



CLSA Capital Partners and Kidoh Construction form equity alliance

TOKYO, 03 August 2006 - CLSA Capital Partners has announced today its formation of an equity alliance with leading propulsion work company Kidoh Construction Co. Ltd. through the private placement of shares with CLSA Sunrise One Ltd. ("CLSA Sunrise"), a member of the Sunrise Capital Fund, a fund focused on Japan recovery under the CLSA alternative investment umbrella. The alliance also involves the transfer of 35% of outstanding shares of construction management company Nihon Kensetsu Co., Ltd. to CLSA Sunrise.

In line with this agreement, CLSA Sunrise will also acquire Kidoh Construction's existing shares becoming Kidoh Construction's leading shareholder with a 32.5% stake. Kidoh Construction will also accept the private placement of shares.

Backed by CLSA Group's network, Kidoh Construction plans to expand its Japanese and international businesses in private construction and public work sectors.

Through this deal, CLSA Sunrise will also provide the expertise and leadership of its investment professionals to cultivate Nihon Kensetsu from private through to public stages.

"This investment reflects Japan's new business environment which benefits from the resurgence in domestic and regional demand. We are looking towards a bright future with Kidoh Construction group" says Gary Coull, Chairman and CEO of CLSA Capital Partners.

"We managed to enter the booming private construction market by making Nihon Kensetsu our group company in March this year," said Masakazu Kirino, Kidoh Construction's President and Representative Director. "We actively pursued the Asian market this year by lining up our business activities in

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markets where propulsion projects were anticipated, starting with the establishment of our local subsidiary in Taiwan.”

He continued, “We are delighted that CLSA Group shares our vision for our company’s growth potential and has agreed to invest in us. We believe achieving group sales of 100 billion yen at an early date is possible by leveraging CLSA Group’s financial power and pan-Asia network, swiftly expanding our existing operations as well as developing a strong presence overseas and actively pursuing sound M&A opportunities.”

“The Kidoh Construction group has created a well-balanced business portfolio with public, commercial, construction, and civil engineering businesses by pairing the complementary business models of Kidoh Construction and Nihon Kensetsu,” said Megumi Kiyozuka, a CLSA Capital Partners’ Managing Director. “We are excited about working together with Kidoh Construction group on its business development and believe the company has full growth potential both in local and regional markets.”

About Kidoh Construction group:

Group sales (forecast): 43 billion yen

Kidoh Construction Co., Ltd.:

Business Name	Kidoh Construction Co., Ltd.
Representative	Masakazu Kirino, President and Representative Director
Address	Fukushima 4-6-31 Fukushima-ku, Osaka City Osaka Prefecture
Date of establishment	October, 1946
Operations	<ul style="list-style-type: none"> - Laying water and sewerage conduits, gas pipes, telephone lines, power cables, etc. - Constructing pre-stressed bridges and tanks - Value-added real estate investment

Nihon Kensetsu Co., Ltd.:

Business Name	Nihon Kensetsu Co., Ltd.
Representative	Naoyuki Hino

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Address	Bingocho 1-6-15 Chuo-ku, Osaka City Osaka Prefecture
Date of establishment	May, 1988
Operations	<ul style="list-style-type: none"> - Constructing new buildings, mainly commercial buildings, plants, hospitals, condominiums, etc. - Planning, designing, constructing buildings for renewal

Kidoh Construction is the industry's leader in the field of underground propulsion work in Japan. The company has grown mainly through civil engineering projects for the public sector. In March 2006, the company brought into its group Nihon Kensetsu, which constructs new buildings and renews old buildings, primarily private buildings including commercial buildings, plants, hospitals, and condominiums, and successfully converted itself into a one-stop construction and civil engineering service provider which is well balanced with projects between the public and the commercial sectors as well as in terms of overall construction and civil engineering projects. Consequently, Kidoh Construction has built an organisation capable of responding to demands for construction and civil engineering projects that are expected to increase in number and scale as Japanese economy continues to recover and begins to grow.

About CLSA Capital Partners:

A member of the Crédit Agricole Group, the world's fifth largest bank in terms of assets and Tier One Capital, CLSA Capital Partners is a specialist private equity investment management firm, focused on Asia with a diverse team of professionals with backgrounds spanning industry and banking to law and accounting. CLSA Capital Partners is wholly owned by CLSA and works closely with the other units of CLSA. This relationship provides CLSA Capital Partners with unique access to Asia and its decision makers, hard knowledge of what is really happening and strategic insight into future trends through CLSA Asian offices, research and investment banking teams.

CLSA Capital Partners has operating assets, including private equity funds and value-added real estate funds, worth more than 150 billion yen, and through a 40 billion yen Japan-focused fund invests in medium-sized Japanese companies over an investment period of 3 to 5 years.

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