January 11, 2008

Financial Summaries for the First Nine Months of the Fiscal Year Ending February 29, 2008

Company name: HARAKOSAN CO., LTD.
Stock code: 8894
Representative: Masaaki Hara, President & CEO
Contact: Yuji Hamasaki, Managing Director

Stock Exchange listing: OSE, 2nd Section
URL: http://www.harakosan.co.jp
Telephone: +81-(832)-29-8894

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Nine Months Ended November 30, 2007 (Mar. 1, 2007 – Nov. 30, 2007)

(1) Consolidated results of operations (Percentages represent year-on-year percentage change)

	Revenue from operations		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended Nov. 30, 2007	24,346	30.9	4	(99.2)	(763)	-	(198)	-
Nine months ended Nov. 30, 2006	18,605	44.8	583	(5.2)	351	(32.4)	204	(41.4)
Fiscal year ended Feb. 28, 2007	52,841	-	3,433	-	3,065	-	1,959	-

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Nov. 30, 2007	(1,548.88)	-
Nine months ended Nov. 30, 2006	1,617.42	-
Fiscal year ended Feb. 28, 2007	15,463.58	15,413.03

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Nov. 30, 2007	66,092	14,157	21.0	108,151.68
As of Nov. 30, 2006	50,229	12,994	25.6	100,261.42
As of Feb. 28, 2007	69,745	14,768	20.9	113,830.25

2. Dividends

	Dividend per share
(Record date)	3Q
	Yen
Nine months ended Nov. 30, 2006	-
Nine months ended Nov. 30, 2007	-

3. Consolidated Forecast for the Fiscal Year Ending February 29, 2008 (Mar. 1, 2007 – Feb. 29, 2008)

(Percentages represent year-on-year percentage change)

	Revenue from operations		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	66,000	24.9	4,000	16.5	3,800	24.0	2,650	35.3	17,671.97

4. Others

(1) Changes in major subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None

(2) Adoption of the simplified method for accounting procedures: Yes

(3) Changes in accounting procedures from the most recent fiscal year: Yes

Note: Please refer to "Qualitative Information and Financial Statements, 4. Others" on page 3 for further information.

Reference: Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Nine Months Ended November 30, 2007 (Mar. 1, 2007 – Nov. 30, 2007)

(1) Non-consolidated results of operations (Percentages represent year-on-year percentage change)

	Revenue from operations		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended Nov. 30, 2007	18,064	12.7	213	(72.9)	996	78.6	444	20.4
Nine months ended Nov. 30, 2006	16,024	27.3	788	15.3	557	(11.2)	369	(17.4)
Fiscal year ended Feb. 28, 2007	48,694	-	3,561	-	3,222	-	1,948	-

	Net income per share
	Yen
Nine months ended Nov. 30, 2007	3,464.44
Nine months ended Nov. 30, 2006	2,925.49
Fiscal year ended Feb. 28, 2007	15,382.80

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Nov. 30, 2007	55,679	14,785	26.4	114,709.30
As of Nov. 30, 2006	44,268	13,184	29.6	102,273.24
As of Feb. 28, 2007	46,585	14,770	31.6	114,842.10

2. Non-consolidated Forecast for the Fiscal Year Ending February 29, 2008 (Mar. 1, 2007 – Feb. 29, 2008)

(Percentages represent year-on-year percentage change)

	Revenue from operations		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	52,000	6.8	4,000	12.3	3,400	5.5	2,000	2.6	13,337.33

* Explanation and other remarks for the appropriate usage of forecasts

The estimated values above have been prepared based on information available as of the announcement date of the summary. Actual results of operations may differ from the estimated values depending on various factors. Estimated net income per share is calculated assuming that all corporate bonds with stock acquisition rights issued on February 22, 2007 have been exercised.

Qualitative Information and Financial Statements

1. Qualitative Information Regarding Results of Operations

During the first three quarters of the fiscal year that ended on November 30, 2007, Japan's economy expanded slowly due to higher capital expenditures as corporate earnings remained strong and to solid consumer spending as a whole. However, we are concerned that the economic growth rate will decline because of slowing growth of consumer spending, inflation caused by the high cost of crude oil and the impact of turmoil in financial markets sparked by the U.S. subprime mortgage crisis.

In addition, the outlook for the real estate industry is uncertain. The enactment of the Revised Building Standard Law is causing delays and confusion for applications for building permits, resulting in a big drop in new housing starts.

In this environment, we continued to base operations on its commitment to putting the customer first. In addition, we conducted aggressive business activities with particular emphasis on supplying value-added condominiums that match customers' needs.

Due to these activities, consolidated revenue from operations increased 30.9% year-on-year to 24,346 million yen, there was an ordinary loss of 763 million yen compared with ordinary income of 351 million yen one year earlier, and there was a net loss of 198 million yen compared with net income of 204 million yen one year earlier.

Earnings were impacted by higher selling, general and administrative expenses, the result of higher personnel and sales promotion expenses associated with growth in the scale of operations, higher interest expenses as debt increased, and by impairment losses.

2. Qualitative Information Regarding Consolidated Financial Position

Total assets amounted to 66,092 million yen at the end of the third quarter, 3,652 million yen less than at the end of the previous fiscal year. This was mainly due to the increase in inventories, and the decrease in investments and other assets.

Liabilities decreased 3,042 million yen to 51,934 million yen. This was mainly due to the decrease in long-term debt.

Net assets decreased 610 million yen to 14,157 million yen mainly because of the decline in retained earnings.

3. Qualitative Information Regarding Consolidated Forecast

There is no change to the fiscal 2008 forecast that was announced on October 19, 2007 when the interim fiscal 2008 earnings were released.

4. Others

(1) Changes in major subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation)

Not applicable.

(2) Adoption of the simplified method for accounting procedures

We have partially adopted simplified methods for booking reserves.

(3) Changes in accounting procedures from the most recent fiscal year

Property, plant and equipment acquired on and after April 1, 2007 is depreciated according to the depreciation method stipulated in the revised standard, in line with revisions to the Corporation Tax Law including Law No. 6 to Partially Revise the Income Tax and Other Laws (March 30, 2007) and Government Ordinance No. 83 to Partially Revise Corporation Tax Law Ordinances (March 30, 2007).

The effect of these changes on profit/loss is insignificant.

5. Summary Consolidated Financial Statements

(1) Summary Consolidated Balance Sheets

(Thousands of yen, %)

Item	3Q FY2/07 (As of Nov. 30, 2006)		3Q FY2/08 (As of Nov. 30, 2007)		Change		FY2/07 (As of Feb. 28, 2007)	
	Amount	%	Amount	%	Amount	%	Amount	%
Assets								
I Current assets								
1. Cash and deposits	2,423,228		5,968,252		3,545,024		13,499,635	
2. Notes and accounts receivable-trade	578,102		1,368,959		790,857		6,775,741	
3. Inventories	30,414,430		42,487,524		12,073,094		18,766,304	
4. Other	1,092,267		2,094,915		1,002,648		698,843	
5. Allowance for doubtful accounts	(1,580)		(3,615)		(2,035)		(8,582)	
Total current assets	34,506,448	68.7	51,916,037	78.6	17,409,588	50.5	39,731,942	57.0
II Fixed assets								
1. Property, plant and equipment								
(1) Buildings	3,141,787		3,335,668		193,881		3,437,779	
(2) Land	2,326,064		2,611,604		285,539		2,626,504	
(3) Other	194,550		342,291		147,741		404,808	
Total property, plant and equipment	5,662,402	11.3	6,289,564	9.5	627,162	11.1	6,469,093	9.3
2. Intangible assets								
(1) Consolidated adjustment account	877,067		-		(877,067)		1,887,239	
(2) Goodwill	-		678,977		678,977		-	
(3) Other	678,572		652,812		(25,760)		664,315	
Total intangible assets	1,555,640	3.1	1,331,790	2.0	(223,850)	(14.4)	2,551,554	3.6
3. Investments and other assets								
(1) Investments securities	2,450,154		4,630,603		2,180,448		3,065,575	
(2) Other	6,150,773		1,955,991		(4,194,781)		17,976,928	
(3) Allowance for doubtful accounts	(95,595)		(31,382)		64,212		(49,992)	
Total investments and other assets	8,505,332	16.9	6,555,212	9.9	(1,950,120)	(22.9)	20,992,511	30.1
Total fixed assets	15,723,375	31.3	14,176,566	21.4	(1,546,808)	(9.8)	30,013,159	43.0
Total assets	50,229,824	100.0	66,092,604	100.0	15,862,779	31.6	69,745,102	100.0

(Thousands of yen, %)

Item	3Q FY2/07 (As of Nov. 30, 2006)		3Q FY2/08 (As of Nov. 30, 2007)		Change		FY2/07 (As of Feb. 28, 2007)	
	Amount	%	Amount	%	Amount	%	Amount	%
Liabilities								
I Current liabilities								
1. Notes and accounts payable-trade	388,348		601,822		213,473		3,727,608	
2. Short-term debt	25,607,818		26,179,458		571,639		17,001,861	
3. Corporate bonds due within one year	40,000		-		(40,000)		40,000	
4. Allowance for bonuses to employees	65,314		76,961		11,647		28,708	
5. Other	2,384,848		4,080,089		1,695,240		3,345,564	
Total current liabilities	28,486,330	56.7	30,938,331	46.8	2,452,001	8.6	24,143,743	34.6
II Long-term liabilities								
1. Corporate bonds	650,000		650,000		-		650,000	
2. Bonds with stock acquisition rights	-		6,000,000		6,000,000		6,000,000	
3. Long-term debt	7,051,036		13,105,409		6,054,373		19,222,573	
4. Allowance for retirement benefits for employees	180,937		116,341		(64,596)		135,551	
5. Allowance for retirement benefits for directors and corporate auditors	72,458		85,862		13,404		74,683	
6. Consolidated adjustment account	117,004		-		(117,004)		109,737	
7. Negative goodwill	-		87,937		87,937		-	
8. Other	677,370		950,841		273,470		4,640,613	
Total long-term liabilities	8,748,807	17.4	20,996,392	31.8	12,247,585	140.0	30,833,159	44.2
Total liabilities	37,235,137	74.1	51,934,724	78.6	14,699,586	39.5	54,976,903	78.8
Net assets								
I Shareholders' equity								
1. Common stock	7,659,238	15.2	7,659,238	11.6	-	-	7,659,238	11.0
2. Capital surplus	3,380,616	6.7	3,380,573	5.1	(42)	(0.0)	3,380,616	4.8
3. Retained earnings	1,736,332	3.5	2,779,985	4.2	1,043,652	60.1	3,491,360	5.0
4. Treasury stock	(791)	(0.0)	(2,528)	(0.0)	(1,736)	-	(878)	(0.0)
Total shareholders' equity	12,775,396	25.4	13,817,269	20.9	1,041,873	8.2	14,530,337	20.8
II Valuation and translation adjustments								
1. Net unrealized holding gains on securities	(14,466)	(0.0)	44,663	0.1	59,129	-	34,622	0.0
2. Foreign currency translation adjustment	102,148	0.2	12,845	0.0	(89,303)	(87.4)	38,890	0.1
Total valuation and translation adjustments	87,682	0.2	57,509	0.1	(30,173)	(34.4)	73,513	0.1
III Stock acquisition rights	63,226	0.1	69,258	0.1	6,032	9.5	37,095	0.1
IV Minority interests	68,380	0.2	213,842	0.3	145,462	212.7	127,251	0.2
Total net assets	12,994,686	25.9	14,157,880	21.4	1,163,193	9.0	14,768,199	21.2
Total liabilities and net assets	50,229,824	100.0	66,092,604	100.0	15,862,779	31.6	69,745,102	100.0

(2) Summary Consolidated Statements of Income

(Thousands of yen, %)

Item	3Q FY2/07 (Mar. 1, 2006 – Nov. 30, 2006)		3Q FY2/08 (Mar. 1, 2007 – Nov. 30, 2007)		Change		FY2/07 (Mar. 1, 2006 – Feb. 28, 2007)	
	Amount	%	Amount	%	Amount	%	Amount	%
I Revenue from operations	18,605,862	100.0	24,346,381	100.0	5,740,519	30.9	52,841,903	100.0
II Cost of revenue from operations	15,861,481	85.3	21,282,011	87.4	5,420,530	34.2	45,676,206	86.4
Gross profit	2,744,381	14.7	3,064,369	12.6	319,988	11.7	7,165,696	13.6
III Selling, general and administrative expenses	2,160,655	11.6	3,059,573	12.6	898,917	41.6	3,732,398	7.1
Operating income	583,725	3.1	4,796	0.0	(578,928)	(99.2)	3,433,298	6.5
IV Non-operating income	238,667	1.3	248,638	1.0	9,971	4.2	426,387	0.8
1. Interest income	5,824		22,032		16,208		6,683	
2. Dividend income	83,175		11,233		(71,941)		32,443	
3. Gain on sale of marketable securities	29,469		41,784		12,314		79,440	
4. Amortization of consolidated adjustment account	21,799		-		(21,799)		29,066	
5. Amortization of negative goodwill	-		21,799		21,799		-	
6. Other	98,398		151,787		53,388		278,753	
V Non-operating expenses	471,387	2.5	1,016,510	4.1	545,123	115.6	793,977	1.5
1. Interest expense	362,483		732,070		369,586		633,854	
2. Other	108,903		284,440		175,537		160,123	
Ordinary income (loss)	351,005	1.9	(763,075)	(3.1)	(1,114,081)	-	3,065,707	5.8
VI Extraordinary gains	18,203	0.1	838,896	3.4	820,693	-	305,414	0.6
1. Gain on sale of fixed assets	-		740,202		740,202		-	
2. Other	18,203		98,694		80,490		305,414	
VII Extraordinary losses	22,809	0.1	1,128,135	4.6	1,105,326	-	81,913	0.2
1. Impairment losses	-		1,051,732		1,051,732		-	
2. Other	22,809		76,403		53,593		81,913	
Net income (loss) before income taxes	346,399	1.9	(1,052,315)	(4.3)	(1,398,714)	-	3,289,208	6.2
Income taxes	155,879	0.9	(893,464)	(3.7)	(1,049,344)	-	1,309,996	2.5
Minority interests (loss)	(13,625)	(0.1)	39,859	0.2	53,484	-	20,038	0.0
Net income (loss)	204,144	1.1	(198,710)	(0.8)	(402,854)	-	1,959,172	3.7

** This financial report is solely a translation of "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.*