
| Amount of work carried over | Electrical work | 26,410 | 18.6 | 20,370 | 21.2 | 21,847 | 19.4 |
| | Air conditioning | 79,264 | 55.9 | 53,996 | 56.3 | 64,621 | 57.3 |
| | Plumbing/sanitation work | 36,126 | 25.5 | 21,535 | 22.5 | 26,320 | 23.3 |
| | Total | 141,801 | 100.0 | 95,903 | 100.0 | 112,790 | 100.0 |
| | (Renewal work) | 30,669 | 21.6 | 25,704 | 26.8 | 26,283 | 23.3 |
| | (Overseas work) | 16,181 | 11.4 | 7,826 | 8.2 | 11,596 | 10.3 |