

August 20, 2009



FYE June 2009

Financial Results

PROFESSIONAL ENGINEERING SOLUTION FIRM

■ 構造計画研究所
KOZO KEIKAKU ENGINEERING Inc.

Agenda

(Note) Fractions under one million yen are omitted in the figures in this material.

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Note pertaining to this data:

The business forecast shown in this material were calculated based on the information available as of the date of publication.
Actual results may differ from forecast figures due to factors such as uncertainties in the economic environment.

1. Overview of Financial Results

Financial Highlights

(Million yen)

	FYE June 2008	FYE June 2009		Change from plan (rate of change)	Change from pervious FY (rate of change)
		Target*	Results		
Net sales	11,322	10,500	10,390	-109 (-1.0%)	-931 (-8.2%)
Operating income	1,242	750	726	-23 (-3.1%)	-516 (-41.5%)
Ordinary income	1,169	670	621	-48 (-7.3%)	-548 (-46.9%)
Net income	531	300	264	-35 (-12.0%)	-267 (-50.4%)
Dividends	30 yen per share	30 yen per share	18 yen per share		

* The figures in the business forecast announced on April 20, 2009 are indicated as "Target".

Results for FYE June 2009

(Million yen)

	Target (at the beginning of the period)	Target*	Results	Change from plan at the beginning of the period (rate of change)
Net sales	11,700	10,500	10,390	-1,309 (-11.2%)
Operating income	1,400	750	726	-673 (-48.1%)
Ordinary income	1,320	670	621	-698 (-53.0%)
Net income	630	300	264	-365 (-58.1%)

* The figures in the business forecast announced on April 20, 2009 are indicated as "Target".

Although growth in orders was lackluster across the Company, results were almost in line with the revised plan.

Main negative profit factors

- Gross profit fell with smaller net sales
- More hours spent on sales to invigorate order activities
- An extraordinary loss of ¥231 million recorded with the withdrawal from a welfare pension fund

Main positive profit factors

- Reduced costs across the Company and maintained the gross profit rate by improving productivity
- Reduced personnel expenses by adopting a performance-based wage system

(Reference) Impact of Extraordinary Loss (Withdrawal from Welfare Pension Fund)

■ Impact on financial results

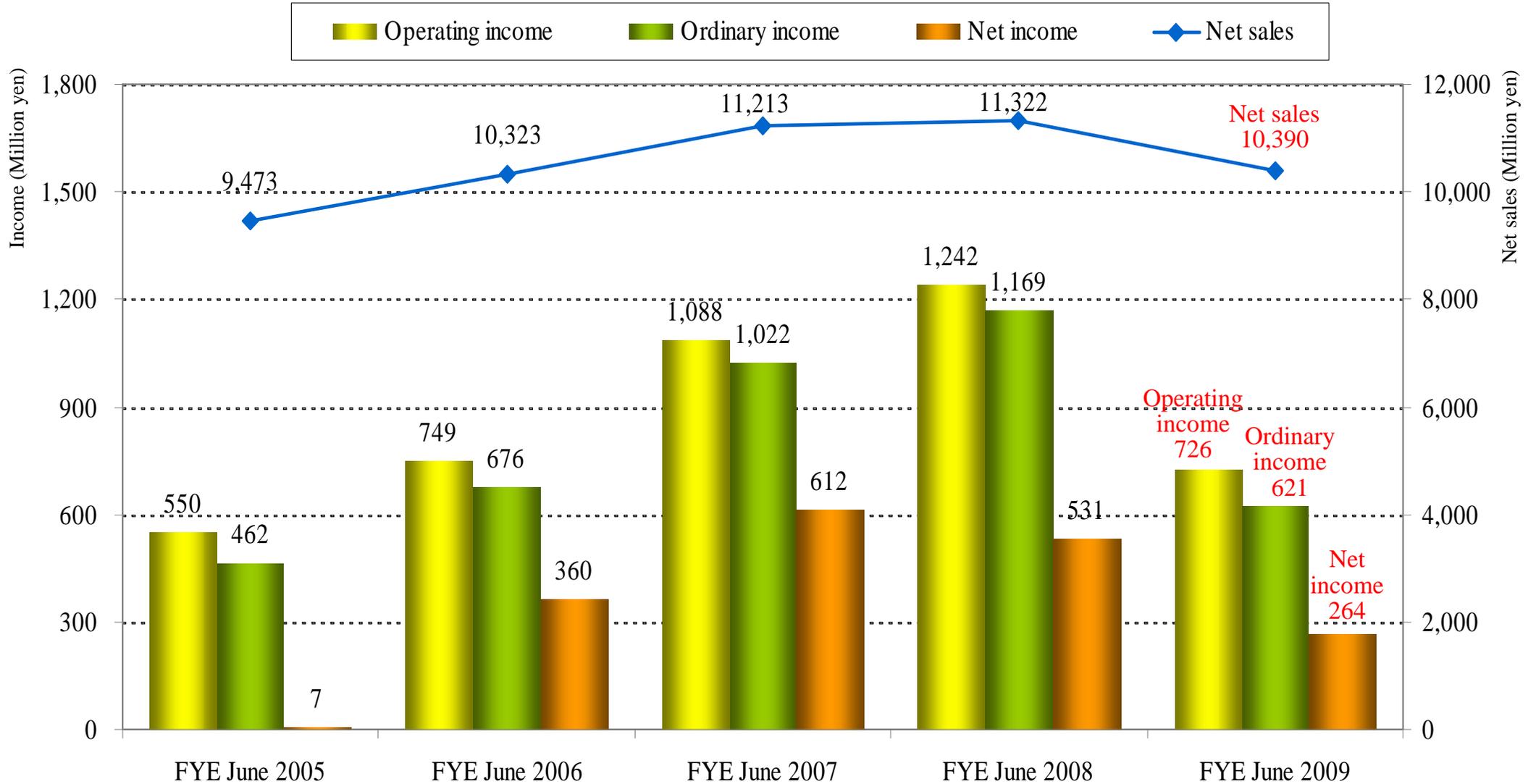
As a result of the voluntary withdrawal from the Tokyo Architectural Design Employees' Pension Fund in September 2008, an extraordinary loss of ¥231 million was recorded as a major contribution.

■ Reasons for withdrawal from the employees' pension fund

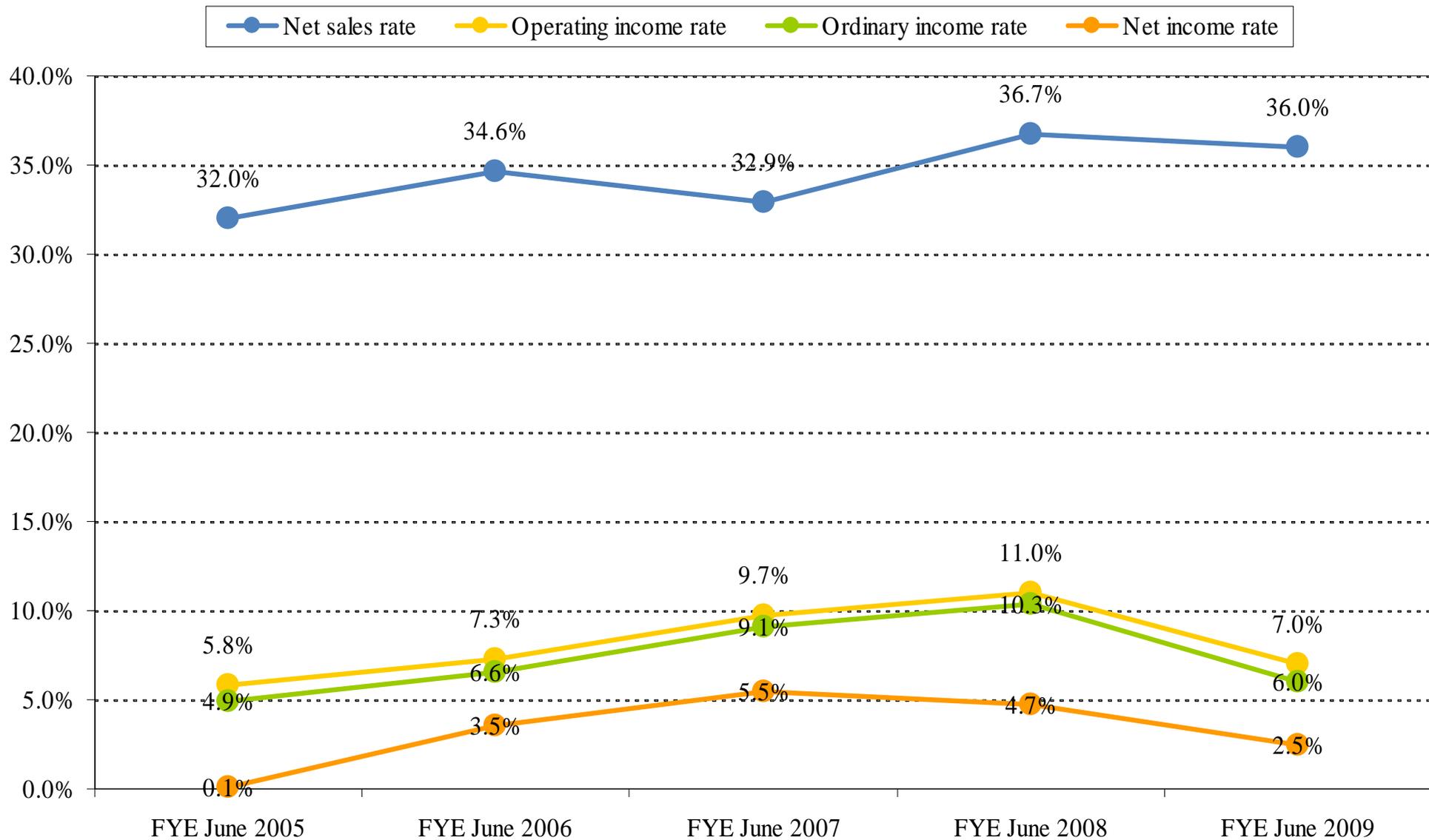
KKE had maintained its membership in the Tokyo Architectural Design Employees' Pension Fund, a pension fund of the joint establishment type, to improve the welfare program for its employees. However, KKE elected to withdraw from this Pension Fund and rebuild a new retirement benefit system for its employees, including a strengthened defined contribution pension plan, for the following reasons.

- (1) The majority of employees wanted KKE to leave the Employees' Pension Fund and make a full switch to a defined contribution pension plan.
- (2) KKE wished to strengthen its defined contribution pension plan by leaving the Employees' Pension Fund and to encourage its employees to accumulate wealth freely as part of its personnel affairs policies.
- (3) Responding adequately to demands for disclosing information related to retirement benefits accounting was impossible and achieving the internal control sought by KKE was difficult under an Employees' Pension Fund with a joint establishment nature.

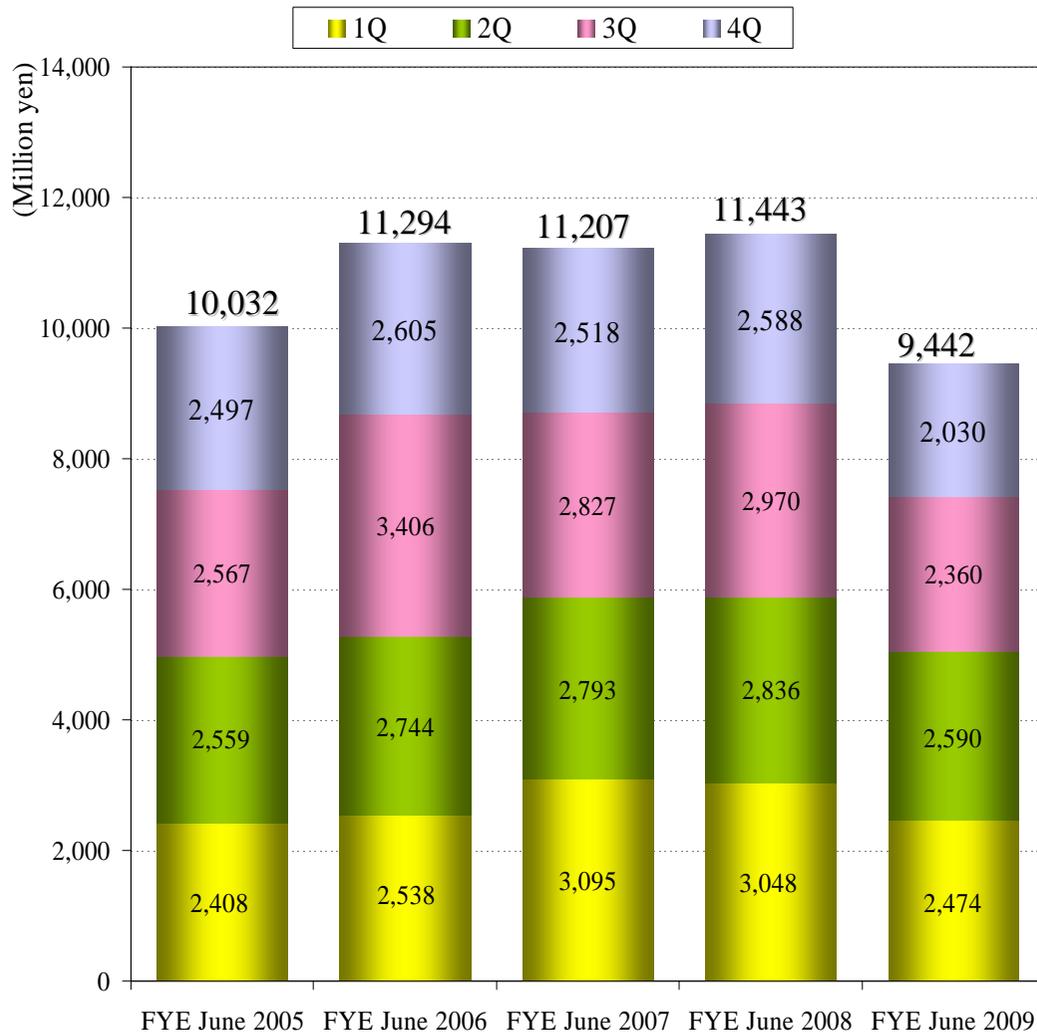
Changes in the Last Five Years



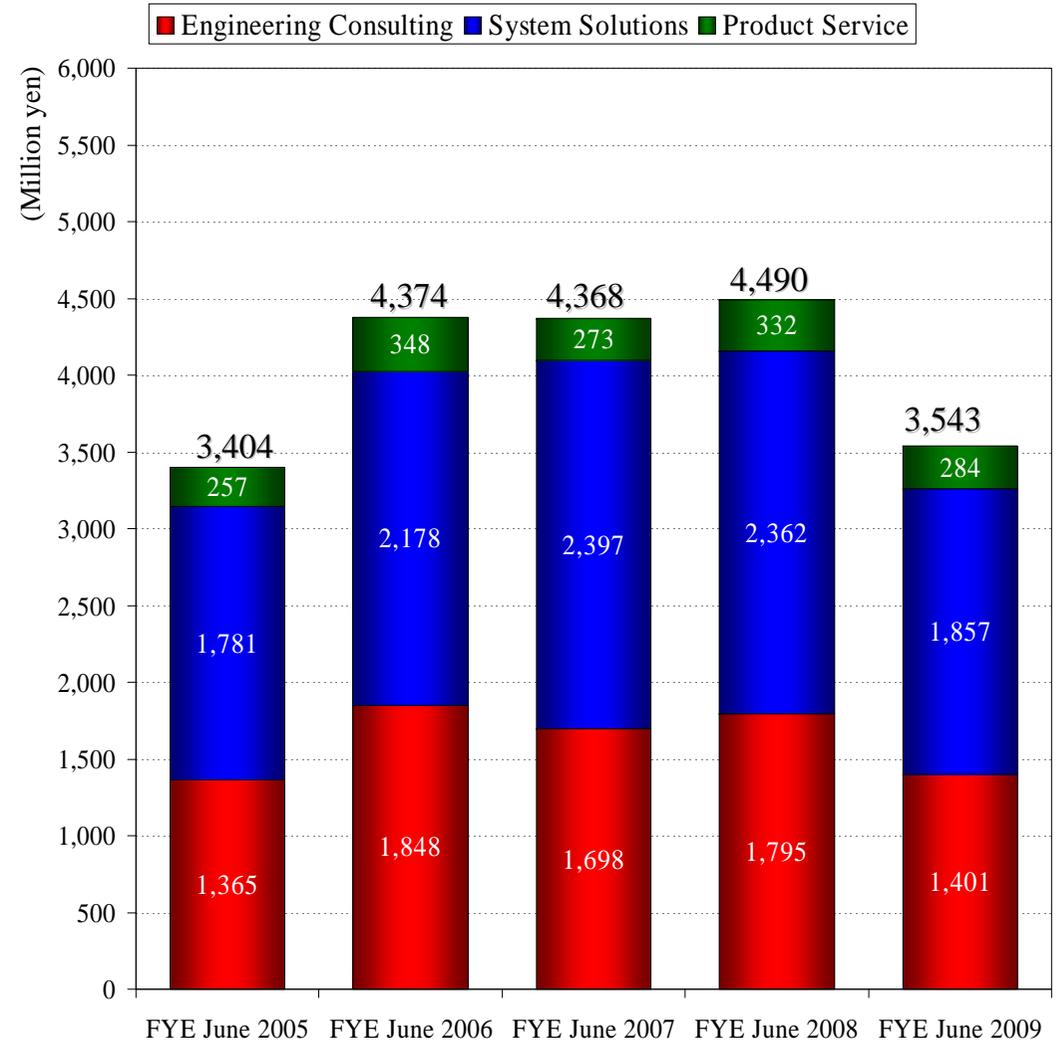
Changes in Profit Rates in the Last Five Years



Changes in Orders and the Order Backlog



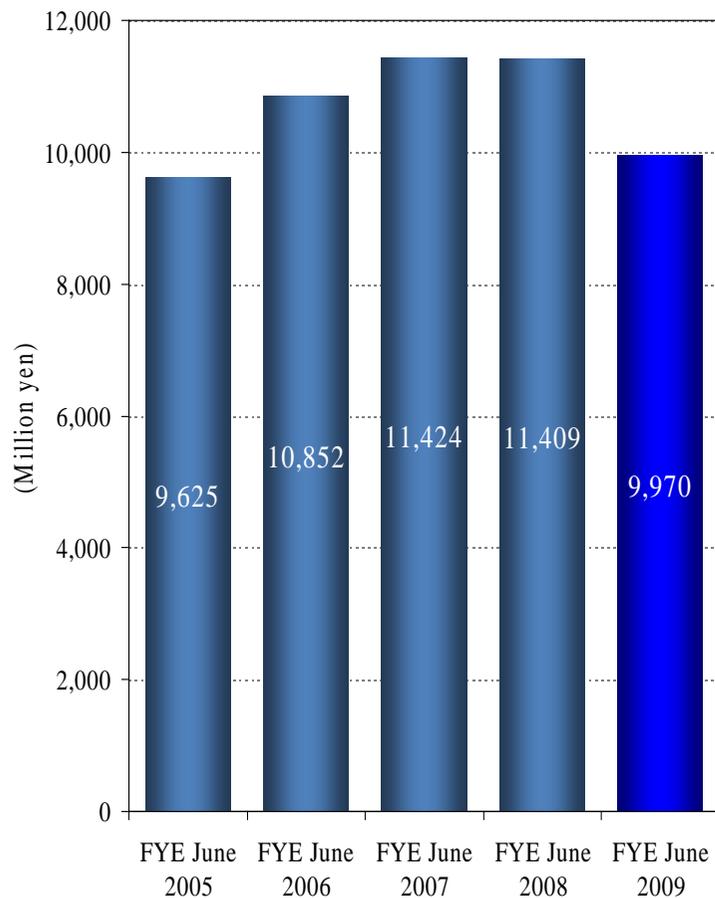
Orders



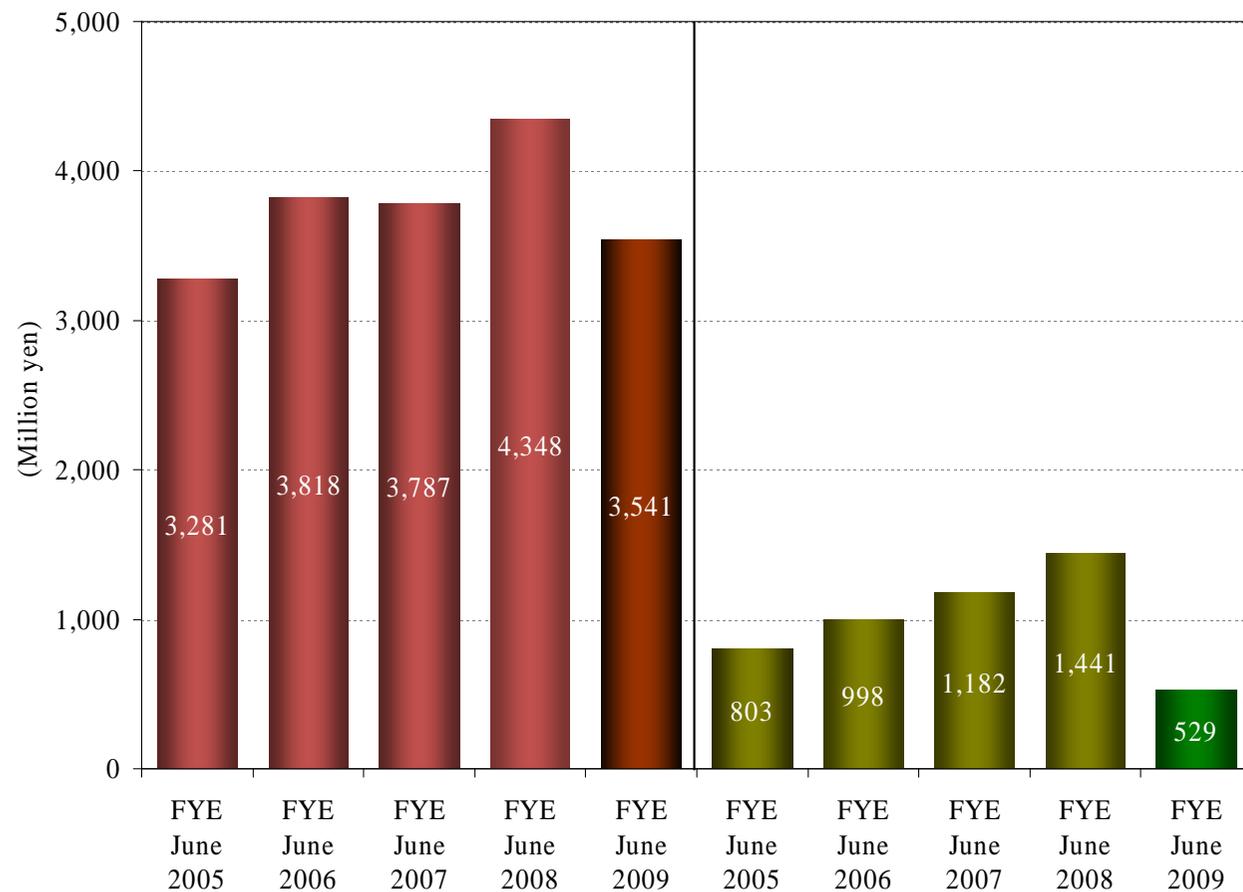
Year-end order backlog

Changes in GIV and GIV Earnings

The Company discloses an internal index for managing, forecasting, and reviewing results obtained by converting the degree of progress into money. This reflects the fact that the Company has projects in which the period from order receipt to earning is long, including software development projects.



GIV
(Corresponding to net sales)



GIV earnings
(Corresponding to gross profit)

GIV earnings
(including SGA expenses)
(Corresponding to operating income)

(Reference) KKE's Original Project Management Indicators

Projects that require several months from receiving orders to the posting of net sales after the delivery and acceptance inspection of deliverables, including system development and consulting services, account for the majority of KKE's operations. The business category to which the Company belongs can be considered one subject to frequent seasonal fluctuations in numerical results.

For this reason, KKE quantifies results in the process of advancing projects with its two internal management indicators, GIV, which shows the level of project progress in amount, and GIV earnings, which show earnings from GIV, and is conducting results and plan management and results tracing on a monthly basis.

“GIV”: order amount multiplied by the level of project progress

“GIV earnings”: GIV after deducting project expenses (excluding SGA expenses)

Income Statement Highlights

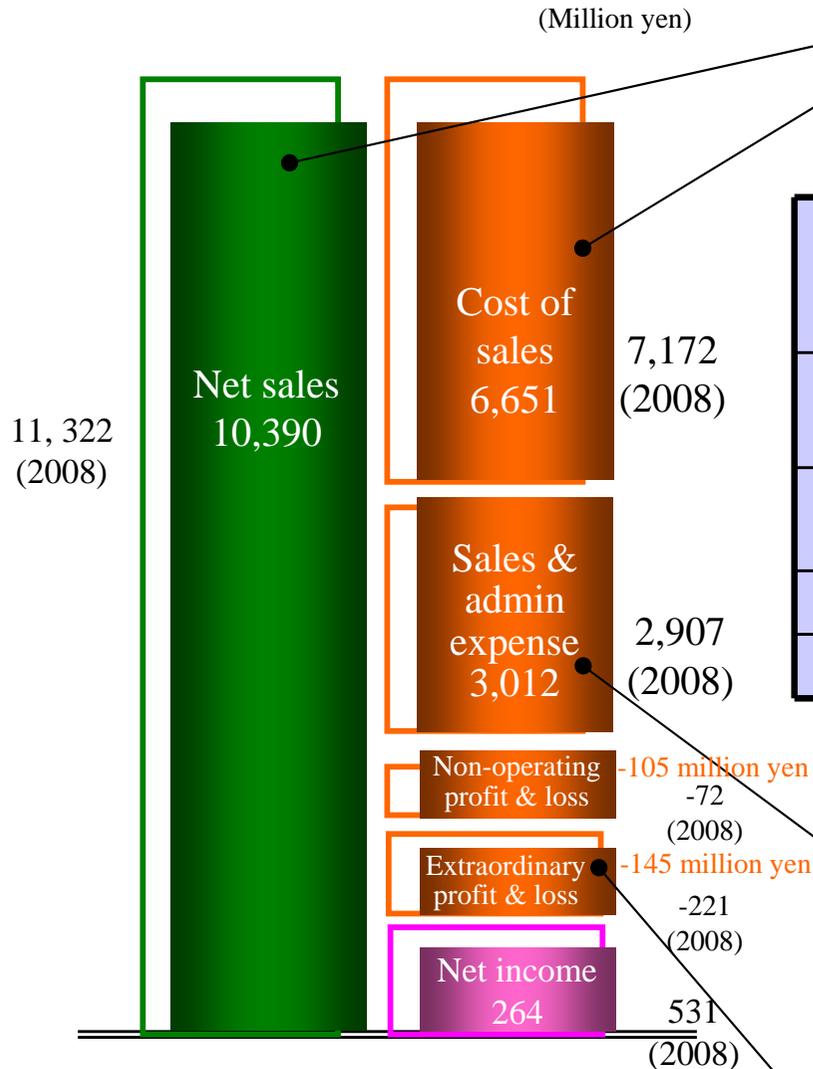
(Million yen)

	FYE June 2008	FYE June 2009	Change from pervious FY
Net sales	11,322	10,390	-931
Cost of sales	7,172	6,651	-521
Gross profit rate	4,149	3,739	-410
SGA expenses	2,907	3,012	105
Operating income	1,242	726	-516
Non-operating profit	30	18	-11
Non-operating expenses	102	123	20
Ordinary income	1,169	621	-548
Extraordinary profit	2	85	83
Extraordinary loss	223	233	10
Net income before taxes	948	473	-475
Income taxes	416	209	-207
Net income	531	264	-267

Falls in Net Sales and Net Income

● Fall in net sales (-8.2%), gross profit rate (-0.7%)

Maintained gross profit rate by improving productivity



(Million yen)

Segment	Net sales		Gross profit		Gross profit rate	
	FYE June 2008	FYE June 2009	FYE June 2008	FYE June 2009	FYE June 2008	FYE June 2009
Engineering Consulting	3,878	4,026	1,327	1,360	34.2%	33.8%
System Solution	5,037	4,171	1,766	1,427	35.1%	34.2%
Products Service*	2,406	2,192	754	645	31.4%	29.4%
Total	11,322	10,390	3,848	3,432	34.0%	33.0%

* Selling expenses for the Sales Division are added to the cost of sales to calculate gross profit for the segment.

● SGA expenses growth (+105 million yen)

Increase in sales staff for bolstering sales capabilities
Increase in R&D expenses for future investments (+119 million yen)

● Extraordinary gain on sales of investment securities (+85 million yen)

● Extraordinary loss from special contribution for welfare pension fund (-231 million yen)

Highlights of Balance Sheet

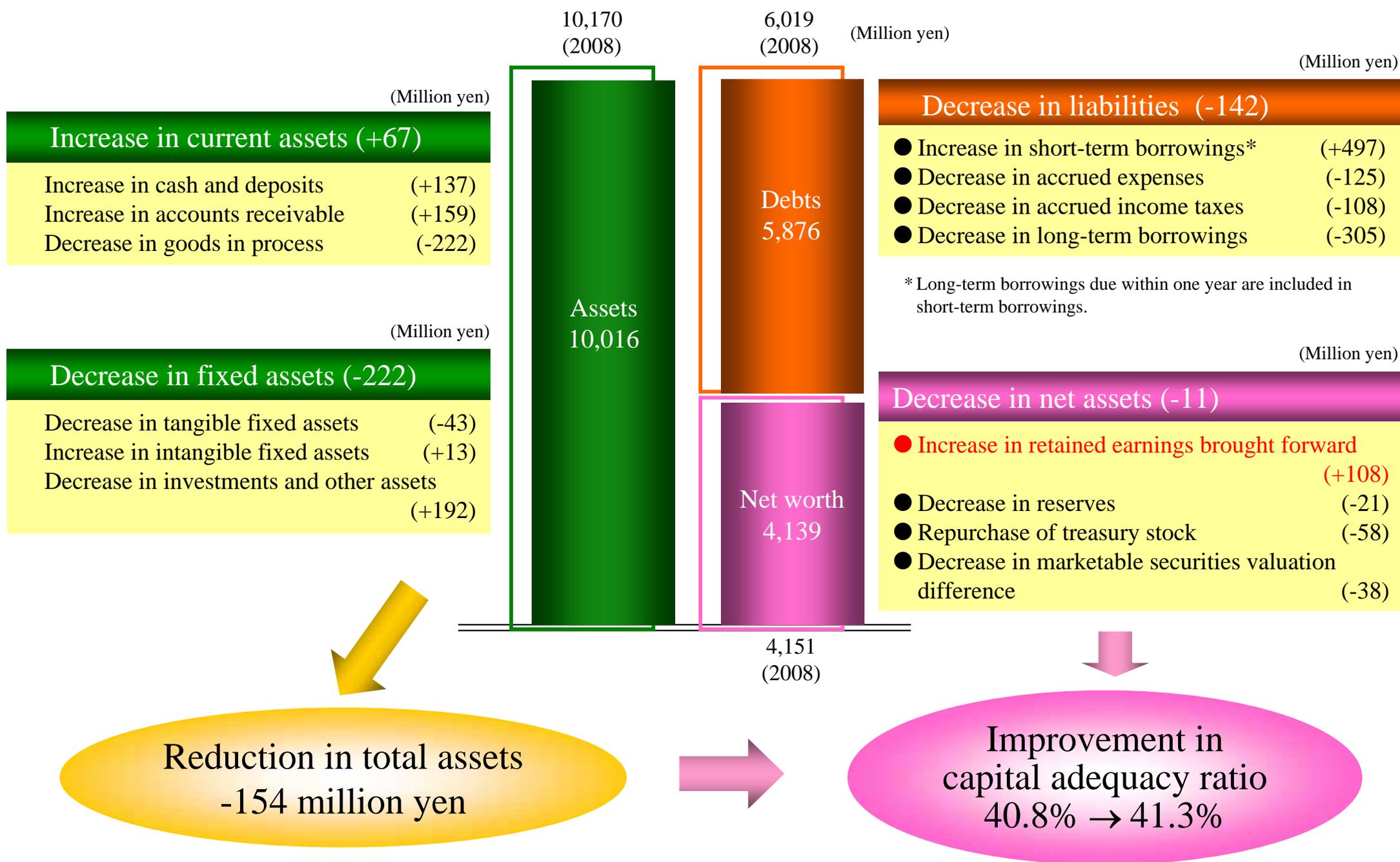
(Million yen)

	FYE June 2008	FYE June 2009	Change from pervious FY
Current assets	3,194	3,261	67
Cash and deposits	133	271	137
Trade notes and accounts receivable	1,561	1,662	100
Goods in process	911	689	-222
Fixed assets	6,976	6,754	-222
Tangible fixed assets	5,429	5,386	-43
Investments and other assets	1,212	1,019	-192
Total assets	10,170	10,016	-154

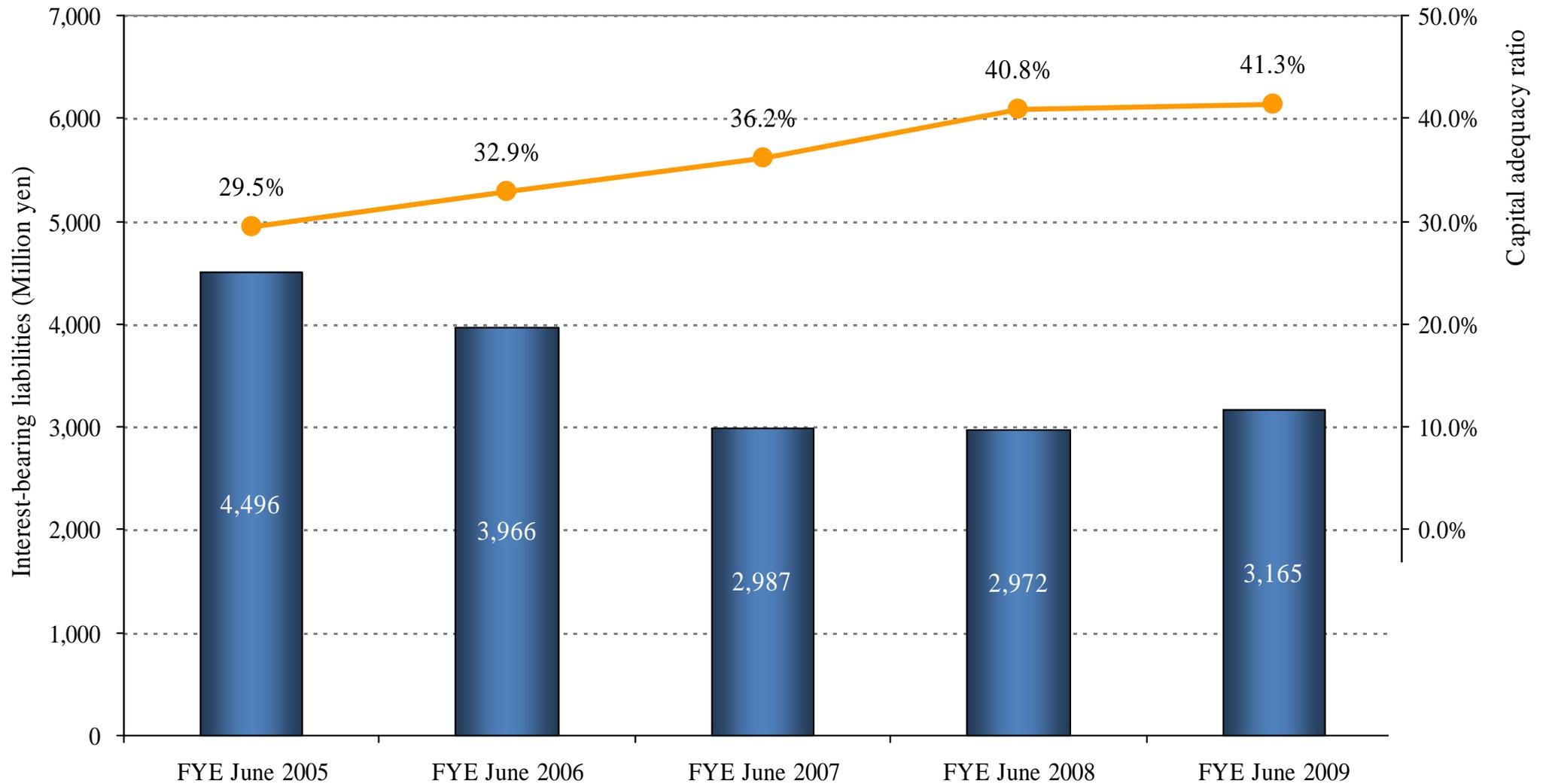
	FYE June 2008	FYE June 2009	Change from pervious FY
Current liabilities	3,957	4,057	99
Short-term borrowings*	1,937	2,435	497
Long-term liabilities	2,061	1,819	-242
Long-term borrowings	1,035	730	-305
Total liabilities	6,019	5,876	-142
Total net assets	4,151	4,139	-11
Retained earnings brought forward	2,017	2,125	108
Total liabilities and net assets	10,170	10,016	-154

* Long-term borrowings due within one year are included in short-term borrowings.

Reduction in Total Assets and Improvement in Capital Adequacy Ratio



Changes in Interest-Bearing Liabilities and Capital Adequacy Ratio

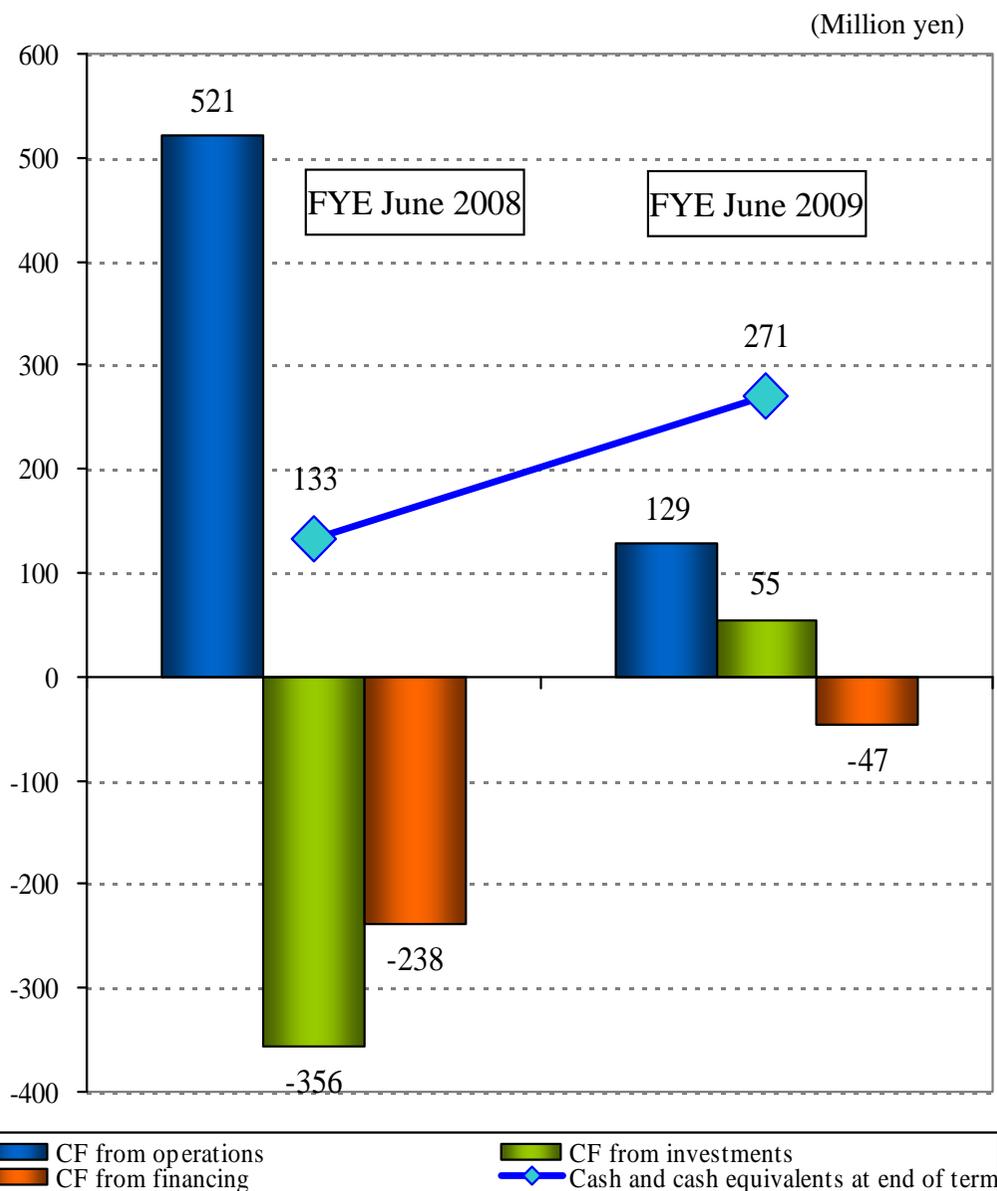


Cash Flow Statement Highlights

(Million yen)

	FYE June 2008	FYE June 2009
Balance at the beginning of FY	207	133
CF from operations	521	129
CF from investments	- 356	55
Free CF	165	185
CF from financing	- 238	-47
Balance at the end of FY	133	271

Decrease in Operating Cash Flows and Increases in Investing and Financing Cash Flows



(Million yen)

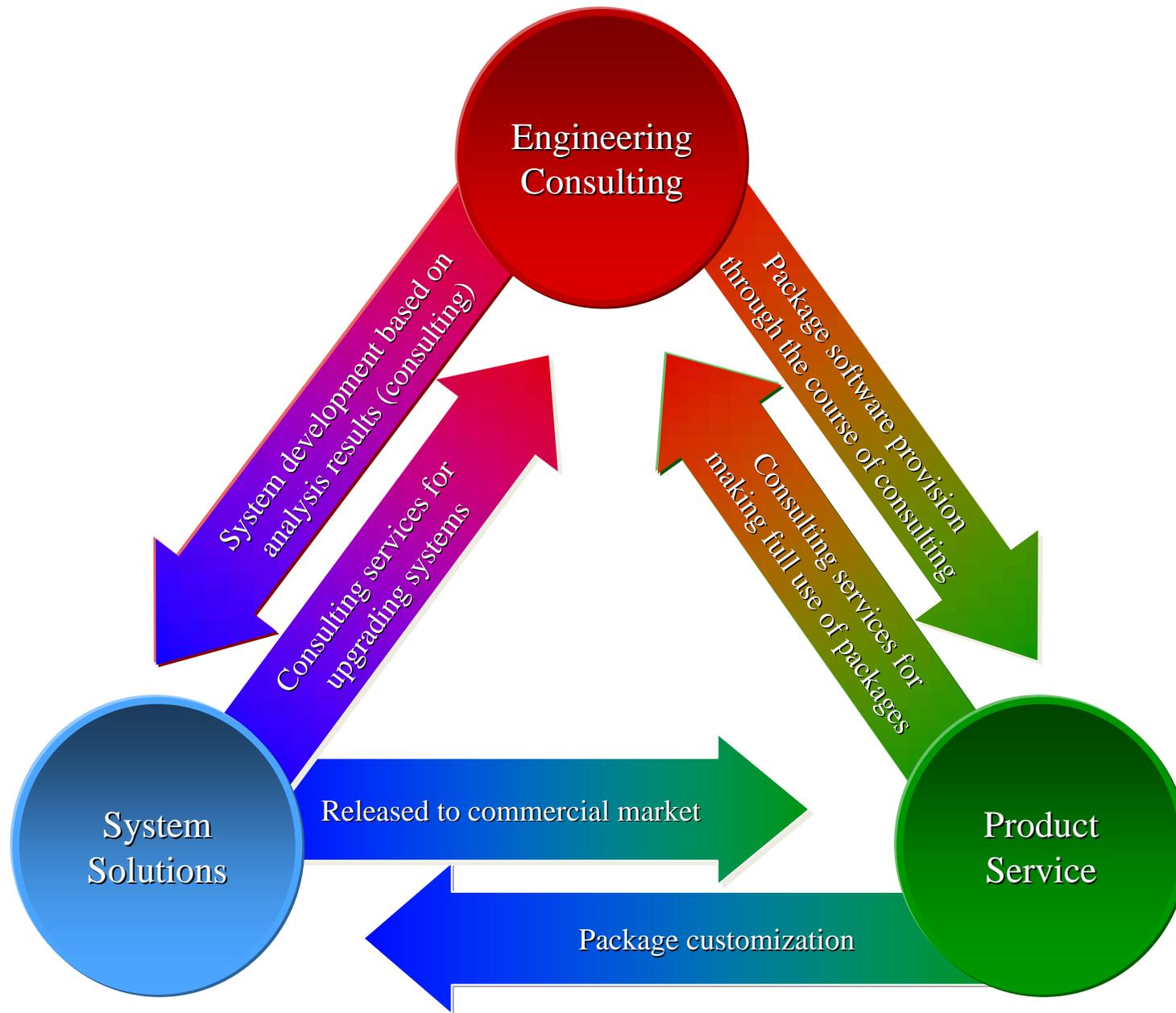
	FYE June 2008	FYE June 2009	Change
(Net income before taxes)	948	473	-475
(Decrease in inventories)	127	267	139
(Corporation and other taxes paid)	-652	-327	325
(Others)	98	-283	-381
CF from operations	521	129	-391

	FYE June 2008	FYE June 2009	Change
(Expenditures on tangible and intangible fixed assets)	-235	-209	26
(Gains on sale of investment securities)	-	345	345
(Others)	-121	-80	40
CF from investments	-356	55	412

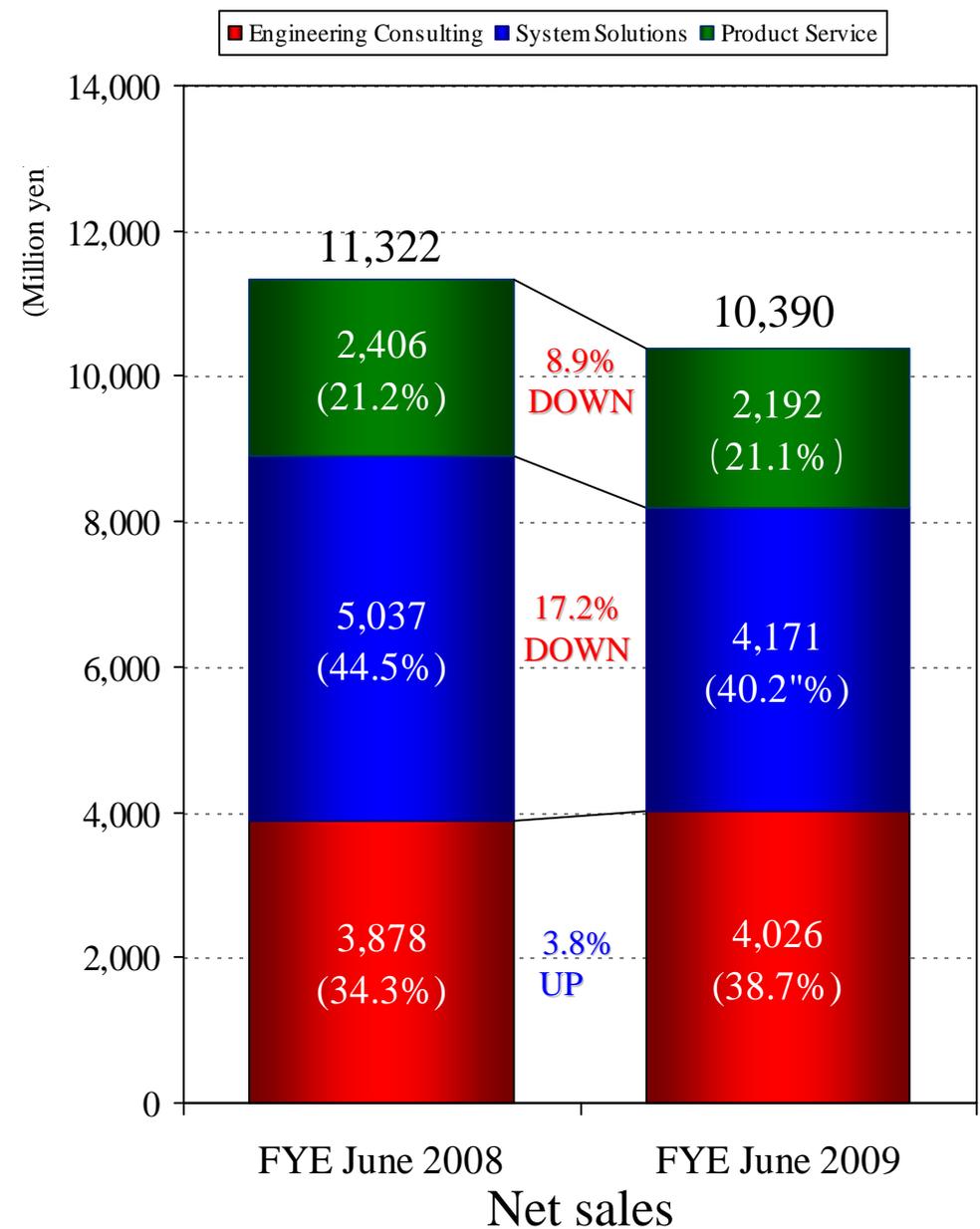
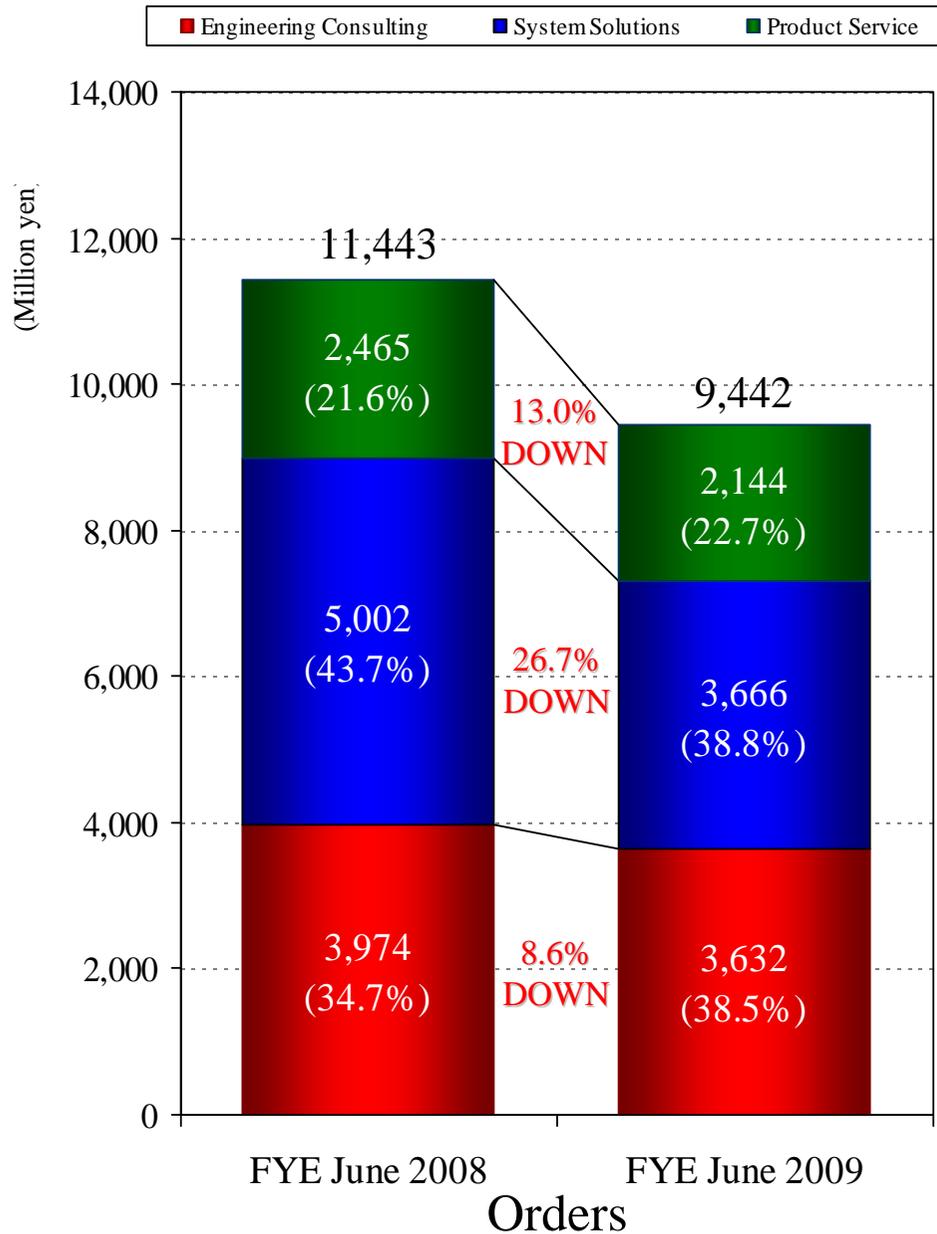
	FYE June 2008	FYE June 2009	Change
(Net change in short-term borrowings)	530	450	-80
(Net change in long-term borrowings)	-545	-257	287
(Dividends paid)	-177	-177	0
(Others)	-45	-62	-16
CF from financing	-238	-47	191

2. Financial Results by Segment

Synergy Produced by Three Business Segments



Orders and Net Sales by Segment



Segment (1) Engineering Consulting

(Million yen)

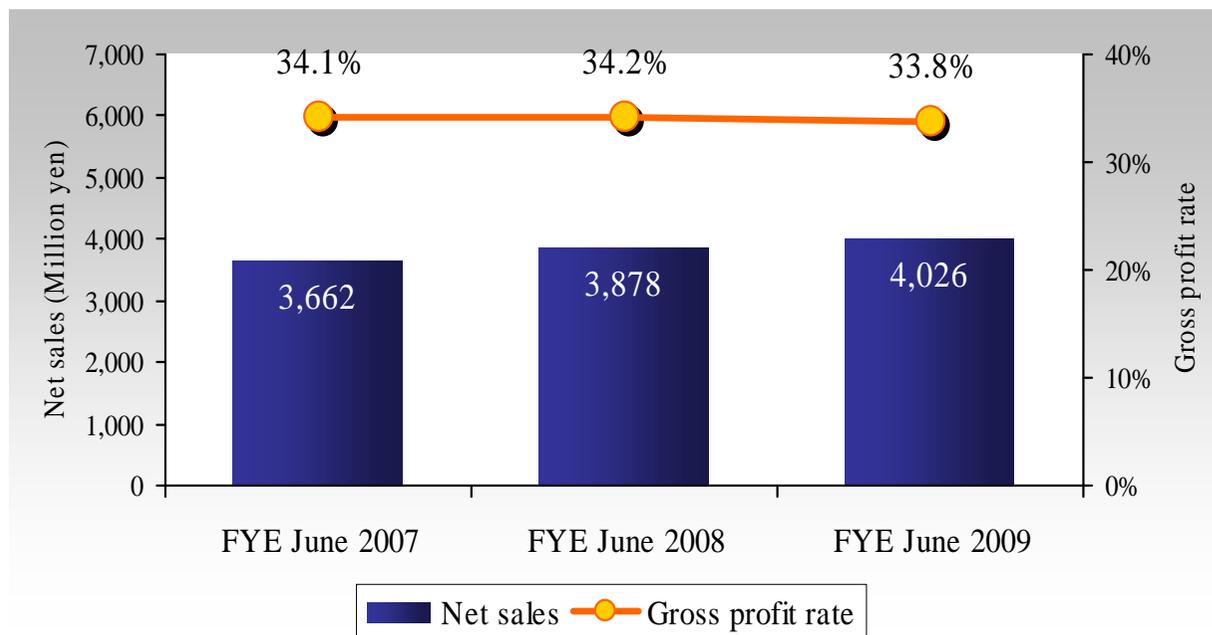
	FYE June 2007	FYE June 2008	FYE June 2009	Rate of change
Orders	3,513	3,974	3,632	-8.6%
Net sales	3,662	3,878	4,026	3.8%
Cost of sales	2,412	2,550	2,665	4.5%
Gross profit (margin)	1,250 (34.1%)	1,327 (34.2%)	1,360 (33.8%)	2.5%

- ❖ Requirement definition, basic design and trial model study for software development
- ❖ Simulation for manufacturing and logistics businesses
- ❖ Disaster prevention, earthquake resistance and numeric analysis
- ❖ Structural design of building
- ❖ Marketing and decision-making support consulting

Analysis of results

Net sales and profits rose year on year.
The gross profit rate was flat from the previous year.

- Analysis and consulting services for disaster prevention and earthquake resistance at energy-related facilities were firm.
- Basic reviews and trial model studies in the upstream process of software development in the field of telecommunications were solid.
- Consulting services for the seismic isolation and vibration suppression of buildings were buoyant.
- We aggressively invested in new business development units for future businesses growth.



Segment (2) System Solutions

(Million yen)

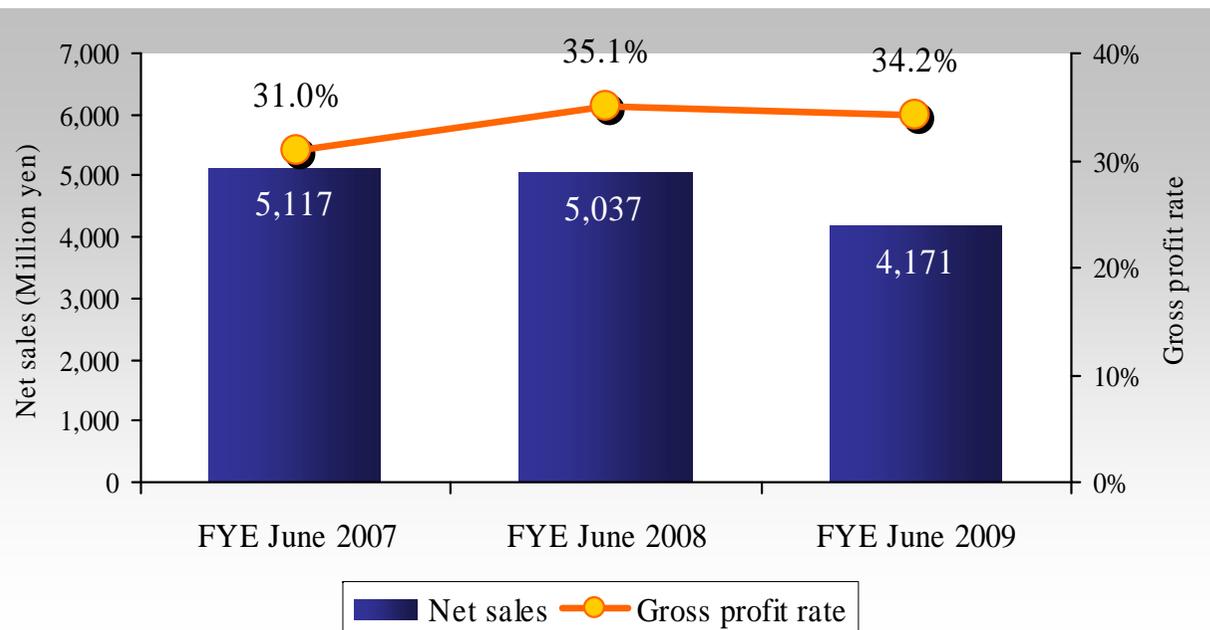
	FYE June 2007	FYE June 2008	FYE June 2009	Rate of change
Orders	5,336	5,002	3,666	-26.8%
Net sales	5,117	5,037	4,171	-17.2%
Cost of sales	3,532	3,271	2,744	-16.1%
Gross profit (margin)	1,585 (31.0%)	1,766 (35.1%)	1,427 (34.2%)	-19.2%

- ❖ Sales and design support systems for manufacturers
- ❖ Mobile communications and mobile network
- ❖ Structural design support systems
- ❖ Multimedia solutions

Analysis of results

Although net sales and profits decreased, the gross profit rate was flat.

- There was a noticeable decline in investment in information technology, along a freezing and postponement of new product development and R&D investments, as a consequence of the weak economy.
- Large projects for the manufacturing sector ended in the previous fiscal year.
- Weaker profitability resulted from some unprofitable projects, and there were lost opportunities for orders.

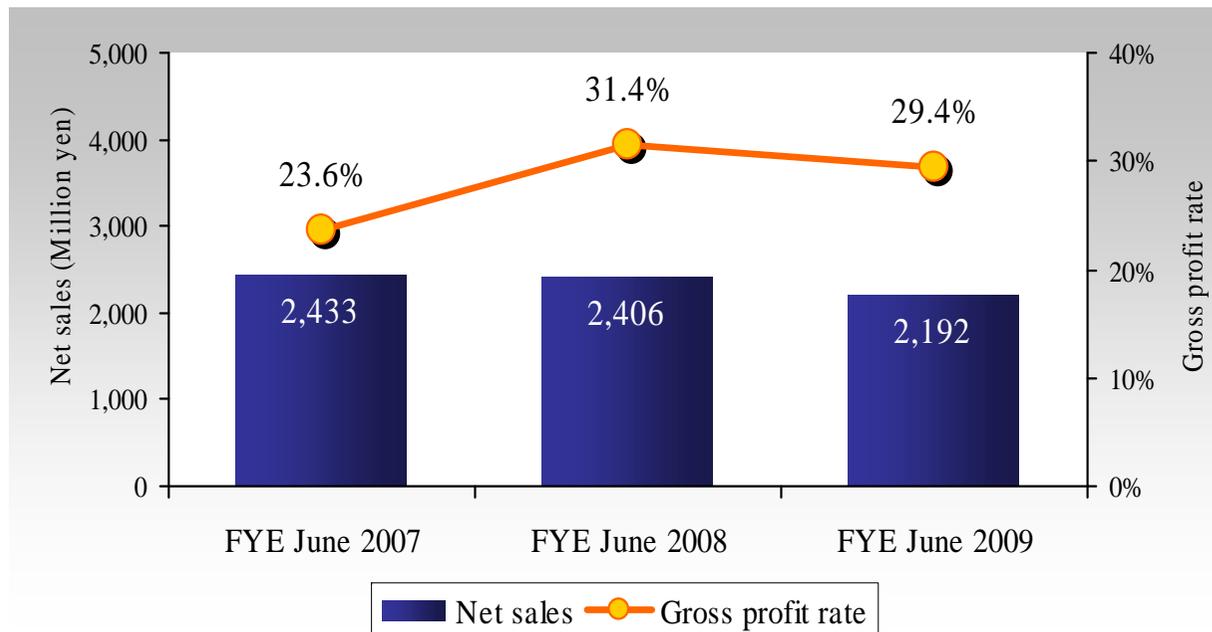


Segment (3) Product Service

(Million yen)

	FYE June 2007	FYE June 2008	FYE June 2009	Rate of change
Orders	2,357	2,465	2,144	-13.0%
Net sales	2,433	2,406	2,192	-8.9%
Cost of sales	1,857	1,651	1,547	-6.3%
Gross profit (margin)	575 (23.6%)	754 (31.4%)	645 (29.4%)	-14.5%

* Cost of sales for the segment includes selling expenses for the Sales Division.



- ❖ CAE software for designers
- ❖ Package software for structural analysis and earthquake resistance studies
- ❖ Simulation software for telecommunications companies
- ❖ Software for supporting marketing and decision-making

Analysis of results

Net sales and profits declined, but the gross profit rate remained unchanged.

- Sales of CAE software for designers in the manufacturing sector as well as structural analysis and antiseismic study software in construction remained solid in the first half, but growth declined in the second half on reduced investment in information technology.
- Sales of software for research institutes in the telecommunications sector, which had been firm in recent years, decreased with the fall in investment in information technology.

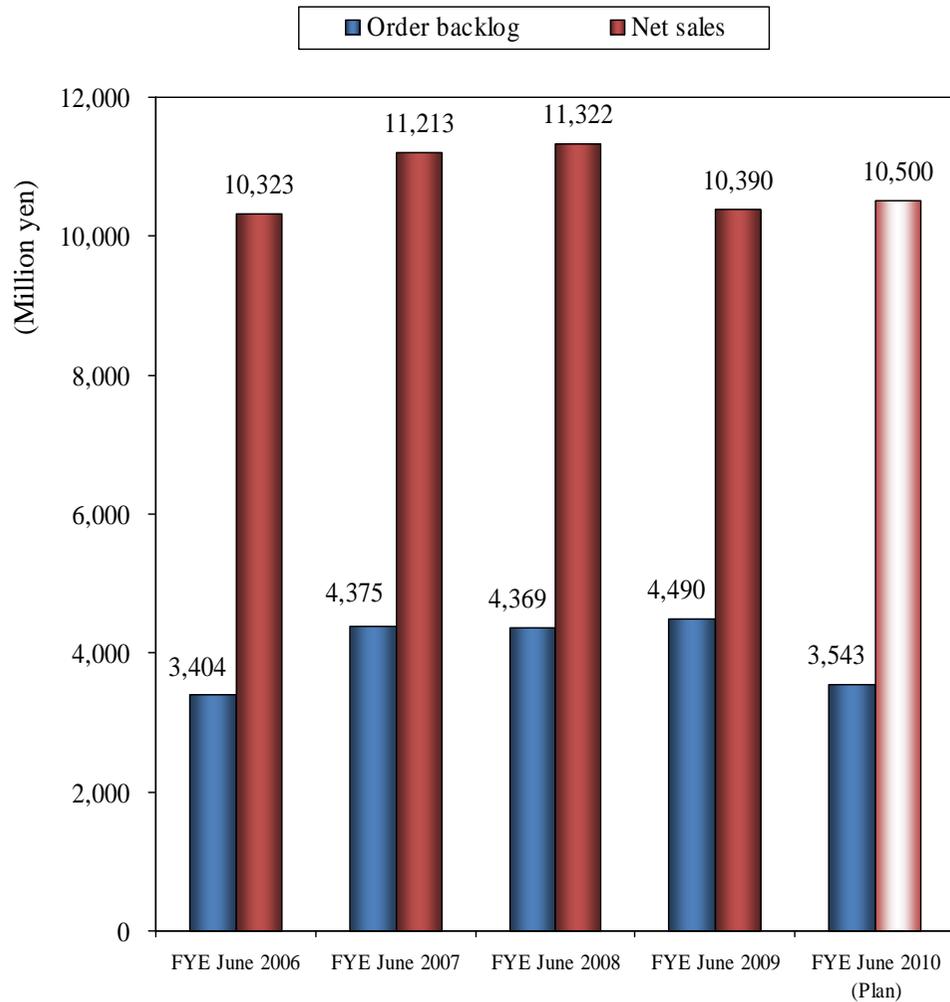
3. Plan for FYE June 2010

Plan for FYE June 2010

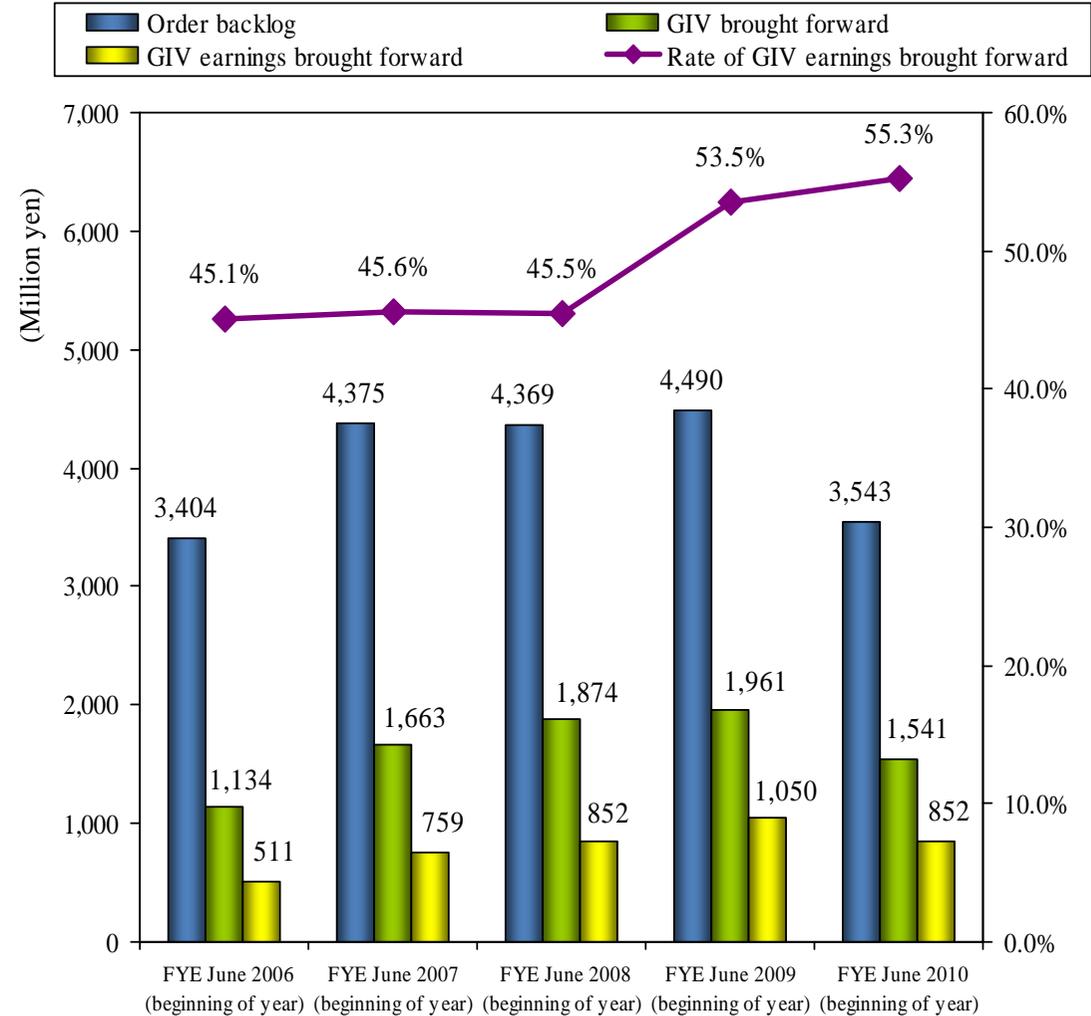
(Million yen)

	FYE June 2009	FYE June 2010 Target	Change from pervious FY	Rate of change from pervious FY
Net sales	10,390	10,500	109	1.1%
Engineering Consulting	4,026	4,200	173	4.3%
System Solutions	4,171	4,000	-171	-4.1%
Product Service	2,192	2,300	107	4.9%
Operating income	726	880	153	21.1%
Ordinary income	621	800	178	28.8%
Net income	264	430	165	62.9%
Dividends	@¥18 / share	@¥23 / share	Dividend policy: Payout ratio of 30%	

Changes in Management Indicators

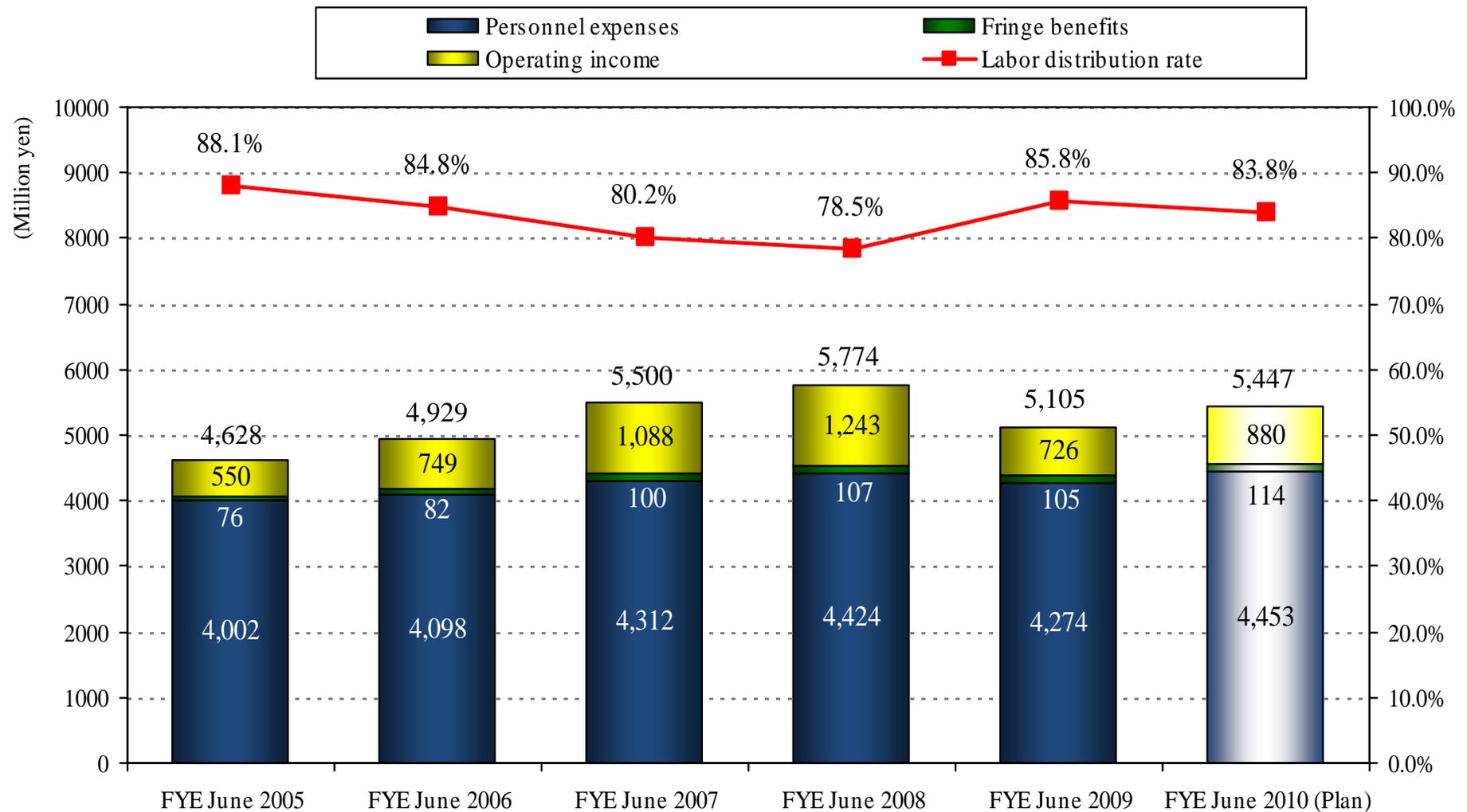


Changes in net sales



Changes in the rate of GIV earnings brought forward

Management Policies for Increasing Added Value

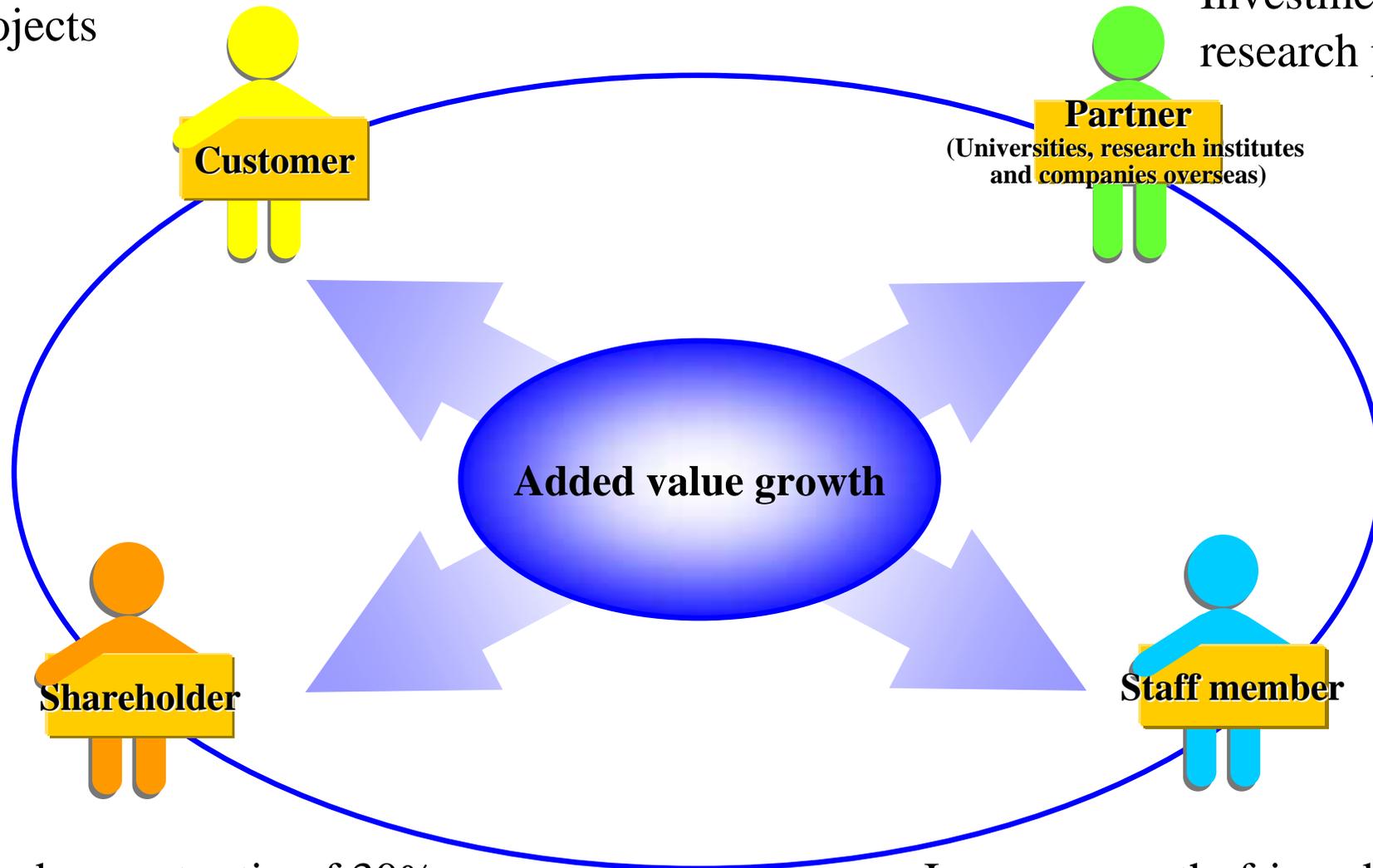


Added value (simplified) = operating income + personnel expenses (excluding compensation for directors) + fringe benefits

Adequate Distribution of Added Value to Each Stakeholder

Introduction of new technologies promotion
of joint projects

Investment and joint
research promotion



Dividend payout ratio of 30%
Long-term results expansion and
improvement in the financial position

Income growth, fringe benefits,
educational investment and
diversified ways of working

Factors Necessary for Added Value Growth



Increase in per-capita added value



Scale expansion through staff increase



Added value growth attributable to new business and investments

Initiatives to Achieve Plans for FYE June 2010 (1)

■ Strengthening sales force to increase orders

- Pushing ahead with systematic sales activities and promoting synergies after introducing the HQ sales division
- Expanding the workforce in the sales divisions to bolster sales capabilities
- Creating new sales divisions to develop new themes and domains (Engineering Business Development Dept. and Sales Support Div.)
- Transferring the Products Service Divisions from business unit to sales, to share its unique customer information with all sales and to promote cross-selling
- Leveraging package software sales to roll out consulting services and system development.
- Providing sales representatives with the necessary training
 - Enhancing their negotiating skills so that they can offer solutions that can persuade both customers and KKE
 - Bolstering their ability to make proposals to solve customer problems

Initiatives to Achieve Plans for FYE June 2010 (2)

- Establishing the new Advanced Technology Center to achieve high quality and productivity in software development
 - Actively pursuing sophisticated manufacturing based on software engineering
 - Achieving even greater sophistication by sharing development technologies
 - Stepping up use of internal resources by consolidating personnel for software development

4. Future Management Policies

KKE's Vision

■ Management philosophy

KKE is a Knowledge Technology Company
that acts as a bridge between academic and business worlds

- A one-of-a-kind technology-oriented firm
- Provision of a forum for fair challenges and opportunities
- Respect for corporate grades

■ Management policies

Good to Great

Sustainable growth for becoming a better company

Organizational management for sustainable (proper and steady) growth

Professional Engineering Solution Firm (PESF)

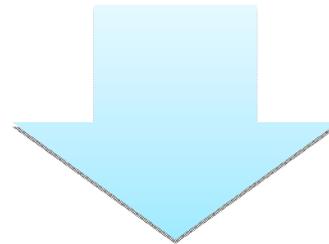
Professional Engineering Solution Firm (PESF)

Company that brings high added values

by providing customers with solutions for real problems
based on engineering techniques that blend academic
knowledge with heuristic knowledge

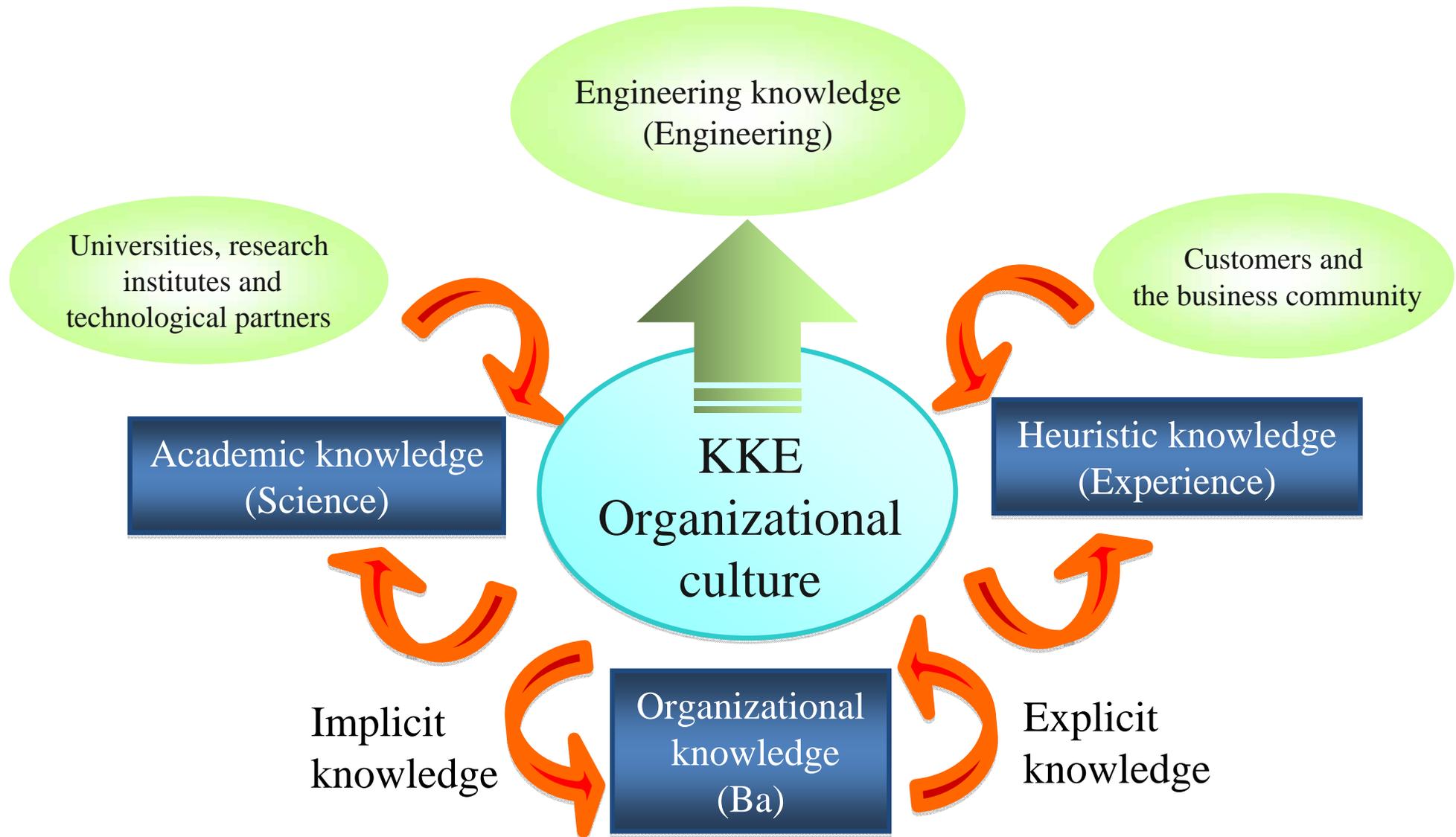
PESF's Organizational Characteristics

Professional	Improving oneself,
Engineering	Marrying academic knowledge to heuristic knowledge,
Solution	Providing knowledge while communicating with the other party,
Firm	A “place” where such people gather.



**Organizational management for
sustainable growth**

KKE's Characteristics: Knowledge Circulation



The Five ‘I’s



Areas of Sustained Focus

- (1) Proposal-based sales system to add more value**
- (2) Technologies and experiences honed through practice**
- (3) Openness of technologies**
- (4) Persistent pursuit of high quality**
- (5) Free and vigorous corporate culture**
- (6) Investment activities for sustained growth**

(1) Proposal-Based Sales System to Add More Value

- Making high value-added proposals by blending technologies
- Creating new values from a broad array of human resources, technologies, and themes
- Expanding the customer base by bolstering sales capabilities
- Enhancing activities to new domains and themes
- Building long-term relations of trust with quality customers
- Proposing solutions after identifying customers' problems

(2) Technologies and Experiences Honed Through Practice

- “Academic knowledge” + “heuristic knowledge” = “organizational knowledge”
- Synergies from vertical technologies (customers) and horizontal technologies (KKE)
- Accumulated experiences enables KKE to make proposals tailored to customer conditions (in terms of budget and technology)
- Expanding scenes (opportunities) and aspects (domains) by capturing all social needs without adhering to specific fields

(3) Openness of Technologies

- Blue-chip customers who facilitate wide, interdisciplinary use, instead of keeping technologies to themselves
- Sharing deliverables (intellectual property rights) from joint studies with universities
- Participations in academic societies at home and abroad
- Introducing technologies from overseas partners and offering added value tailored to the Japanese market
- Holding various events and seminars (e.g.: private event, the KKE Vision)
- Writing, publication, and translation of books
- In-house disclosure of project outcomes

(Reference) Articles at Academic Meetings and Books That Introduce KKE Projects

For the Pioneering Ultra Long-Term Housing Model Project - Asagaya Project



Books that introduce the Project

■ *Anatanimo Mieruka (visualization)?*

Gojikanme Daijoubu kougaku (The fifth class: Engineering of no-problem)

■ *The Nikkei*

September 11, 2007

July 4, 2009

July 14, 2009

■ *Nikkei Architecture*

October 8, 2007 Edition

August 10, 2009 Edition

■ *Weekly Diamond*

~Amazing technologies that protect life, assets, health and family~

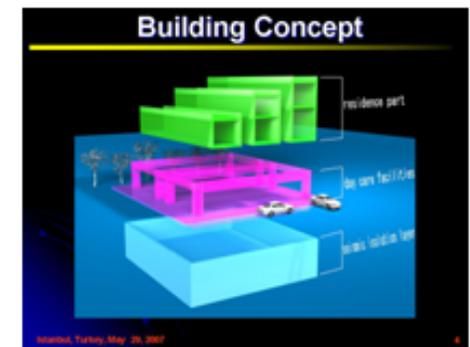
October 2007 Edition

■ *“Building Letter” The Building Center of Japan*

August 2009 Edition (introduction planned)

■ *JSSI Bulletin “MENSHIN”*

August 2009 Edition (introduction planned)



Articles at academic meetings

■ *ASSISi*

Istanbul in May 2007

■ *WCEE (14th World Conference on Earthquake Engineering)*

Beijing in October 2008

■ *Architectural Institute of Japan*

Hiroshima University in September 2008

Tohoku Gakuin University in August 2009 (planned)

■ *APVC (Asia-Pacific Vibration Conference)*

New Zealand in November 2009 (planned)

(Reference) Alliances with Overseas Partners

■ 16 overseas partners in six countries => Further expansion



(4) Persistent Pursuit of High Quality

■ Organizational initiatives on quality assurance

- Position company-wide quality control as part of the internal control system, and have the control function as KKE's original internal check system.
- Periodic examination and tracking of the project list
- Quality control of software implemented by the Advanced Technology Center
E.g.) Software; self-management based on the shipment standard (potential fault density per function size of less than 0.01 cases)
- Management of project plans and training of engineers by the Software Engineering Center

(5) Free and Vigorous Corporate Culture

- Operating business that satisfy both customers and project representatives
- Maintaining good relations with customers over the long term
- Emphasizing job satisfaction for employees
- Operating technologies that are in step with social ethics
- Autonomous time use
 - Culture that encourages employees to devote 20% of their working hours to additional activities
 - Promotion of three long, consecutive holidays a year
- Ways of working unrestricted by age, nationality and gender

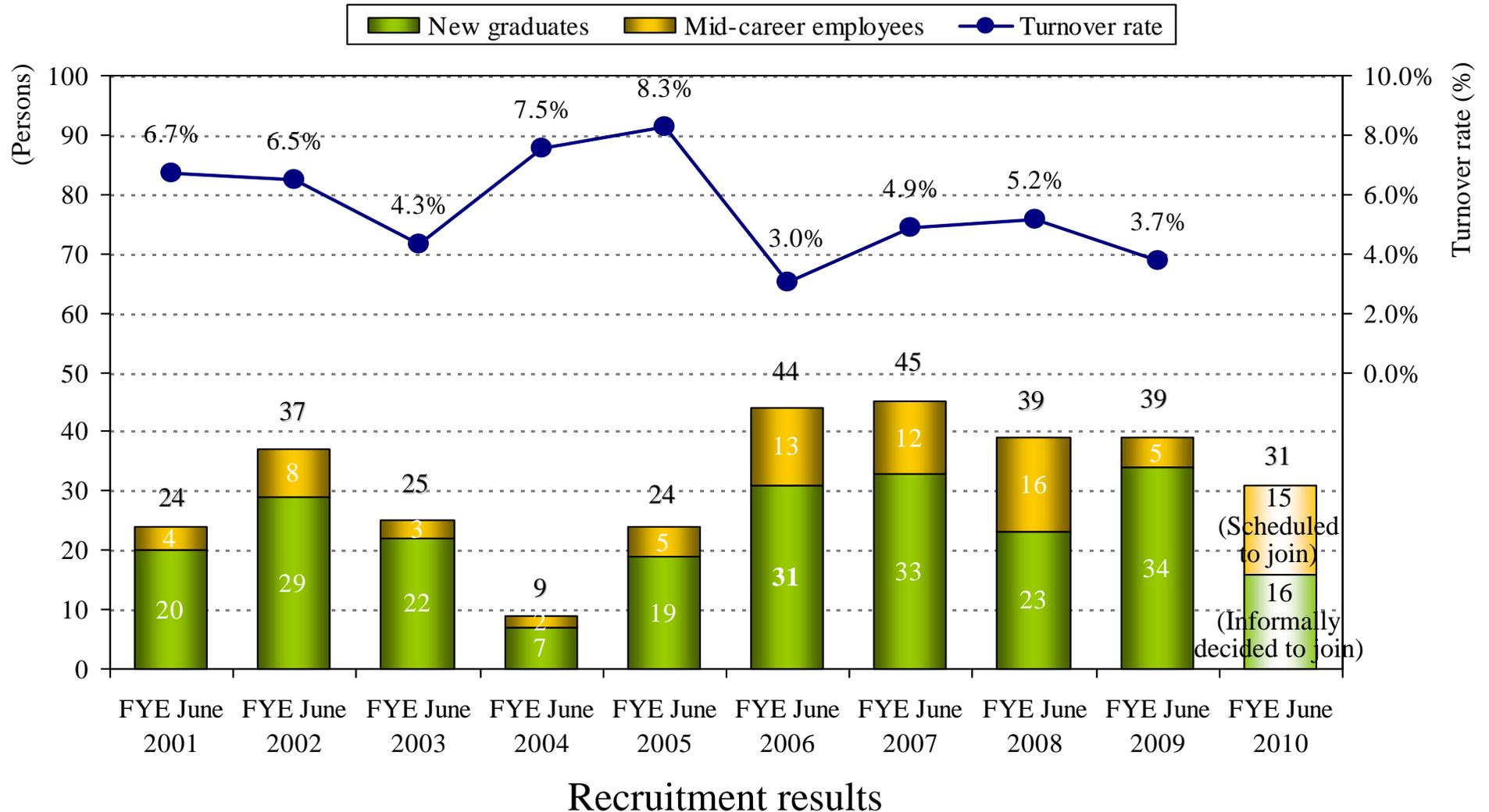
(6) Investment Activities for Sustained Growth

1. Investment in human resources
2. Investment in sales
3. Investment in businesses
4. Investment in technical development



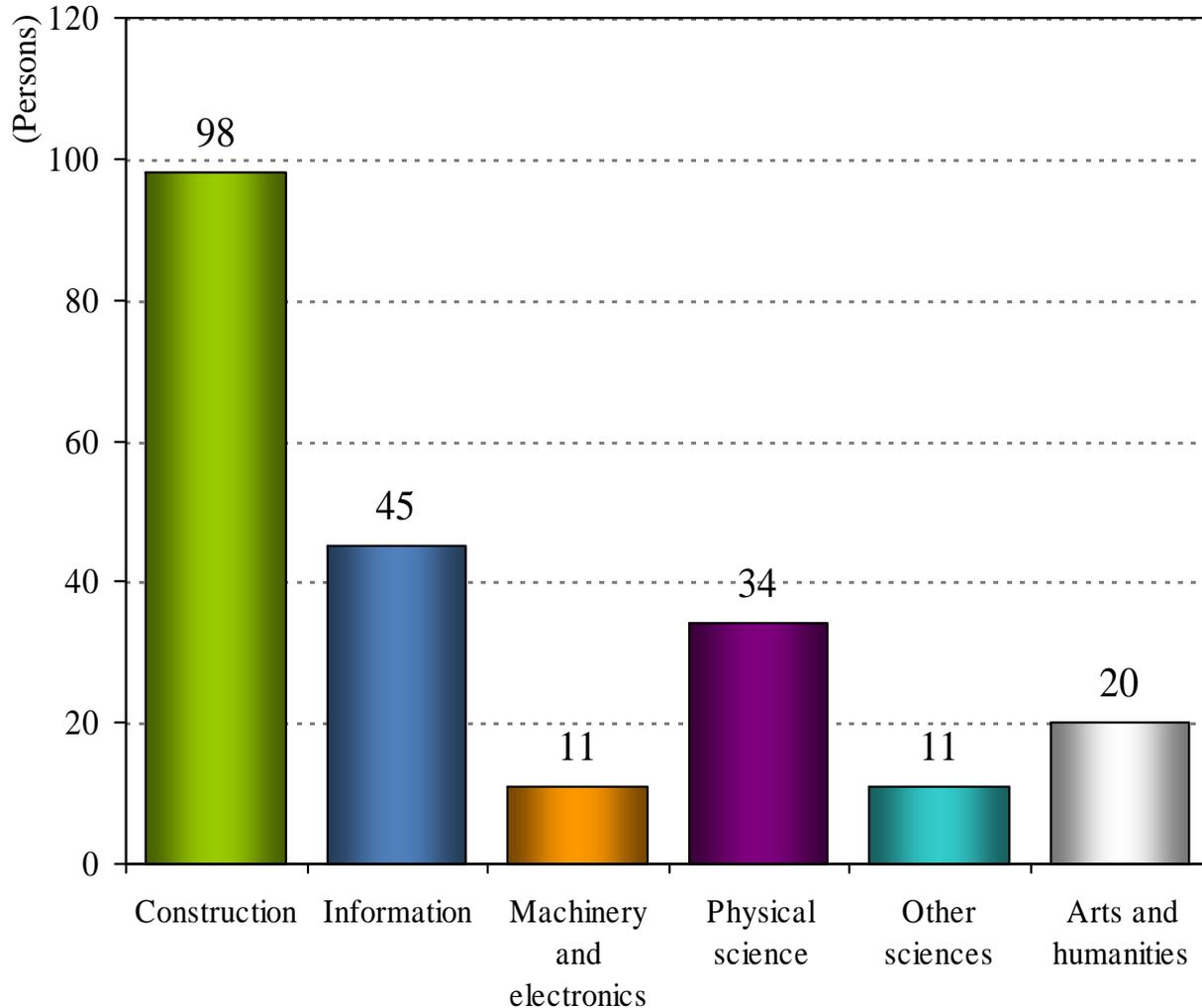
1-1) Investment in Human Resources

- Emphasizing the fit with corporate culture while maintaining a commitment to diversity
- Achieving a good balance between discovering talent and enabling personal development, while maintaining a low attrition rate (3.7% in the previous fiscal year)



1-2) Diversity of New Graduates

The majors of 219 new school graduates employed
(from FYE June 2001 to FYE June 2009)



◇ Attributes of employed persons (219 in total)

- Doctor's degree holders: 14 (6.4%),
Master's degree holders: 146 (66.7%),
Bachelor's degree holders: 59 (26.9%)

- Science majors: 201 (91.8%),
Humanities majors: 18 (8.2%)

- Males: 143 (65.3%),
Females: 76 (34.7%)

◇ Changes in the job offer acceptance ratio

- 40% (FYE June 2005)
47% (FYE June 2006)
62% (FYE June 2007)
62% (FYE June 2008)
62% (FYE June 2009)

2) Investment in Sales

2-1) Engineering Business Development Dept.

- Developing new customers and new businesses in engineering

2-2) Sales Support Div.

- Promoting sales activities for public offices

2-3) Chubu Sales Office

- Stepping up sales activities in the central Japan area

2-4) Overseas Marketing & Corporate Development Dept. (including the Shanghai representative office)

- Creating new high value added businesses through planning and proposal-based sales
- Expanding business opportunities by strengthening alliances with overseas business partners

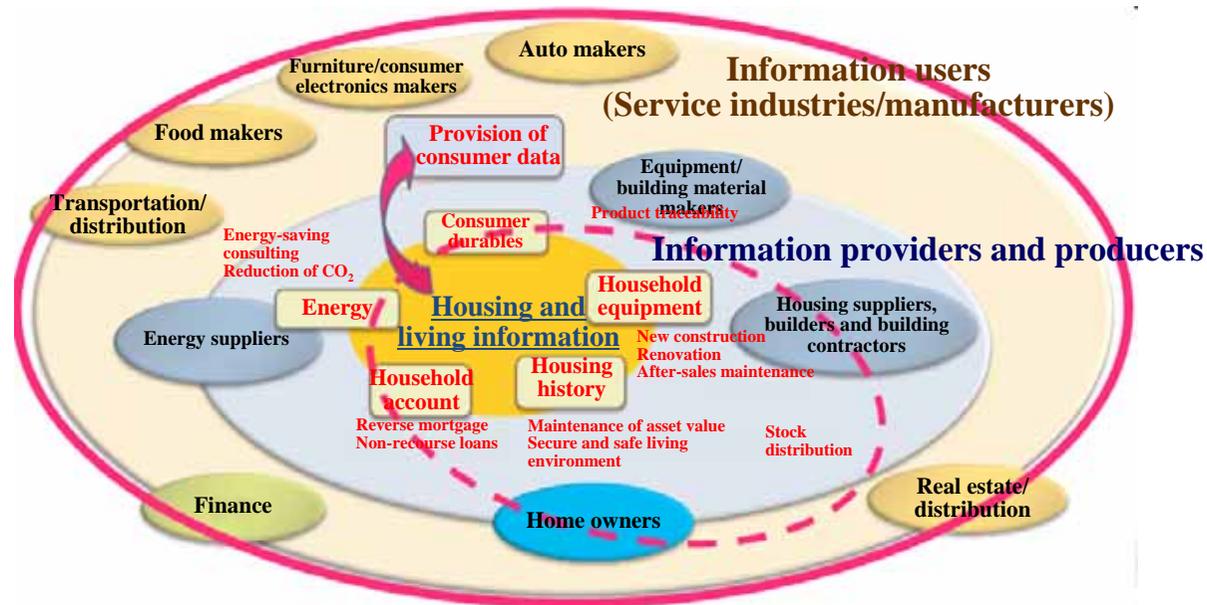
2-5) Business Planning Dept.

- Horizontally linking technology divisions that are divided by basic technology with sales divisions that are divided by customer industry to provide compound solutions that meet customer needs

3) Investment in Business

■ 3-1) Sustainable Solutions Div.

- Providing solutions that contribute to the handling of environmental issues, security, and safety to create a sustainable society



The SMILE ASP service, a housing history management system, was launched (February 23, 2009) as a solution to help deal with environmental issues, as well as security and safety, by conveying housing and living information from providers to users (<http://smileportal.jp/>)

■ 3-2) Management & Human Resource Consulting Div.

- Solve corporate management and personnel affairs issues by employing a range of engineering approaches.

4. Investment in Technical Development

- 4-1) Joint research with and study at universities and research institutes in Japan
 - Participation in the 21st Century COE Program*
 - Exchange of human resources with NiCT, ATR and IPA
- 4-2) Joint development with customers
 - Participation in research, development and prototyping of the government, public organizations and private laboratories, etc.
- 4-3) Investments in overseas partners
 - Vitracom in Germany: visualization technology
 - Rocky Mountain Ventures in the United States: marketing and sales of Vitracom products
 - ARGUS in the United States: product sales
- 4-4) Staff dispatchment to universities and research institutes overseas for training
 - MIT Media Laboratory (USA), Universität Karlsruhe (Germany)

*21st Century COE Program (Center of Excellence)
A MEXT support program to create world-standard
research and education facilities

(Reference) Joint Studies with Universities

(Extract)

■ Telecommunications and IT

Tokyo Institute of Technology	Radio propagation
Sophia University	Wireless network simulation
Tokyo Institute of Technology	Photoenvironment assessment
Tokyo Institute of Technology	Network at the time of disasters
The University of Electro-Communications	Radio propagation

■ New business development

The University of Tokyo	Scientific creation KK-MAS
The University of Tokyo	Venous distribution
The University of Tokyo	Housing history project
Mie University	Tsunami evacuation simulation
Waseda University	Real estate financial engineering

■ Construction

Ibaraki University	Travel oscillation of bridges
Osaka University	Clarification of seismic response characteristics of high-damping buildings
Kyushu University	Dynamic instability problem of bridges
Kanagawa University	Wind-resistance design methods for wind power facilities
Nagoya University	Concrete destruction analysis
Kumamoto University	Preparation of 3D structural models
Tokyo Institute of Technology	Earthquake disaster prevention project
Yamaguchi University	Sustainability of bridges
The University of Tokyo	Wind pressure projection
The University of Tokyo	3D analysis of long-period ground motion
The University of Tokyo	Tsunami analysis simulation

5. Introducing KKE Businesses

Offering Businesses to the Service Industry

■ Solutions for measuring and analyzing human movement using imaging sensors

“How are customers moving in a store?”

“Where do they stop and which shelves do they reach for?”

“Do our staff provide services to customers appropriately?”

“Is work being done efficiently in the back of the store?”



“We want to visualize these types of information.” KKE has the answer.

It is possible to develop an enormous volume of useful information if human movements and flows can be visualized. However, it is impossible to discover real problems simply by measuring and hoarding information blindly.

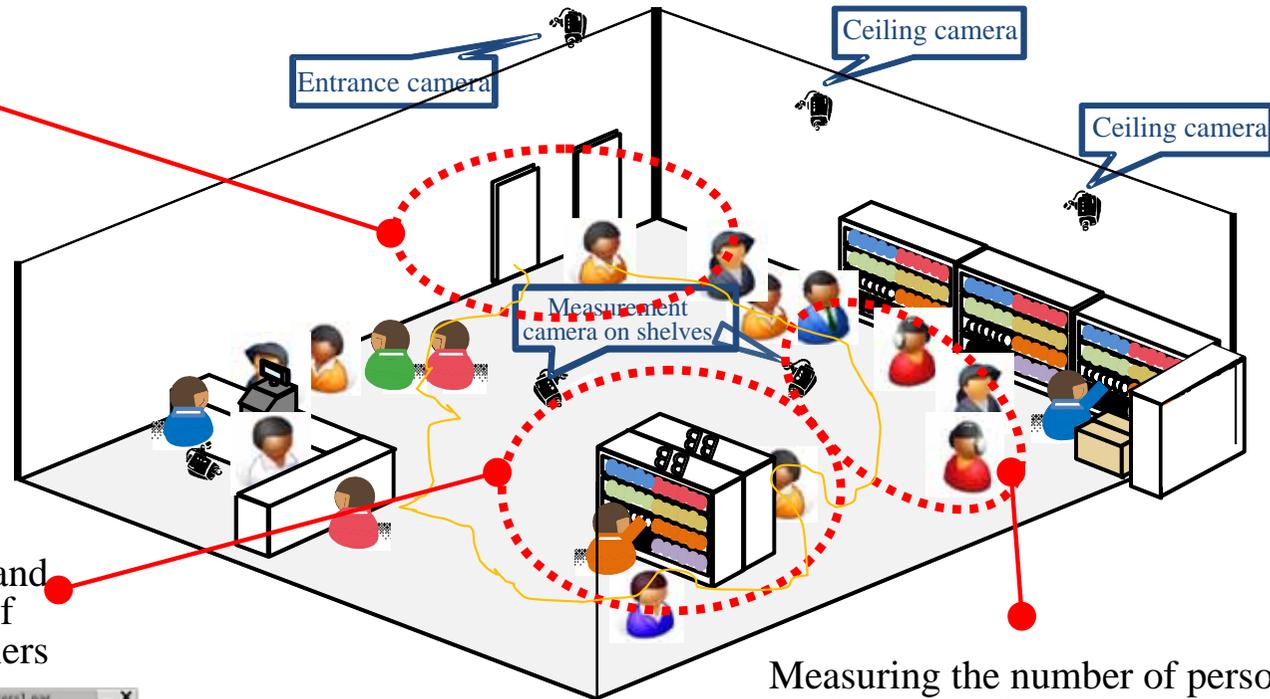
The point is what to visualize.



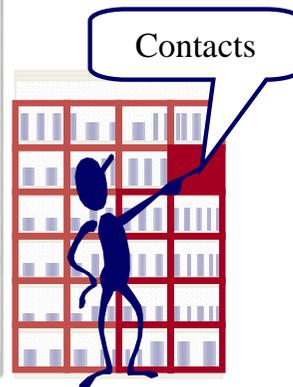
Techniques for Visualizing Human Movements: Measurement Image

➡ Measuring the behavior of customers and store staff from the point when customers enter a store to the point when they exit

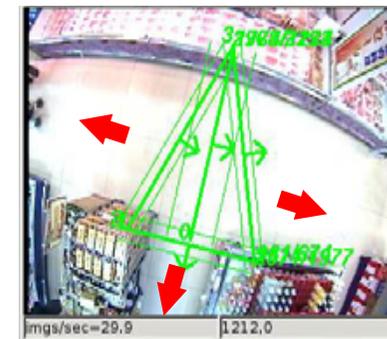
Measuring the number of persons who entered the store



Measuring the number, time, and contacts with the products of persons stationed at sales corners



Measuring the number of persons who proceed to sales corners



Techniques for Visualizing Human Movements: Objectives of Measuring Flow Lines

Imaging source



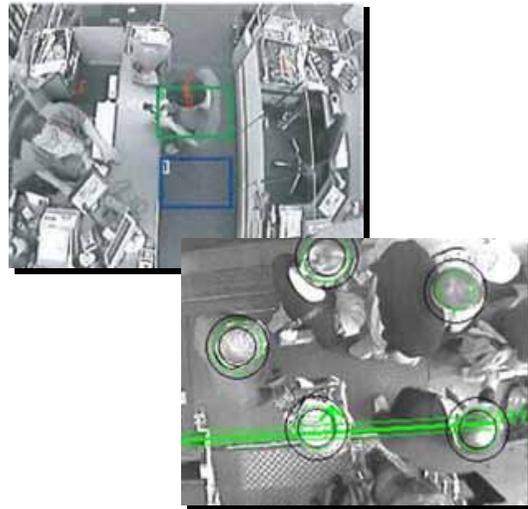
Camera



Recorded image

Visualization of flow lines

Image processing technology



- Counting the number of persons
- Identifying flow lines
- Measuring the duration time
- Detecting incursion

Improvement of problems

■ Improvement of existing stores

- Improving the interior of individual stores
 - Developing advertisement strategies by discovering the routes customers take inside the store
 - Assessing the effect of campaign and DM
 - Appropriate deployment and shift plans for sales staff
- Improvement by comparing multiple stores
 - Improvement the level of store management
 - Planning initiatives tailored to regional and market characteristics

■ Accumulation of basic data for new store development

- Store development reflecting strategic merchandise display and layout plans

Initiation of Asagaya Project: The world's first 3D seismic isolated house

■ Purpose and background of the project

KKE launched the project in October 2005, to make effective use of a company-owned property in Asagaya, Tokyo as a site for experimenting in the advanced business ideas and technologies of KKE and for creating future business.

■ Building characteristics

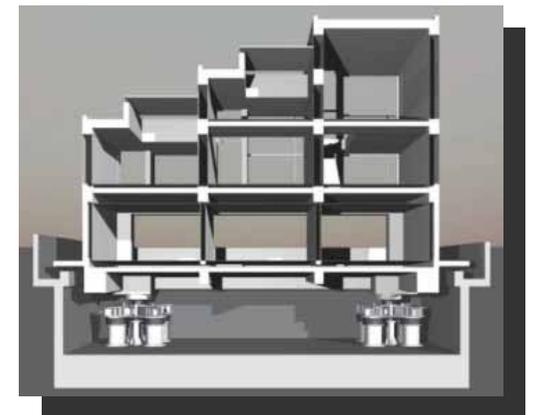
- Equipped with the world's first 3D seismic isolation system
- Designed for the Pioneering Ultra Long-term Housing Model Project, under a scheme set up by the Ministry of Land, Infrastructure and Transport
(One of 40 projects selected from 603 applications)
- Participating in the SMILE Project as a model housing history system

□ Other

To be introduced in the KKE VISION 2009 held on October 27 (Tue.)



Exterior perspective



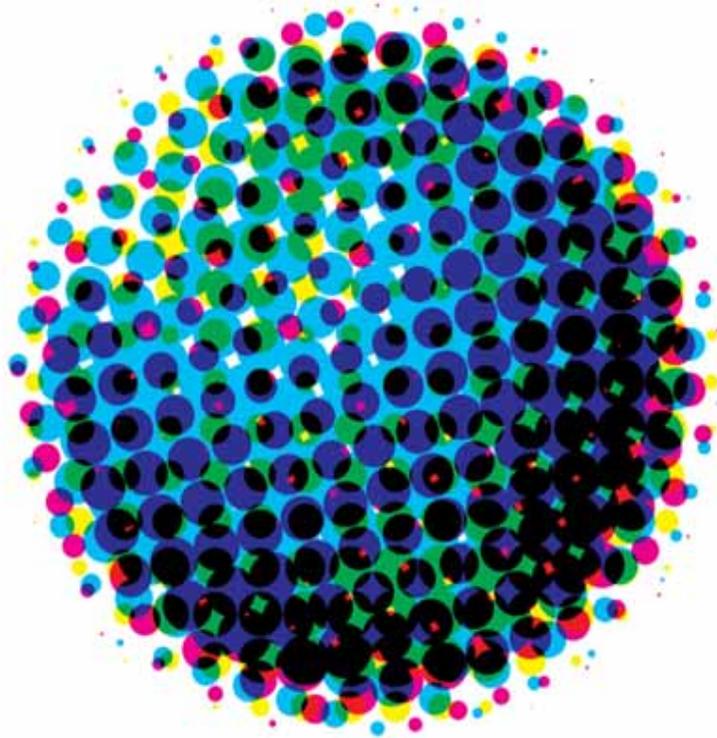
Cross-section perspective



3D seismic isolation system

KKE VISION 2009

Society,
The Earth,
Hope,
Engineering.



KKE VISION 2009
2009.10.27 www.go-event.info/kv2009/

■ General information

- Date: Begins at 9a.m. on October 27, 2009 (Tuesday)
- Venue: ANA InterContinental Tokyo

■ Number of visitors last year: Approximately 1,400

■ Keynote speech

Katsuhiro Nishinari, Professor at the University of Tokyo:

“An Advocate of Jammology”

Yukio Ohsawa, professor at the University of Tokyo:

“An Advocate of Chance Discovery”

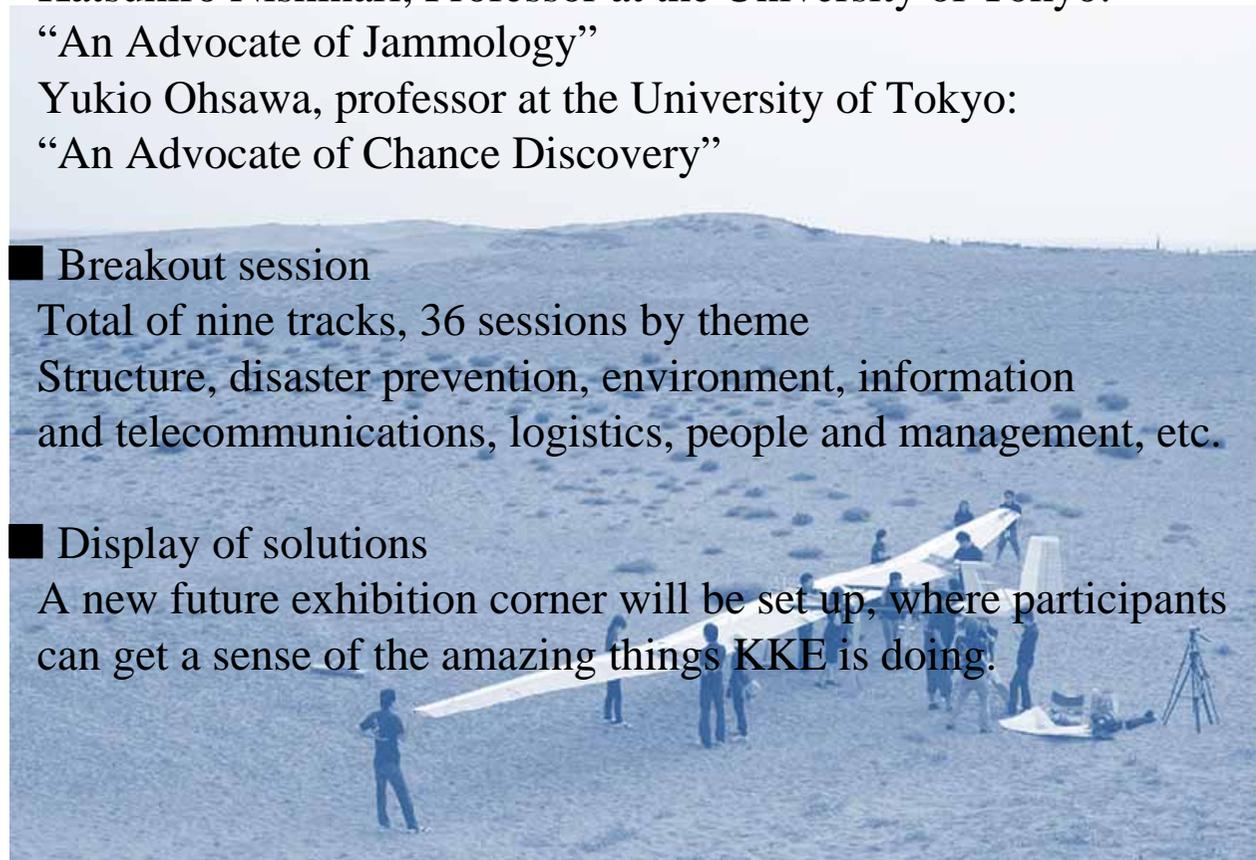
■ Breakout session

Total of nine tracks, 36 sessions by theme

Structure, disaster prevention, environment, information and telecommunications, logistics, people and management, etc.

■ Display of solutions

A new future exhibition corner will be set up, where participants can get a sense of the amazing things KKE is doing.



News Releases at a Glance (Second Half)

■ January 19, 2009

The 9th MAS Competition, a complex system research competition, held. The winner receives a grant of ¥300,000, while the winner of the award for excellence receives ¥100,000, to go towards R&D expenses.

■ February 10, 2009

Optimization solutions business launched, offering substantial reductions in the construction period and costs, along with high quality. LINDO Software, an optimization solver that uses the outcomes of model development studies, begins full operation.

■ February 23, 2009

The SMILE ASP service, a housing history management system, commences. The first user is Yamane Mokuzai Co. Ltd. (Hiroshima). The service manages information on home owners and housing history, enabling a longer house life.

■ March 2, 2009

The highest award goes to “Construction of Flood and Evacuation Simulation with Communications Specialization.” Report from the 9th MAS Competition.

■ March 13, 2009

Sales of XFtdtd 7, a 3D electromagnetic field analysis software from Remcom, commence. Campaign offering a 30% discount held, along with a free seminar on the basics of antenna design using the electromagnetic field simulation, with special benefits.

■ April 22, 2009

OptStock/LOG, an inventory management support software that can reduce inventories by more than 30%, developed. Logic invented by Professor Matsui at the University of Electro-Communications and Professor Fujikawa at Tokyo University of Science finds application, and a field test commences with ITMS.

■ May 11, 2009

Identified the fault that was the source of the Sichuan Great Earthquake in a surface fault survey and crustal movement analysis, done jointly with the National Research Institute for Earth Science and Disaster Prevention

■ May 20, 2009

Sales of a quality/risk life cycle management solution of DYADEM commence. Enables preventive risk assessment by significantly reducing and standardizing job analysis time and by sharing and visualizing risk information.

■ May 25, 2009

ADAP, a system for preparing production plans for the food manufacturing industry, launched in late June. Reduces production lead time and inventories and visualizes production sites.

■ June 1, 2009

Sales of OptStock/LOG, an inventory management software that can reduce inventories substantially and cut the out-of-stock rate to zero, commence
An on-demand inventory management system that does not rely on demand forecasts finally completed, as the OptStock Suite

Thank you very much for taking the time
to attend today's briefing.

We look forward to your continued
support and guidance.

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